

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2006

2006			2006	As restated Note 2 2005
US\$ millions		Note	HK\$ millions	HK\$ millions
	<b>Operating activities</b>			
6,294	Cash generated from operating activities before interest and other finance costs, tax paid, telecommunications expensed prepaid CACs <sup>(a)</sup> and changes in working capital	35 (a)	49,096	42,699
(2,050)	Interest and other finance costs paid		(15,990)	(14,559)
(258)	Tax paid		(2,010)	(2,268)
3,986	Funds from operations before telecommunications expensed prepaid CACs		31,096	25,872
(704)	Telecommunications expensed prepaid CACs		(5,494)	(11,954)
3,282	<b>Funds from operations</b>		25,602	13,918
131	Changes in working capital	35 (b)	1,020	(7,408)
3,413	<b>Net cash from operating activities</b>		26,622	6,510
	<b>Investing activities</b>			
(1,397)	Purchase of fixed assets and investment properties for established businesses		(10,895)	(10,837)
(1,482)	Purchase of fixed assets for 3G businesses		(11,559)	(14,051)
(186)	Additions to leasehold land		(1,454)	(2,118)
–	Purchase of telecommunications licences		–	(221)
(1,952)	Additions to telecommunications postpaid CACs		(15,223)	(12,632)
(239)	Additions to brand names and other rights		(1,863)	(796)
(482)	Purchase of subsidiary companies	35 (c)	(3,759)	(8,630)
–	Purchase of minority interests		–	(2,638)
(219)	Purchase of and advances to associated companies		(1,705)	(11,977)
(468)	Purchase of and advances to jointly controlled entities		(3,647)	(8,956)
(2)	Additions to other unlisted investments		(18)	(430)
227	Repayments from associated companies and non-property jointly controlled entities		1,769	2,812
142	Deposits from associated companies and jointly controlled entities		1,104	558
298	Proceeds on disposal of fixed assets, leasehold land and investment properties		2,325	634
71	Proceeds on disposal of subsidiary companies	35 (d)	550	7,750
4,307	Proceeds on partial disposal of subsidiary companies	35 (e)	33,595	4,994
–	Proceeds on disposal of associated companies	35 (f)	–	12,048
–	Proceeds on disposal of jointly controlled entities		–	202
80	Proceeds on disposal of other unlisted investments		622	424
12	Proceeds on disposal of infrastructure project investments		94	196
252	Disposal of liquid funds and other listed investments		1,967	2,850
(539)	Additions to liquid funds and other listed investments		(4,205)	(95)
(1,577)	<b>Cash flows used in investing activities</b>		(12,302)	(40,913)

2006			2006	As restated Note 2 2005
US\$ millions		Note	HK\$ millions	HK\$ millions
	<b>Financing activities</b>			
7,980	New borrowings		62,241	86,374
(6,878)	Repayment of borrowings		(53,645)	(67,092)
212	Issue of shares by subsidiary companies to minority shareholders		1,653	749
(354)	Dividends paid to minority shareholders		(2,760)	(2,334)
(946)	Dividends paid to shareholders		(7,375)	(7,375)
<b>14</b>	<b>Cash flows from financing activities</b>		<b>114</b>	<b>10,322</b>
1,850	Increase (decrease) in cash and cash equivalents		14,434	(24,081)
6,374	Cash and cash equivalents at 1 January		49,717	73,798
<b>8,224</b>	<b>Cash and cash equivalents at 31 December</b>		<b>64,151</b>	<b>49,717</b>
	<b>Analysis of cash, liquid funds and other listed investments</b>			
8,224	Cash and cash equivalents, as above	25	64,151	49,717
8,494	Liquid funds and other listed investments	24	66,251	60,669
<b>16,718</b>	<b>Total cash, liquid funds and other listed investments</b>		<b>130,402</b>	<b>110,386</b>
36,287	Bank and other debts		283,040	259,482
1,542	Interest bearing loans from minority shareholders		12,030	5,429
<b>21,111</b>	<b>Net debt</b>		<b>164,668</b>	<b>154,525</b>
(1,542)	Interest bearing loans from minority shareholders		(12,030)	(5,429)
<b>19,569</b>	<b>Net debt (excluding interest bearing loans from minority shareholders)</b>		<b>152,638</b>	<b>149,096</b>

(a) CACs represents customer acquisition costs