

NetEase.com, Inc.

Consolidated Statements of Operations
(Amounts expressed in RMB)

	Three months ended		
	June 30, 1999	June 30, 2000	March 31, 2000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:			
Advertising services	600,901	12,397,605	6,613,031
Software licensing and related integration projects	1,759,653	117,188	117,188
E-commerce related services	--	1,861,932	370,850
 Total revenues	 2,360,554	 14,376,725	 7,101,069
 Sales and value-added taxes	 (192,863)	 (718,839)	 (635,487)
 Net revenues	 2,167,691	 13,657,886	 6,465,582
 Cost of revenues:			
Advertising and e-commerce related services (including share compensation cost of RMB 0, RMB 0, RMB 1,171,084, RMB 0, and RMB 1,171,084 for the three months ended June 30, 1999 and 2000, March 31, 2000, and for the six months ended June 30, 1999 and 2000, respectively)	(288,411)	(10,217,254)	(5,926,968)
Software licensing and related integration projects	(116,438)	--	--
 Total cost of revenues	 (404,849)	 (10,217,254)	 (5,926,968)
 Gross profit	 1,762,842	 3,440,632	 538,614
 Operating expenses:			
Selling, general and administrative (including share compensation cost of			

RMB 0, RMB 2,138,643, RMB 881,684, RMB 0, and RMB 3,020,327 for the three months ended June 30, 1999 and 2000, March 31, 2000, and for the six months ended June 30, 1999 and 2000, respectively)	(890,180)	(30,886,615)	(22,445,315)
Research and development (including share compensation cost of RMB 0, RMB 906,360, RMB 2,512,166, RMB 0, and RMB 3,418,526 for the three months ended June 30, 1999 and 2000, March 31, 2000, and for the six months ended June 30, 1999 and 2000, respectively)	(12,500)	(3,255,570)	(2,923,322)
Total operating expenses	(902,680)	(34,142,185)	(25,368,637)
Operating profit (loss)	860,162	(30,701,553)	(24,830,023)
Other income (expenses):			
Interest income	3,398	3,564,883	896,496
Other, net	(71,965)	(847)	--
Income (loss) before tax	791,595	(27,137,517)	(23,933,527)
Provision for income tax	(26,623)	--	--
Net income (loss)	764,972	(27,137,517)	(23,933,527)
Pro forma net income (loss) per share, basic and diluted (See Note)	0.01	(0.01)	(0.01)
Pro forma net income (loss) per ADSs, basic and diluted (See Note)	0.04	(1.06)	(1.03)
Pro forma weighted average number of ordinary shares outstanding (See Note)	1,868,817,200	2,560,555,600	2,321,382,800
Pro forma weighted average number of ADSs outstanding (See Note)	18,688,172	25,605,556	23,213,828

	Six months ended	
	June 30, 1999	June 30, 2000
	(Unaudited)	(Unaudited)
Revenues:		
Advertising services	813,912	19,010,636
Software licensing and related integration projects	2,476,477	234,376
E-commerce related services	--	2,232,782
Total revenues	3,290,389	21,477,794
Sales and value-added taxes	(258,279)	(1,354,326)
Net revenues	3,032,110	20,123,468
Cost of revenues:		
Advertising and e-commerce related services (including share compensation cost of RMB 0, RMB 0, RMB 1,171,084, RMB 0, and RMB 1,171,084 for the three months ended June 30, 1999 and 2000, March 31, 2000, and for the six months ended June 30, 1999 and 2000, respectively)	(479,994)	(16,144,222)
Software licensing and related integration projects	(255,575)	--
Total cost of revenues	(735,569)	(16,144,222)
Gross profit	2,296,541	3,979,246
Operating expenses:		
Selling, general and administrative (including share compensation cost of RMB 0, RMB 2,138,643, RMB 881,684, RMB 0, and RMB 3,020,327 for the three months ended June 30, 1999 and 2000, March 31, 2000, and for the six months ended June 30, 1999 and 2000, respectively)	(1,124,753)	(53,331,930)
Research and development (including share compensation cost of RMB 0, RMB 906,360, RMB 2,512,166, RMB 0, and RMB 3,418,526 for the three months ended June 30, 1999		

and 2000, March 31, 2000, and for the
 six months ended June 30, 1999
 and 2000, respectively)

	(25,000)	(6,178,892)
Total operating expenses	(1,149,753)	(59,510,822)
Operating profit (loss)	1,146,788	(55,531,576)
Other income (expenses):		
Interest income	4,437	4,461,379
Other, net	(374,039)	(847)
Income (loss) before tax	777,186	(51,071,044)
Provision for income tax	(35,921)	--
Net income (loss)	741,265	(51,071,044)
Pro forma net income (loss) per share, basic and diluted (See Note)	0.01	(0.02)
Pro forma net income (loss) per ADSs, basic and diluted (See Note)	0.04	(2.09)
Pro forma weighted average number of ordinary shares outstanding (See Note)	1,868,817,200	2,440,969,200
Pro forma weighted average number of ADSs outstanding (See Note)	18,688,172	24,409,692

Note: -- Information reported herein regarding pro forma shares and ADSs
 outstanding, and pro forma income (loss) per share and per ADS
 does not give effect to the Company's initial public offering,
 which closed on July 6, 2000.

-- The above pro forma information has given effect to the
 conversion of all preference shares into ordinary shares as if
 conversion had occurred on the date of issuance.

NetEase.com, Inc.
 Consolidated Balance Sheets
 (Amounts expressed in RMB)

	December 31, 1999 (Audited)	June 30, 2000 (Unaudited)	Pro forma June 30, 2000 (Unaudited) (See Note)
Assets			
Current assets:			
Cash and cash equivalents	117,800,096	339,489,133	857,836,798
Restricted cash	--	43,045,600	43,045,600
Accounts receivable	6,633,299	1,709,641	1,709,641
Prepayments	5,822,014	1,118,438	1,118,438
Other current assets	2,947,091	35,114,245	16,734,235
Due from related parties	1,017,245	12,742,492	12,742,492
Total current assets	134,219,745	433,219,549	933,187,204
Property, plant and equipment, net			
	9,508,437	25,697,306	25,697,306
Deferred assets	--	33,256,784	33,256,784
Total assets	143,728,182	492,173,639	992,141,294
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term loans	--	42,900,000	42,900,000
Accounts payable	1,142,224	22,692,808	22,692,808
Salary and welfare payable	1,869,403	5,434,216	5,434,216
Taxes payable	1,417,864	937,142	937,142
Deferred revenue	1,593,851	116,000	116,000
Accrued liabilities	697,650	2,377,559	2,377,559
Due to related parties	941,950	17,297	17,297
Total current liabilities	7,662,942	74,475,022	74,475,022
Long-term payable	--	189,000	189,000
Shareholders' equity:			
Series A convertible preference shares, US\$0.01 par value:			
3,000,000 shares authorized,			

issued and outstanding (aggregate preference on liquidation of US\$15 million)	248,367	248,367	--
Series B convertible preference shares, US\$0.01 par value: 2,560,556 shares authorized, issued and outstanding (aggregate preference on liquidation of US\$40 million)	--	211,976	--
Ordinary shares, US\$0.0001 par value: 1,000,000,000,000 shares authorized, 2,004,500,000 shares issued and outstanding, 3,010,555,600 shares issued and outstanding pro forma	1,659,447	1,659,447	2,492,300
Additional paid-in capital	197,604,001	572,333,762	1,071,928,907
Deferred compensation	(11,743,182)	(54,169,498)	(54,169,498)
Accumulated deficit	(51,703,393)	(102,774,437)	(102,774,437)
Total shareholders' equity	136,065,240	417,509,617	917,477,272
Total liabilities & shareholders' equity	143,728,182	492,173,639	992,141,294

Note: The above unaudited pro forma condensed consolidated balance sheet as of June 30, 2000 has given effect to:

- the initial public offering of 4,500,000 American Depositary Shares ("ADS"), representing 450,000,000 ordinary shares in the Company at a price of US\$15.5 per ADS. The net proceeds amounted to approximately US\$62.6 million.
- the conversion of all preference shares into ordinary shares.