渝 太 地 產 集 團 有 限 公 司*

Y. T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 75)

2015 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 2015. 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 2015

		Unaudited	
		Six months ended 30 June	
	Notes	**2015**	2014
		HK$'000	*HK$'000*
REVENUE	*2, 3*	**107,728**	104,382
Direct outgoings		**(3,271)**	(3,004)
		104,457	101,378
Other income and other net losses		**3,046**	721
Administrative expenses		**(15,475)**	(14,359)
Finance costs		**(1,369)**	(1,517)
Changes in fair value of investment properties		**115,056**	78,380
Share of results of an associate		**131,324**	99,875
Share of results of a joint venture		**(8,986)**	-
PROFIT BEFORE TAX	*4*	**328,053**	264,478
Income tax expense	*5*	**(13,797)**	(12,877)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**314,256**	251,601
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*6*	**HK39.3 cents**	HK31.5 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Unaudited Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**314,256**	251,601
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of an associate	**64,057**	(3,610)
Share of other comprehensive income of a joint venture	**2,112**	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**66,169**	(3,610)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**380,425**	247,991

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

	Notes	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**522**	691
Investment properties		**4,077,000**	3,959,200
Investment in an associate		**2,116,821**	1,954,043
Investment in a joint venture		**113,126**	-
Other investments		**1,627**	1,627
Total non-current assets		**6,309,096**	5,915,561
CURRENT ASSETS			
Trade receivables	*8*	**530**	766
Other receivables, deposits and prepayments		**5,695**	6,767
Dividend receivable from an associate		**9,315**	-
Cash and cash equivalents		**321,008**	380,717
Total current assets		**336,548**	388,250
CURRENT LIABILITIES			
Trade payables	*9*	**952**	601
Other payables and accrued expenses		**68,486**	83,241
Bank loans, secured		**20,000**	20,000
Tax payable		**11,989**	864
Total current liabilities		**101,427**	104,706
NET CURRENT ASSETS		**235,121**	283,544
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,544,217**	6,199,105
NON-CURRENT LIABILITIES			
Bank loans, secured		**71,600**	81,600
Deferred tax liabilities		**81,607**	78,935
Total non-current liabilities		**153,207**	160,535
Net assets		**6,391,010**	6,038,570
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**6,311,054**	5,930,629
Proposed final dividend		**-**	27,985
Total equity		**6,391,010**	6,038,570

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 2014.

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 2014 and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by HKICPA.

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*
2015					
Segment revenue	**102,796**	**-**	**4,932**	**-**	**107,728**
Segment results	**202,762**	**-**	**4,322**	**-**	**207,084**
Finance costs					**(1,369)**
Share of results of an associate	**-**	**-**	**-**	**131,324**	**131,324**
Share of results of a joint venture	**-**	**(8,986)**	**-**	**-**	**(8,986)**
Profit before tax					**328,053**
Income tax expense	**(13,207)**	**-**	**(456)**	**-**	**(13,663)**
Unallocated income tax expense					**(134)**
Profit for the period					**314,256**
Assets and liabilities					
Segment assets	**4,083,428**	**-**	**319**	**-**	**4,083,747**
Investment in an associate	**-**	**-**	**-**	**2,116,821**	**2,116,821**
Investment in a joint venture	**-**	**113,126**	**-**	**-**	**113,126**
Dividend receivable from an associate	**-**	**-**	**-**	**9,315**	**9,315**
Unallocated assets					**322,635**
Total assets					**6,645,644**
Segment liabilities	**154,466**	**-**	**8,607**	**25**	**163,098**
Unallocated liabilities					**91,536**
Total liabilities					**254,634**
Other segment information:					
Capital expenditure	**2,744**	**-**	**14**	**-**	**2,758**
Depreciation	**177**	**-**	**6**	**-**	**183**
Changes in fair value of investment properties	**115,056**	**-**	**-**	**-**	**115,056**

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*
2014					
Six months ended 30 June					
(Unaudited)					
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
At 31 December					
(Audited)					
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
Six months ended 30 June					
(Unaudited)					
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)*

Geographical information

(a) Revenue from external customers

	Unaudited Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**107,728**	104,382

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

(b) Non-current assets

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**6,180,343**	5,902,534
United Kingdom	**113,126**	-
Mainland China	**14,000**	11,400
	6,307,469	5,913,934

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 2015, revenue of approximately HK$17,496,000 (2014: HK$17,565,000) was derived from a single customer under the property investment segment.

3 Revenue

Revenue 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	
	2015	2014
	HK$'000	*HK$'000*
Depreciation	**183**	197
Staff costs (including executive directors' remuneration):		
Wages and salaries	**8,358**	7,568
Pension scheme contributions	**261**	300
	8,619	7,868
Interest expenses	**652**	792
Loss on disposal of an item of property, plant and equipment*	**-**	95
Gain on disposal of an investment property*	**-**	(94)
Foreign exchange differences, net*	**(1,520)**	961
Interest income	**(1,308)**	(1,498)

* 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	
	2015	2014
	HK$'000	*HK$'000*
Current - Hong Kong	**11,125**	10,908
Deferred	**2,672**	1,969
Total tax charge for the period	**13,797**	12,877

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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 2015 and 2014 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	
	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to ordinary equity holders of the Company	**314,256**	251,601
	Number of shares	
	2015	2014
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 2015 (2014: 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 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**367**	699
31 to 60 days	**53**	61
Over 60 days	**110**	6
	530	766

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 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**952**	601

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's net profit attributable to shareholders for the first six months of 2015 amounted to HK$314.3 million which was 24.9% higher than the results of the corresponding period of 2014. Earnings per share for the first six-month period of 2015 amounted to HK39.3 cents (2014: HK31.5 cents). Excluding the effect of property revaluation, the Group recorded a net profit increase of 15.4% when compared with the last corresponding period.

For the first half of 2015, the Group's revenue increased by 3.2% to HK$107.7 million as compared to the last corresponding period. Rental income from investment properties amounted to HK$102.8 million, up 3.0% from HK$99.8 million. During the period under review, the Group's core properties recorded steady increase in overall rental rates.

Business Review *(continued)*

The first half of 2015 witnessed great magnitude of market volatility in global economy. The Greek debt crisis caused wide spread of uncertainties in European markets which attributed largely to prolong weak Euro. Although the crisis is temporarily settled, major economic reforms in Greece and various European markets are still needed to be implemented in order to ensure longer term of stability.

The US market also experienced uneven expansion paths with different economic indicators shown mixed results. Worry of pending interest rate hike was a key factor for the economy to be in such doldrums.

As with China, the economic growth of around 7% was successfully defended but the downward pressure was mounting. Stock market went through sharp correction at end of second quarter and market confidence has yet to be been fully restored despite strong administrative interference.

On the local front, it was inevitable to observe some ripples in our financial market caused by sharp correction of stock market in the Mainland. Thanks to strong labour market, buoyant development of property sectors and robust tourism, our local economy was maintained at stable condition.

Amidst the financial turbulence and volatile market, the Group is pleased to report a stable interim result for 2015. Moderate increase was achieved for both overall rental revenue as well as rental rate whilst occupancy rate stood healthily at close to 97%. We ascribe such steady result to prestigious location of our properties, innovative and proactive marketing endeavors, as well as dedicated tenancy service by the well trained in-house management team to tenants. The Group's continual investment to upgrade and strengthen unique branding for our properties cushioned well against volatility of market.

The Group's investment property portfolio was independently valued at the end of the period resulting in a revaluation surplus of HK$115.1 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$131.3 million (2014: HK$99.9 million), increased by 31.5% 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

In the second half of 2015, the Group expects uncertainty and volatility will continue to cloud the market. Impending interest rate hike by US Federal Reserve, weak Euro and falling petroleum and bullion price will pose threats to market confidence and slacken economic growth. Recent unstable financial and stock market in the Mainland coupled with declining overall retail sales add worries that it will need a longer than expected period for a sustainable economy to be fully developed for the global markets.

Despite all these challenges, there are not without opportunities. Central Government in the Mainland has recently mapped out the Silk Road Economic Belt and 21st Century Maritime Silk Road to boost ties and economic co-operation with many neighboring countries. Hong Kong being in the forefront of the Mainland's economic development in the past decades is positioned well for these enormous new trading and commerce opportunities. On the financial development side, Hong Kong is the largest off-shore Renminbi clearing centre. With the impending opening of cross-border investment between Hong Kong and Shenzhen stock markets, in addition to Shanghai, Hong Kong's international financial centre position which is one of our key economic pillars will further be strengthened. On the property side, with the exception of retail sector, the entire market is likely to continue its buoyant state in the coming year. Growth of visitors from the Mainland may slow down but the gap is likely to be filled by tourists from other Asian and Western nations as the recent trend of this tourism development has been quite encouraging.

Prospects *(continued)*

In anticipation of challenging economic and political environment in the road ahead, the Group will adopt a cautious approach in managing its core asset of property investment in Hong Kong and will place extra resources and efforts towards marketing and promotion in order to assist and augment loyalty of our tenants. In addition, the Group will continue to look for investment opportunities in well-developed overseas property markets. Maintaining a solid financial position for the Group is our prime objective to weather against the volatility and uncertainty of the road ahead.

Financing and Liquidity

The Group's financial expenses for the period amounted to HK$1.4 million, decreased by 9.8% from HK$1.5 million when compared to the same period last year as the Group's bank borrowings was reduced during the period.

As at 30 June 2015, the total bank borrowings was HK$91.6 million, decreased from HK$101.6 million at end of 2014. Certain investment properties with aggregate carrying value of HK$4,050.0 million (31 December 2014: HK$3,935.0 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 2015:

Within one year	21.8%
In the second year	21.8%
In the third to fifth years, inclusive	56.4%
	100.0%

As at 30 June 2015, the Group's cash and cash equivalents was HK$321.0 million. As the Group had net cash and cash equivalents of HK$229.4 million (31 December 2014: HK$279.1 million), that represented zero gearing (31 December 2014: 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 2015, the Company has executed guarantees totaling HK$842.2 million (31 December 2014: HK$852.2 million) with respect to banking facilities made available to its subsidiaries, out of which HK$91.6 million were utilised (31 December 2014: HK$101.6 million).

The Company provided a guarantee for an amount not exceeding HK$249.9 million (31 December 2014: Nil) in respect of the banking facilities made available to its joint venture, out of which HK$248.1 million was utilised as at 30 June 2015 (31 December 2014: Nil).

STAFF

As at 30 June 2015, 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 board depending upon the financial performance of the Group.

INTERIM DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: 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, 27 August 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*