SOHU.COM INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED, IN THOUSANDS)

Restricted time deposits (a) 227,285 Short-term investments 247,926 174,515 Accounts receivable, net 189,167 273,617 Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 103,079 Total current assets 74,273 62,093 Fixed assets, net 503,631 508,692 Goodwill (c) 68,290 154,219 Intangible assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid and or-current assets 4,734 6,254 Other assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid anor-current assets 4,734 6,254 Other assets (b) 29,100 43,988 Total assets \$ 2,563,699 \$ 3,042,194 Litabilities Current liabilities \$ 193,209 \$ 129,025 Accounts payable \$ 193,229 \$ 2,263 Accrued liabilities 19		_	As of Dec. 31, 2016	As of Dec. 31, 2015
Cash and cash equivalents \$ 1,050,957 \$ 1,245,205 Restricted time deposits (a) - 227,288 Short-term investments 247,926 714,115 Accounts receivable, net 189,167 273,617 Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 103,079	ASSETS			
Restricted time deposits (a) 227,285 Short-term investments 247,926 174,515 Accounts receivable, net 189,167 273,617 Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 103,079 Total current assets 74,273 62,093 Fixed assets, net 503,631 508,692 Goodwill (c) 68,290 154,219 Intangible assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid and or-current assets 4,734 6,254 Other assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid anor-current assets 4,734 6,254 Other assets (b) 29,100 43,988 Total assets \$ 2,563,699 \$ 3,042,194 Litabilities Current liabilities \$ 193,209 \$ 129,025 Accounts payable \$ 193,229 \$ 2,263 Accrued liabilities 19	Current assets:			
Short-term investments 247,926 174,515 Accounts receivable, net 189,167 273,617 Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 100,079 — Total current assets 1,851,262 2,074,839 Long-term investments 74,273 62,098 Fixed assets, net 50,63,091 58,699 Goodwill (c) 68,590 154,219 Intangible assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid non-current assets 4274 62,24 Other assets (b) 29,100 43,988 Total assets \$ 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities Accounts payable \$ 193,209 \$ 193,209 Accounts payable \$ 193,209 \$ 9,631 Accrued liabilities 324,876 309,637 Receipts in advance and deferred revenue 118,951 135,385 Accrued liabilities 39,242	Cash and cash equivalents	\$	1,050,957	\$ 1,245,205
Accounts receivable, net 189,167 273,617 Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 103,079 - Total current assets 1,851,262 2,074,839 Long-term investments 74,273 62,093 Fixed assets, net 503,631 508,692 Goodwill (c) 68,290 156,694 Intamgible assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid non-current assets 4,734 6,254 Other assets (b) 29,100 34,988 Total assets 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued liabilities 92,475 99,657 Receipts in advance and deferred revenue 118,951 154,017 Liabilities held for sale (c) 3,902 1,44,000 Other short-term liabilit	Restricted time deposits (a)		-	227,285
Prepaid and other current assets (b) 260,133 154,217 Assets held for sale (c) 103,079 - Total current assets 1,851,262 2,074,839 Long-term investments 74,273 62,093 Fixed assets, net 503,631 508,692 Goodwill (c) 68,290 154,219 Intagible assets, net 32,131 55,415 Restricted time deposits (a) 269 154,694 Prepaid non-current assets 4,734 6,254 Other assets (b) 29,100 43,988 Total assets 5 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities 324,876 3,042,194 LACOUNTS payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 30,363 36,878 36,878 36,878 36,368 36,878 36,368 36,368 36,368 36,368 36,368 36,368 36,368 36,368 36,368 36,368 36,368 36,36	Short-term investments		247,926	174,515
Assets held for sale (c)	*		189,167	273,617
Total current assets				154,217
Cong-term investments	Assets held for sale (c)	_	103,079	
Fixed assets, net	Total current assets	_	1,851,262	2,074,839
Second S	Long-term investments		74,273	62,093
Intangible assets, net 32,131 55,415 Restricted time deposits (a) 269 136,694 Prepaid non-current assets 4,734 6,254 Other assets (b) 29,100 43,988 Total assets \$ 2,563,690 \$ 3,042,194 ILABILITIES Current liabilities	Fixed assets, net		503,631	508,692
Restricted time deposits (a) 269 136,694 Prepaid non-current assets 4,734 6,254 Other assets (b) 29,100 43,988 Total assets \$ 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities: Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities 1,005,895 1,311,442 SHAREHOLDERS' EQUITY:	Goodwill (c)		68,290	154,219
Prepaid non-current assets (b) 4,734 (5,254) 6,254 (29,100) 43,988 (29,100) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,988 (29,104) 43,902 (29,104) 43,902 (29,104) 43,902 (29,104) 43,932 (29,104) <t< td=""><td>Intangible assets, net</td><td></td><td>32,131</td><td>55,415</td></t<>	Intangible assets, net		32,131	55,415
Other assets (b) 29,100 43,988 Total assets \$ 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities: Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,2	Restricted time deposits (a)		269	136,694
Total assets \$ 2,563,690 \$ 3,042,194 LIABILITIES Current liabilities: Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 Total current liabilities 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215	Prepaid non-current assets		4,734	6,254
LIABILITIES Current liabilities: 193,209 \$ 129,025 Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730	Other assets (b)	_	29,100	43,988
Current liabilities: Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902	Total assets	\$	2,563,690	\$ 3,042,194
Accounts payable \$ 193,209 \$ 129,025 Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752	LIABILITIES			
Accrued liabilities 324,876 309,657 Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Current liabilities:			
Receipts in advance and deferred revenue 118,951 135,385 Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752	Accounts payable	\$	193,209	\$ 129,025
Accrued salary and benefits 92,475 99,631 Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752	Accrued liabilities		324,876	309,657
Taxes payable 40,014 67,480 Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Receipts in advance and deferred revenue		118,951	135,385
Short-term bank loans (a) - 344,500 Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752	Accrued salary and benefits		92,475	99,631
Other short-term liabilities 159,315 154,017 Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Taxes payable		40,014	67,480
Liabilities held for sale (c) 3,902 - Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Short-term bank loans (a)		-	344,500
Total current liabilities \$ 932,742 \$ 1,239,695 Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Other short-term liabilities		159,315	154,017
Long-term accounts payable 744 4,600 Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Liabilities held for sale (c)	_	3,902	
Long-term tax payable 32,625 24,732 Deferred tax liabilities (b) 39,784 42,415 Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity	Total current liabilities	\$	932,742	\$ 1,239,695
Deferred tax liabilities (b) 39,784 42,415	Long-term accounts payable		744	4,600
Total long-term liabilities \$ 73,153 \$ 71,747 Total liabilities \$ 1,005,895 \$ 1,311,442 SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity \$ 1,557,795 \$ 1,730,752	Long-term tax payable		32,625	24,732
SHAREHOLDERS' EQUITY: \$ 1,005,895 \$ 1,311,442 Sohu.com Inc. shareholders' equity 993,580 1,241,022 Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity	Deferred tax liabilities (b)	_	39,784	42,415
SHAREHOLDERS' EQUITY: Sohu.com Inc. shareholders' equity Noncontrolling Interest Total shareholders' equity \$ 1,557,795 \$ 1,730,752	Total long-term liabilities	\$	73,153	\$ 71,747
Sohu.com Inc. shareholders' equity Noncontrolling Interest Total shareholders' equity Total liabilities and shareholders' equity 1,241,022 489,730 1,241,022 1,557,795 1,730,752	Total liabilities	\$ _	1,005,895	\$ 1,311,442
Sohu.com Inc. shareholders' equity Noncontrolling Interest Total shareholders' equity Total liabilities and shareholders' equity 1,241,022 489,730 1,241,022 1,557,795 1,730,752				
Noncontrolling Interest 564,215 489,730 Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity				
Total shareholders' equity \$ 1,557,795 \$ 1,730,752 Total liabilities and shareholders' equity	, · ·		993,580	1,241,022
Total liabilities and shareholders' equity	Noncontrolling Interest	-	564,215	489,730
	Total shareholders' equity	\$ _	1,557,795	\$ 1,730,752
Ψ 2,005,000 Ψ 3,042,174	Total liabilities and shareholders' equity	\$ _	2,563,690	\$ 3,042,194

Note:

- (a) Changyou had repaid all of the remaining bank loans of \$345 million, and restricted time deposits of \$355 million that secured these loans were released during the first quarter of 2016.
- (b) The Company early adopted the Accounting Standards Update 2015-17, Balance Sheet Classification of Deferred Taxes, retrospectively from the fourth quarter of 2016. The guidance requires current deferred income tax assets and liabilities to be classified as non-current

- assets and liabilities in balance sheet. As a result of the adoption of this guidance, \$4.7 million of current deferred tax assets recorded in prepaid and other current assets, and \$24.9 million of deferred tax liabilities were reclassified to non-current as of December 31, 2015.
- (c) Changyou's management had an intention to divest its interest in MoboTap in the third quarter of 2016. Therefore, the assets and liabilities of MoboTap were recognized as "Assets held for sale" and "Liabilities held for sale," respectively, since the third quarter of 2016.