

Consolidated Cash Flow Statement

For the year ended 31 December

	Note	2004 HK\$ millions (Restated)	2005 HK\$ millions	2005 US\$ millions (Note 37)
Cash flows from operating activities				
Profit before taxation		479	636	83
Adjustments for:				
- Interest income	12	(24)	(65)	(8)
- Interest and other finance costs	12	1,039	1,669	215
- Depreciation and amortisation	7	3,117	4,367	563
- Recognition of share-based payments	8	6	109	14
- Share of results of associated companies	10	(338)	(86)	(11)
- Profit on disposal of investments and others	11	(1,300)	(71)	(9)
- Loss on disposal and impairment of fixed assets		144	7	1
- Write-off of customer acquisition and retention costs		150	99	13
- Changes in working capital				
- Decrease/(increase) in stocks		143	(42)	(5)
- Increase in trade receivables, other receivables and prepayments, other non-current receivables and prepaid capacity and maintenance		(1,081)	(1,099)	(142)
- Increase in short-term receivables from related companies		(85)	(1)	-
- Increase in trade payables, accrued expenses and other payables, deferred revenue and receipt in advance		970	1,581	205
- (Decrease)/increase in short-term payable to related companies		(5)	85	11
Cash generated from continuing operations		3,215	7,189	930
Loss for the year from discontinued operations		(54)	(352)	(45)
- Adjustment for depreciation		33	16	2
- Loss on disposal of discontinued operations		-	336	43
Cash used in discontinued operations		(21)	-	-
Cash generated from operations		3,194	7,189	930
Interest received		24	65	8
Interest and other finance costs paid		(892)	(1,756)	(227)
Taxes paid		(82)	(221)	(29)
Net cash generated from operating activities		2,244	5,277	682

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

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For the year ended 31 December

	Note	2004 HK\$ millions (Restated)	2005 HK\$ millions	2005 US\$ millions (Note 37)
Cash flows from investing activities				
Purchases of fixed assets		(5,138)	(4,046)	(522)
Purchases of telecommunications licences		(249)	-	-
Additions to customer acquisition and retention costs		(728)	(650)	(84)
Reduction/(addition) of long-term deposits		14	(337)	(43)
Prepayment for acquisition of subsidiary companies		-	(4,011)	(518)
Proceeds on disposal of fixed assets		34	16	2
Purchases of subsidiary companies, net of cash acquired	31(a)	69	(926)	(119)
Increase in investment in subsidiary companies		-	(477)	(62)
Proceeds on disposal of subsidiary companies, net of cash disposed of	31(b)	-	193	25
Proceeds on disposal of partial interest in a subsidiary company		1,578	476	61
Net cash used in investing activities		(4,420)	(9,762)	(1,260)
Cash flows from financing activities				
Net cash flows from financing activities	31(c)	3,802	4,568	590
Increase in amounts due from related companies		(1,513)	-	-
Equity contribution from minority shareholders		-	312	40
Dividend paid to minority shareholders of a subsidiary company		-	(70)	(9)
(Increase)/decrease in restricted cash		(4)	9	1
Net cash provided by financing activities		2,285	4,819	622
Increase in cash and cash equivalents		109	334	44
Cash and cash equivalents at beginning of the year		1,993	2,102	270
Cash and cash equivalents at end of the year		2,102	2,436	314
Analysis of net debt				
Total cash and cash equivalents		2,102	2,436	314
Bank and other interest bearing borrowings	24, 30	17,430	26,692	3,444
Net debt		15,328	24,256	3,130

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