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

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

2017 Interim Results Announcement

The board of directors of Y. T. Realty Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017. The interim results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2017

		Unaudited Six months ended 30 June	
	Notes	**2017**	2016
		HK$'000	*HK$'000*
REVENUE	*2, 3*	**21,426**	46,118
Direct outgoings		**(41)**	(803)
		21,385	45,315
Other income and other net losses		**1,087**	94,734
Administrative expenses		**(4,285)**	(9,902)
Changes in fair value of investment properties		**12,270**	(5,920)
Finance costs		**-**	(454)
Share of results of an associate		**-**	51,296
Share of results of a joint venture		**-**	756
PROFIT BEFORE TAX	*4*	**30,457**	175,825
Income tax credit/(expense)	*5*	**1,127**	(7,204)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**31,584**	168,621
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*6*	**HK4.0 cents**	HK21.1 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Unaudited Six months ended 30 June **2017** ***HK$'000***	 2016 *HK$'000*
PROFIT FOR THE PERIOD	**31,584**	168,621
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**70,275**	(24,275)
Share of other comprehensive loss of an associate	**-**	(74,231)
Share of other comprehensive loss of a joint venture	**-**	(14,117)
Release of exchange fluctuation reserve upon deemed disposal of a joint venture	**-**	18,690
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**70,275**	(93,933)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**101,859**	74,688

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Notes	30 June 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**195**	95
Investment properties		**1,173,015**	1,093,054
Other investments		**18,330**	1,570
Total non-current assets		**1,191,540**	1,094,719
CURRENT ASSETS			
Trade receivables	*8*	**6,912**	1,427
Other receivables, deposits and prepayments		**1,310**	879
Cash and cash equivalents		**389,232**	390,399
Total current assets		**397,454**	392,705
CURRENT LIABILITIES			
Trade payables	*9*	**587**	79
Other payables and accrued expenses		**22,792**	22,042
Tax payables		**3,158**	4,905
Total current liabilities		**26,537**	27,026
NET CURRENT ASSETS		**370,917**	365,679
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,562,457**	1,460,398
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**3,968**	3,768
Net assets		**1,558,489**	1,456,630
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**1,478,533**	1,376,674
Total equity		**1,558,489**	1,456,630

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 2016.

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 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by HKICPA and accounting principles generally accepted in Hong Kong, except for the adoption of the following new amendments to HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements:

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in Annual Improvements 2014-2016 Cycle	*Disclosure of Interest in Other Entities*

The adoption of the 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 three reportable operating segments during the first six months of 2017 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; and

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

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 and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude 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$'000*	**Consolidated** *HK$'000*
2017				
Segment revenue	**21,426**	**-**	**-**	**21,426**
Segment results	**30,457**	**-**	**-**	**30,457**
Profit before tax				**30,457**
Income tax credit	**1,127**	**-**	**-**	**1,127**
Profit for the period				**31,584**
Assets and liabilities				
Segment assets	**1,181,432**	**-**	**-**	**1,181,432**
Unallocated assets				**407,562**
Total assets				**1,588,994**
Segment liabilities	**23,379**	**-**	**-**	**23,379**
Unallocated liabilities				**7,126**
Total liabilities				**30,505**
Other segment information:				
Capital expenditure	**126**	**-**	**-**	**126**
Depreciation	**17**	**-**	**-**	**17**
Changes in fair value of investment properties (surplus)	**12,270**	**-**	**-**	**12,270**

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*
2016					
Six months ended 30 June					
(Unaudited)					
Segment revenue	44,354	-	1,764	-	46,118
Segment results	122,652	-	1,575	-	124,227
Finance costs					(454)
Share of results of an associate	-	-	-	51,296	51,296
Share of results of a joint venture	-	756	-	-	756
Profit before tax					175,825
Income tax expense	(6,962)	-	(163)	-	(7,125)
Unallocated income tax expense					(79)
Profit for the period					168,621
At 31 December					
(Audited)					
Assets and liabilities					
Segment assets	1,095,455	-	-	-	1,095,455
Unallocated assets					391,969
Total assets					1,487,424
Segment liabilities	23,246	-	-	-	23,246
Unallocated liabilities					7,548
Total liabilities					30,794
Six months ended 30 June					
(Unaudited)					
Other segment information:					
Capital expenditure	36	-	-	-	36
Depreciation	67	-	1	-	68
Changes in fair value of investment properties (deficit)	5,920	-	-	-	5,920

* This segment represented the results generated from The Cross-Harbour (Holdings) Limited which ceased to be an associate of the Company with effect from 30 November 2016.

2 Operating segment information *(continued)*

Geographical information

(a) Revenue from external customers

	Unaudited Six months ended 30 June 2017 *HK$'000*	2016 *HK$'000*
United Kingdom	**21,306**	8,233
Hong Kong	**120**	37,885
	21,426	46,118

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

(b) Non-current assets

	30 June 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
United Kingdom	**1,137,815**	1,058,654
Hong Kong	**13,195**	13,095
Mainland China	**22,200**	21,400
	1,173,210	1,093,149

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 2017, revenue of HK$10,482,000 (2016: HK$5,825,000) 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	
	2017	2016
	HK$'000	*HK$'000*
Depreciation	**17**	68
Staff costs (including executive directors' remuneration):		
Wages and salaries	**916**	5,630
Pension scheme contributions	**33**	139
	949	5,769
Interest expenses	**-**	161
Loss on deemed disposal of a joint venture*	**-**	7,436
Foreign exchange differences, net*	**(629)**	(487)
Gain on disposal of subsidiaries*	**-**	(100,510)
Interest income	**(457)**	(1,149)

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

5 Income tax credit/expense

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Current - United Kingdom	**1,491**	1,358
Current - Hong Kong	**-**	4,087
Over-provision in the prior year - United Kingdom	**(2,316)**	-
Over-provision in the prior year - Hong Kong	**(502)**	-
	(1,327)	5,445
Deferred	**200**	1,759
Total tax (credit)/charge for the period	**(1,127)**	7,204

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 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.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2017 and 2016.

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

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to ordinary equity holders of the Company	**31,584**	168,621

	Number of shares Six months ended 30 June	
	2017	2016
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 2017 (2016: Nil).

During the period ended 30 June 2016, a special cash dividend in the amount of HK$3.8 per share was declared and paid to the shareholders, totalling HK$3,038.3 million.

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 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
0 to 30 days	**6,912**	1,427

The trade receivables primarily include rental receivables which are normally due on the first day of the billing period. 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 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
0 to 30 days	**291**	79
Over 60 days	**296**	-
	587	79

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2017, the global economy continued to experience great volatility and uncertainties. Geopolitical unrest and tension escalated to an alarming level, such as terrorist acts in Europe and Middle East, provocative missile tests by North Korea, and disputes in South China Sea. Last June, UK voted by referendum to leave the European Union and the implementation of Brexit further fueled uncertainty in the weak European markets.

The US market had shown unconvincing signs of economic recovery during the period. The incidents and development surrounding the newly elected US president had caused uncertainty for its economic recovery and global trade environment. In addition, the anticipated continuous upward movement of interest rates even though as slower than expected pace, coupled with the announced plan to reduce the size of its balance sheet by the US Federal Reserve would inevitably create negative impact on global economic recovery.

For Mainland China, the decline in economic growth had stabilised at an expected pace of just below 7%. However, confidence in stock market and the general economy for the first half of the year had yet been fully restored.

Business Review *(continued)*

In Hong Kong, despite the uncertainties and volatility of the global market and lackluster economic performance in PRC, the stock market in Hong Kong enjoyed substantial increase during the period like the US and other major stock markets. The local property market appeared to perform slightly better than last year except for the retail sector as rental value of the prime retail areas had experienced substantial downward adjustments. It was inevitable as the retail segment of our local economy was affected by the weak spending of the Mainland tourists and increased popularity and acceptance of retail sales through e-commerce.

In the UK, the economy remained relatively stable despite the uncertainty and potential impact of implementation of Brexit continued to cloud its economic development in future years. The commercial property market in London, where the Group's major investment properties are located, was active with sales transactions of substantial scale during the period.

For the first half of 2017, the Group's revenue decreased by 53.5% to HK$21.4 million as compared to HK$46.1 million in the last corresponding period primarily due to the disposal of the two major Hong Kong investment properties during the first half of 2016. Rental income from investment properties amounted to HK$21.4 million, down 51.7% from HK$44.4 million. Despite the decrease in rental income as compared to the last corresponding period, the Group's investment properties in UK generated stable recurring rental income and achieved 100% occupancy rate.

The Group's net profit attributable to shareholders for the first six months of 2017 amounted to HK$31.6 million which was 81.3% lower than the results of the corresponding period of 2016. Earnings per share for the first six-month period of 2017 amounted to HK4.0 cents (2016: HK21.1 cents). The substantial decrease in profit was mainly attributable to the gain on disposal of the Group's subsidiaries holding the two major Hong Kong investment properties and related property service companies in the first half of 2016 and that the Group did not have profit contribution from its then associated company, The Cross-Harbour (Holdings) Limited ("Cross-Harbour"), in the first half of 2017 after the completion of the Group's distribution in specie of the 155,254,432 Cross-Harbour shares as special dividend on 30 November 2016.

The Group's investment property portfolio was independently valued at the end of the period resulting in revaluation surplus of HK$12.3 million as compared to revaluation deficit of HK$5.9 million in the last corresponding period.

Prospects

Going into the second half of 2017, the Group expects volatility and uncertainty will continue to affect the global economy. The impact of implementation of Brexit, gradual interest rate hike and the anticipated reduction of the size of the balance sheet by US Federal Reserve, and the unstable geopolitical environment will undoubtedly pose threats to global market confidence and weaken economic recovery.

In Hong Kong, the local economy will continue to be affected by economic development in Mainland China and the political development locally under the administration of the new Chief Executive who assumed responsibility on 1 July 2017. It is expected that economic recovery and local property market will be weak due to factors like interest rate hikes and weak retail sales.

In UK, the economy will be affected by the uncertainty and impact of implementation of Brexit in the second half of the year. It is expected that the economy and property market in London will be relatively more resilient as compared to other parts of UK as London is still the most important business center of Europe and the preferred choice for property investment by global investors.

In anticipation of the uncertain economic environment and volatility in the market ahead, the Group will continue to adopt a cautious and proactive approach to managing its core investments and to look for sound and stable investment opportunities to produce sustainable returns for our shareholders.

Liquidity and Financial Resources

As at 30 June 2017, the Group's cash and cash equivalents was HK$389.2 million and the Group did not have any bank borrowings. The gearing ratio of the Group was zero (31 December 2016: zero). The gearing ratio, if any, is calculated as the ratio of net bank borrowings to shareholders' funds. With cash and recurring rental income, the Group has sufficient resources to meet the foreseeable funding needs for working capital and capital expenditure.

The Group's main source of rental income is denominated in British Pound Sterling which is subject to foreign exchange rate fluctuation.

Contingent Liabilities

As at 30 June 2017, the Group had no contingent liabilities (31 December 2016: Nil).

STAFF

As at 30 June 2017, the Group employed 4 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, 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 2017 (2016: 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 for the deviations described below.

The Company has deviated from A.2.1 of the CG Code to the extent that the roles of chairman and chief executive are performed by Mr. Cheung Chung Kiu ("Mr. Cheung"). Having considered the existing structure and composition of the board and operations of the Company and its subsidiaries (the "Group") in Hong Kong, the board believes that vesting the roles of both chairman and managing director in Mr. Cheung facilitates the effective implementation and execution of its business strategies by, and ensure a consistent leadership for, the Group. Further, a balance of power and authority between the board and management can be ensured by the operation of the board, whose members (including the three independent non-executive directors) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the board from time to time to ensure that a balance of power and authority between the board and management is appropriately maintained for the Group.

CORPORATE GOVERNANCE CODE *(continued)*

The Company has no formal letters of appointment for directors 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, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company's bye-laws, applicable laws and the Listing Rules. 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
Cheung Chung Kiu
Chairman and Managing Director

Hong Kong, 25 August 2017

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*