

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024 (Amounts in million)

	Notes	2024 RMB	2023 RMB
Net cash from operating activities	(a)	145,049	137,508
Cash flows used in investing activities			
Capital expenditure		(89,928)	(89,866)
Purchase of investments		(1,919)	(109)
Payments for right-of-use assets		(343)	(307)
Proceeds from disposal of property, plant and equipment		1,346	1,223
Proceeds from disposal of right-of-use assets		65	89
Proceeds from disposal of investments		52	124
Payments for equity instruments at fair value through other comprehensive income		(40)	(30)
Purchase of bank deposits		(41,655)	(13,349)
Maturity of bank deposits		22,972	6,742
Short-term loans granted to China Telecom Group by Finance Company	(b)	(4,075)	(8,100)
China Telecom Group's repayments of short-term loans granted by Finance Company	(b)	10,093	8,091
Net cash used in investing activities		(103,432)	(95,492)
Cash flows used in financing activities			
Repayments of principal of lease liabilities		(15,428)	(14,647)
Proceeds from bank and other loans		6,613	5,988
Repayments of bank and other loans		(8,647)	(11,239)
Payments of dividends		(23,527)	(20,059)
Distribution to non-controlling interests		(90)	(79)
Contribution from non-controlling interests		48	-
Net deposits by China Telecom Group to Finance Company	(b)	951	6,680
Increase in statutory deposit reserves placed by Finance Company	(b)	(465)	(121)
Net cash used in financing activities		(40,545)	(33,477)
Net increase in cash and cash equivalents		1,072	8,539
Cash and cash equivalents as at 1 January		81,046	72,465
Effect of changes in foreign exchange rate		89	42
Cash and cash equivalents as at 31 December		82,207	81,046

SECTION VIII FINANCIAL REPORTS
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024 (Amounts in million)

(a) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH FROM OPERATING ACTIVITIES

	2024 RMB	2023 RMB
Profit before taxation	42,172	39,204
Adjustment for:		
Depreciation and amortisation	101,044	99,702
Impairment losses for financial assets and contract assets, net of reversal	3,861	3,419
Write-down of inventories, net of reversal	4	7
Investment income and others	(114)	(295)
Share of profits of associates and joint ventures	(2,525)	(2,116)
Interest income	(2,242)	(2,368)
Net interest expense	2,391	2,545
Net foreign exchange gain or loss and others	79	155
Net loss on retirement and disposal of long-lived assets and others	1,869	4,046
	146,539	144,299
Increase in accounts receivable	(15,027)	(11,067)
Increase in contract assets	(168)	(1,813)
Decrease in inventories	146	90
(Increase)/Decrease in prepayments and other current assets	(5,980)	130
Decrease/(Increase) in restricted cash	244	(182)
Decrease/(Increase) in other assets	994	(683)
Increase in accounts payable	18,194	10,176
Increase in accrued expenses and other payables	2,290	1,657
Decrease in contract liabilities	(245)	(2,432)
	146,987	140,175
Cash generated from operations		
Interest received	1,661	2,225
Interest paid	(2,358)	(2,646)
Investment income received	2,138	1,530
Income tax paid	(3,379)	(3,776)
	145,049	137,508

SECTION VIII FINANCIAL REPORTS
CONSOLIDATED STATEMENT OF CASH FLOWS
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(b) "Finance Company" refers to China Telecom Group Finance Co., Ltd., a subsidiary of the Company established on 8 January 2019, which provides capital and financial management services to the member units of China Telecommunications Corporation, the parent and ultimate holding company of the Company. These transactions are conducted on normal commercial terms or better.

China Telecommunications Corporation together with its subsidiaries other than the Group are referred to as "China Telecom Group".

(c) SIGNIFICANT NON-CASH TRANSACTIONS

For the years ended 31 December 2024 and 2023, the Group did not have other significant non-cash investing and financing activities, except for the additions and modifications of right-of-use assets and lease liabilities, and the instalment purchase of equipment, see Note 42 for details.

The notes on pages 165 to 247 form part of these consolidated financial statements.