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 7 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 2017. The results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
REVENUE	*2, 3*	**45,273**	66,653
Direct outgoings		**(71)**	(832)
		45,202	65,821
Other income and other net losses		**2,788**	83,214
Administrative expenses		**(8,136)**	(14,396)
Finance costs		**-**	(455)
Changes in fair value of investment properties		**15,853**	55,259
Share of results of an associate		**-**	176,198
Share of results of a joint venture		**-**	756
PROFIT BEFORE TAX	*4*	**55,707**	366,397
Income tax expense	*5*	**(943)**	(10,285)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**54,764**	356,112
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*7*	**HK6.8 cents**	HK44.5 cents

Per share information:

- Proposed final dividend per share	**HK1 cent**	Nil
- Net asset value per share	**HK$2.03**	HK$1.82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017	2016
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**54,764**	356,112
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Change in fair value of an available-for-sale investment	**280**	(207)
Exchange differences on translation of foreign operations	**111,871**	(108,920)
Share of other comprehensive loss of an associate	**-**	(15,575)
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
Release of investment revaluation reserve upon deemed disposal of an associate	**-**	(71,891)
Release of other reserves upon deemed disposal of an associate	**-**	(143)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**112,151**	(192,163)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**166,915**	163,949

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**170**	95
Investment properties		**1,216,548**	1,093,054
Other investments		**18,610**	1,570
Total non-current assets		**1,235,328**	1,094,719
CURRENT ASSETS			
Trade receivables	*8*	**44**	1,427
Other receivables, deposits and prepayments		**10,162**	879
Cash and cash equivalents		**407,121**	390,399
Total current assets		**417,327**	392,705
CURRENT LIABILITIES			
Trade payables	*9*	**95**	79
Other payables and accrued expenses		**17,235**	22,042
Tax payable		**4,318**	4,905
Total current liabilities		**21,648**	27,026
NET CURRENT ASSETS		**395,679**	365,679
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,631,007**	1,460,398
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**4,243**	3,768
Other payable		**3,219**	-
Total non-current liabilities		**7,462**	3,768
Net assets		**1,623,545**	1,456,630
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**79,956**	79,956
Reserves		**1,543,589**	1,376,674
Total equity		**1,623,545**	1,456,630

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 an available-for-sale investment, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has assessed and adopted, to the extent that is applicable to the Group, the following revised HKFRSs for the first time for the current year's 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 to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

None of the above amendments to HKFRSs has had a material impact on the financial performance and financial positions for the periods presented in these financial statements. While the amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, these amendments have no impact to the disclosure in the Group's financial statements as the Group has no changes in liabilities arising from financing activities during the year.

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 three 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; 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 property, plant and equipment, other investments, cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

2 Operating segment information *(continued)*

	Year ended 31 December 2017			
	Property investment *HK$'000*	Property trading *HK$'000*	Property management and related services *HK$'000*	Consolidated *HK$'000*
Segment revenue	**45,273**	**-**	**-**	**45,273**
Segment results	**55,707**	**-**	**-**	**55,707**
Profit before tax				**55,707**
Income tax expense	**(958)**	**-**	**-**	**(958)**
Unallocated income tax credit				**15**
Profit for the year				**54,764**
Assets and liabilities				
Segment assets	**1,226,754**	**-**	**-**	**1,226,754**
Unallocated assets				**425,901**
Total assets				**1,652,655**
Segment liabilities	**21,805**	**-**	**-**	**21,805**
Unallocated liabilities				**7,305**
Total liabilities				**29,110**
Other segment information:				
Capital expenditure	**126**	**-**	**-**	**126**
Depreciation	**42**	**-**	**-**	**42**
Changes in fair value of investment properties	**15,853**	**-**	**-**	**15,853**

2 Operating segment information *(continued)*

	Year ended 31 December 2016				
	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	64,889	-	1,764	-	66,653
Segment results	188,323	-	1,575	-	189,898
Finance costs					(455)
Share of results of an associate	-	-	-	176,198	176,198
Share of results of a joint venture	-	756	-	-	756
Profit before tax					366,397
Income tax expense	(10,161)	-	(163)	-	(10,324)
Unallocated income tax credit					39
Profit for the year					356,112
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
Other segment information:					
Capital expenditure	36	-	-	-	36
Depreciation	91	-	1	-	92
Changes in fair value of investment properties	55,259	-	-	-	55,259

* This segment represented the results generated from The Cross-Harbour (Holdings) Limited ("Cross-Harbour") 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

	2017	2016
	HK$'000	*HK$'000*
United Kingdom	**45,033**	28,648
Hong Kong	**240**	38,005
	45,273	66,653

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

(b) Non-current assets

	2017	2016
	HK$'000	*HK$'000*
United Kingdom	**1,179,748**	1,058,654
Hong Kong	**30,430**	13,095
Mainland China	**23,300**	21,400
	1,233,478	1,093,149

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

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2017	2016
	HK$'000	*HK$'000*
Customer A	**22,495**	9,303
Customer B	**5,092**	N/A[1]
Customer C	**4,949**	N/A[1]
Customer D	**4,827**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group in 2016.

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):

	2017 *HK$'000*	2016 *HK$'000*
Depreciation	**42**	92
Interest expenses	**-**	161
Foreign exchange differences, net*	**(1,742)**	974
Loss on deemed disposal of a joint venture*	**-**	7,436
Impairment of goodwill*	**-**	12,311
Gain on disposal of subsidiaries*	**-**	(100,510)
Gain on deemed disposal of an associate*	**-**	(4,941)
Interest income*	**(947)**	(1,703)

* 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% (2016: 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 jurisdictions in which the Group operates.

	2017 *HK$'000*	2016 *HK$'000*
Current – United Kingdom	**961**	4,077
Current – Hong Kong	**-**	4,470
Over-provision in prior year	**(493)**	(21)
	468	8,526
Deferred	**475**	1,759
Total tax charge for the year	**943**	10,285

6 Dividends

	2017	2016
	HK$'000	*HK$'000*
Proposed final dividend – HK1 cent (2016: Nil) per ordinary share	**7,996**	-
Special cash dividend – Nil (2016: HK$3.8) per ordinary share	**-**	3,038,318
Special dividend by distribution in specie	**-**	2,285,020
	7,996	5,323,338

The directors recommend the payment of a final dividend in the amount of HK1 cent per share for the year ended 31 December 2017 (2016: Nil). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. No interim dividend was declared in respect of the current year (2016: Nil).

In 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. In addition, the Company declared and completed a special dividend satisfied by the distribution in specie of approximately 41.66% of the issued capital of its then associate, Cross-Harbour, to the shareholders in 2016.

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.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016.

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to ordinary equity holders of the Company	**54,764**	356,112

	Number of shares	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year	**799,557,415**	799,557,415

8 Trade receivables

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

	2017	2016
	HK$'000	*HK$'000*
0 to 30 days	**44**	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 aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
0 to 30 days	**95**	79

DIVIDENDS

The directors recommend the payment of a final dividend of HK1 cents per share for the year ended 31 December 2017 (2016: Nil). No interim dividend was paid during the year (2016: Nil).

Subject to the approval of shareholders of the final dividend being obtained in the forthcoming annual general meeting on 21 May 2018 (the "AGM"), (i) the dividend warrants will be despatched on Tuesday, 12 June 2018 to shareholders registered at the close of business on Wednesday, 30 May 2018 and (ii) the register of members and transfer books of the Company will be closed from Monday, 28 May 2018 to Wednesday, 30 May 2018, both days inclusive, during which period no transfer of shares in the Company will be registered. 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, 25 May 2018.

LAST SHARE REGISTRATION DATE FOR AGM

For determining the right of shareholders to attend the AGM and to vote at the AGM, the deadline for share registration will be Monday, 14 May 2018. Shareholders should therefore ensure that all transfer documents and accompanying share certificates are 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., Monday, 14 May 2018.

NET ASSET VALUE

The consolidated net asset value of the Group as at 31 December 2017 was HK$1,623.5 million (2016: HK$1,456.6 million). The consolidated net asset value per share as at 31 December 2017 was HK$2.03 based on 799,557,415 shares in issue as compared to HK$1.82 per share based on 799,557,415 shares in issue as at 31 December 2016.

BUSINESS REVIEW

During 2017, the global economy experienced great volatility and uncertainties. Geopolitical unrest and tension escalated to an alarming level, such as provocative missile tests by North Korea, terrorist acts in Europe and Middle East, and disputes in South China Sea. Moreover, the implementation of Brexit had further created uncertainty in the volatile European markets.

In the United States, even though there had been incidents and political tension surrounding the new US president causing uncertainty for its economic recovery, the US market had gradually shown positive signs of economic recovery during the year. Economic indices had improved and stock markets soared in the US. Under the administration of the new US president, major changes in the US tax system including substantial tax cut for US corporations would have major effects on the global trade and business environment. In addition, the anticipated continuous upward movement of interest rates, coupled with the plan to reduce the size of its balance sheet by the US Federal Reserve would inevitably cause negative impact on global economic recovery.

For Mainland China, the decline in economic growth had stabilised and the GDP growth for the year was at the pace of just below 7%. Confidence in stock market and the general economy momentum had slowly returned towards the end of the year.

BUSINESS REVIEW *(continued)*

In Hong Kong, the local economy experienced growth during the year benefiting from upturn of exports, improved inbound tourism and rise of stock market. The overall property market was strong with residential and office sectors performing well. However, the prime retail sector was still under downward adjustments as rental value in the prime retail areas had continued to fall. It was inevitable as the retail segment was affected by the change in spending patterns and style of the Mainland tourists and increased popularity and acceptance of retail sales through e-commerce.

In the UK, the economy remained relatively resilient despite the uncertainty and potential impact of negotiation and implementation of Brexit. The commercial property market in London, where the Group's major investment properties are located, was performing steadily during the year and rental and property values were holding up well.

The Group's net profit attributable to shareholders for the year was HK$54.8 million as compared to the net profit of HK$356.1 million in 2016, representing a 84.6% decrease. 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 at the end of February 2016 and that the Group did not have profit contribution from its then associated company, Cross-Harbour, in 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. Revenue for the year decreased by 32.1% to HK$45.3 million as compared to HK$66.7 million reported in 2016. The decrease in overall revenue was primarily due to the disposal of the two Hong Kong investment properties at end of February 2016.

Property Business

As at the end of 2017, the Group's major investment properties include:

1 Chapel Place, London, UK
1 Harrow Place, London, UK

Gross rental income for the year amounted to HK$45.3 million representing a decrease of about 30.2% when compared with last year's rental income of HK$64.9 million. The decrease in rental income was mainly due to the disposal of the two Hong Kong investment properties at end of February 2016. Despite the decrease in rental income in 2017 as compared to 2016, the Group's investment properties in UK generated stable recurring rental income and achieved 100% occupancy rate at end of 2017. Rental income derived from the UK properties increased by 57.2% to HK$45.0 million as full-year rental income from the two major UK properties was reflected in 2017.

Revaluation of the Group's portfolio of properties resulted in a surplus of HK$15.9 million (2016: HK$55.3 million). The revaluation surplus was reported in the statement of profit or loss.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group's cash and cash equivalents was HK$407.1 million (2016: HK$390.4 million) and the Group did not have any bank borrowings. The gearing ratio of the Group was zero (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.

PROSPECTS AND STRATEGIES

For the coming year, the Group expects volatility and uncertainty will continue to affect the recovery of the global economy. Even though the global economy and major stock markets performed nicely in 2017, the impact of negotiation and implementation of Brexit, interest rate hikes, the reduction of the size of the balance sheet by US Federal Reserve, and the unstable global geopolitical environment will certainly remain to be hindering factors threatening the global market confidence and dampening economic recovery.

In Hong Kong, the local economy experienced steady growth in 2017. However, the local economy will be largely affected by economic development in Mainland China, rise in interest rates, and the local political development. It is anticipated that the economic growth and the property market may not be as good as in 2017 due to factors like interest rate hikes and weaker than expected retail sales.

In UK, the economy will be affected by the uncertainty surrounding the negotiations and future implementation of Brexit. It is expected that the economy and property market in London will continue to stay relatively more resilient when comparing with other regions of UK as London is still the most important business center of Europe and the preferred investment choice for global investors.

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

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2017 (2016: Nil).

STAFF

As at 31 December 2017, the Group employed 5 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 directors depending upon the financial performance of the Group.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2017, 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 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 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 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 2017 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 2018

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*