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NETEASE.COM, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2001	March 31, 2002	March 31, 2002
	RMB (Audited)	RMB (Unaudited)	USD (Note 1) (Unaudited)
Assets			
Current assets:			
Cash	479,608,534	510,644,775	61,691,446
Restricted cash	90,308,448	65,495,126	7,912,524
Temporary cash investments	45,521,300	-	-
Prepayments and other current assets	9,136,362	10,524,182	1,271,436
Due from related parties, net	2,290,204	10,359,050	1,251,486
Total current assets	626,864,848	597,023,133	72,126,892
Non-current rental deposit	1,087,487	-	-
Investment in convertible preference shares	9,701,293	-	-
Property, equipment and software, net	36,356,088	33,175,732	4,007,989
Deferred assets	783,352	355,933	43,001
Total assets	674,793,068	630,554,798	76,177,882
Liabilities & Shareholders' Equity			
Current liabilities:			
Short-term bank loans	84,000,000	50,000,000	6,040,544
Accounts payable	13,116,442	11,948,547	1,443,515
Salary and welfare payable	9,936,211	12,702,495	1,534,600
Taxes payable	1,772,931	2,298,467	277,680
Deferred revenue	-	328,728	39,714
Accrued liabilities	10,937,950	14,905,015	1,800,688
Total current liabilities	119,763,534	92,183,252	11,136,741
Commitments and contingencies			
Shareholders' equity:			
Ordinary shares, US$0.0001 par value: 1,000,000,000,000 shares authorized, 3,024,175,192 shares issued and outstanding as of December 31, 2001, and 3,034,241,863 shares issued and outstanding as of March 31, 2002	2,503,626	2,511,961	303,472
Additional paid-in capital	1,044,889,829	1,045,611,032	126,321,192
Less: Subscriptions receivable	(35,100,568)	(35,100,568)	(4,240,531)
Deferred compensation	(3,344,574)	(2,951,423)	(356,564)
Translation adjustments	217,327	230,363	27,830
Accumulated deficit	(454,136,106)	(471,929,819)	(57,014,258)
Total shareholders' equity	555,029,534	538,371,546	65,041,141
Total liabilities and shareholders' equity	674,793,068	630,554,798	76,177,882

Note 1: The conversion of Renminbi (RMB) into United States dollars (USD) is based on the noon buying rate of USD1.00=RMB8.2774 on March 31, 2002 in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

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NETEASE.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three months ended			
	March 31, 2001	**December 31, 2001**	**March 31, 2002**	**March 31, 2002**
	RMB (Unaudited)	RMB (Unaudited)	RMB (Unaudited)	USD (Note 1) (Unaudited)
Revenues:				
Advertising services	3,444,338	3,069,350	3,946,530	476,784
E-commerce and other services	1,554,986	7,505,584	19,968,083	2,412,362
Software licensing and related integration projects	33,218	-	39,385	4,758
Total revenues	5,032,542	10,574,934	23,953,998	2,893,904
Sales and value-added taxes	(686,027)	(624,998)	(1,197,700)	(144,695)
Net revenues	4,346,515	9,949,936	22,756,298	2,749,209
Cost of revenues:				
Advertising, e-commerce and other services	(13,435,463)	(14,289,494)	(14,894,747)	(1,799,448)
Share compensation cost	-	-	(477,032)	(57,631)
Total cost of revenues	(13,435,463)	(14,289,494)	(15,371,779)	(1,857,079)
Gross profit (Loss on revenues)	(9,088,948)	(4,339,558)	7,384,519	892,130
Operating expenses:				
Selling, general and administrative expenses	(45,526,863)	(29,505,098)	(22,202,753)	(2,682,334)
Asset impairment loss	-	(2,766,543)	-	-
Research and development expenses	(2,891,847)	(3,065,057)	(3,565,372)	(430,736)
Share compensation cost	(3,184,177)	(784,486)	(645,657)	(78,002)
Total operating expenses	(51,602,887)	(36,121,184)	(26,413,782)	(3,191,072)
Operating loss	(60,691,835)	(40,460,742)	(19,029,263)	(2,298,942)
Other income (expenses):				
Investment impairment loss	(2,069,475)	-	-	-
Interest income	7,882,834	1,707,710	1,949,086	235,471
Interest expense	(2,458,847)	(2,499,021)	(996,735)	(120,416)
Other, net	(802)	(44,664)	283,199	34,214
Loss before tax	(57,338,125)	(41,296,717)	(17,793,713)	(2,149,673)
Provision for income tax	-	-	-	-
Net loss	(57,338,125)	(41,296,717)	(17,793,713)	(2,149,673)
Net loss per share, basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)
Net loss per ADS, basic and diluted	(1.90)	(1.37)	(0.59)	(0.07)
Weighted average number of ordinary shares outstanding	3,010,555,600	3,020,320,600	3,024,318,700	3,024,318,700
Weighted average number of ADS outstanding	30,105,556	30,203,206	30,243,187	30,243,187

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