

## Consolidated Statement of Cash Flows

Year ended 31 December 2021

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(7,491)	(106,339)
Adjustments for:			
Finance costs	6	1,400	4,632
Finance costs included in cost of sales	6	113	143
Gain on disposal of a subsidiary		–	(33,930)
Interest income	5	(2,272)	(10,677)
Loss/(gain) on disposal and write-off of items of property, plant and equipment	7	(2,186)	7,710
Equity-settled share option expense	7	15,100	–
Depreciation of property, plant and equipment	7	45,820	51,264
Depreciation of right-of-use assets	7	16,198	15,259
Gain on lease modification	5	–	(25)
Gain on lease modification included in cost of sales	14(c)	(3)	–
Write-off of inventories	7	–	272
Impairment of trade receivables	7	1,088	353
Impairment of contract assets	7	965	–
		<b>68,732</b>	(71,338)
Increase in inventories		(148,876)	(21,301)
Decrease/(increase) in trade receivables		(80,980)	37,330
Decrease in contract assets		363,035	111,249
Decrease in prepayments, deposits and other receivables		1,722	6,684
Increase/(decrease) in trade and retention payables, accruals and provision		(175,329)	54,141
Increase in other payables, deposits received and receipts in advance		291	1,092
Increase in contract liabilities		10,122	25,539
Cash generated from operations		<b>38,717</b>	143,396
Taxes paid in the People's Republic of China (the "PRC"):			
Hong Kong		(13,666)	(34,760)
Elsewhere		(23)	(3,271)
Taxes refunded in the PRC:			
Hong Kong		40	–
Effect of foreign exchange rate changes, net		–	199
Net cash flows from operating activities		<b>25,068</b>	105,564

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		2,388	14,892
Purchases of items of property, plant and equipment		(34,385)	(74,670)
Proceeds from disposal of items of property, plant and equipment		3,368	5,124
Proceeds from disposal of a subsidiary	33	–	343,200
Net cash flows from/(used in) investing activities		<u>(28,629)</u>	<u>288,546</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(1,034)	(5,069)
Interest element of lease payments		(481)	(793)
New bank borrowings		90,000	–
Repayment of bank borrowings		(94,841)	(54,296)
Redemption of guaranteed notes		–	(40,700)
Principal portion of lease payments		(12,741)	(11,448)
Dividends paid		(33,660)	(2,490,867)
Net cash flows used in financing activities		<u>(52,757)</u>	<u>(2,603,173)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(56,318)</b>	<b>(2,209,063)</b>
Cash and cash equivalents at beginning of year		706,570	2,891,831
Effect of foreign exchange rate changes, net		638	23,802
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>650,890</u></b>	<b><u>706,570</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	19	450,390	333,931
Non-pledged time deposits	19	200,500	372,639
Cash and cash equivalents as stated in the consolidated statement of financial position		<b><u>650,890</u></b>	<b><u>706,570</u></b>