

USE OF PROCEEDS FROM ISSUE OF H SHARES

As at 30th June, 2001, the proceeds from the H shares issue were used in accordance with the Prospectus as follows:

- as to approximately RMB420,000,000 for the payment of a portion of construction cost of Terminal Two;
- as to approximately RMB156,000,000 for the payment of the rehabilitation of the west runway and the installation of navigation lighting system;
- as to approximately RMB212,668,000 for the payment of the construction of the Cross-Field Taxiway;
- as to approximately RMB1,321,886,000 for the repayment of the bank loans.

The remaining proceeds were deposited in Bank of China.