

**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 31 December 2025 (Amounts in million)

	Notes	2025 RMB	2024 RMB
<b>Net cash from operating activities</b>	(a)	<b>125,069</b>	145,049
<b>Cash flows used in investing activities</b>			
Capital expenditure		(73,115)	(89,928)
Purchase of investments		(94,324)	(1,919)
Payments for right-of-use assets		(34)	(343)
Proceeds from disposal of property, plant and equipment		1,461	1,346
Proceeds from disposal of right-of-use assets		530	65
Proceeds from disposal of investments		83,071	52
Payments for equity instruments at fair value through other comprehensive income		(1,201)	(40)
Placement of bank deposits		(48,038)	(41,655)
Maturity of bank deposits		30,432	22,972
Short-term loans granted to China Telecom Group by Finance Company	(b)	(2,600)	(4,075)
China Telecom Group's repayments of short-term loans granted by Finance Company	(b)	2,064	10,093
Net cash inflow from acquisition of subsidiaries		1,466	–
<b>Net cash used in investing activities</b>		<b>(100,288)</b>	(103,432)
<b>Cash flows used in financing activities</b>			
Repayments of principal of lease liabilities		(16,792)	(15,428)
Proceeds from bank and other loans		6,922	6,613
Repayments of bank and other loans		(12,888)	(8,647)
Payments of dividends		(25,064)	(23,527)
Distribution to non-controlling interests		(69)	(90)
Contribution from non-controlling interests		859	48
Net deposits by China Telecom Group to Finance Company	(b)	2,043	951
Increase in statutory deposit reserves placed by Finance Company	(b)	(519)	(465)
Others		19	–
<b>Net cash used in financing activities</b>		<b>(45,489)</b>	(40,545)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(20,708)</b>	1,072
<b>Cash and cash equivalents as at 1 January</b>		<b>82,207</b>	81,046
<b>Effect of changes in foreign exchange rate</b>		<b>(105)</b>	89
<b>Cash and cash equivalents as at 31 December</b>		<b>61,394</b>	82,207

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

	2025 RMB	2024 RMB
<b>Profit before taxation</b>	<b>42,680</b>	42,172
Adjustment for:		
Depreciation and amortisation	104,198	101,044
Impairment losses for financial assets and contract assets, net of reversal	5,738	3,861
Write-down of inventories, net of reversal	53	4
Investment income and others	(747)	(114)
Share of profits of associates and joint ventures	(2,674)	(2,525)
Interest income	(1,825)	(2,242)
Net interest expense	2,054	2,391
Net foreign exchange gain or loss and others	159	79
Net loss on retirement and disposal of long-lived assets and others	1,840	1,869
	<b>151,476</b>	146,539
Increase in accounts receivable	(16,312)	(15,027)
Decrease/(Increase) in contract assets	573	(168)
Decrease in inventories	64	146
Decrease/(Increase) in prepayments and other current assets	1,872	(5,980)
(Increase)/Decrease in restricted cash	(57)	244
(Increase)/Decrease in other assets	(3,658)	994
(Decrease)/Increase in accounts payable	(9,126)	18,194
Increase in accrued expenses and other payables	2,556	2,290
Increase/(Decrease) in contract liabilities	1,879	(245)
<b>Cash generated from operations</b>	<b>129,267</b>	146,987
Interest received	735	1,661
Interest paid	(1,898)	(2,358)
Investment income received	2,448	2,138
Income tax paid	(5,483)	(3,379)
<b>Net cash from operating activities</b>	<b>125,069</b>	145,049

**(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 2025 and 2024, 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 156 to 242 form part of these consolidated financial statements.