

## Consolidated Statement of Cash Flows

Year ended 31 December 2022

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		25,889	(7,491)
Adjustments for:			
Finance costs	6	2,338	1,400
Finance costs included in cost of sales	6	35	113
Interest income	5	(6,722)	(2,272)
Loss/(gain) on disposal and write-off of items of property, plant and equipment	7	2,826	(2,186)
Equity-settled share option expense	7	9,647	15,100
Depreciation of property, plant and equipment	7	49,726	45,820
Depreciation of right-of-use assets	7	13,378	16,198
Gain on lease modification included in cost of sales	14(c)	–	(3)
Write-down of inventories to net realisable value	7	2,989	–
Impairment of items of property, plant and equipment	7	798	–
Impairment of trade receivables	7	1,427	1,088
Impairment/(write-back of impairment) of contract assets	7	(693)	965
		<b>101,638</b>	68,732
Decrease/(increase) in inventories		96,368	(148,876)
Decrease/(increase) in trade receivables		143,379	(80,980)
Decrease/(increase) in contract assets		(189,850)	363,035
Decrease in prepayments, deposits and other receivables		3,156	1,722
Increase/(decrease) in trade and retention payables, accruals and provision		72,497	(175,329)
Increase/(decrease) in other payables, deposits received and receipts in advance		(750)	291
Increase/(decrease) in contract liabilities		(51,369)	10,122
Cash generated from operations		<b>175,069</b>	38,717
Taxes paid in the People's Republic of China (the "PRC"):			
Hong Kong		(4,577)	(13,666)
Elsewhere		(12)	(23)
Taxes refunded in the PRC:			
Hong Kong		–	40
Net cash flows from operating activities		<b>170,480</b>	25,068

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Year ended 31 December 2022

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		4,488	2,388
Purchases of items of property, plant and equipment		(47,515)	(34,385)
Deposits paid for acquisition of items of property, plant and equipment		(716)	–
Proceeds from disposal of items of property, plant and equipment		966	3,368
Increase in a pledged deposit		(5,460)	–
Increase in non-pledged time deposits with original maturity of more than three months when acquired		(91,420)	–
Net cash flows used in investing activities		<u>(139,657)</u>	<u>(28,629)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(1,365)	(1,034)
Interest element of lease payments		(951)	(481)
New bank borrowings		140,000	90,000
Repayment of bank borrowings		(45,075)	(94,841)
Principal portion of lease payments		(9,349)	(12,741)
Dividends paid		(84,151)	(33,660)
Net cash flows used in financing activities		<u>(891)</u>	<u>(52,757)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>29,932</b>	<b>(56,318)</b>
Cash and cash equivalents at beginning of year		650,890	706,570
Effect of foreign exchange rate changes, net		(1,943)	638
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>678,879</u></b>	<b><u>650,890</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		170,379	450,390
Non-pledged time deposits		599,920	200,500
Cash and cash equivalents as stated in the consolidated statement of financial position	19	<u>770,299</u>	650,890
Less: Non-pledged time deposits with original maturity of over three months when acquired		(91,420)	–
Cash and cash equivalents as stated in the consolidated statement of cash flows		<b><u>678,879</u></b>	<b><u>650,890</u></b>