

# Consolidated Statements of Operations

(In U.S. dollars)

	Notes	Year ended December 31,		
		2005	2004	2003
Sales	23	\$ 1,171,318,735	\$ 974,664,696	\$ 365,823,504
Cost of sales	2	1,081,587,786	716,225,372	359,778,796
Gross profit		89,730,949	258,439,324	6,044,708
Operating expenses:				
Research and development	2	78,865,305	74,113,116	34,912,898
General and administrative	2	35,700,768	54,038,382	29,704,976
Selling and marketing	2	17,713,228	10,383,794	10,711,098
Litigation settlement	25	–	23,153,105	–
Amortization of intangible assets	2	41,251,077	14,368,025	3,461,977
Total operating expenses		173,530,378	176,056,422	78,790,949
Income (loss) from operations	28	(83,799,429)	82,382,902	(72,746,241)
Other income (expense):				
Interest income		11,355,972	10,587,244	5,615,631
Interest expense		(38,784,323)	(13,697,894)	(1,424,740)
Foreign currency exchange gain (loss)		(3,355,279)	8,217,567	1,522,661
Others, net		4,461,925	2,441,057	888,189
Total other income, net		(26,321,705)	7,547,974	6,601,741
(Loss) income before income tax		(110,121,134)	89,930,876	(66,144,500)
Income tax – current	18	284,867	186,044	–
Net (loss) income after taxes and before minority interest and loss from equity investment		(110,406,001)	89,744,832	(66,144,500)
Minority interest		251,017	–	–
Loss from equity investment	12	(1,379,110)	–	–
Net (loss) income		(111,534,094)	89,744,832	(66,144,500)
Deemed dividends on preference shares	30	–	18,839,426	37,116,629
(Loss) income attributable to holders of ordinary shares		\$ (111,534,094)	\$ 70,905,406	\$ (103,261,129)

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	Notes	Year ended December 31,		
		2005	2004	2003
(Loss) income per share, basic	21	\$ (0.01)	\$ 0.01	\$ (1.14)
(Loss) income per share, diluted	21	\$ (0.01)	\$ 0.00	\$ (1.14)
Shares used in calculating basic (loss) income per share	21	18,184,429,255	14,199,163,517	90,983,200
Shares used in calculating diluted (loss) income per share	21	18,184,429,255	17,934,393,066	90,983,200
* Share-based compensation related to each accounts balance is as follows:				
Cost of sales		\$ 11,931,713	\$ 11,595,131	\$ 5,539,275
Research and development		4,899,376	5,138,402	2,842,775
General and administrative		6,469,366	8,023,343	1,793,185
Selling and marketing		2,435,394	2,254,202	1,264,279
Total		\$ 25,735,849	\$ 27,011,078	\$ 11,439,514

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