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TOP SPRING INTERNATIONAL HOLDINGS LIMITED

萊蒙國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03688)

UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 AND APPOINTMENT OF JOINT COMPANY SECRETARY

The announcement is made by Top Spring International Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and for the purposes of further increasing the level of corporate governance and enhancing its transparency.

Financial highlights

	Nine months ended 30 September		Change
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	
Revenue	<u>4,108,018</u>	<u>2,991,279</u>	37.3%
Profit from operations	<u>1,112,334</u>	<u>1,483,376</u>	-25.0%
Profit attributable to equity shareholders of the Company	<u>209,072</u>	<u>488,465</u>	-57.2%
	At 30 September 2015 (unaudited) HK\$'000	At 31 December 2014 (audited) HK\$'000	Change
Total assets	<u>38,789,469</u>	<u>42,871,492</u>	-9.5%
Total liabilities	<u>32,056,380</u>	<u>35,913,889</u>	-10.7%
Total equity attributable to equity shareholders of the Company	<u>5,861,021</u>	<u>6,116,535</u>	-4.2%

The board of directors (the “**Board**”) of the Company is pleased to announce the following unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2015, together with comparative figures of the previous period indicated below:

**CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 – UNAUDITED**

	Nine months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4,108,018	2,991,279
Direct costs	(3,019,434)	(1,336,547)
Gross profit	1,088,584	1,654,732
Valuation gains on investment properties and investment properties classified as held for sale	411,814	238,307
Other revenue	142,023	130,428
Other net income/(loss)	13,752	(818)
Selling and marketing expenses	(139,655)	(170,573)
Administrative expenses	(404,184)	(368,700)
Profit from operations	1,112,334	1,483,376
Finance costs	(391,235)	(469,391)
Share of profits less losses of associates	(25,260)	(11,112)
Share of losses of joint ventures	(2,731)	(586)
Profit before taxation	693,108	1,002,287
Income tax	(429,957)	(539,083)
Profit for the period	263,151	463,204
Attributable to:		
Equity shareholders of the Company	209,072	488,465
Non-controlling interests	54,079	(25,261)
Profit for the period	263,151	463,204

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 – UNAUDITED**

	Nine months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit for the period	263,151	463,204
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries	(339,235)	(123,864)
Share of other comprehensive income of associates and joint ventures	(14,231)	(6,065)
	(353,466)	(129,929)
Total comprehensive income for the period	(90,315)	333,275
Attributable to:		
Equity shareholders of the Company	(105,349)	375,373
Non-controlling interests	15,034	(42,098)
Total comprehensive income for the period	(90,315)	333,275

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2015 – UNAUDITED**

	At 30 September 2015 (unaudited) <i>HK\$'000</i>	At 31 December 2014 (audited) <i>HK\$'000</i>
Non-current assets		
Investment properties	7,577,752	9,298,671
Other property, plant and equipment	378,159	425,138
Interests in leasehold land held for own use under operating leases	4,023	4,330
Interest in associates	197,074	163,030
Interest in joint ventures	328,019	350,067
Other financial assets	42,632	194,246
Restricted and pledged deposits	54,798	194,955
Deferred tax assets	594,932	501,953
	<u>9,177,389</u>	<u>11,132,390</u>
Current assets		
Inventories	18,785,041	20,336,578
Other financial assets	199,708	125,047
Trade and other receivables	2,990,245	1,720,448
Prepaid tax	627,840	48,951
Restricted and pledged deposits	1,755,843	3,133,318
Cash and cash equivalents	3,405,023	6,374,760
	<u>27,763,700</u>	<u>31,739,102</u>
Investment properties classified as held for sale	1,848,380	–
	<u>29,612,080</u>	<u>31,739,102</u>
Current liabilities		
Trade and other payables	14,785,495	15,106,242
Bank and other borrowings	6,621,791	8,487,467
Tax payable	4,360,778	4,288,902
	<u>25,768,064</u>	<u>27,882,611</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 30 SEPTEMBER 2015 – UNAUDITED

	At 30 September 2015 (unaudited) <i>HK\$'000</i>	At 31 December 2014 (audited) <i>HK\$'000</i>
Net current assets	<u>3,844,016</u>	<u>3,856,491</u>
Total assets less current liabilities	<u>13,021,405</u>	<u>14,988,881</u>
Non-current liabilities		
Bank and other borrowings	3,675,998	6,653,577
Note payable	1,189,218	–
Deferred tax liabilities	<u>1,423,100</u>	<u>1,377,701</u>
	<u>6,288,316</u>	<u>8,031,278</u>
NET ASSETS	<u>6,733,089</u>	<u>6,957,603</u>
CAPITAL AND RESERVES		
Share capital	118,044	116,073
Reserves	<u>5,742,977</u>	<u>6,000,462</u>
Total equity attributable to equity shareholders of the Company	5,861,021	6,116,535
Non-controlling interests	<u>872,068</u>	<u>841,068</u>
TOTAL EQUITY	<u>6,733,089</u>	<u>6,957,603</u>

FINANCIAL OVERVIEW

For the nine months ended 30 September 2015, the Group's revenue was approximately HK\$4,108.0 million, an increase of approximately 37.3% as compared with the corresponding period of 2014. The Group recorded a profit attributable to equity shareholders of the Company of approximately HK\$209.1 million for the nine months ended 30 September 2015, as compared to approximately HK\$488.5 million over the corresponding period of 2014.

Unaudited operating results by business segments

The Group is a real estate property developer in the People's Republic of China ("PRC") specialising in the development and operation of urban mixed-use communities, and the development and sale of residential properties in the Pearl River Delta, the Yangtze River Delta, and the Central China, Beijing-Tianjin and Chengdu-Chongqing regions in the PRC.

Revenue represents income from sale of properties, rental income, income from hotel operations, and income from provision of property management and related services earned during the period, net of business tax and other sales related taxes and discounts allowed.

The Group recognised property sales of approximately HK\$3,731.1 million for the nine months ended 30 September 2015, representing approximately 90.8% of the total revenue for the same period. The remaining approximately 9.2% represented rental income, income from hotel operations and income from provision of property management and related services.

Details of the unaudited operating results of each business segment for the nine months ended 30 September 2015 as compared with the corresponding period of 2014 are listed below:

Business segment	Revenue		Direct costs		Gross profit margin	
	Amount HK\$'000	Change %	Amount HK\$'000	Change %	Value %	Change percentage point
Sale of properties	3,731,137	43.9	2,843,134	142.7	23.8	-31.0
Rental income	239,748	-4.7	19,680	10.5	91.8	-1.1
Hotel operations	39,060	-5.7	44,169	6.7	-13.1	-13.1
Property management and related services income	<u>98,073</u>	-6.9	<u>112,451</u>	6.0	-14.7	-13.9
Total	<u>4,108,018</u>	37.3	<u>3,019,434</u>	125.9	26.5	-28.8

Revenue from sale of properties increased by approximately 43.9% for the nine months ended 30 September 2015 as compared with the corresponding period of 2014. The total saleable gross floor area ("GFA") sold and delivered (excluding sale of car park units), after deduction of sales return, and the recognised average selling price ("ASP") for the nine months ended 30 September 2015 were approximately 217,972 sq.m. and HK\$16,350.0 per sq.m., respectively. Meanwhile, the Group delivered and recognised sales in the total amount of approximately HK\$167.3 million from the sale of 1,443 car park units, after deduction of sales return, during the nine months ended 30 September 2015.

Details of the sale of properties and car park units of the Group recognised for the nine months ended 30 September 2015 are listed below:

City	Project	Saleable GFA		Sale of Properties		Recognised ASP
		Booked <i>sq.m.</i>	Percentage <i>%</i>	Recognised <i>HK\$'000</i>	Percentage <i>%</i>	
Shenzhen	The Spring Land – Shenzhen	722	0.3	21,206	0.6	29,371.2
Nanjing	The Spring Land – Nanjing	67,676	31.0	2,132,513	59.8	31,510.6
Hangzhou	Hangzhou Hidden Valley	10,636	4.9	190,608	5.3	17,921.0
Huizhou	Huizhou Hidden Bay	68,666	31.5	694,422	19.5	10,113.0
Changzhou	Changzhou Fashion Mark	2,470	1.1	29,201	0.9	11,822.3
Changzhou	Changzhou Le Leman City	67,802	31.2	495,900	13.9	7,313.9
Total		217,972	100.0	3,563,850	100.0	16,350.0
City	Project	Number of Car Park Units		Sale of Car Park Units		Recognised ASP
		Booked <i>unit</i>	Percentage <i>%</i>	Recognised <i>HK\$'000</i>	Percentage <i>%</i>	
Shenzhen	The Spring Land – Shenzhen	2	0.1	433	0.3	216,500.0
Nanjing	The Spring Land – Nanjing	734	50.9	129,994	77.7	177,103.5
Changzhou	Changzhou Le Leman City	710	49.2	37,387	22.3	52,657.7
		1,446	100.2	167,814	100.3	116,053.9
Less: Sales return						
Shenzhen	The Spring Land – Shenzhen	(3)	(0.2)	(527)	(0.3)	175,666.7
		1,443	100.0	167,287	100.0	115,930.0

The Group's gross profit decreased by approximately 34.2% from approximately HK\$1,654.7 million for the nine months ended 30 September 2014 to approximately HK\$1,088.6 million for the nine months ended 30 September 2015. The Group reported a gross profit margin of approximately 26.5% for the nine months ended 30 September 2015 as compared to approximately 55.3% for the corresponding period of 2014. The decrease in gross profit margin for the nine months ended 30 September 2015 was primarily attributable to a significant decrease in the proportion of recognised sale of properties (excluding sale of car park units and after deduction of sales return) from the Group's projects in Shenzhen, where the gross profit margin was relatively higher (approximately 68.4% for the nine months ended 30 September 2014 as compared to approximately 0.6% for the corresponding period of 2015).

Net Gearing Ratio

The net gearing ratio is calculated by dividing the Group's net borrowings (aggregate borrowings net of cash and cash equivalents and restricted and pledged deposits) by the total equity. The Group's net gearing ratio as at 30 September 2015 and 31 December 2014 was approximately 96.5% and 81.6%, respectively. The increase in net gearing ratio was mainly resulted from the aggregate of the capital expenditure incurred on settlement of the outstanding land payment and a decrease in total equity attributable to the depreciation of Renminbi during the nine months ended 30 September 2015.

REVIEW OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 BY AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting principles and practice adopted by the Group and has reviewed the unaudited results of the Group for the nine months ended 30 September 2015. The audit committee of the Board comprises three independent non-executive Directors, namely Mr CHENG Yuk Wo (Chairman), Mr BROOKE Charles Nicholas and Professor WU Si Zong.

The financial information in this announcement is unaudited and is derived from the interim financial report for the nine months ended 30 September 2015. The interim financial report is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, KPMG did not express an audit opinion.

As such, the figures disclosed are for investors' reference only. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. If in doubt, investors are advised to seek professional advice from professional or financial advisers.

APPOINTMENT OF JOINT COMPANY SECRETARY

The Board is pleased to announce that Mr HO Hang Man (何鏗文) (“**Mr HO**”) will be appointed as a joint company secretary of the Company with effect from 1 December 2015. Upon Mr HO's appointment, Ms LUK Po Chun, the existing sole company secretary of the Company, will act as the other joint company secretary of the Company.

Mr HO, aged 31, joined the Group in January 2011 and is currently the deputy financial controller of the Company. He has substantial involvement in financial reporting, corporate transactions and compliance matters of the Group. He has extensive experience in accounting, auditing, financial management and corporate governance matters. Mr HO received his Bachelor of Business Administration degree in Finance and Management Organisation from The Hong Kong University of Science and Technology in 2006. Besides, he is a member of the Hong Kong Institute of Certified Public Accountants. Mr HO does not have any relationships with any directors, senior management or substantial shareholders of the Company.

By Order of the Board
Top Spring International Holdings Limited
WONG Chun Hong
Chairman

Hong Kong, 25 November 2015

As at the date of this announcement, the executive directors of the Company are Mr WONG Chun Hong, Ms LI Yan Jie, Mr CHEN Feng Yang and Mr WANG Tian Ye; the non-executive directors of the Company are Mr XU Lei, Mr CHIANG Kok Sung Lawrence and Mr LEE Sai Kai David; and the independent non-executive directors of the Company are Mr BROOKE Charles Nicholas, Mr CHENG Yuk Wo, Professor WU Si Zong and Mr LEUNG Kwong Choi.

Note: Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them. In addition, certain comparative figures have been reclassified to conform to current period's presentation.