

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED, IN THOUSANDS)

	<u>As of Dec. 31, 2016</u>	<u>As of Dec. 31, 2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,050,957	\$ 1,245,205
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)	<u>103,079</u>	<u>-</u>
Total current assets	<u>1,851,262</u>	<u>2,074,839</u>
Long-term investments	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 non-current assets	4,734	6,254
Other assets (b)	<u>29,100</u>	<u>43,988</u>
Total assets	<u>\$ 2,563,690</u>	<u>\$ 3,042,194</u>
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)	<u>3,902</u>	<u>-</u>
Total current liabilities	<u>\$ 932,742</u>	<u>\$ 1,239,695</u>
Long-term accounts payable	744	4,600
Long-term tax payable	32,625	24,732
Deferred tax liabilities (b)	<u>39,784</u>	<u>42,415</u>
Total long-term liabilities	<u>\$ 73,153</u>	<u>\$ 71,747</u>
Total liabilities	<u>\$ 1,005,895</u>	<u>\$ 1,311,442</u>
SHAREHOLDERS' EQUITY:		
Sohu.com Inc. shareholders' equity	993,580	1,241,022
Noncontrolling Interest	<u>564,215</u>	<u>489,730</u>
Total shareholders' equity	<u>\$ 1,557,795</u>	<u>\$ 1,730,752</u>
Total liabilities and shareholders' equity	<u>\$ 2,563,690</u>	<u>\$ 3,042,194</u>

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.

- (e) 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.