BUSINESS REVIEW AND PROSPECTS

Turnover of the Group for the six months ended 30 June 2001 increased to HK$2,194 million (2000: HK$1,493 million) whilst profit attributable to shareholders decreased by 53% to HK$281 million (2000: HK$603 million).

The increase in turnover is mainly due to the sales and pre-sales of properties in the first half of the year. However, unlike the corresponding period in the first six months of the year 2000 when the Group generated significant profit such as from the sales of Horizon Lodge and the penthouse of Aigburth, the Group incurred an overall loss from sales of properties during this period. The loss arose mainly from the sales of units in Ocean Pointe and Kerry Everbright City. Accordingly, the Group has realised an amount of HK$317 million of the provision made in respect of Ocean Pointe in line with the sales of those properties. As a result, profit attributable to shareholders has decreased.

In 1998, the Group made a general provision of HK$150 million with respect to the Group's development property portfolio. In accordance with Hong Kong Statement of Standard Accounting Practice 28, "Provisions, Contingent Liabilities and Contingent Assets", which came into effect during the period under review, this provision has now been reclassified as a specific provision in respect of the Ocean Pointe project.

HONG KONG PROPERTY DIVISION

The Hong Kong Property Division recorded total turnover of HK$1,340 million for the six months ended 30 June 2001 (2000: HK$951 million), representing 61% of the total turnover for the Group. Rental income for the six month period recorded a 7% decrease to HK$217 million compared with HK$234 million for the corresponding period last year mainly because of the sales of 168 Sai Yeung Choi Street and Horizon Lodge in 2000. Proceeds from sales of properties for the six months ended 30 June 2001 amounted to HK$1,123 million compared to HK$717 million for the same period last year. Profit attributable to the Group from the Division amounted to approximately HK$57 million (2000: HK$465 million).

Development Properties

The Group commenced the sale of Ocean Pointe during the period under review. Ocean Pointe comprises of three towers offering a total of 560 residential units. The spacious 20,000 square feet clubhouse and 50,000 square feet podium roof offer a wide range of indoor and outdoor recreational facilities for its residents. Since its public launch in March 2001, 299 units amounting to approximately 53% of the development has been sold as at 30 June 2001. Subsequent to the period end, an additional 28 units amounting to approximately 5% of the development were sold.

Enterprise Square II, a brand new 27-storey industrial office building located adjacent to Enterprise Square in Kowloon Bay, received its occupation permit in April 2001 and approximately 45% of the development has been sold as at 30 June 2001 with 20% of such sales to be completed subsequent to 30 June 2001.

HONG KONG PROPERTY DIVISION (continued)

Development Properties (continued)

The remaining penthouse unit of Tavistock II, a luxury development located at the highly sought after address of Tregunter Path, was also sold at a consideration of approximately HK$48 million during the period.

Sales of the Group's joint venture developments are also progressing well with approximately 31, 250 and 173 residential units in Island Harbourview, Park Avenue and Central Park being sold, respectively, during the half year under review. In accordance with the Group's accounting policy, results on the sales of completed joint venture developments have been booked upon the completion of sales during the period. In respect of projects still under development, the Group has accounted for the sales on a percentage completion basis. As at 30 June 2001, Island Harbourview and Park Avenue were 100% completed whilst Central Park was approximately 53% completed. Such results have been included under "Share of profits less losses of associated companies" in the accounts. Subsequent to 30 June 2001, a further 1, 27 and 25 units in Island Harbourview, Park Avenue and Central Park have been sold, respectively.

Investment Properties

The Group has continued with the sale of units in Enterprise Square. During the six month period, approximately 19,872 square feet of the development have been sold for HK$36 million with completion scheduled for August 2001. Subsequent to 30 June 2001, the Group announced the disposal of its interest in Energy Plaza in Tsim Sha Tsui jointly with Sino Land Company Limited for a consideration of approximately HK$389 million with completion scheduled for September 2001.

The Group also sold 10 units of Tregunter Towers during the six month period ended 30 June 2001 generating proceeds of approximately HK$157 million. Out of the 10 units which had been sold, 2 units are scheduled to be completed subsequent to 30 June 2001. In addition, 2 more units were sold subsequent to the period end.

Aigburth, a luxury development located adjacent to Tavistock II, is leasing well with 62 units out of a total of 64 units owned by the Group representing approximately 97% of the property being leased as at 30 June 2001.

Olympian City 1, the commercial podium in Phase 1 development of the Tai Kok Tsui project is leasing well with the property being 92% occupied as at 30 June 2001. Subsequent to the period end, in July 2001 the office block in the same development, Olympian Tower, in which the Group has a 20% interest, was sold to the Bank of China Group for approximately HK$1,090 million. Completion of this sale is scheduled for January 2002.

The Group's investment portfolio continued to maintain high occupancy rates of 97%, 96% and 96% for residential, retail and offices, respectively, as at 30 June 2001.

Status of Developments

The Constellation Cove development in Tai Po Kau is progressing satisfactorily. Approximately 98% of the structural frames of all buildings have been completed. The 7 show flats, apartments and houses are now ready for viewing. Based on the current progress, the project comprising of 286 units is expected to be completed by the end of 2001. Pre-sale consent for Constellation Cove has been received subsequent to the period end in July 2001 and the pre-sale of the development is expected to commence shortly.

The site formation and piling works of Ava Mansion are in progress. The Group has made use of the unutilised plot ratio in the Branksome site to maximize its land use to build Ava Mansion. The development, with buildable gross floor area of approximately 142,918 square feet, will comprise a 39-storey luxury residential building with ancillary carparks and clubhouse facilities offering panoramic sea views of the city and the harbour.

Piling work of Phase III Enterprise Square, another industrial office development at NKIL 5877 in Kowloon Bay, will commence in the third quarter of 2001. Site formation and piling works at Tsuen Wan Town Lot 404, a site 50% owned by the Group, will also commence in the third quarter of the year.

The Town Planning Board confirmed the Residential Zoning for the Ap Lei Chau project. The site is intended to be developed into a residential project.

PRC PROPERTY DIVISION

Turnover from the PRC Property Division for the six months ended 30 June 2001 increased by 64% to HK$496 million (2000: HK$302 million), representing 23% of the Group's total turnover. Rental income from the Division increased approximately by 46% to HK$246 million (2000: HK$169 million). Proceeds from sales of properties also increased to HK$149 million (2000: HK$56 million) as a result of the sale of units in Kerry Everbright City Tower 2 and the pre-sale of Central Residences. Revenues generated from the Beijing Kerry Centre Hotel for the first six months of this year increased by approximately 31% to HK$101 million (2000: HK$77 million). The contribution from this Division is continuing to improve due to the continuing strong economic outlook of the PRC economy. Profit attributable to the Group from the Division amounted to approximately HK$90 million (2000: HK$73 million).

PRC PROPERTY DIVISION (continued)

Development Properties

Riding on the success of its Phase I pre-sale, the pre-sale of Phase II of Central Residences, the Group's Hua Shan Road project in Shanghai, commenced in June 2001 with an exhibition held in Hong Kong. Under Phase II, Tower 3 of the development was released for sale and has received an enthusiastic response from the public with approximately 54% of the tower being sold at launch. In July 2001, an additional 8% of Tower 3 was sold. As at 30 June 2001, Towers 1 and 2 were 94% and 100% pre-sold, respectively. At the period end, construction of Towers 1, 2 and 3 were approximately 97%, 87% and 66% completed, respectively.

The construction of the Shenzhen Regency Park Phase IIIA development has been completed with 13 out of 16 villas having been sold as at 30 June 2001. It is intended that construction of Phase IIIB development will commence when prospective buyers have registered their interest as these houses are intended to be individually designed.

Investment Properties

Leasing activities in Beijing Kerry Centre are progressing well. The twin office towers have achieved an occupancy rate of 95% as at 30 June 2001. The adjacent residential towers, Kerry Residences, have also been leasing well with 85% of the residential apartments being leased as at 30 June 2001. In addition, the Group has also leased out 90% of the commercial space in Beijing Kerry Centre.

Beijing Kerry Centre Hotel has also performed satisfactorily during the first six months of this year with an average occupancy rate of approximately 66%.

Shanghai Kerry Centre has also achieved excellent leasing results despite the highly competitive market conditions in Shanghai. As at the end of June 2001, the office tower and commercial podium were approximately 99% and 68% leased, respectively. Similar to Beijing Kerry Centre, the service apartments in Shanghai Kerry Centre are also branded Kerry Residences, with 71% of the apartments having been leased out as at 30 June 2001.

Sales and leasing of Kerry Everbright City in Shanghai are also progressing well. 162 residential units in Tower 2 amounting to approximately 20,600 square metres were sold during the six months under review with 5,763 square metres of such sales to be completed subsequent to 30 June 2001. As at 30 June 2001, approximately 76% and 8% of Tower I and 7% and 85% of Tower 2 have also been leased and sold, respectively. The shopping mall was 100% leased as at the same date.

As at 30 June 2001, approximately 100% of the units in International Apartments were sold while the shopping mall was approximately 63% and 30% leased and sold, respectively. In Shanghai Trade Square, approximately 29% and 66% of the office space have been leased and sold, respectively, whilst the retail shops are approximately 69% and 31% leased and sold, respectively.

The marketing activities of Shenzhen Kerry Centre are continuing and approximately 68% and 30% of the office space have been leased and sold, respectively, at the period end.

Status of Developments

Demolition of the existing buildings on the Cao Jia Yan site in Shanghai is in progress. Vacant possession is targeted by end 2001 and planning and design for the project are currently in progress.

In April 2001, the Group signed a letter of intent with the Land Grant Committee Office of the Jingan District in Shanghai to develop residential housing at Yan An Zhong Road. The Group will develop No. 1288 Yan An Zhong Road as foreign funded residential housing for local sales. It occupies a total site area of approximately 13,694 square metres and is located southwest of Shanghai Kerry Centre in the Jingan District. It is intended to construct high rise luxury residential buildings with a plot ratio of approximately 5 times. It is planned to develop three luxury residential towers with a total buildable area of approximately 67,000 square metres with landscaped gardens. Recreational facilities of approximately 1,000 square metres will be included as part of the development and 100 carparking units will also be provided. The development is expected to be completed by December 2004.

The site investigation and conceptual design works in Shenzhen Futian Lot No. B205-0008 have been completed and the detail design work is in progress. This is intended to be a luxury residential development with an exclusive residents' clubhouse with accompanying facilities.

Due to the improving economic outlook in the PRC, a review of the Yu Quan Hua Yuan project in Fuzhou is also being undertaken with the intention to restart this project.

LOGISTICS AND WAREHOUSE DIVISION

The Logistics and Warehouse Division is one of the main contributors of revenue to the Group, contributing a turnover of HK$336 million in the six months ended 30 June 2001 (2000: HK$216 million). This represents approximately 15% of the Group's total turnover. Logistics operations generated revenues of HK$121 million (2000: HK$22 million), while warehousing operations accounted for HK$215 million (2000: HK$194 million). The Division recorded earnings before interest and tax of HK$128 million for the period compared with HK$110 million for the same period last year. This represents a strong growth rate of 16%.

Profit attributable to the Group from the Division for the six months ended 30 June 2001 amounted to HK$52 million (2000: HK$14 million). This represents HK$2 million contributed from logistics operations and HK$50 million from warehousing operations.

The Group continues to take active steps to enhance its services in the Logistics and Warehouse Division in line with its vision to become a premier pan-Asian integrated logistics company. Kerry Logistics Network Limited ("KLN"), the divisional holding company of the Division, was formed to integrate the logistics and warehouse operations of the Group to facilitate the provision of one-stop integrated supply chain management solutions to customers.

Integrated logistics services comprise many components of which warehousing, inventory management, distribution and freight forwarding are fundamental in the delivery of integrated supply chain management solutions to customers.

The Group has a dominant position in warehousing in Hong Kong. It owns and operates 14 warehouses with leasable gross floor area of 6.6 million square feet. The average occupancy of the entire portfolio as at 30 June 2001 is approximately 95%. It caters to the varied needs of its customers for storage of general cargo, dangerous goods and bonded goods as well as cold storage.

The Group has completed the conversion of approximately 400,000 square feet of warehouse space at Kerry Cargo Centre into a full-fledged logistics centre for its logistics operations. The logistics centre has reached full utilization and the Group will continue to convert additional warehouse space to expand the capacity of its logistics centre when required.

The Kerry Logistics website, *www.kerrylogistics.com*, has been well received by customers and the Group has been successful in migrating traditional customers onto its web-based platform at an increasing rate. The web-based platform enables customers to integrate with the Group's supply chain management system, thereby providing customers with an efficient and cost effective solution within a seamless business environment.

The Group is continuously evaluating its information technology capability, which is currently supported by a web-enabled supply chain execution system. The Group is committed to the application of advanced technologies to provide efficient management of its customers' inventory as part of the supply chain management solution.

To enhance customer service, the Division has a distribution fleet and team which is capable of providing premier distribution services.

The Division has continued to expand its logistics network in Asia. In January 2001, the Division extended its operations to Korea with the acquisition of a 51% interest in Kerry Freight (Korea) Inc., a leading Korean freight forwarding company.

In China, a joint venture agreement was signed with Beijing Holdings Investment Management Company Limited in the first quarter of 2001, the purpose of which is to develop a northern China logistics hub for Beijing and other northern Chinese cities. This joint venture commenced operations in June 2001. In addition, the Division has set up warehouses in Shanghai Waigaoqiao Free Trade Zone ("FTZ") through a 100% wholly owned foreign enterprise company so as to capture businesses from the vast manufacturing and retail industries of Shanghai and its neighbouring cities along the Yangtze River. This operation will commence in August 2001. This strategic operation will take advantage of various taxation and administrative privileges available to foreign firms in the FTZ. Development efforts with regard to other major cities in China will intensify in the second half of 2001.

In June 2001, KLN successfully acquired a 100% interest in Charlick Operations Pty. Limited and its subsidiaries in Australia. The Charlick Group of Companies will be renamed as Kerry Logistics (Australia) subsequent to the acquisition. Kerry Logistics (Australia) is mainly engaged in the provision of freight and logistics services, container depot services, interstate and local transport services, loading/unloading and storage services at rail terminals. The acquisition will enable KLN through its subsidiary, Kerry Logistics (Australia), to explore potential business synergies and to further develop the business in Australia to improve profitability for the Group and add the Australasian presence to KLN's network.

Subsequent to 30 June 2001, KLN acquired a 4.75 hectare piece of land in Thailand for business development purposes. Less than half of the land will be utilised to build and develop a 16,000 square metres logistics centre in the area of Laem Chabang Port, to the south of Bangkok and the remaining land will be used for future expansion. In addition, the Division commenced air and freight operations in Thailand in January 2001 in the vicinity of the Siam Sea Port Terminal at Laem Chabang Port.

LOGISTICS AND WAREHOUSE DIVISION (continued)

Leveraging on its strengths in Hong Kong, the Division will seek to establish a network of logistics capabilities in Asia. Expansion into China is a priority. The Group is also actively seeking joint venture and/or other opportunities to establish its logistics operations in other parts of North Asia and South-East Asia.

INFRASTRUCTURE-RELATED INVESTMENTS

The operations of Shenzhen Kaifeng Terminal are continuing to make good progress with 262,371 TEUs handled during the six months ended 30 June 2001, representing an increase of 16% compared to 226,277 TEUs for the six months ended 30 June 2000. During the six months ended 30 June 2001, the Group equity accounted for HK$5 million in profits after tax from this investment.

Asia Airfreight Terminal is continuing to operate profitably at the Chek Lap Kok airport. Total tonnage handled during the six months ended 30 June 2001 is approximately 169,285 tons (2000: 178,000 tons). The Group has equity accounted for its share of profit after tax amounting to HK$9 million for the six months ended 30 June 2001. Asia Airfreight Terminal is conducting studies to evaluate its future expansion plans in order to take advantage of the growing air cargo volume in Hong Kong.

The performance of the Group's other infrastructure-related investments is in line with expectations and these investments have provided a stable stream of revenue to the Group during the period under review.

INTERNATIONAL INVESTMENTS

Pre-sales of Jacksons Landing, the Group's joint venture project in Sydney, Australia, have continued with satisfactory results. As at 30 June 2001, 504 units out of 582 units in the first six precincts released for pre-sales have been sold. Construction of other precincts is proceeding according to schedule. The Group has equity accounted for its share of profits after tax for the first six months amounting to HK$7 million.

The Group has continued to enjoy a stable income from its investment in EDSA Properties Holdings Inc. ("EPHI") in the Philippines. EPHI owns a majority stake in Shangri-La Plaza Mall, one of the premier shopping malls in Manila, in the Philippines whose occupancy rate stood at 96% at 30 June 2001. Contribution from EPHI during the period has also been strengthened by its 23.52% investment in KSA Realty Corporation ("KSA"), a company acquired in December 2000 whose main asset is Enterprise Center, a twin tower grade A office building in Makati Central Business District. As at 30 June 2001, Enterprise Center was approximately 90% leased.

On 9 July 2001, EPHI announced its interim results for the six months ended 30 June 2001, reporting profit attributable to shareholders of approximately Pesos 122.45 million which represents an increase of 43% over the corresponding period in 2000 of approximately Pesos 85.88 million.

In view of the strengthening financial position of EPHI after the KSA acquisition, the Group has equity accounted for HK$6 million as its share of profits after tax from EPHI during the period under review. The Group is confident that the investment will further enhance its recurring income base.

AUDIT COMMITTEE

The Company has an audit committee which comprises of all four non-executive directors of the Board with three of them being independent non-executive directors. Chaired by an independent non-executive director, the committee meets regularly in order to review the plans of both the internal and external auditors as well as the internal controls of the Group. It also reviews the interim and annual reports of the Group before recommending them to the Board for approval. All audit committee meetings are attended by the external auditors with the Group's internal auditor and Chief Financial Officer in attendance. The committee has already met three times during the year to date.

REMUNERATION COMMITTEE

The Company has a remuneration committee which comprises the Chairman and the Deputy Chairman of the Board and all three independent non-executive directors of the Company. It makes recommendations with respect to the remuneration of executive directors of the Company. The remuneration committee has already met twice during the year to date.

FINANCIAL REVIEW

The Company has centralised funding for all its operations at the Group level. This policy achieves better control of treasury operations and lower average cost of funds. With respect to foreign exchange exposure, this does not pose a significant risk for the Group given that the level of US$ exposure is small relative to its total asset base. US$ borrowings including convertible bonds as at 30 June 2001 amounted to approximately US$288 million. The rental and sales of properties in the PRC are linked to the US$ whilst expenditures in the PRC are mainly in Renminbi.

FINANCIAL REVIEW (continued)

On 18 June 2001, the Group signed an agreement with a syndicate of banks for a 5 year unsecured facility amounting to HK$6 billion for refinancing an existing HK$4 billion syndicated loan which will mature in September this year. This facility carries an interest rate of HIBOR plus 50 basis points. The facility was very well received by the market, as highlighted by 12 reputable banks and financial institutions of various nationalities underwriting the transaction with a total commitment of HK$6.6 billion, which exceeded the initial facility size of HK$3 billion by 120%. The commitments of the coordinating arrangers were scaled back to HK$6 billion before general syndication was launched. Further commitments amounting to HK$550 million were received at general syndication and the size of the facility was scaled back again to HK$6 billion with 25 banks participating. This strong level of oversubscription reflects the great confidence of the banking community in the Group for its strong credit quality.

The majority of the Group's borrowings are subject to floating interest rates except for certain loans in the PRC and the convertible bonds which are fixed interest loans. As at 30 June 2001, total borrowings of the Group including convertible bonds amounted to HK$9,892 million, of which 29% was due within one year while 13% and 58% were due in the second year and in the third to fifth years, respectively. During the period, the Group continued to maintain most of its borrowings on an unsecured basis. As at 30 June 2001, unsecured debt comprised 80% of total borrowings while total net borrowings including convertible bonds amounted to approximately HK$8,732 million, resulting in a gearing ratio of approximately 36% based on shareholders' equity of approximately HK$23,995 million.

The Group will continue to obtain financing on a fully unsecured basis whenever possible and supplement such borrowings with secured project financing as and when the need arises. The Group will continue its policy of maintaining a prudent gearing ratio.

At 30 June 2001, the Group had total undrawn facilities of approximately HK$6,760 million and net cash on hand of approximately HK$1,160 million. In addition, the Group also continues to generate strong recurring cashflows from its core investment property portfolio. This strong financial position enables the Group to assess future investment opportunities with confidence.

CREDIT RATING

The Group's credit standing is reinforced by the April 2001 issue of the *Asset* magazine which ranked the Company one of the best credits in Hong Kong. In addition, on 13 July 2001, Standard & Poor's reviewed the Group's credit rating and reaffirmed the Group's corporate and convertible bond ratings to be of investment grade with a "BBB-" rating together with a stable outlook.

ENVIRONMENTAL PROTECTION INITIATIVES

The Group has continued with its initiatives to incorporate environmental designs and services in its projects. In its latest development, Constellation Cove, the Group has not only focused on designs but has also introduced a new management called "Green Property Management System" in the development. In the design aspects, the development has planned for the use of natural light and solar energy to conserve energy. Over 2,000 trees are to be planted on the site to enhance the environment. The Green Property Management System aims at improving the quality of the environment and includes a ban on the use of environmentally damaging pesticides and chemical fertilisers, a waste recycling system and the use of totally degradable plastic bags.

CORPORATE COMMUNICATIONS INITIATIVES

Website

The Kerry Properties Limited website has continued to enhance the Group's corporate image and is a helpful source of information for third parties on the Group and its current activities. Feedback received to date indicates that the website is very well received by the investment community and by buyers of properties. The average number of hits during the six months ended 30 June 2001 is 296,832 hits per month, which represents an 89% increase over the average number of hits in 2000 of 156,928 hits per month.

Investor Relations

In order to develop and maintain continuing good relations with the Group's investors, the Group participated in the Salomon Smith Barney Hong Kong/China conference held in Singapore in April 2001 this year.

DIRECTORS AND STAFF

As at 30 June 2001, the Company and its subsidiaries had 2,528 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical cover, subsidised educational and training programmes as well as a share option scheme.

Executive Share Option Scheme

The shareholders of the Company approved an executive share option scheme (the "Share Option Scheme") on 27 March 1997. The Share Option Scheme is designed to give executives and key employees in the service of the Company or any of its subsidiaries an interest in preserving and maximising shareholder value in the longer term, to enable the Company and the relevant subsidiaries to attract and retain individuals with experience and ability and to reward individuals for future performance.

DIRECTORS AND STAFF (continued)

Executive Share Option Scheme (continued)

Under the Share Option Scheme, the Directors may, at their discretion, invite executive directors and key employees of the Company or any of its subsidiaries to subscribe for shares in the Company subject to terms and conditions stipulated therein. On 2 March 2001, the Company granted a total of 1,240,000 option shares at an exercise price of HK$12.23 per option share. Together with the option shares granted in previous years, the outstanding option shares at 30 June 2001 were as follows:

Date of grant	Tranche	Exercise period	Exercise price	Number of option shares of the Company
11/04/1997	N/A	11/04/1999-26/03/2007	HK$15.77	11,729,531
27/11/1999	I	27/05/2000-26/03/2007	HK$10.19	2,924,618
	II	27/05/2001-26/03/2007	HK$10.19	2,924,636
				5,849,254
01/06/2000	I	01/06/2001-31/05/2010	HK$7.08	2,857,000
	II	01/06/2002-31/05/2010	HK$7.08	2,857,000
	III	01/06/2003-31/05/2010	HK$7.08	2,723,879
				8,437,879
02/03/2001	I	02/03/2002-01/03/2011	HK$12.23	424,000
	II	02/03/2003-01/03/2011	HK$12.23	424,000
	III	02/03/2004-01/03/2011	HK$12.23	392,000
				1,240,000
			Total	27,256,664

Pursuant to the terms of the Share Option Scheme, the Company adjusted the exercise price per option share of the unexercised options and the number of option shares comprised thereunder on 1 August 2001 following changes in the Company's issued share capital in May 2001. The exercise prices have been adjusted from HK$15.77 to HK$15.50, from HK$10.19 to HK$10.01, from HK$7.08 to HK$6.96 and from HK$12.23 to HK$12.03 in respect of the unexercised options granted on 11 April 1997, 27 November 1999, 1 June 2000 and 2 March 2001, respectively, with additional corresponding option shares of 204,315, 105,157, 145,444 and 20,610 granted accordingly.

No options have been exercised under the Share Option Scheme since its adoption by the shareholders of the Company.

CONCLUSION

The outlook for the Hong Kong economy and the property sector in the second half of 2001 continues to be weak as it is impacted by the slowdown in the US and Europe. Nevertheless, the PRC's economy remains strong and the Group is in a good position to access further opportunities there. The Group continues to enjoy a strong recurrent income base which together with its sound financial position, puts the Group in a good position to expand and grow in the years ahead.