

## Financial Review

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During the period, the Group's net bank borrowings increased slightly by HK\$33 million to HK\$1,839 million. As at September 30, 2001, the aggregate of the Group's shareholders' fund and minority interests was HK\$1,229 million, representing an increase of HK\$29 million, and the Group's gearing ratio (the ratio of consolidated net bank borrowings to shareholders' fund and minority interests) was 1.50. The gearing ratios of the Company and GP Industries were 0.91 and 0.57 respectively whereas those of GP Batteries and Clipsal Industries were 0.77 and 0.45 (as at June 30, 2001) respectively. There had been no significant changes in the gearing ratios when compared to those as at the last balance sheet dates of the respective companies.

The Group and its major associated companies have continued its prudent policy in managing foreign exchange and interest rate risks. Forward contracts, local currencies borrowings and local sourcing have been arranged to minimize foreign exchange risk when appropriate. At September 30, 2001, 31% (March 31, 2001: 49%) of the Group's bank borrowings was revolving or repayable within one year whereas 69% (March 31, 2001: 51%) was mostly repayable between one to five years. Nearly all of these bank borrowings are based on floating interest rates. About 67% and 18% of the Group's bank borrowings are in US dollars and Hong Kong dollars respectively.