

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the six-month period ended 30 June 2025 (Amounts in million)

	Notes	Six-month period ended 30 June 2025 RMB	2024 RMB
Net cash from operating activities	(a)	47,307	58,700
Cash flows used in investing activities			
Capital expenditure		(27,227)	(34,985)
Purchase of investments		(55,575)	(109)
Payments for right-of-use assets		(19)	(50)
Proceeds from disposal of property, plant and equipment		936	706
Proceeds from disposal of right-of-use assets		206	58
Proceeds from disposal of investments		35,155	6
Payments for equity instruments at fair value through other comprehensive income		–	(30)
Placement of bank deposits		(34,585)	(27,058)
Maturity of bank deposits		18,511	7,308
Short-term loans granted to China Telecom Group by Finance Company	(b)	(2,051)	(2,029)
China Telecom Group's repayments of short-term loans granted by Finance Company	(b)	2,045	6,080
Net cash inflow from acquisition of subsidiary		1,455	–
Net cash used in investing activities		(61,149)	(50,103)
Cash flows used in financing activities			
Repayments of principal of lease liabilities		(6,955)	(6,556)
Proceeds from bank and other loans		5,599	2,833
Repayments of bank and other loans		(4,671)	(4,057)
Payments of dividends		(7,270)	(7,082)
Contribution from non-controlling interests		99	–
Net deposits with Finance Company	(b)	(1,856)	638
Increase in statutory deposit reserves placed by Finance Company	(b)	(351)	(359)
Others		19	–
Net cash used in financing activities		(15,386)	(14,583)
Net decrease in cash and cash equivalents		(29,228)	(5,986)
Cash and cash equivalents as at 1 January		82,207	81,046
Effect of changes in foreign exchange rate		(20)	12
Cash and cash equivalents as at 30 June		52,959	75,072

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for the six-month period ended 30 June 2025 (Amounts in million)

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

	Six-month period ended 30 June	
	2025	2024
	RMB	RMB
Profit before taxation	29,595	28,239
Adjustment for:		
Depreciation and amortisation	52,039	49,532
Impairment losses for financial assets and contract assets, net of reversal	5,521	3,863
Write-down of inventories, net of reversal	16	25
Investment income and others	(110)	(106)
Share of profits of associates and joint ventures	(1,233)	(1,145)
Interest income	(941)	(1,042)
Net interest expense	1,063	1,192
Net foreign exchange gain or loss and others	172	100
Net loss on retirement and disposal of long-lived assets and others	847	886
	86,969	81,544
Increase in accounts receivable	(32,571)	(27,522)
Increase in contract assets	(988)	(1,453)
Increase in inventories	(27)	(1,272)
Decrease/(increase) in prepayments and other current assets	457	(985)
Decrease in restricted cash	93	108
(Increase)/decrease in other assets	(841)	603
(Decrease)/increase in accounts payable	(8,592)	6,147
Increase in accrued expenses and other payables	11,004	10,931
Decrease in contract liabilities	(5,771)	(8,661)
Cash generated from operations	49,733	59,440
Interest received	641	992
Interest paid	(1,007)	(1,162)
Investment income received	1,279	1,521
Income tax paid	(3,339)	(2,091)
Net cash from operating activities	47,307	58,700

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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 six-month periods ended 30 June 2025 and 30 June 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.