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 5 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 2015. The results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
REVENUE	*2, 3*	**218,691**	211,826
Direct outgoings		**(5,302)**	(6,992)
		213,389	204,834
Other income and other net losses		**1,608**	2,827
Administrative expenses		**(49,453)**	(46,158)
Finance costs		**(2,795)**	(3,064)
Changes in fair value of investment properties		**137,135**	152,811
Share of results of an associate		**258,200**	196,715
Share of results of a joint venture		**4,238**	-
PROFIT BEFORE TAX	*4*	**562,322**	507,965
Income tax expense	*5*	**(27,970)**	(25,712)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**534,352**	482,253
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*7*	**HK66.8 cents**	HK60.3 cents

Per share information:

	2015	2014
- Dividend per share	**-**	HK3.5 cents
- Net asset value per share	**HK$8.27**	HK$7.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**534,352**	482,253
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	**150**	(70)
Share of other comprehensive income of an associate	**75,505**	9,232
Share of other comprehensive loss of a joint venture	**(4,573)**	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**71,082**	9,162
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**605,434**	491,415

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,342**	691
Investment properties		**4,099,900**	3,959,200
Investment in an associate		**2,236,514**	1,954,043
Investment in a joint venture		**119,665**	-
Other investments		**1,777**	1,627
Total non-current assets		**6,459,198**	5,915,561
CURRENT ASSETS			
Trade receivables	*8*	**605**	766
Other receivables, deposits and prepayments		**6,998**	6,767
Cash and cash equivalents		**417,138**	380,717
Total current assets		**424,741**	388,250
CURRENT LIABILITIES			
Trade payables	*9*	**735**	601
Other payables and accrued expenses		**100,368**	83,241
Bank loans, secured		**81,600**	20,000
Tax payable		**827**	864
Total current liabilities		**183,530**	104,706
NET CURRENT ASSETS		**241,211**	283,544
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,700,409**	6,199,105
NON-CURRENT LIABILITIES			
Bank loans, secured		**-**	81,600
Deferred tax liabilities		**84,390**	78,935
Total non-current liabilities		**84,390**	160,535
Net assets		**6,616,019**	6,038,570
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**6,536,063**	5,958,614
Total equity		**6,616,019**	6,038,570

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. They 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 for the first time for the current year's financial statements.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to HKFRSs 2010-2012 Cycle	
Annual Improvements to HKFRSs 2011-2013 Cycle	

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

In addition, the Company has adopted the amendments to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the 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. 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)*

	Year ended 31 December 2015				
	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	**209,999**	**-**	**8,692**	**-**	**218,691**
Segment results	**295,069**	**-**	**7,610**	**-**	**302,679**
Finance costs					**(2,795)**
Share of results of an associate	**-**	**-**	**-**	**258,200**	**258,200**
Share of results of a joint venture	**-**	**4,238**	**-**	**-**	**4,238**
Profit before tax					**562,322**
Income tax expense	**(27,212)**	**-**	**(783)**	**-**	**(27,995)**
Unallocated income tax credit					**25**
Profit for the year					**534,352**
Assets and liabilities					
Segment assets	**4,108,469**	**-**	**376**	**-**	**4,108,845**
Investment in an associate	**-**	**-**	**-**	**2,236,514**	**2,236,514**
Investment in a joint venture	**-**	**119,665**	**-**	**-**	**119,665**
Unallocated assets					**418,915**
Total assets					**6,883,939**
Segment liabilities	**177,836**	**-**	**9,186**	**33**	**187,055**
Unallocated liabilities					**80,865**
Total liabilities					**267,920**
Other segment information:					
Capital expenditure	**4,858**	**-**	**14**	**-**	**4,872**
Depreciation	**366**	**-**	**10**	**-**	**376**
Changes in fair value of investment properties	**137,135**	**-**	**-**	**-**	**137,135**

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)*

Geographical information

(a) Revenue from external customers

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**218,691**	211,826

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

(b) Non-current assets

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**6,320,856**	5,902,534
Mainland China	**16,900**	11,400
United Kingdom	**119,665**	-
	6,457,421	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

Revenue of approximately HK$34,994,000 (2014: HK$35,132,000) 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):

	2015	2014
	HK$'000	*HK$'000*
Depreciation	**376**	385
Interest expenses	**1,246**	1,513
Loss on disposal of an item of property, plant and equipment*	**105**	95
Foreign exchange differences, net*	**1,217**	960
Gain on disposal of an investment property*	**-**	(94)
Interest income	**(2,468)**	(3,352)

* 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% (2014: 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.

	2015	2014
	HK$'000	*HK$'000*
Current - Hong Kong	**22,647**	21,821
Over provision in prior years	**(132)**	(70)
	22,515	21,751
Deferred	**5,455**	3,961
Total tax charge for the year	**27,970**	25,712

6 Dividend

	2015	2014
	HK$'000	*HK$'000*
Proposed final dividend - Nil (2014: HK3.5 cents) per ordinary share	**-**	27,985

The directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: HK3.5 cents per share). No interim dividend was declared in respect of the current year (2014: Nil).

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 2015 and 2014 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:

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to ordinary equity holders of the Company	**534,352**	482,253

	Number of shares	
	2015	2014
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:

	2015	2014
	HK$'000	*HK$'000*
0 to 30 days	**605**	699
31 to 60 days	**-**	61
Over 60 days	**-**	6
	605	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:

	2015	2014
	HK$'000	*HK$'000*
0 to 30 days	**735**	601

10 Comparative amounts

As further explained in note 1 above, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: HK3.5 cents per share). No interim dividend was paid during the year (2014: Nil).

NET ASSET VALUE

The consolidated net asset value of the Group as at 31 December 2015 was HK$6,616.0 million, representing an increase of HK$577.5 million or 9.6%. The consolidated net asset value per share as at 31 December 2015 was HK$8.27 based on 799,557,415 shares in issue as compared to HK$7.55 per share based on 799,557,415 shares in issue as at 31 December 2014.

BUSINESS REVIEW

The Group's net profit attributable to shareholders for the year was HK$534.4 million as compared to the net profit of HK$482.3 million in 2014, representing a 10.8% increase. Revenue for the year increased by 3.2% to HK$218.7 million as compared to HK$211.8 million reported in 2014. 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$137.1 million (2014: HK$152.8 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$258.2 million (2014: HK$196.7 million), an increase of 31.3% 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

As at the end of 2015, the Group's major investment properties include:

Century Square
Prestige Tower

Gross rental income for the year amounted to HK$210.0 million which represents an increase of about 3.6% when compared with last year's rental income of HK$202.6 million. The increase in rental income in 2015 was due to the increase in rental rates of the Group's investment properties.

BUSINESS REVIEW *(continued)*

2015 could be considered as a turning point for property market as many sectors recorded rarely seen downward adjustment of both capital and rental value from the peaked price. Such adjustment which was primarily due to economic downturn and shrinkage of tourist spending, particularly the Mainlanders in Hong Kong was most obvious. As a result, the retail and mass market residential property sectors were most impacted. On the financial side, market correction dominated trading activity in many major financial and stock markets for most part of the second half of 2015. Commodity and crude oil saw deepest plummeting price since the rising trend started for almost a decade ago.

On the global perspective, unstable political situation in the Eastern Europe and refugee problem hindered economic progress and stability in the regions.

Uncertainty on keeping Britain in European Union remained a major obsession for political and economic development amongst many affecting countries. In the United States, despite interest rate was raised at the end of 2015, there were still conflicting signs for a stable and solid recovery in the world's largest economy.

Against this backdrop, the Group is pleased to report a stable result for 2015. The Group's property portfolio which mainly consists of most affected up-market retail and commercial properties recorded a steady increase in rental revenue. We ascribe such stable result to the Group's extra effort in focusing on tenant retention policy and as a result, a close to full occupancy rate was achieved at the end of 2015.

In February 2015, the Group through a 50% equally shared joint venture Solent Ventures Limited ("Solent Ventures") acquired a commercial property, 1 Chapel Place, in London, U.K. ("London Property"). The London Property provided stable income for the joint venture since its acquisition. For the year under review, the Group's share of net profit of the joint venture amounted to HK$4.2 million.

In December 2015, the Group entered into a disposal agreement to dispose of the entire issued share capital of its indirect wholly-owned subsidiaries Y. T. Properties International Limited ("Y. T. Properties International") and Y. T. Property Services Limited (Y. T. Property Services"). Y. T. Properties International through its direct and indirect wholly-owned subsidiaries own 100% interest of the Century Square and Prestige Tower. Y. T. Property Services and its wholly-owned subsidiary engage in property management and related services and primarily provide their services to Century Square and Prestige Tower. The disposal enabled the Group to unlock the value of its investment in these two properties for our shareholders through payment of special dividend, and allowed the Group to increase its working capital as well as to expand its overseas property portfolio. The transaction was completed on 29 February 2016.

In December 2015, the Group also entered into an acquisition agreement to acquire from the joint venture partner the 50% of the issued share capital of Solent Ventures. The acquisition enabled the Group to expand its overseas property portfolio by increasing its interest in the London Property from 50% to 100%. The transaction was completed on 29 February 2016.

FINANCING AND LIQUIDITY

Financial expenses for the year ended 31 December 2015 amounted to HK$2.8 million (2014: HK$3.1 million), decreased by 8.8% when compared with last year as the Group's bank borrowings was reduced during the year. As at the end of 2015, the bank loan balance was HK$81.6 million (2014: HK$101.6 million).

The bank loans are secured by mortgages on certain investment properties with an aggregate carrying value of HK$4,070.0 million (2014: HK$3,935.0 million) and the assignment of rental income from these properties.

The following is the maturing profile of the Group's bank borrowings as of 31 December 2015:

Within one year	24.5%
In the second year	24.5%
In the third to fifth years, inclusive	51.0%
	100.0%

Note: In connection with the disposal of the Group's investment properties on 29 February 2016, the entire bank loan balance of HK$81.6 million stated above was fully paid off in February 2016.

As at 31 December 2015, the Group's cash and cash equivalents was HK$417.1 million. As the Group had net cash and cash equivalents of HK$335.5 million, that represented zero gearing (2014: zero). The gearing ratio, if any, is calculated as the ratio of net bank borrowings to shareholders' funds.

Following the disposal of the Group's major investment properties in Hong Kong and the acquisition of the London Property on 29 February 2016, the Group's main source of rental income will be denominated in British Pound Sterling which is subject to foreign exchange rate fluctuation.

The bank loan on the London Property and the shareholder's loan owed to the joint venture partner by Solent Venture were fully paid off in February 2016.

With cash and recurring rental income, the Group has sufficient resources to meet the foreseeable funding needs for working capital and capital expenditure.

PROSPECTS AND STRATEGIES

For the coming 2016, the Group expects it to be a year full of challenges for Hong Kong, both politically as well as economically. Since Hong Kong is a free and open economy, all external market volatility will inevitably affect us. Rise in interest rate, abundant supply of new stock and sluggish second hand market have all begun to affect mass residential market which will have a knock-on effect on other sectors. Plummeting crude oil price, uncertainty in financial markets coupled with volatility in several major currencies will hinder the stable global economic recovery. Hong Kong cannot be immune from such unstable economic environment.

In anticipation of a highly uncertain and challenging market in the coming year, the Group will adopt a proactive yet cautious approach and will strengthen all necessary measures to look for sound and stable investment opportunities. Due to obvious market adjustment locally, we will step up efforts in exploring investment opportunities overseas to improve the sustainable return for our shareholders. To improve operating efficiency, the Group acquired the remaining interest from our 50%-owned joint venture partner for 1 Chapel Place at the end of February 2016, a prime commercial property in London, U.K. Such property is now wholly owned and all bank mortgage has been fully repaid to enhance investment return.

CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of a guarantee provided by the Company for an amount not exceeding HK$235.8 million (2014: Nil) in respect of the banking facilities made available to its joint venture, out of which HK$232.0 million was utilised as at 31 December 2015 (2014: Nil).

STAFF

As at 31 December 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 directors depending upon the financial performance of the Group.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2015, 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 consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, Ernst & Young ("EY"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY 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 EY 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
Cheung Chung Kiu
Chairman and Managing Director

Hong Kong, 23 March 2016

As at the date hereof, the board of directors of the Company comprises Cheung Chung Kiu, Yuen Wing Shing and Tung Wai Lan, Iris who are 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*