

# Consolidated Cash Flow Statement

	Note	2003 HK\$ millions	2004 HK\$ millions	2004 US\$ millions
<b>Operating activities</b>				
(Loss) profit before taxation		(101)	805	103
Interest income		(56)	(24)	(3)
Interest and other finance costs, Company and subsidiary companies		800	892	114
Interest and other finance costs, share of associated companies		226	186	24
Depreciation and amortisation, Company and subsidiary companies		2,262	3,059	392
Depreciation and amortisation, share of associated companies		479	428	55
<b>Operating profit before depreciation and amortisation</b>				
		3,610	5,346	685
Share of operating profit before depreciation and amortisation of associated companies		(1,070)	(1,181)	(151)
Profit on partial disposal of a subsidiary company		–	(1,300)	(167)
Interest received		56	24	3
Interest and other finance costs paid		(800)	(892)	(114)
Taxes paid		–	(82)	(11)
Loss on disposal of fixed assets		29	2	–
Impairment of fixed assets	9	–	142	19
Write-off of telecommunications customer acquisition costs	9	234	150	19
<b>Funds from operations</b>				
Changes in working capital	24(a)	2,059 (1,055)	2,209 35	283 5
<b>Cash flow from operating activities</b>				
		1,004	2,244	288
<b>Investing activities</b>				
Purchases of fixed assets		(5,573)	(5,138)	(659)
Purchases of telecommunications licences		(343)	(249)	(32)
Additions to telecommunications customer acquisition costs		(490)	(728)	(93)
Reduction of long-term deposits		13	14	2
Purchases of subsidiary companies, net of cash acquired	24(b)	(89)	69	9
Purchases of associated companies		(63)	–	–
Proceeds on disposal of fixed assets		63	34	4
Proceeds on disposal of partial interest in a subsidiary company		–	1,578	202
<b>Cash flows from investing activities</b>				
		(6,482)	(4,420)	(567)

**Consolidated Cash Flow Statement** (continued)

	Note	2003 HK\$ millions	2004 HK\$ millions	2004 US\$ millions
<b>Financing activities</b>				
Net cash flows from financing activities	24(c)	4,026	<b>3,802</b>	<b>488</b>
Decrease (increase) in amounts due from related companies		17	<b>(1,513)</b>	<b>(194)</b>
Decrease (increase) in restricted cash		569	<b>(4)</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>				
		4,612	<b>2,285</b>	<b>293</b>
Decrease (increase) in cash and cash equivalents		(866)	<b>109</b>	<b>14</b>
Cash and cash equivalents at beginning of year		2,859	<b>1,993</b>	<b>256</b>
<b>Cash and cash equivalents at end of year</b>				
		1,993	<b>2,102</b>	<b>270</b>
<b>Analysis of net debts</b>				
Total cash and cash equivalents		1,993	<b>2,102</b>	<b>270</b>
Bank and other interest bearing borrowings	19, 23	12,972	<b>17,430</b>	<b>2,235</b>
<b>Net debts</b>				
		10,979	<b>15,328</b>	<b>1,965</b>

The accompanying notes are an integral part of the consolidated accounts.