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chinadotcom reports fourth consecutive quarter of US GAAP profit, revenues up 103% year-on-year, and net income of US\$6.1 million

chinadotcom's Q3 2003 Results Highlights:

- Revenue grew 103% to US\$24.4 million compared to US\$12.1 million in Q3 2002, and rose 14% quarter-on-quarter
- Gross margin increased to 48% in Q3 2003 compared to 37% in Q3 2002, and 44% in Q2 2003
- Net profit was US\$6.1 million compared to a loss of US\$3.3 million in Q3 2002, and rose 49% quarter-on-quarter
- Progress made in export manufacturing software through the 51% acquisition of European supply chain management (SCM) software company IMI and intention to acquire US-based NASDAQ-listed enterprise resource planning (ERP) software company Ross Systems
- Established partnerships in the mobile applications sector to maximize opportunities in China and internationally

[Hong Kong October 28, 2003] chinadotcom corporation (NASDAQ: CHINA; Website: www.corp.china.com), a leading integrated enterprise software and mobile applications company in China and internationally, today announced its financial results for the third quarter of 2003 ending September 30, 2003 under US GAAP. The company reported 103% year-on-year growth to US\$24.4 million in quarterly revenues in Q3 2003 from continuing operations, including new acquisitions. Gross profit in Q3 2003 was US\$11.8 million compared to US\$4.4 million in Q3 2002, while gross margin rose to 48% in Q3 2003 from 37% in Q3 2002. SG&A expense was US\$9.3 million in Q3 2003 versus US\$8.3 million in Q3 2002. US GAAP net income increased to US\$6.1 million for Q3 2003, compared to a loss of US\$3.3 million in Q3 2002. Q3 2003 earnings per share was 6.0 US cents versus a loss per share of 3.2 US cents in Q3 2002. As of September 30, 2003, chinadotcom had approximately 101 million common shares outstanding.

"As a result of our improving margins and operational efficiencies, which were enhanced by acquisitions, we posted an improved US GAAP profit for the fourth consecutive quarter, beating earnings per share estimates by 2 US cents. This was the company's best financial performance to date with an increased net cash balance of US\$363 million, up US\$3 million from the second quarter," said Chief Financial Officer Daniel Widdicombe. "The continued positive momentum in the company's financial metrics reflects positively on our long term China-focused acquisition and growth strategy of attaining sustainable high-margin and recurrent revenues."

On a quarter-on-quarter basis from continuing operations including new acquisitions, revenues increased by 14% to US\$24.4 million from US\$21.5 million in Q2 2003. SG&A increased in Q3 2003 to US\$9.3 million including a US\$1.0 million positive reversal from legal provisions from US\$7.8 million in Q2 2003. Net income increased 49% to US\$6.1 million in Q3 2003 from US\$4.1 million in Q2 2003. Q3 2003 earnings per share was 6.0 US cents versus 4.1 US cents in Q2 2003.

The information presented in the results highlights herein should be read in conjunction with the more detailed financial statements included at the end of this press release.



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Peter Yip, Chief Executive Officer, said, "We are pleased the company has achieved scale to become one of the largest software companies in China and has entered the rankings of the Global Software 200 companies. We will continue our focus on the export manufacturing sector and integrating IMI and, as soon after the acquisition completes, Ross Systems. Important now is deriving company synergies such as our China-based CMM Level 3 certified outsourcing center jointly developing an Executive Analytics tool with Ross or prospective expansion of the IMI sales channels through our international distributor network."

Yip continued, "We are also very encouraged by the profit growth prospects in the mobile applications market and plan to expand beyond our successful SMS Portal platform in China leveraging our proven experience in CDMA application development in Korea, key relationships with Korean mobile service and content providers, and acquisitions of what we view to be international "best of breed" technologies."

"We believe we are well positioned, based on chinadotcom's strong balance sheet, ongoing vigilance in cost control, company integration, and our aim to introduce new products and technologies to meet our customers' needs."

Momentum in our software strategy targeting the manufacturing for export sector

During the quarter, the company acquired a majority stake of Industri-Matematik International Corp., ("IMI"), a 35-year old leading provider of SCM solutions in the United States and Europe. In this quarter the company consolidated the September 2003 results of IMI into its financial statements. IMI's proprietary software is comprised of comprehensive solutions that serve a wide range of businesses including complex retail, wholesale, consumer goods, and distribution operations and its customer base includes GE, Safeway, Albert Heijn, Campbell Soup, Canadian Tire, and Kellogg's. chinadotcom has embarked on a program of new product development, integrating the IMI sales channel, and cross training sales consultants on the company's combined product offering. In addition, the company's outsourcing unit is currently working with IMI's software development team to identify products and support services which can be effectively leveraged. IMI will also accelerate the pace of product development due to the company's cost effective development capabilities.

The company signed a definitive agreement whereby the company will acquire NASDAQ-listed company, Ross Systems (NASDAQ:ROSS). The acquisition is subject to Ross shareholder approval and the satisfaction of various conditions precedent. Ross recently posted its results for fiscal year ended June 30, 2003 reflecting revenues of US\$48.1 million, an operating profit of US\$4.8 million and a net profit of US\$4.1 million. Ross, with its strong presence in the U.S. and Europe and 25 distributors worldwide, has an active customer base of over 1,000 companies implementing its flagship enterprise business solution, iRenaissance suite. The requisite registration statement/proxy has been filed with the Securities and Exchange Commission (SEC) and is currently undergoing SEC review. If approved by Ross shareholders, the merger is contemplated to conclude by early Q1 2004.

chinadotcom and Ross have engaged in active integration planning and taken synergistic steps now that will benefit both companies pre-merger. Initial progress includes management discussions for enhancing the iRenaissance product, scaling the distribution channel for growth



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and training of sales and marketing teams globally to capitalize on opportunities quickly after approval for combining the entities occurs.

After the quarter the company acquired the IP rights to “Executive Suite” a leading financial performance management and business intelligence (BI) application based on Microsoft technologies which is maintained and distributed in Europe, the Middle East and Africa. Executive Suite is a fully integrated financial management application delivering budgeting, planning, forecasting, consolidation, reporting and analysis to a broad spectrum of customers. To enhance the development capabilities of Executive Suite, the company will move key product developers to its Shanghai software development center in China. Executive Suite users include Scandlines, Sydbank, Storck, SBS Services, Ramboll, Arovit, Wates Group and Guildford Borough Council. Executive Suite integrates to the company’s ERP and SCM applications and will be introduced to Ross customers at Ross World in November.

Maximizing mobile applications opportunities in China and Internationally

During the quarter, the company worked to maximize opportunities in the mobile applications sector in China and Internationally by leveraging upon its various mobile and portal units, including the company’s portal and Newpalm SMS business operated by its Hong Kong Growth Enterprise Market-listed company, hongkong.com (Ticker Symbol: 8006), the company’s extensive knowledge base and work on CDMA mobile applications in Korea including relationships with leading mobile phone operators such as SK Telecom and Korea Telecom Freetel, content service providers including java-based multi-player games and other mobile application developers in Korea, its mobile expertise and data mining operations in Australia, and its initial agreement with respect to a joint-venture with European-based Jamba! to expand their large mobile audio/visual products catalogue into China.

“As mobile applications become one of the network operators’ most important revenue growth drivers and a tool for enhancing customers’ loyalty, meaningful opportunities exist for the company to launch rich new service offerings, especially as China’s consumers move toward more advanced platforms like CDMA1X and 2.5/3G.” said CEO Yip. “The company will capitalize on platform opportunities in China and internationally through our China SMS Portal combined with our established Korean CDMA application development capabilities, and our relationships and ventures with next generation carrier-grade mobile technology companies.”

KEY OPERATIONAL DEVELOPMENTS

CDC Software & Outsourcing

- Added a total of 18 new customers in China during the quarter, which include China-based enterprises active in the manufacturing for export sector.
- Executive Suite, supported by Microsoft, was launched into the China, Singapore and Australian markets.
- Signed an agreement whereby Ross Systems intends to outsource to the company the development of an Executive Analytics application for global distribution. This development work is to be performed at CDC Software's development center in China, which will be



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used to complement Ross Systems' Atlanta-based capabilities, by providing quality development resources and infrastructure.

- The company's outsourcing units extended project agreements with TelstraClear, Optus, HSBC, UK Department of Trade and Industry, Brisbane City Council, Hong Kong Arts Festival, Golden Casket Lottery Systems, Totalcare Industries, Hong Kong Housing Authorities, and ScreenSound Australia; completed development for a web-based drug testing system for the US Anti-Doping Agency and began work on a system for the Australian Sports Drug Agency. The company has an agreement in place for IMI's product team to outsource part of their development work on some of their core modules.

CDC Mobile & Portals

- Paid monthly subscriptions rose to an aggregate of over 5.1 million as of September 30, 2003, up 16% from 4.4 million in Q2 2003.
- SMS revenue from Newpalm grew to US\$5.9 million in the quarter, up 18%.
- After the quarter, the company established local connectivity with China Unicom in Guangdong province. The service agreement gives Newpalm an opportunity to better serve Guangdong Unicom's subscriber base of over 11 million users, the largest within the China Unicom group; the company currently has service agreements signed with mobile network operators in 26 provinces across China.
- Key partner with China Unicom to develop new services for the CDMA1X platform.
- Launched the integrated Newpalm SMS and china.com portal chat and dating service, 'X-City 2' and co-promoting this popular service with the Miss China 2003 pageant.
- Arranging portal content to drive SMS and WAP content preparing for the next generation of mobile applications like MMS and enhanced video download.
- After the quarter, signed an initial agreement to form a 50/50 joint venture with leading European operator-independent wireless entertainment provider, Jamba! to expand the company's mobile service and applications to Europe and the US by leveraging Jamba!'s extensive distribution network and also bring their world-class mobile technologies to the China market.
- Attracting leading Korean CDMA mobile content and application providers to localize and distribute products in China on the company's Newpalm mobile and www.china.com portal platform.

"Today's financial results indicate the change in strategy we began to implement late last year is beginning to bear fruit," said Executive Chairman Raymond Ch'ien. "China is beginning to see traction in software sales for export manufacturers and significant growth in mobile data application usage. We have grown our business significantly in both revenue and profit, while maintaining a highly liquid balance sheet. Looking ahead, chinadotcom is poised to take full advantage of the business opportunities extant in high growth markets globally, by continuously adding to our core strengths and leveraging upon them."

Other Developments

During the quarter, based upon SEC filings, America Online, Inc. ("AOL") had disposed of its entire holding of 6,795,200 chinadotcom shares as of September 11, 2003. At this time, the companies have no remaining operational, strategic or other agreements.



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The company recently filed a claim in the courts of Hong Kong against former board member, Harry Edelson and his affiliated fund seeking damages related to the alleged breach of fiduciary duties owed to the company and violations of the company's insider trading policy. The company also recently became aware that Mr. Edelson has filed an action against the company and certain board members and one shareholder alleging claims that relate principally to his disagreement with the results of this year's annual shareholders meeting whereby he was not re-elected by shareholders to the chinadotcom board of directors.

chinadotcom Earnings Teleconference

chinadotcom will hold a conference call to review its third quarter 2003 earnings and operations at 9:00 pm on October 28th, 2003 Hong Kong time (8:00 am EST). Investors can call at that time to USA Toll Free Number: 877-542-7993, CHINA Toll Free Number: 10800-852-0823, HONG KONG Toll Number: 852-2258-4002, the passcode is Q3 CHINA; alternatively the conference call can be heard on the Internet at <http://www.talkpoint.com/viewer/starthere.asp?pres=103960>

For those unable to listen to call in or listen to the live broadcast via the web, a replay will be available after the call at www.corp.china.com.

About chinadotcom corporation

chinadotcom corporation (NASDAQ: CHINA; Website: www.corp.china.com) is a leading integrated enterprise software and mobile applications company focused on two of the fastest growing business segments - manufacturing and mobile - in China and internationally. The company has over 1,000 employees with operations in over 14 countries.

CDC Software, a wholly owned subsidiary, is focused on the large manufacturing for export sector in China, as well as internationally. Recently it completed the acquisition of a controlling stake in Industri Matematik International ("IMI"), an international provider of mission critical Supply Chain Management ("SCM") software for multinationals and large enterprises, based in New Jersey, U.S. with key operations in the U.S and Europe. In addition, the company has established strategic partnerships with leading international software vendors to localize and resell their software products throughout the Asia Pacific region. It currently has over 1,000 customer site installations and 600 enterprise customers in China and internationally. The company recently announced the intention to acquire a 100% stake in Ross Systems ("Ross"), a NASDAQ-listed global provider of enterprise software for process manufacturers based in Atlanta, U.S. with significant subsidiary operations in Western Europe. It expects to conclude the acquisition of Ross by no later than the first quarter of calendar year 2004, subject to Ross' shareholder approval and certain regulatory approvals.

CDC's Mobile and Portals is focused on rapid growth in the mobile applications market internationally. The company offers consumer-based and enterprise-based SMS and mobile application software development services in China and Korea. Paid subscriptions in China reached 5.1 million as of September 30, 2003, with direct connectivity with local mobile operators in 26 provinces. Recently launched services include China News SMS, Business Elite (business, finance and market information), Military SMS, enhanced free and paid mail services, and the popular X-City and X-City 2 services. The unit's Korean operation develops cutting-edge CDMA-based mobile applications and establishes partnerships between leading Korean content, games and services developers and our China-based SMS platform. The entity also has mobile marketing and data mining operations in Australia. The unit also has signed an initial agreement with respect to a joint-venture agreement with Jamba!, a European mobile entertainment company to expand our mobile service and applications to Europe and the US by leveraging Jamba!'s extensive distribution network and also bring the world-class mobile technologies to the China market.

CDC Outsourcing, a wholly owned subsidiary, aims to take advantage of the global trend of companies looking to outsource to China by positioning its CMM (Capability Maturity Model) Level 3 certified Software Development Center's capabilities as an outsourcing conduit for economical, high-quality software development for the large customer base of our acquired companies. Its current outsourcing capability includes operations in the United Kingdom, Australia, and the US, with some 350 consultants, complemented by a partnership with vMoksha in India with over 500 more outsourcing staff servicing software companies internationally.

For more information about chinadotcom corporation, please visit www.corp.china.com.

Cautionary Note Regarding Forward-Looking Statements



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This release contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact, including those with respect to the company's goals, plans, prospects and strategies are forward-looking statements. The following factors and uncertainties, among others, could cause actual results to differ materially from those described in the forward-looking statements: (a) the ability to realize the company's strategic objectives by taking advantage of market opportunities in its geographic markets; (b) the ability to make changes in business strategy, development plans and product offerings to respond to the needs of its current, new and potential customers, suppliers and strategic partners; (c) the ability to integrate its operations or new acquisitions in accordance with its business strategy; (d) the effects of its restructurings and the ability to successfully support its operations; (e) the changes in the mobile technology, competitive climate or government regulations in the SMS area and the company's ability to respond thereof; (f) the ability to recruit and retain qualified, experienced employees; (g) the ability to successfully partner with other companies; (h) the ability to acquire additional companies and technologies and manage an increasingly broad range of businesses; (i) negotiations of claims with and reduced importance of its material shareholders; (j) risks associated with the development and licensing of software generally, including potential delays in software development and technical difficulties that may be encountered in the development or use of the company's software; (k) increased global competition; (l) manage regulatory and litigation risks; (m) the ability to rationalize its operations in a cost effective manner, particularly as related to certain subsidiaries and employees; (n) technological changes and developments; (o) general risks of the Internet, marketing and software sectors; and (p) the uncertain economic and political climate in Asia, the United States and throughout the rest of the world and the potential that such climate may deteriorate further.

The role of each of the company's current or former material shareholders is no longer, and is not expected to be, material or strategic to the company's operations or results and therefore, increases the likelihood that these material shareholders will seek to materially reduce their holdings in chinadotcom shares. In the process of exiting or reducing its current or former operations, the company has engaged in negotiations with each of its material shareholders to resolve various respective claims which necessarily strain its relationship with these material shareholders. These negotiations could result in liabilities, arbitration, litigation, settlement or unfavorable publicity, any of which could divert significant amounts of the company's management time and other corporate resources.

For a detailed discussion of these and other cautionary statements that could affect the company's business and financial results, please refer to the risk factors discussed in filings with the U.S. Securities and Exchange Commission ("SEC"), including but not limited to the company's Form 20-F filed on June 16, 2003 and the Form 6-K filed on October 3, 2003 which contain revised and updated sections of the Form 20-F. Documents, including the company's SEC filings, also are available from chinadotcom's corporate web site at www.corp.china.com. Notwithstanding changes in the above listed factors or any others that may affect the company's forward-looking statements that may occur in the interim, the company does not expect to update its forward-looking statement included in this release until the release of its next quarterly earnings announcement; however, chinadotcom reserves the right to update the full forward-looking statement or any portion thereof at any time for any reason.

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