

Consolidated Cash Flow Statement

for the year ended 31 December 2007

| 2007 | | | 2007 | 2006 |
|---------------|---|-------|---------------|---------------|
| US\$ millions | | Note | HK\$ millions | HK\$ millions |
| 11,078 | Operating activities Cash generated from operating activities before interest and other finance costs, tax paid, 3 Group telecommunications expensed CACs ^(a) and changes in working capital | 33(a) | 86,406 | 49,096 |
| (2,373) | Interest and other finance costs paid | 33(a) | (18,508) | (15,990) |
| (334) | Tax paid | | (2,608) | (2,010) |
| (33.) | Тол рото | | (2,000) | (2,010) |
| 8,371 | Funds from operations before 3 Group telecommunications expensed CACs | | 65,290 | 31,096 |
| (735) | 3 Group telecommunications expensed CACs | | (5,732) | (5,494) |
| 7,636 | Funds from operations | | 59,558 | 25,602 |
| (531) | Changes in working capital | 33(b) | (4,144) | 1,020 |
| 7,105 | Net cash from operating activities | | 55,414 | 26,622 |
| | Investing activities | | | |
| (1,780) | Purchase of fixed assets and investment properties for established businesses | | (13,883) | (10,895) |
| (1,791) | Purchase of fixed assets for 3G businesses | | (13,969) | (11,559) |
| (142) | Additions to leasehold land | | (1,104) | (1,454) |
| (11) | Additions to telecommunications licences | | (86) | _ |
| (73) | Additions to brand names and other rights | | (572) | (1,863) |
| (1,516) | Additions to telecommunications postpaid CACs, including HTIL | 4 | (11,825) | (15,223) |
| 5,814 | Purchase of subsidiary companies | 33(c) | 45,348 | (3,759) |
| (90) | Purchase of minority interests | | (706) | _ |
| (75) | Purchase of and advances to associated companies | | (581) | (1,705) |
| (574) | Purchase of and advances to jointly controlled entities | | (4,478) | (3,647) |
| (144) | Additions to other unlisted investments | | (1,120) | (18) |
| 242 | Repayments from associated companies and non-property jointly controlled entities | | 1,888 | 1,769 |
| 217 | Deposits from associated companies and jointly controlled entities | | 1,698 | 1,104 |
| 106 | Proceeds on disposal of fixed assets, leasehold land and investment properties | | 825 | 2,325 |
| 115 | Proceeds on disposal of subsidiary companies | 33(d) | 895 | 550 |
| - | Proceeds on partial disposal of subsidiary companies | 33(e) | - 0/3 | 33,595 |
| 121 | Proceeds on disposal of associated companies |))(C) | 945 | |
| 177 | Proceeds on disposal of jointly controlled entities | | 1,379 | _ |
| 44 | Proceeds on disposal of other unlisted investments | | 342 | 622 |
| 8 | Proceeds on disposal of infrastructure project investments | | 66 | 94 |
| 526 | Disposal of liquid funds and other listed investments | | 4,099 | 1,967 |
| (200) | Additions to liquid funds and other listed investments | | (1,561) | (4,205) |
| 974 | Cash flows from (used in) investing activities | | 7,600 | (12,302) |

| 2007 US\$ millions | Note | 2007 HK\$ millions | 2006 HK\$ millions |
|-----------------------|--|-----------------------|-----------------------|
| | Financing activities | | |
| 7,020 | New borrowings | 54,755 | 62,241 |
| (7,692) | Repayment of borrowings | (60,000) | (53,645) |
| 56 | Issue of shares by subsidiary companies to minority shareholders | 438 | 1,653 |
| (471) | Dividends paid to minority shareholders | (3,676) | (2,760) |
| (946) | Dividends paid to shareholders | (7,375) | (7,375) |
| (2,033) | Cash flows from (used in) financing activities | (15,858) | 114 |
| 6,046 | Increase in cash and cash equivalents | 47,156 | 14,434 |
| 8,224 | Cash and cash equivalents at 1 January | 64,151 | 49,717 |
| 14,270 | Cash and cash equivalents at 31 December | 111,307 | 64,151 |
| | Analysis of cash, liquid funds and other listed investments | | |
| 14,270 | Cash and cash equivalents, as above 23 | 111,307 | 64,151 |
| 8,871 | Liquid funds and other listed investments 22 | 69,192 | 66,251 |
| 23,141 | Total cash, liquid funds and other listed investments | 180,499 | 130,402 |
| 39,787 | Bank and other debts | 310,341 | 283,040 |
| 1,604 | Interest bearing loans from minority shareholders | 12,508 | 12,030 |
| 18,250 | Net debt | 142,350 | 164,668 |
| (1,604) | Interest bearing loans from minority shareholders | (12,508) | (12,030) |
| 16,646 | Net debt (excluding interest bearing loans from minority shareholders) | 129,842 | 152,638 |

⁽a) CACs represents customer acquisition costs and contract customer retention costs.