

Consolidated Statements of Operations

(In US dollars)

	Notes	Year ended December 31,		
		2004	2003	2002
Sales	20	\$974,664,696	\$365,823,504	\$50,315,345
Cost of sales		709,805,644	357,701,498	103,110,116
Cost of sales — Amortization of deferred stock compensation	17	11,595,131	5,539,275	2,127,822
Gross profit (loss)		253,263,921	2,582,731	(54,922,593)
Operating expenses:				
Research and development		78,167,336	32,070,123	37,459,380
General and administrative		46,015,039	27,911,791	17,781,998
Selling and marketing		8,129,592	9,446,819	4,371,243
Litigation settlement	22	23,153,105	—	—
Amortization of deferred stock compensation*	17	15,415,947	5,900,239	1,769,105
Total operating expenses		170,881,019	75,328,972	61,381,726
Income (loss) from operations	25	82,382,902	(72,746,241)	(116,304,319)
Other income (expense):				
Interest income		10,587,244	5,615,631	10,980,041
Interest expense		(13,697,894)	(1,424,740)	(176,091)
Foreign currency exchange gain		8,217,567	1,522,661	247,407
Others, net		2,441,057	888,189	2,650,049
Total other income, net		7,547,974	6,601,741	13,701,406
Income (loss) before income tax		89,930,876	(66,144,500)	(102,602,913)
Income tax — current	15	186,044	—	—
Net income (loss)		89,744,832	(66,144,500)	(102,602,913)
Deemed dividends on preference shares	27	18,839,426	37,116,629	—
Income (loss) attributable to holders of ordinary shares		\$70,905,406	\$(103,261,129)	\$(102,602,913)

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	Notes	Year ended December 31,		
		2004	2003	2002
Income (loss) per share, basic	18	\$0.01	\$(1.14)	\$(1.27)
Income (loss) per share, diluted	18	\$0.00	\$(1.14)	\$(1.27)
Shares used in calculating basic income (loss) per share	18	14,199,163,517	90,983,200	80,535,800
Shares used in calculating diluted income (loss) per share	18	17,934,393,066	90,983,200	80,535,800
* Amortization of deferred stock compensation related to:				
Research and development		\$5,138,402	\$2,842,775	\$794,506
General and administrative		8,023,343	1,793,185	569,419
Selling and marketing		2,254,202	1,264,279	405,180
Total		\$15,415,947	\$5,900,239	\$1,769,105

The accompanying notes are an integral part of these consolidated financial statements.