

Consolidated Cash Flow Statement

For the year ended 30 June 2006
(Expressed in Hong Kong dollars)

	Note	2006 \$000	2005 \$000 (restated)
Cash flows from operating activities			
Profit before income tax		91,653	350,920
Adjustments for:			
Depreciation	18	483,260	450,712
Amortisation of intangible assets	22	224,611	64,092
Loss on disposal of fixed assets (note below)		3,127	451
Write back of provision for amount due from an associate		—	(26,419)
Impairment loss on available-for-sale financial assets		12,632	6,531
Finance income		(56,287)	(48,722)
Finance costs		69,659	39,806
Recognition of share-based payments		4,281	6,423
Exchange loss		5,735	5
		838,671	843,799
Changes in working capital			
Decrease/(increase) in inventories		109,528	(64,870)
Decrease in trade receivables, deposits, prepayments and other receivables		15,482	12,357
Increase in payables, accruals, customers' deposits and deferred income		95,744	58,665
		1,059,425	849,951
Cash generated from operations			
Interest paid		(78)	(522)
Income tax paid		(3,780)	—
		1,055,567	849,429
Cash flows from investing activities			
Payment for purchase of fixed assets		(470,546)	(692,749)
Proceeds from disposal of fixed assets (note below)		2,120	8,199
Payment for available-for-sale financial assets		(3,900)	(7,800)
Payment of mobile licence fees		(50,000)	(50,000)
Proceeds from disposal of held-to-maturity debt securities	21 (c)	379,922	467,800
Additions of handset subsidies		(283,598)	(69,024)
Interest received		66,997	66,756
		(359,005)	(276,818)

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Cash flows from financing activities			
Repayment of loan from an associate		27,657	—
Repayment of loan to a minority interest		(5,437)	(8,156)
Decrease/(increase) in pledged bank deposits		6,622	(1,919)
Proceeds from new bank loans		—	170,000
Repayment of bank loans		—	(320,000)
Dividends paid to Company's equity holders		(116,558)	(303,051)
Dividends paid to a minority interest		(8,155)	—
Net cash used in financing activities		(95,871)	(463,126)
Net increase in cash and cash equivalents		600,691	109,485
Cash and cash equivalents at 1 July		437,673	328,188
Effect of foreign exchange rates changes		166	—
Cash and cash equivalents at 30 June	25	1,038,530	437,673

In the consolidated cash flow statement, proceeds from disposal of fixed assets comprise:

	2006 \$000	2005 \$000
Net book amount of disposed fixed assets (note 18)	5,247	8,650
Loss on disposal of fixed assets	(3,127)	(451)
Proceeds from disposal of fixed assets	2,120	8,199