

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

	Quarter Ended Mar 31, 2002 (Unaudited)	Quarter Ended Dec 31, 2001 (Unaudited)
Revenues		
e-business Solutions	\$ 7,645	\$ 7,666
Advertising	6,845	7,366
Sale of IT products	1,216	1,584
Other income	713	1,135
	16,419	17,751
Cost of revenues		
e-business Solutions	(4,917)	(4,855)
Advertising	(4,751)	(4,753)
Sale of IT products	(779)	(1,177)
Others	(197)	(307)
	(10,644)	(11,092)
Gross margin	5,775	6,659
Selling, general and administrative expenses (a)	(12,412)	(11,107)
Depreciation expense	(3,509)	(2,462)
Amortization of goodwill and intangible assets	(212)	(1,728)
Impairment of goodwill and intangible assets	-	(11,235)
Stock compensation expense	(97)	(998)
	(16,230)	(27,530)
Operating loss	(10,455)	(20,871)
Interest income	7,417	8,244
Interest expense	(758)	(847)
(Loss) gain on disposal of available-for-sale securities	(1,227)	2,471
Loss on disposal of subsidiaries and cost investments	-	(337)
Other non-operating losses	(204)	(181)
Impairment of available-for-sale securities	(3,525)	-
Share of income (losses) in equity investees	230	(1,539)
	(8,522)	(13,060)
Loss before income taxes	(8,522)	(13,060)
Income taxes	(59)	(28)
Loss before minority interests	(8,581)	(13,088)
Minority interests in loss of consolidated subsidiaries	559	121
Net loss	\$ (8,022)	\$ (12,967)
Basic and diluted loss per share #	(0.08)	(0.13)

The computation of diluted loss per share did not assume the conversion of the stock options and the warrants of the Company during the quarter because their inclusion would have been antidilutive.

(a) Selling, general and administrative expenses to/for related parties	30	650
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chinadotcom corporation
Pro forma Consolidated Statements of Operations
(Amounts in thousands of U.S. dollars, except per share data)

	Quarter Ended Mar 31, 2002 (Pro forma*)	Quarter Ended Dec 31, 2001 (Pro forma*)
Revenues		
e-business Solutions	\$ 7,645	\$ 7,666
Advertising	6,845	7,366
Sale of IT products	1,216	1,584
Other income	713	1,135
	<u>16,419</u>	<u>17,751</u>
Cost of revenues		
e-business Solutions	(4,917)	(4,855)
Advertising	(4,751)	(4,753)
Sale of IT products	(779)	(1,177)
Others	(197)	(307)
	<u>(10,644)</u>	<u>(11,092)</u>
Gross margin	<u>5,775</u>	<u>6,659</u>
Selling, general and administrative expenses	(11,068)	(12,203)
Depreciation expense	(3,509)	(2,462)
Amortization of goodwill and intangible assets	(212)	(1,728)
Stock compensation expense	(97)	(998)
	<u>(14,886)</u>	<u>(17,391)</u>
Operating loss	(9,111)	(10,732)
Interest income	7,417	8,244
Interest expense	(758)	(847)
Loss on disposal of available-for-sale securities	-	(26)
Share of income (losses) in equity investees	230	(58)
	<u>(2,222)</u>	<u>(3,419)</u>
Loss before income taxes	(2,222)	(3,419)
Income taxes	(59)	(28)
Loss before minority interests	(2,281)	(3,447)
Minority interests in loss of consolidated subsidiaries	559	121
Net loss	<u>\$ (1,722)</u>	<u>\$ (3,326)</u>
Basic and diluted loss per share #	<u>(0.02)</u>	<u>(0.03)</u>

The computation of diluted loss per share did not assume the conversion of the stock options and the warrants of the Company during the quarter because their inclusion would have been antidilutive.

* The above pro forma consolidated statements of operations exclude the following non-recurring expenses:

- (1) Impairment of goodwill and intangible assets
- (2) Gain/loss on disposal of subsidiaries, available-for-sale securities and cost investments
- (3) Other non-operating gains/losses
- (4) Impairment of available-for-sale securities
- (5) Impairment of investments in equity investees
- (6) Restructuring costs and other one off items

chinadotcom corporation
Consolidated Balance Sheets

	Mar 31, 2002	Dec 31, 2001
	(Unaudited)	(Unaudited)
	(US\$'000)	(US\$'000)
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,053	\$ 20,820
Restricted cash	74	1,274
Accounts receivable	20,357	21,074
Deposits, prepayments and other receivables	10,511	16,746
Available-for-sale debt securities	291,454	329,952
Restricted debt securities	138,383	134,960
Total current assets	494,832	524,826
Property, plant and equipment, net	16,820	21,288
Goodwill	11,873	6,430
Intangible assets	16,891	17,092
Investments in equity investees	2,778	2,668
Investments under cost method	270	2,878
Available-for-sale debt securities	20,000	17,028
Available-for-sale equity securities	1,932	2,064
Other assets	2,244	2,220
Total assets	\$ 567,640	\$ 596,494
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 13,727	\$ 15,082
Other payables	12,897	7,100
Accrued liabilities	12,445	14,099
Bank loans	113,294	116,951
Deferred revenue	930	932
Tax payable	747	1,002
Due to related companies	-	10,248
Total current liabilities	154,040	165,414
Long term bank loans, net of current portion	1,473	1,504
Other payables, net of current portion	2,860	2,860
Minority interests	35,960	36,855
Shareholders' equity:		
Share capital	26	26
Additional paid-in capital	614,007	613,460
Treasury stocks	(4,422)	-
Accumulated other comprehensive income	(12,096)	(7,439)
Accumulated deficits	(224,208)	(216,186)
Total shareholders' equity	373,307	389,861
Total liabilities and shareholders' equity	\$ 567,640	\$ 596,494

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

	Quarter Ended Dec 31, 2001 (Unaudited)	Quarter Ended Sep 30, 2001 (Unaudited)
Revenues		
e-business Solutions	\$ 7,666	\$ 9,157
Advertising	7,366	5,621
Sale of IT products	1,584	1,252
Other income	1,135	1,278
	<u>17,751</u>	<u>17,308</u>
Cost of revenues		
e-business Solutions	(4,855)	(6,161)
Advertising	(4,753)	(3,701)
Sale of IT products	(1,177)	(1,054)
Others	(307)	(452)
	<u>(11,092)</u>	<u>(11,368)</u>
Gross margin	<u>6,659</u>	<u>5,940</u>
Selling, general and administrative expenses (a)	(11,107)	(21,845)
Depreciation expense	(2,462)	(3,537)
Amortization of goodwill and intangible assets	(1,728)	(1,389)
Impairment of goodwill and intangible assets	(11,235)	(8,661)
Stock compensation expense	(998)	(181)
	<u>(27,530)</u>	<u>(35,613)</u>
Operating loss	(20,871)	(29,673)
Interest income	8,244	6,200
Interest expense	(847)	(118)
Gain on disposal of available-for-sale securities	2,471	3,843
Loss on disposal of subsidiaries and cost investments	(337)	-
Other non-operating losses	(181)	(670)
Impairment of cost investments and available-for-sale securities	-	(4,653)
Share of losses in equity investees	(1,539)	(174)
	<u>(13,060)</u>	<u>(25,245)</u>
Loss before income taxes	(13,060)	(25,245)
Income taxes	(28)	(38)
	<u>(13,088)</u>	<u>(25,283)</u>
Loss before minority interests	(13,088)	(25,283)
Minority interests in losses of consolidated subsidiaries	121	481
Net loss	<u>\$ (12,967)</u>	<u>\$ (24,802)</u>
Basic and diluted loss per share #	<u>(0.13)</u>	<u>(0.24)</u>

The computation of diluted loss per share did not assume the conversion of the stock options and the warrants of the Company during the quarter because their inclusion would have been antidilutive.

(a) Selling, general and administrative expenses to/for related parties	650	91
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chinadotcom corporation
Consolidated Statements of Operations
(Amounts in thousands of U.S. dollars, except per share data)

	Year Ended Dec 31, 2001 <u>(Unaudited)</u>	Year Ended Dec 31, 2000 <u>(Audited)</u>
Revenues (a)		
e-business Solutions	\$ 38,891	\$ 65,309
Advertising	26,106	46,437
Sale of IT products	4,580	5,938
Other income	5,958	3,555
	<u>75,535</u>	<u>121,239</u>
Cost of revenues		
e-business Solutions	(26,845)	(40,767)
Advertising	(16,639)	(30,417)
Sale of IT products	(3,478)	(3,978)
Others	(2,054)	(357)
	<u>(49,016)</u>	<u>(75,519)</u>
Gross margin	<u>26,519</u>	<u>45,720</u>
Selling, general and administrative expenses (b)	(94,800)	(107,017)
Depreciation expense	(12,739)	(8,452)
Amortization of goodwill and intangible assets	(15,323)	(29,690)
Impairment of goodwill and intangible assets	(40,698)	(43,389)
Stock compensation expense	(2,552)	(5,083)
	<u>(166,112)</u>	<u>(193,631)</u>
Operating loss	(139,593)	(147,911)
Interest income	26,926	30,103
Interest expense	(1,495)	(954)
(Loss) gain arising from share issuance of a subsidiary	(55)	140,031
Gain on disposal of available-for-sale securities	4,411	1,682
(Loss) gain on disposal of subsidiaries and cost investments	(2,055)	13,981
Other non-operating losses	(1,321)	(2,528)
Impairment of cost investments and available-for-sale securities	(12,260)	(84,696)
Share of losses in equity investees	(2,592)	(9,423)
Loss before income taxes	(128,034)	(59,715)
Income taxes	(361)	(640)
Loss before minority interests	(128,395)	(60,355)
Minority interests in losses of consolidated subsidiaries	4,010	553
Net loss	<u>\$ (124,385)</u>	<u>\$ (59,802)</u>
Basic and diluted loss per share #	<u>(1.21)</u>	<u>(0.61)</u>

The computation of diluted loss per share did not assume the conversion of the stock options and the warrants of the Company during the year because their inclusion would have been antidilutive.

(a) Revenues from related parties	60	21,791
(b) Selling, general and administrative expenses to/for related parties	10,106	1,200

chinadotcom corporation
Consolidated Balance Sheets

	Dec 31, 2001	Dec 31, 2000
	(Unaudited)	(Audited)
	(US\$'000)	(US\$'000)
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,820	\$ 47,483
Restricted cash	1,274	4,134
Accounts receivable	21,074	31,656
Deposits, prepayments and other receivables	16,746	26,015
Available-for-sale debt securities	329,952	242,324
Restricted debt securities	134,960	148,622
Due from related companies	-	21,783
Total current assets	524,826	522,017
Property, plant and equipment, net	21,288	30,150
Goodwill	6,430	40,205
Intangible assets	17,092	-
Investments in equity investees	2,668	5,179
Investments under cost method	2,878	11,135
Available-for-sale debt securities	17,028	-
Available-for-sale equity securities	2,064	10,368
Other assets	2,220	3,866
Total assets	\$ 596,494	\$ 622,920
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 15,082	\$ 17,219
Other payables	7,100	20,022
Accrued liabilities	14,099	14,475
Bank loans	116,951	3,934
Promissory notes	-	11,183
Deferred revenue	932	3,258
Tax payable	1,002	933
Due to related companies	10,248	602
Total current liabilities	165,414	71,626
Long term bank loans, net of current portion	1,504	-
Other payables, net of current portion	2,860	-
Minority interests	36,855	39,270
Shareholders' equity:		
Share capital	26	25
Additional paid-in capital	613,460	604,566
Accumulated other comprehensive income	(7,439)	(766)
Accumulated deficits	(216,186)	(91,801)
Total shareholders' equity	389,861	512,024
Total liabilities and shareholders' equity	\$ 596,494	\$ 622,920