

# [ Management Discussion and Analysis ]



**Executive Directors of Boto**

## **SALES ORDERS**

As of the date of this report, the Group has already received sales orders amounting to HK\$830.0 million in respect of the forthcoming year ending 31st March, 2002.

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the year ended 31st March, 2001, sales attributable to the largest and five largest customers accounted for 25.9% (2000: 25.7%) and 56.1% (2000: 55.1%) of the total turnover, respectively. Purchases attributable to the largest and five largest suppliers accounted for 20.4% (2000: 17.7%) and 46.1% (2000: 50.2%) of 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, owns more than 5% 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 operation with internally generated cash flow and banking facilities. As at 31st March, 2001, the Group has aggregate banking facilities of approximately HK\$380.8 million (2000: 281.7 million). Out of these available banking facilities, approximately HK\$103.4 million was utilised, of which approximately HK\$65.7 million is repayable within one year. The Group's cash deposits and bank balances as at 31st March, 2001 amounted to approximately HK\$198.5 million. This together with utilised banking facilities, avails the Group with sufficient financial resources to discharge its debts and to fund its operations and capital expenditures.

The Group has sustained sound capital structure with the achievement of a gearing ratio of 4.8% and current ratio of 2.2 as of the year end date.

## **REDEMPTION OF CONVERTIBLE NOTES**

In May 1998, the Group issued US\$6,500,000 convertible notes due 1st May, 2001 (the "Notes"). The Notes were redeemed on 4th April, 2001 before expiry at a maturity value calculated by reference to an internal rate of return of 12% per annum. The accrued premium payable on redemption amounted to HK\$14,137,000.

