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

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

2 0 1 4 Annual Results Announcement

The board of directors of Y. T. Realty Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014. The results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
REVENUE	*2, 3*	**211,826**	200,766
Direct outgoings		**(6,992)**	(6,834)
		204,834	193,932
Other income and other net losses		**2,827**	2,541
Administrative expenses		**(46,158)**	(39,701)
Finance costs		**(3,064)**	(3,579)
Changes in fair value of investment properties		**152,811**	273,265
Share of results of an associate		**196,715**	183,370
PROFIT BEFORE TAX	*4*	**507,965**	609,828
Income tax expense	*5*	**(25,712)**	(25,097)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**482,253**	584,731
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*7*	**HK60.3 cents**	HK73.1 cents

Details of the dividends proposed for the year are disclosed in note 6 below.

Per share information:

- Dividend per share	**HK3.5 cents**	HK3.5 cents
- Net asset value per share	**HK$7.55**	HK$6.97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**482,253**	584,731
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of other investments	**(70)**	(93)
Share of other comprehensive income/(loss) of an associate	**9,232**	(2,765)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**9,162**	(2,858)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**491,415**	581,873

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**691**	1,155
Investment properties		**3,959,200**	3,807,800
Investment in an associate		**1,954,043**	1,794,672
Other investments		**1,627**	1,697
Total non-current assets		**5,915,561**	5,605,324
CURRENT ASSETS			
Trade receivables	*8*	**766**	458
Other receivables, deposits and prepayments		**6,767**	8,541
Cash and cash equivalents		**380,717**	250,234
Total current assets		**388,250**	259,233
CURRENT LIABILITIES			
Trade payables	*9*	**601**	1,092
Other payables and accrued expenses		**83,241**	77,348
Bank loans, secured		**20,000**	31,500
Tax payable		**864**	2,903
Total current liabilities		**104,706**	112,843
NET CURRENT ASSETS		**283,544**	146,390
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,199,105**	5,751,714
NON-CURRENT LIABILITIES			
Bank loans, secured		**81,600**	101,600
Deferred tax liabilities		**78,935**	74,974
Total non-current liabilities		**160,535**	176,574
Net assets		**6,038,570**	5,575,140
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**5,930,629**	5,467,199
Proposed final dividend	*6*	**27,985**	27,985
Total equity		**6,038,570**	5,575,140

Notes:

1 Basis of preparation and accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties and other investments, which have been measured at fair value.

The Group has adopted the following revised standards and a new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) - Int 21	Levies
Amendments to HKFRS 2 included in Annual Improvements 2010-2012 Cycle	Definition of Vesting Condition[1]
Amendments to HKFRS 3 included in Annual Improvements 2010-2012 Cycle	Accounting for Contingent Consideration in a Business Combination[1]
Amendments to HKFRS 13 included in Annual Improvements 2010-2012 Cycle	Short-term Receivables and Payables
Amendments to HKFRS 1 included in Annual Improvements 2011-2013 Cycle	Meaning of Effective HKFRSs

[1] Effective from 1 July 2014

The adoption of the above revised standards and a new interpretation has had no significant financial effect on these financial statements.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015.

The Group is in the process of making an assessment of the impact of the new and revised HKFRSs and new disclosure requirements 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)*

	Year ended 31 December 2014				
	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*
Segment revenue	**202,642**	**-**	**9,184**	**-**	**211,826**
Segment results	**306,458**	**-**	**7,856**	**-**	**314,314**
Finance costs					**(3,064)**
Share of results of an associate	**-**	**-**	**-**	**196,715**	**196,715**
Profit before tax					**507,965**
Income tax expense	**(24,203)**	**-**	**(801)**	**-**	**(25,004)**
Unallocated income tax expense					**(708)**
Profit for the year					**482,253**
Assets and liabilities					
Segment assets	**3,967,123**	**-**	**301**	**-**	**3,967,424**
Investment in an associate	**-**	**-**	**-**	**1,954,043**	**1,954,043**
Unallocated assets					**382,344**
Total assets					**6,303,811**
Segment liabilities	**156,184**	**-**	**7,638**	**17**	**163,839**
Unallocated liabilities					**101,402**
Total liabilities					**265,241**
Other segment information:					
Capital expenditure	**2,498**	**-**	**22**	**-**	**2,520**
Depreciation	**375**	**-**	**10**	**-**	**385**
Changes in fair value of investment properties	**152,811**	**-**	**-**	**-**	**152,811**

2 Operating segment information *(continued)*

	Year ended 31 December 2013				
	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*
Segment revenue	192,154	-	8,612	-	200,766
Segment results	422,969	-	7,068	-	430,037
Finance costs					(3,579)
Share of results of an associate	-	-	-	183,370	183,370
Profit before tax					609,828
Income tax expense	(23,379)	-	(727)	-	(24,106)
Unallocated income tax expense					(991)
Profit for the year					584,731
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
Other segment information:					
Capital expenditure	1,957	-	-	-	1,957
Depreciation	372	-	6	-	378
Changes in fair value of investment properties	273,265	-	-	-	273,265

2 Operating segment information *(continued)*

Geographical information

(a) Revenue from external customers

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**211,826**	200,766

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

(b) Non-current assets

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**5,902,534**	5,592,226
Mainland China	**11,400**	11,401
	5,913,934	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

Revenue of approximately HK$35,132,000 (2013: HK$34,690,000) 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):

	2014	2013
	HK$'000	*HK$'000*
Depreciation	**385**	378
Interest expenses	**1,513**	2,025
Loss on disposal of an item of property, plant and equipment*	**95**	-
Foreign exchange differences, net*	**960**	(617)
Gain on disposal of an investment property*	**(94)**	-
Interest income	**(3,352)**	(1,554)

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

5 Income tax expense

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 year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
Current - Hong Kong	**21,821**	20,957
Over provision in prior years	**(70)**	(69)
	21,751	20,888
Deferred	**3,961**	4,209
Total tax charge for the year	**25,712**	25,097

6 Proposed final dividend

	2014	2013
	HK$'000	*HK$'000*
Proposed final dividend – HK3.5 cents (2013: HK3.5 cents) per ordinary share	**27,985**	27,985

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

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

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these years.

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

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to ordinary equity holders of the Company	**482,253**	584,731

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year	**799,557,415**	799,557,415

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:

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**699**	446
31 to 60 days	**61**	12
Over 60 days	**6**	-
	766	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:

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**601**	1,089
31 to 60 days	**-**	3
	601	1,092

DIVIDENDS

The directors recommend the payment of a final dividend of HK3.5 cents per share for the year ended 31 December 2014 (2013: HK3.5 cents per share). No interim dividend was paid during the year (2013: Nil).

Dividend warrants in respect of the proposed final dividend will be despatched on Wednesday, 10 June 2015 to shareholders registered on Wednesday, 3 June 2015 (subject to shareholder approval).

CLOSURE OF BOOKS

The register of members and transfer books of the Company will be closed from Monday, 1 June 2015 to Wednesday, 3 June 2015, both days inclusive, during which period no transfer of shares in the Company shall be effected. In order to qualify for the final dividend, all transfer documents and accompanying share certificates must be lodged for registration with Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 29 May 2015.

NET ASSET VALUE

The consolidated net asset value of the Group as at 31 December 2014 was HK$6,038.6 million, representing an increase of HK$463.4 million or 8.3%. The consolidated net asset value per share as at 31 December 2014 was HK$7.55 based on 799,557,415 shares in issue as compared to HK$6.97 per share based on 799,557,415 shares in issue as at 31 December 2013.

BUSINESS REVIEW

The Group's net profit attributable to shareholders for the year was HK$482.3 million as compared to the net profit of HK$584.7 million in 2013, representing a 17.5% decrease. The performance of the Group for 2014 was mainly affected by the decrease in fair value gain in the Group's investment properties as compared with the previous year. Excluding the effect of property revaluation, the Group recorded a net profit increase of 5.7% over 2013. Revenue for the year increased by 5.5% to HK$211.8 million as compared to HK$200.8 million reported in 2013. The increase in overall revenue was primarily due to increase in rental income.

Revaluation of the Group's portfolio of properties resulted in a surplus of HK$152.8 million (2013: HK$273.3 million). The revaluation surplus 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 year was HK$196.7 million (2013: HK$183.4 million), an increase of 7.3% from last year. 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.

Property Business

The Group's major investment properties include:

Century Square
Prestige Tower

Gross rental income for the year amounted to HK$202.6 million which represents an increase of about 5.5% when compared with last year's rental income of HK$192.2 million. The increase in rental income in 2014 was due to the increase in rental rates of the Group's investment properties.

BUSINESS REVIEW *(continued)*

2014 can be described as a year full of challenges for Hong Kong. Anti-corruption and anti-opulence measures continued to be intensified by the Chinese Central Government and these austerity policies inevitably caused serious effect on the luxury retail sales. Coupled with major political issue at last quarter of the year in Hong Kong, normal course of business for many sectors was disrupted in many parts of Hong Kong for over two months. These adversities fortunately were largely cushioned off by satisfactory employment situation and strong sales of new flats as well as exceptional performance in construction and related industry.

On the global perspective, it was also a mixed year in 2014. The plummeting oil price and sharp deflation of Euro and Pound Sterling caused unease to many in the world financial market. The stable recovery of economy in the United States for which rise in interest rate looked so imminent and poised a sharp contrast to many eurozone countries which were and still are under deflation threats. This triggered the European Central Bank's quantitative easing programmes at last quarter of the year to boost the economy and stimulate spendings. Interest rise in these areas will hence be quite remote in the short term.

Against this backdrop, the Group is pleased to report stable results for 2014. The Group's property portfolio which mainly consists of most affected up-market retail and commercial properties recorded a mild increase in rental revenue. At times of high volatility in market, it should be prudent to renounce aggressive rental pursuit but to spend efforts on tenant retention policy. To this, the Group is pleased to report that a comfortable high overall occupancy rate of over 97% was successfully maintained at the end of 2014. For Prestige Tower in Tsimshatsui which is 100% occupied, rebranding the building into a one-stop-shop up-market fashion hub has been a great success despite recent temporary sluggishness in luxury retail sales. Strong interests have been registered from many fashion operators who are willing to queue up in order to move in and such list of registration has been continuously stretching.

For Century Square in Central which was most affected by political issue and which houses multi-lifestyle and beauty trades and services, leasing enquiries from prospective tenants grew significantly after the halt of crisis at the end of the year. It can be optimistically projected that occupancy rate in the building will be improved after Lunar New Year when business activities is back on normal track. Despite such difficulty, an international beauty group Elevatione was successfully attracted to open its first store in Central in our building prior to Christmas.

FINANCING AND LIQUIDITY

Financial expenses for the year ended 31 December 2014 amounted to HK$3.1 million (2013: HK$3.6 million), decreased by 14.4% when compared with last year as the Group's bank borrowings was reduced during the year. As at the end of 2014, the bank loan balance was HK$101.6 million (2013: HK$133.1 million).

The bank loans are secured by mortgages on certain investment properties with an aggregate carrying value of HK$3,935.0 million (2013: HK$3,780.0 million) and the assignment of rental income from these properties.

The sum of term loan instalment payments repayable within one year is HK$20.0 million which will be serviced mainly by the Group's rental income.

The following is the maturing profile of the Group's bank borrowings as of 31 December 2014:

Within one year	19.7%
In the second year	19.7%
In the third to fifth years, inclusive	59.0%
After the fifth years	1.6%
	100.0%

FINANCING AND LIQUIDITY *(continued)*

As at 31 December 2014, the Group's cash and cash equivalents was HK$380.7 million. As the Group had net cash and cash equivalents of HK$279.1 million, that represented zero gearing (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.

Since 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.

PROSPECTS AND STRATEGIES

For the coming 2015, the Group is cautiously optimistic about the overall economic development of Hong Kong. Despite some market volatilities, the global economy on the whole will be expected to continue its recovery at steady pace. Economic situation in many leading markets will continue to be improved at varying degree as there could be some who may struggle harder than the others to rekindle its economic growth, such as Greece in Europe. In the Mainland which Hong Kong rely upon heavily will be expected to continue its market consolidation and correction in the coming year. Anti-graft and anti-opulence policies may slow down extravagant consumption, but the rising of middle class by sheer volume will have great potential of compensating the gap in high end retail sales. After all, with population of over 1.3 billion, an annual Gross Domestic Product growth of over seven percent is not a figure to be taken lightly. Locally in Hong Kong, thanks to huge amount of tourist and massive housing and infrastructure investments, coupled with strong employment situation and active financial market, stable economic progress could be maintained without too much challenge. That said, continual political disputes and escalating manpower cost plus inflation threat may easily choke our growth engine. Contrary to most market analysts' prediction, correction of property market in any sectors did not really happen in the past year and such phenomenon will likely to recur in 2015.

In a rather uncertain and challenging market in the coming year, the Group will continue to put focus on retention of tenants as a key priority in our property portfolio. At the same time, we will not lose sight on investment opportunity to expand our balance sheet and to improve the sustainable return for shareholders. When exploring suitable business expansion and investment opportunities, we will adopt a prudent and cautious approach but not confine our search to just Hong Kong whose market may be relatively limited. In February 2015, the Group through a newly established 50%-owned joint venture completed the acquisition of a commercial property in London, U.K, which was financed partly by bank borrowing. The property is being held by the joint venture for sale. The joint venture and the acquisition provided the Group with a good opportunity to expand its property portfolio and tap into a well-developed property market outside of Hong Kong.

CONTINGENT LIABILITIES

As at 31 December 2014, the Company has executed guarantees totalling HK$852.2 million (2013: HK$883.7 million) with respect to banking facilities made available to its subsidiaries, out of which HK$101.6 million were utilised (2013: HK$133.1 million).

STAFF

As at 31 December 2014, the Group employed 45 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.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2014, the Company complied with the code provisions of the Corporate Governance Code (the "CG Code") set out within Appendix 14 to the Main Board Listing Rules (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 year.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

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 year.

On behalf of the board
Wong Chi Keung
Managing Director

Hong Kong, 25 March 2015

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*