



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the six-month period ended 30 June 2022 (Amounts in million)

	Notes	Six-month period ended 30 June	
		2022 RMB	2021 RMB
Net cash from operating activities	(a)	65,097	67,635
Cash flows used in investing activities			
Capital expenditure		(27,183)	(26,843)
Purchase of investments		(85)	(83)
Payments for right-of-use assets		(104)	(1)
Proceeds from disposal of property, plant and equipment		169	448
Proceeds from disposal of right-of-use assets		10	26
Proceeds from disposal of investments		14	37
Net cash inflow from disposal of subsidiaries		–	3,764
Payments for equity instruments at fair value through other comprehensive income		–	(93)
Purchase of short-term bank deposits		(1,709)	(7,235)
Maturity of short-term bank deposits		159	8,812
Short-term loans granted to China Telecommunications Corporation by Finance Company	(b)	(6,000)	–
Net cash used in investing activities		(34,729)	(21,168)
Cash flows used in financing activities			
Repayments of principal of lease liabilities		(6,237)	(5,769)
Proceeds from bank and other loans		2,021	27,403
Repayments of bank and other loans		(7,555)	(46,519)
Payment of dividends		(13,197)	(8,439)
Distribution to non-controlling interests		(2)	–
Contribution from non-controlling interests		–	79
Net deposits with Finance Company	(b)	(1,996)	(1,472)
Increase in statutory deposit reserves placed by Finance Company	(b)	(175)	(237)
Net cash used in financing activities		(27,141)	(34,954)
Net increase in cash and cash equivalents		3,227	11,513
Cash and cash equivalents as at 1 January		73,281	23,684
Effect of changes in foreign exchange rate		328	(67)
Cash and cash equivalents as at 30 June		76,836	35,130

Condensed Consolidated Statement of Cash Flows (Unaudited)

for the six-month period ended 30 June 2022 (Amounts in million)

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

	Six-month period ended 30 June	
	2022	2021
	RMB	RMB
Profit before taxation	23,925	23,415
Adjustment for:		
Depreciation and amortisation	46,735	45,097
Impairment losses for financial assets and other items, net of reversal	2,163	1,719
Write-down of inventories, net of reversal	73	12
Investment income and others	(9)	(2,224)
Share of profits of associates and joint ventures	(833)	(1,019)
Interest income	(805)	(306)
Net interest expense	940	1,397
Net foreign exchange gain and others	(105)	(12)
Net loss on retirement and disposal of long-lived assets	2,204	1,729
	74,288	69,808
Increase in accounts receivable	(16,042)	(12,923)
Increase in contract assets	(1,061)	(508)
Increase in inventories	(921)	(1,423)
Decrease in prepayments and other current assets	1,267	7
Increase in restricted cash	(61)	(9)
(Increase)/Decrease in other assets	(665)	396
Increase in accounts payable	7,275	6,014
Increase in accrued expenses and other payables	13,227	13,028
Decrease in contract liabilities	(10,598)	(4,016)
Cash generated from operations	66,709	70,374
Interest received	788	296
Interest paid	(1,114)	(1,567)
Investment income received	960	820
Income tax paid	(2,246)	(2,288)
Net cash from operating activities	65,097	67,635



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for the six-month period ended 30 June 2022 (Amounts in million)

- (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.

(c) SIGNIFICANT NON-CASH TRANSACTIONS

For the periods ended 30 June 2022 and 2021, the Group did not have significant non-cash investing and financing activities, except the additions of right-of-use assets and lease liabilities.

The notes on pages 66 to 87 form part of the condensed consolidated interim financial information.