

## Consolidated Income Statement

*For the year ended 31 December 2002  
(All amounts in Renminbi ("RMB") thousands, except for earnings per share)*

	Note	Year ended 31 December	
		2002	2001
Sales, net	1	2,980,431	2,043,989
Cost of sales		(1,955,946)	(1,301,688)
<b>Gross profit</b>		<b>1,024,485</b>	742,301
Distribution costs		(216,923)	(194,736)
Administrative expenses		(192,924)	(139,256)
Other operating expenses, net		(14,757)	(4,458)
<b>Profit from operations</b>		<b>599,881</b>	403,851
Finance costs, net	2	(94,629)	(110,373)
(Loss) gain on trading investments		(1,214)	4,867
Gain on disposals of a subsidiary's share		645	—
Share of results of an associate		1,464	(2,066)
Subsidy income	3	43,084	24,192
<b>Profit before tax and minority interests</b>	4	<b>549,231</b>	320,471
Income tax expense	5	(172,342)	(50,436)
<b>Profit before minority interests</b>		<b>376,889</b>	270,035
Minority interests	25	(109,294)	(63,377)
<b>Net profit</b>	6	<b>267,595</b>	206,658
<b>Earnings per share</b>	7		
— Basic		<b>RMB0.23</b>	RMB0.21
— Diluted		<b>Not applicable</b>	Not applicable

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.