

chinadotcom corporation
Consolidated Statement of Operations
(Amounts in thousands of U.S. dollars, except per share data)

	Quarter ended December 31, 2002 <u>(unaudited)</u>	Quarter ended March 31, 2003 <u>(unaudited)</u>
Revenues		
Software and consulting services	5,751	7,825
Advertising and marketing activities	7,823	6,747
Other income	986	853
	<hr/> 14,560	<hr/> 15,425
Cost of revenues		
Software and consulting services	(3,453)	(4,998)
Advertising and marketing activities	(5,567)	(4,733)
Other income	(391)	(335)
	<hr/> (9,411)	<hr/> (10,066)
Gross margin	5,149	5,359
Selling, general and administrative expenses	(6,379)	(6,932)
Depreciation and amortization expenses	(1,610)	(2,024)
Stock compensation expense	(62)	(54)
	<hr/> (2,902)	<hr/> (3,651)
Operating loss		
Interest income	4,780	4,045
Interest expense	(584)	(71)
Gain on disposal of available-for-sale securities	671	1,661
(Loss)/gain on disposal of subsidiaries and investments	(76)	295
Other non-operating gains	995	-
Other non-operating losses	(351)	(106)
	<hr/> 2,533	<hr/> 2,173
Gain before income taxes		
Income taxes (expenses)/benefits	(23)	100
	<hr/> 2,510	<hr/> 2,273
Gain before minority interests		
Minority interests in income of consolidated subsidiaries	(576)	(571)
	<hr/> 1,934	<hr/> 1,702
Income from continuing operations		
Discontinued operations		
Loss from operations	(1,307)	(487)
Income from disposals	545	95
	<hr/> 1,172	<hr/> 1,310
Net income		
	<hr/> <hr/> 0.01	<hr/> <hr/> 0.01
Basic and diluted earnings per share		

chinadotcom corporation
Consolidated Balance Sheets
(Amounts in thousands of U.S. dollars)

	December 31, 2002 <u>(audited)</u>	March 31, 2003 <u>(unaudited)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	33,153	164,789
Restricted cash	109	42
Accounts receivable	15,030	14,078
Deposits, prepayments and other receivables	8,363	13,190
Available-for-sale debt securities	300,056	176,224
Restricted debt securities	139,255	93,956
Total current assets	<u>495,966</u>	<u>462,279</u>
Property, plant and equipment, net	9,375	8,422
Available-for-sale marketable securities	2,050	1,999
Available-for-sale debt securities	20,000	20,000
Goodwill	12,016	17,264
Intangible assets	16,980	16,641
Restricted debt securities	11,868	11,882
Investment in equity investees	330	330
Investments	387	536
Other assets	11,985	3,840
Total assets	<u><u>580,957</u></u>	<u><u>543,193</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	13,662	11,739
Other payables	12,952	11,814
Accrued liabilities	9,064	11,168
Short-term bank loans	115,650	89,609
Long-term bank loans, current portion	149	152
Deferred revenue	2,693	2,589
Taxation	636	291
Amount due to related companies	684	684
Total current liabilities	<u>155,490</u>	<u>128,046</u>
Long term debts, less current portion	11,585	11,546
Minority interests	36,182	35,898
Shareholders' equity:		
Share capital	25	25
Additional paid-in capital	610,340	605,416
Treasury stock	(238)	(5,659)
Accumulated other comprehensive income	1,990	1,028
Deficit	(234,417)	(233,107)
Total shareholders' equity	<u>377,700</u>	<u>367,703</u>
Total liabilities and shareholders' equity	<u><u>580,957</u></u>	<u><u>543,193</u></u>