

Consolidated Income Statement

For The Year Ended 31 December 2004

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

	Note	31 December 2004	31 December 2003
Sales, net	1	8,334,811	5,653,986
Cost of sales		(5,570,425)	(3,300,479)
Gross profit		2,764,386	2,353,507
Other operating income		83,501	62,654
Distribution costs		(443,763)	(303,203)
Administrative expenses		(269,787)	(299,213)
Other operating expenses		(88,967)	(69,239)
Profit from operations	3	2,045,370	1,744,506
Subsidy income	2	178,816	93,710
(Loss) Gain on disposals of a subsidiary's share		(5)	451
Gain on trading investments		—	238
Finance costs, net	4	(270,611)	(187,617)
Share of results of associates before tax		12,957	3,381
Profit before tax and minority interests		1,966,527	1,654,669
Income tax expense	5	(597,228)	(536,492)
Profit before minority interests		1,369,299	1,118,177
Minority interests	25	(408,380)	(374,773)
Net profit	6	960,919	743,404
Earnings per share	7		
— Basic		RMB0.77	RMB0.62
— Diluted		Not applicable	Not applicable

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