

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2005

2005 US\$ millions	Note	2005 HK\$ millions	As restated Note 2 2004 HK\$ millions
<b>Operating activities</b>			
5,474			
Cash generated from operating activities before interest and other finance costs, profits tax paid, telecommunications prepaid CACs <sup>(a)</sup> and changes in working capital			
(1,941)	34 (a)	42,699	30,197
(85)		(15,138)	(11,427)
Interest and other finance costs			
(206)		(663)	(1,051)
Hong Kong profits tax paid			
		(1,605)	(1,319)
Overseas profits tax paid			
3,242		25,293	16,400
Funds from operations before telecommunications prepaid CACs			
(1,532)		(11,954)	(8,423)
Telecommunications prepaid CACs			
1,710		13,339	7,977
<b>Funds from operations</b>			
(876)	34 (b)	(6,829)	(8,894)
Changes in working capital			
834		6,510	(917)
<b>Net cash from (used in) operating activities</b>			
<b>Investing activities</b>			
(1,389)		(10,837)	(11,689)
Purchase of fixed assets and investment properties for established businesses			
(1,801)		(14,051)	(21,428)
Purchase of fixed assets for 3G businesses			
(272)		(2,118)	(1,065)
Additions to leasehold land prepayments			
(28)		(221)	(182)
Purchase of telecommunications licences			
(1,619)		(12,632)	(12,804)
Additions to telecommunications postpaid CACs			
(102)		(796)	(30)
Additions to brand names and other rights			
(1,106)	34 (c)	(8,630)	(2,264)
Purchase of subsidiary companies			
(338)		(2,638)	(4,359)
Purchase of minority interests			
(1,549)		(12,079)	(367)
Purchase of and advances to associated companies			
(1,064)		(8,296)	(4,093)
Purchase of and advances to jointly controlled entities			
(55)		(430)	(1,610)
Additions to other unlisted investments			
361		2,812	830
Repayments from associated companies and non-property jointly controlled entities			
81		634	1,216
Proceeds on disposal of fixed assets			
994	34 (d)	7,750	48
Proceeds on disposal of subsidiary companies			
640		4,994	9,300
Proceeds on partial disposal of subsidiary companies			
1,545	34 (e)	12,048	14,611
Proceeds on disposal of associated companies			
26		202	–
Proceeds on disposal of jointly controlled entities			
54		424	307
Proceeds on disposal of other unlisted investments			
25		196	–
Proceeds on disposal of infrastructure project investments			
365		2,850	15,430
Disposal of liquid funds and other listed investments			
(12)		(95)	(7,166)
Additions to liquid funds and other listed investments			
(5,244)		(40,913)	(25,315)
<b>Cash flows used in investing activities</b>			

2005			2005	As restated Note 2 2004
US\$ millions		Note	HK\$ millions	HK\$ millions
	<b>Financing activities</b>			
11,074	New borrowings		86,374	76,812
(8,602)	Repayment of borrowings		(67,092)	(79,118)
96	Issue of shares by subsidiary companies to minority shareholders		749	376
(299)	Dividends paid to minority shareholders		(2,334)	(2,598)
(946)	Dividends paid to shareholders		(7,375)	(7,375)
1,323	<b>Cash flows from (used in) financing activities</b>		10,322	(11,903)
(3,087)	Decrease in cash and cash equivalents		(24,081)	(38,135)
9,461	Cash and cash equivalents at 1 January		73,798	111,933
6,374	<b>Cash and cash equivalents at 31 December</b>		49,717	73,798
	<b>Analysis of cash, liquid funds and other listed investments</b>			
6,374	Cash and cash equivalents, as above		49,717	73,798
7,778	Liquid funds and other listed investments	25	60,669	66,503
14,152	<b>Total cash, liquid funds and other listed investments</b>		110,386	140,301
33,963	Bank and other interest bearing borrowings		264,911	282,993
19,811	<b>Net debt</b>		154,525	142,692

(a) CACs represents customer acquisition costs