

The9 LTD  
Form 6-K  
April 18, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of April 2013**

**Commission File Number: 001-34238**

**THE9 LIMITED**

**Building No. 3, 690 Bibo Road**

**Zhangjiang Hi-tech Park, Pudong New Area**

**Shanghai 201203, People's Republic of China**

## Edgar Filing: The9 LTD - Form 6-K

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE9 LIMITED

By: /s/ Jun Zhu  
Name: Jun Zhu  
Title: Chairman and Chief Executive Officer

Date: April 18, 2013

**Exhibit Index**

Exhibit 99.1 Press Release

**The9 Limited Reports Third and Fourth Quarter 2012 Unaudited Financial Results**

**Shanghai, China April 17, 2013.** The9 Limited (NASDAQ: NCTY) ( The9 ), an online game developer and operator, announced its unaudited financial results for the third quarter ended September 30, 2012 and the fourth quarter ended December 31, 2012 today.

**Financial Highlights:**

- Net revenues in the second half of 2012 amounted to RMB51.0 million (US\$8.2 million), representing a decrease of 51% from RMB103.4 million (US\$16.6 million) in the first half of 2012 and a decrease of 7% from RMB55.1 million (US\$8.8 million) in the second half of 2011.
- Net loss attributable to holders of ordinary shares in the second half of 2012 amounted to RMB284.6 million (US\$45.7 million), representing an increase of 24% from RMB229.4 million (US\$36.8 million) in the first half of 2012 and an increase of 30% from RMB219.7 million (US\$35.3 million) in the second half of 2011.

**Management Comments:**

Jun Zhu, Chairman and Chief Executive Officer of The9 said, 2012 was a difficult year for the company as we spent most of our resources on product development. I am pleased to announce that we currently plan to launch our three Massively Multiplayer Online games, or MMO games, including Planetside 2, Firefall and QiJi2 between June and September of 2013. We plan to commence the open beta test of Planetside 2 in China on June 25, 2013. The open beta test of Firefall in the U.S. and Europe is expected to commence on July 9, 2013. We also plan to commence the open beta test of QiJi2 in China on September 28, 2013. Our product development team has devoted significant resources to develop these games and we believe the launches of these three MMO games will help bring The9 into a new era. Coupled with our continued commitment to web games, social games and mobile games, we expect to enjoy positive results in the coming years and cement our status as one of the first-tier online game developers in China in 2013.

**Discussion of The9's Unaudited Third and Fourth Quarter 2012 Results**

**Net Revenues**

Our net revenues in the third quarter of 2012 amounted to RMB32.4 million (US\$5.2 million), representing a decrease of 41% from RMB54.8 million (US\$8.8 million) in the second quarter of 2012 and an increase of 19% from RMB27.2 million (US\$4.4 million) in the third quarter of 2011. The decrease over the previous quarter was primarily due to a decrease in revenue from ShenXianZhuan which recorded a higher level of revenue in the second quarter of 2012. The increase from the third quarter of 2011 was primarily due to an increase in revenue from ShenXianZhuan which was commercially launched in August 2011.

Our net revenues in the fourth quarter of 2012 amounted to RMB18.6 million (US\$3.0 million), representing a decrease of 43% from RMB32.4 million (US\$5.2 million) in the third quarter of 2012 and a decrease of 33% from RMB27.9 million (US\$4.5 million) in the fourth quarter of 2011. Such decreases were primarily due to a decrease in revenues from ShenXianZhuan and other MMO games during the same periods. In August 2012, due to the weaker-than-expected performance of ShenXianZhuan, we restructured our investments in and deconsolidated Hangzhou Fire Rain Network Technology Co., Ltd. ( Fire Rain ), the developer of ShenXianZhuan.

**Gross Profit (Loss)**

Our gross profit in the third quarter of 2012 amounted to RMB14.8 million (US\$2.4 million), representing a decrease of 62% from RMB38.8 million (US\$6.2 million) in the second quarter of 2012 and an increase of 9% from RMB13.6 million (US\$2.2 million) in the third quarter of 2011. The decrease over the second quarter of 2012 was primarily due to a decrease in net revenue from ShenXianZhuan and an increase of amortization costs related to Firefall upon its small-scale launch in September 2012. The increase over the third quarter of 2011 was primarily due to an increase in net revenue from ShenXianZhuan.

Our gross loss in the fourth quarter of 2012 amounted to RMB1.3 million (US\$0.2 million), compared to gross profit of RMB14.8 million (US\$2.4 million) in the third quarter of 2012 and gross profit of RMB13.3 million (US\$2.1 million) in the fourth quarter of 2011, primarily reflecting a decrease in net revenue from ShenXianZhuan and other MMO games and increase of amortization costs related to Firefall.

### **Operating Expenses**

In the third quarter of 2012, our operating expenses were RMB205.0 million (US\$32.9 million), representing a 21% increase from RMB168.8 million (US\$27.1 million) in the second quarter of 2012 and a 45% increase from RMB141.4 million (US\$22.7 million) in the third quarter of 2011. These increases were primarily due to an increase in marketing expenses relating to Firefall and Planetside 2, an increase in product development expenses relating to Firefall and web and mobile games and a loss recorded in the third quarter of 2012 in connection with our restructuring of investments in and termination of certain contractual arrangements with two variable interest entities, namely Fire Rain and Wanyouyl, which primarily engaged in game development and operation activities. As a result of such restructuring, we deconsolidated Fire Rain and Wanyouyl and recorded a loss of RMB18.1 million (US\$2.9 million). In the third quarter of 2012, share-based compensation was RMB11.4 million (US\$1.8 million), compared to RMB8.9 million (US\$1.4 million) in the second quarter of 2012 and RMB10.8 million (US\$1.7 million) in the third quarter of 2011.

In the fourth quarter of 2012, our operating expenses were RMB148.9 million (US\$23.9 million), representing a 27% decrease from RMB205.0 million (US\$32.9 million) in the third quarter of 2012 and a 6% increase from RMB140.2 million (US\$22.5 million) in the fourth quarter of 2011. The decrease over the third quarter of 2012 was primarily due to a decrease in marketing expenses, a decrease in product development expenses relating to mobile game business and the loss recorded in the third quarter of 2012 in connection with our restructuring of investments in and termination of certain contractual arrangements with Fire Rain and Wanyouyl. The increase over the fourth quarter of 2011 was primarily due to an increase in marketing expenses related to Firefall and Planetside 2. In the fourth quarter of 2012, share-based compensation was RMB7.3 million (US\$1.2 million), compared to RMB11.4 million (US\$1.8 million) in the third quarter of 2012 and RMB10.0 million (US\$1.6 million) in the fourth quarter of 2011.

### **Interest Income**

Interest income in the third quarter of 2012 was RMB4.9 million (US\$0.8 million), compared to RMB6.5 million (US\$1.0 million) in the second quarter of 2012 and RMB8.6 million (US\$1.4 million) in the third quarter of 2011. Such decreases were primarily due to a decrease in cash balance.

Interest income in the fourth quarter of 2012 was RMB3.5 million (US\$0.6 million), compared to RMB4.9 million (US\$0.8 million) in the third quarter of 2012 and RMB7.1 million (US\$1.1 million) in the fourth quarter of 2011. Such decreases were also primarily due to a decrease in cash balance.

### **Net Loss attributable to holders of ordinary shares**

In the third quarter of 2012, net loss attributable to holders of ordinary shares was RMB168.7 million (US\$27.1 million), representing a 43% increase from RMB118.0 million (US\$18.9 million) in the second quarter of 2012 and an 80% increase from RMB93.7 million (US\$15.0 million) in the third quarter of 2011. Fully diluted loss per share and per ADS in the third quarter of 2012 was RMB6.88 (US\$1.10), compared to RMB4.82 (US\$0.77) in the second quarter of 2012 and RMB3.74 (US\$0.60) in the third quarter of 2011.

In the fourth quarter of 2012, net loss attributable to holders of ordinary shares was RMB115.9 million (US\$18.6 million), representing a 31% decrease from RMB168.7 million (US\$27.1 million) in the third quarter of 2012 and a 8% increase from RMB126.0 million (US\$20.2 million) in the fourth quarter of 2011. Fully diluted loss per share and per ADS for the fourth quarter of 2012 was RMB4.73 (US\$0.76), compared to RMB6.88 (US\$1.10) in the third quarter of 2012 and RMB5.14 (US\$0.83) in the fourth quarter of 2011.

### **ADS Repurchase Program**

In December 2012, the Company's Board approved a repurchase program to repurchase up to US\$10.0 million of ADSs over the next 12 months. Under this repurchase program, as of April 11, 2013, the Company repurchased approximately 1.6 million ADSs for an aggregate consideration of approximately US\$4.4 million.

### **Currency Convenience Translation**

The translation of Renminbi (RMB) into US dollars (US\$) in this press release are presented solely for the convenience of the readers at the noon buying rate in the City of New York for cable transfers in Renminbi per U.S. dollar as certified for customs purposes by the H.10 weekly statistical release of the Federal Reserve Board as of December 31, 2012, which was RMB6.2301 to US\$1.00. Such translations should not be construed as representations that the RMB amounts represents, or have been or could be converted into, US\$ at that or any other rate. The percentages stated in this press release are calculated based on the RMB amounts.

### **Conference Call / Webcast Information**

The9's management team will host a conference call on Wednesday, April 17, 2013 at 9:00 PM, U.S. Eastern Time, corresponding to Thursday, April 18, 2013 at 9:00 AM, Beijing Time, to present an overview of The9's financial performance and business operations.



Investors, analysts and other interested parties will be able to access the live conference by calling:

US Toll Free: +1-866-519-4004

Mainland China (mobile users): 400-620-8038

Mainland China (fixed line users): 800-819-0121

Hong Kong Toll: +852-2475-0994

Singapore Toll / International Toll: +65-6723-9381

Conference ID # 20122629

A telephone replay of the call will be available from 12:00am ET on April 18, 2013 for 7 days.

The dial-in details for the replay are:

U.S. Toll Free: +1-855-452-5696

U.S. Toll / International Toll: +1-646-254-3697

The9 will also provide a live webcast of the earnings call. Participants in the webcast should log onto the Company's Investor Relations website <http://www.corp.the9.com> 15 minutes prior to the call, then click on the icon for "The9 Limited 3Q & 4Q 2012 Earnings Conference Call" and follow the instructions.

#### **About The9 Limited**

The9 Limited is an online game developer and operator. The9 develops and operates, directly or through its affiliates, its proprietary MMO games including Firefall and QiJi2. The9 also develops and operates web games and social games including ReXueWuShuang and Winning Dunk. The9 has also obtained exclusive licenses to operate other games in mainland China such as Planetside 2. In 2010, The9 established its Mobile Internet Unit to focus on mobile internet business.

### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as will, expects, anticipates, future, intends, plans, believes, estimates and similar statements. Among other things, the business outlook and quotations from management in this press release contain forward-looking statements. The9 may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission on Forms 20-F and 6-K, etc., in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about The9's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, political and economic policies of the Chinese government, the laws and regulations governing the online game industry, information disseminated over the Internet and Internet content providers in China, intensified government regulation of Internet cafes, The9's ability to retain existing players and attract new players, license, develop or acquire additional online games that are appealing to users, anticipate and adapt to changing consumer preferences and respond to competitive market conditions, and other risks and uncertainties outlined in The9's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 20-F. The9 does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

### **For further information, please contact:**

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**Tables follow**

**THE9 LIMITED****UNAUDITED CONSOLIDATED INCOME STATEMENTS INFORMATION**

(Expressed in Renminbi - RMB and US Dollars - US\$, except share data)

|                                                                                                                        | September 30,<br>2011<br>RMB | December 31,<br>2011<br>RMB | June 30,<br>2012<br>RMB | Quarter ended<br>September 30,<br>2012<br>RMB | December 31,<br>2012<br>RMB | September 30,<br>2012<br>US\$ | December 31,<br>2012<br>US\$ |
|------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|-------------------------|-----------------------------------------------|-----------------------------|-------------------------------|------------------------------|
| Revenues:                                                                                                              |                              |                             |                         |                                               |                             |                               |                              |
| Online game services                                                                                                   | 28,056,590                   | 28,209,598                  | 57,422,981              | 32,895,665                                    | 15,480,802                  | 5,280,118                     | 2,484,840                    |
| Other revenues                                                                                                         | 579,521                      | 1,272,164                   | 716,506                 | 1,132,709                                     | 3,813,959                   | 181,812                       | 612,183                      |
|                                                                                                                        | 28,636,111                   | 29,481,762                  | 58,139,487              | 34,028,374                                    | 19,294,761                  | 5,461,930                     | 3,097,023                    |
| Sales Taxes                                                                                                            | (1,484,459)                  | (1,562,788)                 | (3,343,719)             | (1,586,589)                                   | (706,456)                   | (254,665)                     | (113,394)                    |
| Net Revenues                                                                                                           | 27,151,652                   | 27,918,974                  | 54,795,768              | 32,441,785                                    | 18,588,305                  | 5,207,265                     | 2,983,629                    |
| Cost of Services                                                                                                       | (13,524,873)                 | (14,643,160)                | (16,045,323)            | (17,631,179)                                  | (19,921,262)                | (2,829,999)                   | (3,197,583)                  |
| Gross Profit (loss)                                                                                                    | 13,626,779                   | 13,275,814                  | 38,750,445              | 14,810,606                                    | (1,332,957)                 | 2,377,266                     | (213,954)                    |
| Operating Expenses:                                                                                                    |                              |                             |                         |                                               |                             |                               |                              |
| Product development                                                                                                    | (57,132,228)                 | (68,530,135)                | (78,253,825)            | (85,253,568)                                  | (68,702,039)                | (13,684,141)                  | (11,027,440)                 |
| Sales and marketing                                                                                                    | (38,402,213)                 | (26,749,450)                | (44,795,100)            | (52,428,230)                                  | (41,084,956)                | (8,415,311)                   | (6,594,590)                  |
| General and administrative                                                                                             | (45,867,096)                 | (44,933,064)                | (45,156,943)            | (49,204,837)                                  | (39,068,639)                | (7,897,921)                   | (6,270,949)                  |
| Impairment of equipment and intangible assets                                                                          |                              |                             | (569,139)               |                                               |                             |                               |                              |
| Loss on termination of R&D VIE arrangements                                                                            |                              |                             |                         | (18,093,999)                                  |                             | (2,904,287)                   |                              |
| Total operating expenses                                                                                               | (141,401,537)                | (140,212,649)               | (168,775,007)           | (204,980,634)                                 | (148,855,634)               | (32,901,660)                  | (23,892,979)                 |
| Other operating Income                                                                                                 | 25,993,004                   |                             | 30,000                  | 30,000                                        | 30,000                      | 4,815                         | 4,815                        |
| Loss from operations                                                                                                   | (101,781,754)                | (126,936,835)               | (129,994,562)           | (190,140,028)                                 | (150,158,591)               | (30,519,579)                  | (24,102,118)                 |
| Interest income, net                                                                                                   | 8,601,860                    | 7,124,036                   | 6,517,258               | 4,948,853                                     | 3,548,297                   | 794,346                       | 569,541                      |
| Other (expenses) income, net                                                                                           | (5,691,396)                  | (781,216)                   | 1,621,895               | (112,671)                                     | 2,258,930                   | (18,085)                      | 362,583                      |
| Loss before (loss) gain on investment disposal, impairment loss on investments and share of loss in equity investments | (98,871,290)                 | (120,594,015)               | (121,855,409)           | (185,303,846)                                 | (144,351,364)               | (29,743,318)                  | (23,169,994)                 |
| (Loss) gain on investment disposal                                                                                     |                              | (15,686,651)                |                         |                                               | 15,725,792                  |                               | 2,524,164                    |
| Impairment loss on investments                                                                                         |                              |                             |                         | (3,243,744)                                   |                             | (520,657)                     |                              |
| Share of loss in equity investments                                                                                    | (1,531,814)                  | (1,034,009)                 | (2,521,100)             | (1,938,020)                                   | (31,544)                    | (311,074)                     | (5,063)                      |
| Net loss                                                                                                               | (100,403,104)                | (137,314,675)               | (124,376,509)           | (190,485,610)                                 | (128,657,116)               | (30,575,049)                  | (20,650,893)                 |

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|                                                                  |               |               |               |               |               |              |              |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| Less: Net loss attributable to noncontrolling interest           | (6,728,394)   | (11,265,424)  | (6,356,698)   | (21,746,468)  | (12,766,951)  | (3,490,549)  | (2,049,237)  |
| Net loss attributable to holders of ordinary shares              | (93,674,710)  | (126,049,251) | (118,019,811) | (168,739,142) | (115,890,165) | (27,084,500) | (18,601,656) |
| Net loss                                                         | (100,403,104) | (137,314,675) | (124,376,509) | (190,485,610) | (128,657,116) | (30,575,049) | (20,650,893) |
| Other Comprehensive loss:                                        |               |               |               |               |               |              |              |
| Unrealized loss on available-for-sale investments                |               |               |               |               | (56,600)      |              | (9,085)      |
| Currency translation adjustments                                 | (1,500,328)   | (1,044,761)   | (111,701)     | 1,003,992     | (1,830,684)   | 161,152      | (293,849)    |
| Comprehensive loss                                               | (101,903,432) | (138,359,436) | (124,488,210) | (189,481,618) | (130,544,400) | (30,413,897) | (20,953,827) |
| Less: Comprehensive loss attributable to noncontrolling interest | (6,914,435)   | (11,398,383)  | (6,374,414)   | (22,168,887)  | (12,621,017)  | (3,558,352)  | (2,025,817)  |
| Comprehensive loss attributable to holders of ordinary shares    | (94,988,997)  | (126,961,053) | (118,113,796) | (167,312,731) | (117,923,383) | (26,855,545) | (18,928,010) |
| Net loss attributable to holders of ordinary shares per share    |               |               |               |               |               |              |              |
| - Basic and diluted                                              | (3.74)        | (5.14)        | (4.82)        | (6.88)        | (4.73)        | (1.10)       | (0.76)       |
| Weighted average number of shares outstanding                    |               |               |               |               |               |              |              |
| - Basic and diluted                                              | 25,055,096    | 24,518,712    | 24,474,211    | 24,525,126    | 24,518,298    | 24,525,126   | 24,518,298   |

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

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

|                                                                                                                                                                                                                                     | December 31, 2011<br>RMB<br>(unaudited) | September 30, 2012<br>RMB<br>(unaudited) | As at<br>December 31, 2012<br>RMB<br>(unaudited) | September 30, 2012<br>US\$<br>(unaudited) | December 31, 2012<br>US\$<br>(unaudited) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|--------------------------------------------------|-------------------------------------------|------------------------------------------|
| <b>Assets</b>                                                                                                                                                                                                                       |                                         |                                          |                                                  |                                           |                                          |
| Current Assets                                                                                                                                                                                                                      |                                         |                                          |                                                  |                                           |                                          |
| Cash and cash equivalents                                                                                                                                                                                                           | 1,071,725,828                           | 636,257,418                              | 554,278,809                                      | 102,126,354                               | 88,967,883                               |
| Short term investment                                                                                                                                                                                                               |                                         |                                          | 877,350                                          |                                           | 140,824                                  |
| Accounts receivable                                                                                                                                                                                                                 | 10,054,911                              | 14,307,930                               | 15,621,678                                       | 2,296,581                                 | 2,507,452                                |
| Advances to suppliers                                                                                                                                                                                                               | 3,365,755                               | 3,189,596                                | 2,094,525                                        | 511,965                                   | 336,195                                  |
| Prepayments and other current assets                                                                                                                                                                                                | 66,060,141                              | 95,944,706                               | 76,022,204                                       | 15,400,187                                | 12,202,405                               |
| Prepaid royalties                                                                                                                                                                                                                   | 15,556,270                              | 15,816,619                               | 14,820,331                                       | 2,538,742                                 | 2,378,827                                |
| Deferred costs                                                                                                                                                                                                                      | 1,903,099                               | 1,522,345                                | 900,961                                          | 244,353                                   | 144,614                                  |
| Total current assets                                                                                                                                                                                                                | 1,168,666,004                           | 767,038,614                              | 664,615,858                                      | 123,118,182                               | 106,678,200                              |
| Restricted cash                                                                                                                                                                                                                     |                                         | 700,000                                  | 737,959                                          | 112,358                                   | 118,451                                  |
| Investments in equity investees                                                                                                                                                                                                     | 72,051,143                              | 76,049,336                               | 76,017,792                                       | 12,206,760                                | 12,201,696                               |
| Available-for-sale investments                                                                                                                                                                                                      | 6,342,100                               | 6,341,000                                | 6,285,500                                        | 1,017,801                                 | 1,008,892                                |
| Property, equipment and software                                                                                                                                                                                                    | 60,513,021                              | 69,362,649                               | 64,575,315                                       | 11,133,473                                | 10,365,053                               |
| Goodwill                                                                                                                                                                                                                            | 10,035,775                              | 10,099,645                               | 10,011,247                                       | 1,621,105                                 | 1,606,916                                |
| Intangible assets                                                                                                                                                                                                                   | 159,493,400                             | 155,167,300                              | 155,049,811                                      | 24,906,069                                | 24,887,211                               |
| Land use right                                                                                                                                                                                                                      | 76,036,026                              | 74,595,344                               | 74,115,115                                       | 11,973,378                                | 11,896,296                               |
| Other long-term assets                                                                                                                                                                                                              | 75,756,603                              | 64,398,575                               | 60,936,775                                       | 10,336,684                                | 9,781,027                                |
| <b>Total Assets</b>                                                                                                                                                                                                                 | <b>1,628,894,072</b>                    | <b>1,223,752,463</b>                     | <b>1,112,345,372</b>                             | <b>196,425,810</b>                        | <b>178,543,742</b>                       |
| <b>Liabilities and Shareholders</b>                                                                                                                                                                                                 |                                         |                                          |                                                  |                                           |                                          |
| <b>Equity</b>                                                                                                                                                                                                                       |                                         |                                          |                                                  |                                           |                                          |
| Current Liabilities                                                                                                                                                                                                                 |                                         |                                          |                                                  |                                           |                                          |
| Accounts payable                                                                                                                                                                                                                    | 44,149,842                              | 39,167,556                               | 54,947,197                                       | 6,286,826                                 | 8,819,633                                |
| Other taxes payable                                                                                                                                                                                                                 | 5,797,785                               | 4,514,350                                | 4,148,647                                        | 724,603                                   | 665,904                                  |
| Advances from customers                                                                                                                                                                                                             | 27,010,571                              | 19,861,529                               | 17,878,053                                       | 3,187,995                                 | 2,869,625                                |
| Deferred revenue                                                                                                                                                                                                                    | 16,661,791                              | 16,606,760                               | 20,255,327                                       | 2,665,569                                 | 3,251,204                                |
| Refund of game points                                                                                                                                                                                                               | 169,998,682                             | 169,998,682                              | 169,998,682                                      | 27,286,670                                | 27,286,670                               |
| Other payables and accruals                                                                                                                                                                                                         | 47,906,323                              | 35,216,159                               | 50,484,656                                       | 5,652,583                                 | 8,103,346                                |
| Total current liabilities                                                                                                                                                                                                           | 311,524,994                             | 285,365,036                              | 317,712,562                                      | 45,804,246                                | 50,996,382                               |
| Long-term accounts payable                                                                                                                                                                                                          | 60,016,072                              | 60,398,025                               | 39,912,925                                       | 9,694,551                                 | 6,406,466                                |
| Deferred tax liabilities, non-current                                                                                                                                                                                               | 5,521,837                               | 5,556,978                                | 5,508,341                                        | 891,956                                   | 884,150                                  |
| <b>Total Liabilities</b>                                                                                                                                                                                                            | <b>377,062,903</b>                      | <b>351,320,039</b>                       | <b>363,133,828</b>                               | <b>56,390,753</b>                         | <b>58,286,998</b>                        |
| <b>Equity</b>                                                                                                                                                                                                                       |                                         |                                          |                                                  |                                           |                                          |
| Common shares (US\$0.01 par value; 24,456,805 shares issued and outstanding as of December 31, 2011, 24,525,126 shares issued and outstanding as of September 30, 2012, 24,484,634 shares issued and outstanding as of December 31, | 1,996,367                               | 2,000,691                                | 1,997,390                                        | 321,133                                   | 320,603                                  |

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|                                      |                      |                      |                      |                    |                    |
|--------------------------------------|----------------------|----------------------|----------------------|--------------------|--------------------|
| 2012)                                |                      |                      |                      |                    |                    |
| Additional paid-in capital           | 2,110,986,623        | 2,141,140,505        | 2,148,416,134        | 343,676,748        | 344,844,566        |
| Statutory reserves                   | 28,071,982           | 28,071,982           | 28,071,982           | 4,505,864          | 4,505,864          |
| Accumulated other comprehensive loss | (5,968,056)          | (4,677,753)          | (6,710,971)          | (750,831)          | (1,077,185)        |
| Accumulated deficit                  | (872,306,210)        | (1,270,418,125)      | (1,386,308,302)      | (203,916,172)      | (222,517,825)      |
| The9 Limited shareholders equity     | 1,262,780,706        | 896,117,300          | 785,466,233          | 143,836,742        | 126,076,023        |
| Noncontrolling interests             | (10,949,537)         | (23,684,876)         | (36,254,689)         | (3,801,685)        | (5,819,279)        |
| Total equity                         | 1,251,831,169        | 872,432,424          | 749,211,544          | 140,035,057        | 120,256,744        |
| <b>Total liabilities and equity</b>  | <b>1,628,894,072</b> | <b>1,223,752,463</b> | <b>1,112,345,372</b> | <b>196,425,810</b> | <b>178,543,742</b> |