渝 太 地 產 集 團 有 限 公 司*
Y. T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 75)

2014 Interim Results Announcement

The board of directors of Y. T. Realty Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014. The interim results have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2014

		Unaudited	
		Six months ended 30 June	
	Notes	**2014**	2013
		HK$'000	*HK$'000*
REVENUE	*2, 3*	**104,382**	99,823
Direct outgoings		**(3,004)**	(3,202)
		101,378	96,621
Other income and other net losses		**721**	750
Administrative expenses		**(14,359)**	(11,984)
Finance costs		**(1,517)**	(1,807)
Changes in fair value of investment properties		**78,380**	77,134
Share of results of an associate		**99,875**	80,110
PROFIT BEFORE TAX	*4*	**264,478**	240,824
Income tax expense	*5*	**(12,877)**	(12,618)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**251,601**	228,206
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*6*	**HK31.5 cents**	HK28.5 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Unaudited Six months ended 30 June **2014** ***HK$'000***	 2013 *HK$'000*
PROFIT FOR THE PERIOD	**251,601**	228,206
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive loss of an associate	**(3,610)**	(18,248)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	**(3,610)**	(18,248)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**247,991**	209,958

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2014

	Notes	**30 June 2014**	31 December 2013
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**879**	1,155
Investment properties		**3,883,900**	3,807,800
Investment in an associate		**1,862,989**	1,794,672
Other investments		**1,697**	1,697
Total non-current assets		**5,749,465**	5,605,324
CURRENT ASSETS			
Trade receivables	*8*	**397**	458
Other receivables, deposits and prepayments		**7,299**	8,541
Dividend receivable from an associate		**9,315**	-
Cash and cash equivalents		**299,687**	250,234
Total current assets		**316,698**	259,233
CURRENT LIABILITIES			
Trade payables	*9*	**1,680**	1,092
Other payables and accrued expenses		**66,983**	77,348
Bank loans, secured		**20,000**	31,500
Tax payable		**13,811**	2,903
Total current liabilities		**102,474**	112,843
NET CURRENT ASSETS		**214,224**	146,390
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,963,689**	5,751,714
NON-CURRENT LIABILITIES			
Bank loans, secured		**91,600**	101,600
Deferred tax liabilities		**76,943**	74,974
Total non-current liabilities		**168,543**	176,574
Net assets		**5,795,146**	5,575,140
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**5,715,190**	5,467,199
Proposed final dividend		**-**	27,985
Total equity		**5,795,146**	5,575,140

Notes:

1 Basis of preparation and accounting policies

These unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 to the Main Board Listing Rules (the "Listing Rules"). These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2013 and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by HKICPA, except that the Group has in the current period applied, for the first time the following new and revised HKFRSs:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) - Investment Entities
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
HKAS 39 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) - Int 21	Levies

The adoption of the new and revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited interim condensed consolidated financial statements. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial information.

2 Operating segment information

For management purposes, the Group is organised into business units based on its business activities and has four reportable operating segments as follows:

(a) The property investment segment invests in properties for rental income and potential capital appreciation;

(b) The property trading segment comprises the trading of properties;

(c) The property management and related services segment comprises the provision of property management and related technical consultancy services; and

(d) The operation of driver training centres and tunnel operation and management segment refers to the Group's share of results of its associate which is engaged in the operation of and investment in driver training centres and tunnel operation and management.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss). The adjusted profit/(loss) is measured consistently with the Group's profit/(loss) except that finance costs and head office income tax expense/(credit) are excluded from this measurement.

Segment assets exclude other investments, cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude bank loans, head office tax payable and head office deferred tax liabilities as these liabilities are managed on a group basis.

2 Operating segment information *(continued)*

	Unaudited Six months ended 30 June				
	Property investment *HK$'000*	**Property trading** *HK$'000*	**Property management and related services** *HK$'000*	**Operation of driver training centres and tunnel operation and management** *HK$'000*	**Consolidated** *HK$'000*
2014					
Segment revenue	**99,822**	**-**	**4,560**	**-**	**104,382**
Segment results	**162,035**	**-**	**4,085**	**-**	**166,120**
Finance costs					**(1,517)**
Share of results of an associate	**-**	**-**	**-**	**99,875**	**99,875**
Profit before tax					**264,478**
Income tax expense	**(12,156)**	**-**	**(426)**	**-**	**(12,582)**
Unallocated income tax expense					**(295)**
Profit for the period					**251,601**
Assets and liabilities					
Segment assets	**3,892,388**	**-**	**87**	**-**	**3,892,475**
Investment in an associate	**-**	**-**	**-**	**1,862,989**	**1,862,989**
Dividend receivable from an associate	**-**	**-**	**-**	**9,315**	**9,315**
Unallocated assets					**301,384**
Total assets					**6,066,163**
Segment liabilities	**150,069**	**-**	**8,878**	**25**	**158,972**
Unallocated liabilities					**112,045**
Total liabilities					**271,017**
Other segment information:					
Capital expenditure	**1,629**	**-**	**22**	**-**	**1,651**
Depreciation	**193**	**-**	**4**	**-**	**197**
Changes in fair value of investment properties	**78,380**	**-**	**-**	**-**	**78,380**

2 Operating segment information *(continued)*

	Property investment *HK$'000*	Property trading *HK$'000*	Property management and related services *HK$'000*	Operation of driver training centres and tunnel operation and management *HK$'000*	Consolidated *HK$'000*
2013					
Six months ended 30 June					
(Unaudited)					
Segment revenue	95,388	-	4,435	-	99,823
Segment results	158,806	-	3,715	-	162,521
Finance costs					(1,807)
Share of results of an associate	-	-	-	80,110	80,110
Profit before tax					240,824
Income tax expense	(11,620)	-	(387)	-	(12,007)
Unallocated income tax expense					(611)
Profit for the period					228,206
At 31 December					
(Audited)					
Assets and liabilities					
Segment assets	3,817,507	-	447	-	3,817,954
Investment in an associate	-	-	-	1,794,672	1,794,672
Unallocated assets					251,931
Total assets					5,864,557
Segment liabilities	147,780	-	8,370	17	156,167
Unallocated liabilities					133,250
Total liabilities					289,417
Six months ended 30 June					
(Unaudited)					
Other segment information:					
Capital expenditure	1,589	-	-	-	1,589
Depreciation	186	-	3	-	189
Changes in fair value of investment properties	77,134	-	-	-	77,134

2 Operating segment information *(continued)*

Geographical information

(a) Revenue from external customers

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**104,382**	99,823

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**5,736,368**	5,592,226
Mainland China	**11,400**	11,401
	5,747,768	5,603,627

The non-current assets information above is based on the location of assets and excludes financial instruments.

Information about a major customer

During the period ended 30 June 2014, revenue of approximately HK$17,565,000 (2013: HK$17,140,000) was derived from a single customer under the property investment segment.

3 Revenue

Revenue, which is also the Group's turnover, represents the aggregate of gross rental income received and receivable from investment properties and the income from property management and related services.

4 Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Unaudited Six months ended 30 June **2014** ***HK$'000***	 2013 *HK$'000*
Depreciation	**197**	189
Staff costs (including executive directors' remuneration):		
Wages and salaries	**7,568**	7,022
Pension scheme contributions	**300**	233
	7,868	7,255
Interest expenses	**792**	1,082
Loss on disposal of an item of property, plant and equipment*	**95**	-
Foreign exchange differences, net*	**961**	(128)
Gain on disposal of an investment property*	**(94)**	-
Interest income	**(1,498)**	(453)

* These items are included in "Other income and other net losses" in the condensed consolidated statement of profit or loss.

5 Income tax expense

	Unaudited Six months ended 30 June **2014** ***HK$'000***	 2013 *HK$'000*
Current - Hong Kong	**10,908**	10,537
Deferred	**1,969**	2,081
Total tax charge for the period	**12,877**	12,618

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

6 Earnings per share attributable to ordinary equity holders of the Company

The calculation of the basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the periods ended 30 June 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these periods.

The calculation of basic and diluted earnings per share is based on:

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to ordinary equity holders of the Company	**251,601**	228,206
	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the period	**799,557,415**	799,557,415

7 Dividends

The board of directors has resolved not to declare an interim dividend for the six months ended 30 June 2014 (2013: Nil).

8 Trade receivables

An aged analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**207**	446
31 to 60 days	**137**	12
Over 60 days	**53**	-
	397	458

The trade receivables primarily include rental receivables and property management and related services receivables which are normally due on the first day of each month and within a 14-day period, respectively. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk.

9 Trade payables

An aged analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**1,680**	1,089
31 to 60 days	**-**	3
	1,680	1,092

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's net profit attributable to shareholders for the first six months of 2014 amounted to HK$251.6 million which was 10.3% higher than the results of the corresponding period of 2013. Earnings per share for the first six-month period of 2014 amounted to HK31.5 cents (2013: HK28.5 cents). Excluding the effect of property revaluation, the Group recorded a net profit increase of 14.6% when compared with the last corresponding period.

For the first half of 2014, the Group's revenue increased by 4.6% to HK$104.4 million as compared to the last corresponding period. Rental income from investment properties amounted to HK$99.8 million, up 4.6% from HK$95.4 million. During the period under review, the Group's core properties recorded steady increase in overall rental rates.

Business Review *(continued)*

In the first half of 2014, the Hong Kong SAR Government continued to struggle in maintaining a proper balance between healthy economic growth and suppression of escalating property value of all kinds which has long been blamed for affecting the livelihood of the local citizens. Whilst full swing territory-wide large infrastructure and housing projects played a key role in supporting the economic growth, punitive taxing measures imposed on property ownership and investment across virtually all segments encumbered the pace of economic advancement. Anti-graft campaign in the Mainland coupled with economic correction had caused visitors' spending from across the border to dwindle significantly. This was most notable at the luxury retail sector, resulting in otherwise rare proliferation of retail vacancies in many popular tourist districts throughout the territories. The Group's property portfolio falls within this most hard-hit sector, but fortunately the actual impact was only modest, thanks to quality tenant mix, vivid branding of buildings and well established strong clientele. Other sectors which saw contraction were financial and accounting services which traditionally are large premises users. This explains why little improvement was witnessed in reducing the relatively high percentage of vacancy in the office sector in prime districts during the period under review. Despite these negative factors, the economy of Hong Kong on the whole was considered to be stable, which achievement can be ascribed to strong public fiscal reserve to support territory-wide infrastructure and housing projects, low interest rate environment, low unemployment and most importantly the steady large amount of visitors, all of which helped minimised market volatility and uncertainty.

Against this challenging backdrop, the Group is pleased to report a stable half-year result for 2014. Moderate increase was recorded for the overall rental revenue as well as rental rate whilst occupancy rate slipped slightly to just below last year's 98%. We ascribed such stable result to the prestigious locations of our properties, innovative and proactive marketing endeavors, as well as dedicated tenancy service by the well trained in-house management team; and more importantly, the Group's continual investment to strengthen unique branding for our different properties cushioned well in times of any market volatility.

The Group's investment property portfolio was independently valued at the end of the period resulting in a revaluation surplus of HK$78.4 million. The revaluation surplus of the Group's investment properties was reported in the statement of profit or loss.

The Group's share of profit after taxation from the associated company, The Cross-Harbour (Holdings) Limited ("Cross-Harbour"), for the period was HK$99.9 million (2013: HK$80.1 million), increased by 24.7% from last period. Cross-Harbour is listed on The Stock Exchange of Hong Kong Limited and it is engaged in investment and management of tunnels, motoring schools and highway and tunnel toll system.

Prospects

While the first half year's result of the Group was relatively stable, we expect market uncertainty and volatility will intensify in the coming months which may have implication on our performance. On the macro-economic perspective, we do not expect to see much turbulence in major global markets which will likely to maintain the forward momentum of recovery. Low interest rate environment though may be changed but will not be too drastic and too soon as debt ratio in many countries are still on the high side. On the Mainland, focus will be expected to shift more to economic development which is crucial to the nation's overall stability.

Locally, we expect the newly approved cross-border investment between Hong Kong and Shanghai stock markets in the fourth quarter of 2014 will stimulate further investment activities of both markets. As a result, opportunity for further expanding Renminbi clearing business for Hong Kong will be expected. On the property side, transactions of residential units are expected to increase due to more new stocks coming on stream alongside with aggressive sales incentives by developers. Visitors from the Mainland which sheer numbers though have caused some concerned will continue to grow steadily but under close scrutiny to avoid over-burdening local amenities and facilities. On the other hand, political reform has sparked off polarisation signs in the community and this may cause market uncertainty.

Prospects *(continued)*

It is therefore envisaged that the year ahead will be full of challenges. Though the market may be rather volatile and full of uncertainty, the extent of which will be difficult to predict. The Group will adopt a prudent approach in managing its core asset of property investment in Hong Kong with more focus to be put on retention of tenants. As the current financial position of the Group is in a very solid state, which will not only withstand market volatility but is geared up for necessary business expansion when suitable opportunities arise. Our underlining investment criteria will not de-track from ensuring long term sustainability for the Group and stable return for shareholders.

Financing and Liquidity

The Group's financial expenses for the period amounted to HK$1.5 million, decreased by 16.0% from HK$1.8 million when compared to the same period last year as the Group's bank borrowings was reduced during the period.

As at 30 June 2014, the total bank borrowings was HK$111.6 million, decreased from HK$133.1 million at end of 2013. Certain investment properties with aggregate carrying value of HK$3,860.0 million (31 December 2013: HK$3,780.0 million) were pledged, together with assignment of rental income, to secure loan facilities. Term loan instalments repayable within one year amounted to HK$20.0 million.

The following is the maturing profile of the Group's bank borrowings as of 30 June 2014:

Within one year	17.9%
In the second year	17.9%
In the third to fifth years, inclusive	53.8%
Beyond five years	10.4%
	100.0%

As at 30 June 2014, the Group's cash and cash equivalents was HK$299.7 million. As the Group had net cash and cash equivalents of HK$188.1 million (31 December 2013: HK$117.1 million), that represented zero gearing (31 December 2013: zero). The gearing ratio, if any, is calculated as the ratio of net bank borrowings to shareholders' funds. With cash, available banking facilities, and recurring rental income, the Group has sufficient resources to meet the foreseeable funding needs for working capital and capital expenditure.

As the Group's borrowings are denominated in Hong Kong dollars and its sources of income are primarily denominated in Hong Kong dollars, there is basically no exposure to foreign exchange rate fluctuations.

Contingent Liabilities

As at 30 June 2014, the Company has executed guarantees totalling HK$862.2 million (31 December 2013: HK$883.7 million) with respect to banking facilities made available to its subsidiaries, out of which HK$111.6 million were utilised (31 December 2013: HK$133.1 million).

STAFF

As at 30 June 2014, the Group employed 46 staff members. Staff remuneration is reviewed by the Group from time to time. In addition to salaries, the Group provides staff benefits including medical insurance, life insurance, pension scheme and discretionary vocational tuition/training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the directors depending upon the financial performance of the Group.

INTERIM DIVIDEND

The board of directors does not recommend an interim dividend for the six months ended 30 June 2014 (2013: Nil).

CORPORATE GOVERNANCE CODE

Throughout the accounting period covered by the interim report, the Company complied with the code provisions of the Corporate Governance Code (the "CG Code") set out within Appendix 14 to the Listing Rules save that the Company has no formal letters of appointment for directors except the managing director setting out the key terms and conditions of their appointment, and has therefore deviated from D.1.4 of the CG Code. This notwithstanding, every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by directors and by relevant employees (within the meaning of the CG Code) no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out within Appendix 10 to the Listing Rules.

All directors confirmed that they had complied with the required standard set out within the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the period.

On behalf of the board
Wong Chi Keung
Managing Director

Hong Kong, 26 August 2014

As at the date hereof, the board of directors of the Company comprises Cheung Chung Kiu, Wong Chi Keung, Yuen Wing Shing and Tung Wai Lan, Iris who are executive directors; Lee Ka Sze, Carmelo and Wong Yat Fai who are non-executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.

* *For identification purposes only*