



USE OF PROCEEDS

The net proceeds from the global offering amounted to RMB3,304 million. As of June 30, 2002, RMB1,078 million was used from proceeds raised in listing. Of this amount, RMB688 million was used to settle long-term liabilities and RMB390 million was used as capital expenditures. An amount of approximately RMB2,226 million of net proceeds from the issue of shares remain unused and is currently deposited with banks.