

# Consolidated Income Statement

For the year ended 31 December, 2003

(All amounts in Renminbi ("RMB") thousands, except for earnings per share)

	Note	Year ended 31 December	
		2003	2002
Sales, net	1	<b>5,653,986</b>	2,980,431
Cost of sales		<b>(3,300,479)</b>	(1,955,946)
<b>Gross profit</b>		<b>2,353,507</b>	1,024,485
Distribution costs		<b>(303,203)</b>	(216,923)
Administrative expenses		<b>(299,213)</b>	(192,924)
Other operating expenses, net		<b>(6,585)</b>	(14,757)
<b>Profit from operations</b>		<b>1,744,506</b>	599,881
Finance costs, net	2	<b>(187,617)</b>	(94,629)
Gain (loss) on trading investments		<b>238</b>	(1,214)
Gain on disposals of a subsidiary's share		<b>451</b>	645
Share of results of an associate		<b>3,381</b>	1,464
Subsidy income	3	<b>93,710</b>	43,084
<b>Profit before tax and minority interests</b>	4	<b>1,654,669</b>	549,231
Income tax expense	5	<b>(536,492)</b>	(172,342)
<b>Profit before minority interests</b>		<b>1,118,177</b>	376,889
Minority interests	25	<b>(374,773)</b>	(109,294)
<b>Net profit</b>	6	<b>743,404</b>	267,595
<b>Earnings per share</b>	7		
– Basic		<b>RMB 0.62</b>	RMB 0.23
– Diluted		<b>Not applicable</b>	Not applicable

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