



Executive Directors of Boto

SALES ORDERS

As of the date of this announcement, the Group has already received sales orders in relation to Christmas festive products and leisure furniture for the forthcoming year ending 31st March 2003 amounted to HK\$740 million and HK\$60 million respectively.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March 2002, sales attributable to the largest and the five largest customers accounted for 37.5% (2001: 25.9%) and 64.9% (2001: 56.1%) of the total turnover respectively. Purchases attributable to the largest and the five largest suppliers accounted for 19.6% (2001: 20.4%) and 45.8% (2001: 46.1%) of the total purchases respectively.

None of the Directors, their respective associates (as defined in the Listing Rules), or any shareholder of the Company (who or which, to the knowledge of the Directors, own more than five per cent of the issued share capital of the Company) has any interest in any of the Group's five largest customers or suppliers.

LIQUIDITY AND CAPITAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities. As at 31st March 2002, the Group had available aggregate banking facilities of HK\$373 million of which approximately HK\$132.9 million was utilized. The Group's cash deposits and bank balances as at that date amounted to HK\$156.0 million. The Board believes that the Group has sufficient financial resources to discharge its debts and to finance its operations and capital expenditures.

The Group has maintained a sound capital structure, achieving a long-term gearing ratio of 5.4% and a current ratio of 2.5 as of the year end date.

HUMAN RESOURCES

As of 31st March 2002, the Group has a total workforce of approximately 7,300 people, while approximately 7,100 were employed in Shenzhen, China, the remaining worked in Hong Kong. During the low season for the production of Christmas festive products from October 2001 to January 2002, the average number of employees employed in Shenzhen decreased to approximately 3,000 people. The Group's employees are remunerated according to the nature of their duties and market trends, with incentives offered in the form of bonuses and share options based on individual performance. In view of the amendment to Chapter 17 of the Listing Rules which came into effect on 1st September 2001, the Group has adopted a new share option scheme as those described in the Annual Report for the year ended 31st March 2002.