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 THREE MONTHS ENDED 31 MARCH 2017

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

	Three months ended 31 March		
	2017 (unaudited) *HK$'000*	2016 (unaudited) *HK$'000*	*Change*
Revenue	**557,007**	557,812	-0.1%
Profit from operations	**563,770**	372,855	51.2%
Profit attributable to equity shareholders of the Company	**263,890**	27,166	871.4%
	At 31 March 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*	*Change*
Total assets	**25,526,012**	26,027,035	-1.9%
Total liabilities	**18,402,031**	19,191,889	-4.1%
Total equity attributable to equity shareholders of the Company	**6,180,303**	5,898,896	4.8%

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 three months ended 31 March 2017, together with comparative figures of the corresponding period in 2016 indicated below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 – UNAUDITED

	Three months ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Revenue	**557,007**	557,812
Direct costs	**(415,052)**	(328,519)
Gross profit	**141,955**	229,293
Valuation gains on investment properties and investment properties classified as held for sale	**213,249**	115,614
Other revenue	**47,057**	53,010
Other net income	**347,427**	196,844
Selling and marketing expenses	**(56,043)**	(67,881)
Administrative expenses	**(129,875)**	(154,025)
Profit from operations	**563,770**	372,855
Finance costs	**(124,538)**	(132,404)
Share of (losses)/profits of associates	**(1,438)**	9,520
Share of losses of joint ventures	**(942)**	(1,298)
Profit before taxation	**436,852**	248,673
Income tax	**(176,344)**	(212,297)
Profit for the period	**260,508**	36,376
Attributable to:		
Equity shareholders of the Company	**263,890**	27,166
Non-controlling interests	**(3,382)**	9,210
Profit for the period	**260,508**	36,376

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2017 – UNAUDITED

	Three months ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Profit for the period	**260,508**	36,376
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	**18,133**	48,116
Share of other comprehensive income of associates and joint ventures	**3,727**	2,381
	21,860	50,497
Total comprehensive income for the period	**282,368**	86,873
Attributable to:		
Equity shareholders of the Company	**274,940**	72,106
Non-controlling interests	**7,428**	14,767
Total comprehensive income for the period	**282,368**	86,873

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017 – UNAUDITED

	At 31 March 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Non-current assets		
Investment properties	**6,370,489**	6,046,160
Other property, plant and equipment	**355,972**	303,408
Interests in leasehold land held for own use under operating leases	**3,367**	3,391
	6,729,828	6,352,959
Interest in associates	**163,077**	87,718
Interest in joint ventures	**27,460**	225,822
Other financial assets	**262,944**	246,818
Deferred tax assets	**430,122**	424,444
	7,613,431	7,337,761
Current assets		
Inventories	**7,683,410**	9,019,239
Other financial assets	**45,753**	47,979
Trade and other receivables	**3,891,032**	2,623,876
Prepaid tax	**84,507**	133,295
Restricted and pledged deposits	**2,366,711**	2,488,695
Cash and cash equivalents	**3,284,312**	3,713,086
	17,355,725	18,026,170
Investment properties classified as held for sale	**556,856**	663,104
	17,912,581	18,689,274
Current liabilities		
Trade and other payables	**6,121,954**	6,710,457
Bank and other borrowings	**3,104,006**	3,013,730
Derivative financial instruments	**81,499**	155,273
Tax payable	**2,301,116**	2,286,283
	11,608,575	12,165,743

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017 – UNAUDITED

	At 31 March 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Net current assets	**6,304,006**	6,523,531
Total assets less current liabilities	**13,917,437**	13,861,292
Non-current liabilities		
Bank and other borrowings	**2,214,480**	2,152,264
Note payable	**1,109,904**	1,097,035
Convertible bonds	**1,432,251**	1,384,699
Bonds payable	**894,539**	1,275,239
Deferred tax liabilities	**1,142,282**	1,116,909
	6,793,456	7,026,146
NET ASSETS	**7,123,981**	6,835,146
CAPITAL AND RESERVES		
Share capital	**118,381**	118,378
Reserves	**6,061,922**	5,780,518
Total equity attributable to equity shareholders of the Company	**6,180,303**	5,898,896
Non-controlling interests	**943,678**	936,250
TOTAL EQUITY	**7,123,981**	6,835,146

FINANCIAL OVERVIEW

For the three months ended 31 March 2017, the Group's revenue was approximately HK$557.0 million, a decrease of approximately 0.1% as compared with the corresponding period of 2016. The Group recorded a profit attributable to equity shareholders of the Company of approximately HK$263.9 million for the three months ended 31 March 2017, as compared with approximately HK$27.2 million over the corresponding period of 2016.

Unaudited operating results by business segments

The Group is a real estate property developer in the People's Republic of China (the "**PRC**") specialised 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, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC.

Revenue of the Group represents income from sale of properties, rental income, income from hotel operations, income from provision of property management and related services, and income from medical and healthcare 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$445.9 million for the three months ended 31 March 2017, representing approximately 80.1% of the total revenue for the same period. The remaining approximately 19.9% represented rental income, income from hotel operations and property management and related services income.

Details of the unaudited operating results of each business segment for the three months ended 31 March 2017 as compared with the corresponding period of 2016 are listed below:

	Revenue		**Direct costs**		**Gross profit/ (loss) margin**	
Business segment	*Amount HK$'000*	*Change %*	*Amount HK$'000*	*Change %*	*Value %*	*Change percentage point*
Sale of properties	445,926	1.6	355,684	33.8	20.2	-19.2
Rental income	60,197	-15.1	6,953	-19.0	88.4	0.5
Hotel operations	14,388	14.6	13,891	-4.5	3.5	19.4
Property management and related services income	36,496	2.3	38,524	-2.5	-5.6	5.2
Medical and healthcare services income	–	N/A	–	N/A	N/A	N/A
Total	557,007	-0.1	415,052	26.3	25.5	-15.6

Revenue from sale of properties increased by approximately 1.6% for the three months ended 31 March 2017 as compared with the corresponding period of 2016. The total saleable gross floor area ("**GFA**") sold and delivered (excluding sale of car park units), and the recognised average selling price ("**ASP**") for the three months ended 31 March 2017 were approximately 23,054 sq.m. and approximately HK$15,340 per sq.m., respectively. Meanwhile, the Group delivered and recognised sales in the total amount of approximately HK$92.3 million from the sale of 777 car park units during the three months ended 31 March 2017.

Details of the sale of properties and car park units of the Group recognised for the three months ended 31 March 2017 are listed below:

City	**Project**	**Saleable GFA Booked**	**Percentage**	**Sale of Properties Recognised**	**Percentage**	**Recognised ASP**
		sq.m.	*%*	*HK$'000*	*%*	*HK$/sq.m.*
Nanchang	Nanchang Fashion Mark	14,589	63.3	186,524	52.7	12,785
Nanjing	The Sunny Land – Nanjing	3,506	15.2	111,559	31.5	31,819
Hangzhou	The Spring Land – Hangzhou	828	3.6	21,913	6.2	26,495
Changzhou	Changzhou Fashion Mark	110	0.5	985	0.3	8,955
Changzhou	Changzhou Le Leman City	4,021	17.4	32,676	9.3	8,126
Total		23,054	100.0	353,657	100.0	15,340

City	**Project**	**Number of Car Park Units Booked**	**Percentage**	**Sale of Car Park Units Recognised**	**Percentage**	**Recognised ASP**
		unit	*%*	*HK$'000*	*%*	*HK$/unit*
Nanchang	Nanchang Fashion Mark	540	69.5	60,553	65.6	112,135
Nanjing	The Spring Land – Nanjing	9	1.2	1,744	1.9	193,778
Nanjing	The Sunny Land – Nanjing	183	23.5	23,823	25.8	130,180
Hangzhou	The Spring Land – Hangzhou	25	3.2	5,175	5.6	207,000
Changzhou	Changzhou Le Leman City	20	2.6	974	1.1	48,700
		777	100.0	92,269	100.0	118,750

The Group's gross profit decreased by approximately 38.1% from approximately HK$229.3 million for the three months ended 31 March 2016 to approximately HK$142.0 million for the three months ended 31 March 2017. The Group recorded a gross profit margin of approximately 25.5% for the three months ended 31 March 2017 as compared to approximately 41.1% for the corresponding period of 2016. The decrease in gross profit margin was primarily attributable to a significant proportion of recognised sale of properties (excluding sale of car park units) from the Group's office and retail project in Nanchang, which (i) has a relatively lower gross profit margin compared with the corresponding period of 2016 mainly due to the sale of residential units and (ii) contributed approximately 52.7% of the revenue from sale of properties of the Group for the three months ended 31 March 2017.

Profit for the period

The Group recorded a significant increase in the profit for the period from approximately HK$36.4 million for the three months ended 31 March 2016 to approximately HK$260.5 million for the three months ended 31 March 2017. The increase was primarily due to the Group having disposed a certain percentage of equity interests in one of the PRC subsidiaries of the Group and the interest in a joint venture, which held redevelopment projects in Shenzhen, to respective buyers. As a result, there was a positive financial impact to other net income of approximately HK$324.5 million for the three months ended 31 March 2017.

Net gearing ratio

The net gearing ratio is calculated by dividing the Group's net borrowings (total borrowings net of cash and cash equivalents, and restricted and pledged deposits) by the total equity. The net gearing ratio increased slightly from approximately 43.3% as at 31 December 2016 to approximately 47.1% as at 31 March 2017, mainly as a result of the settlement of land premium of a newly acquired land reserve in Nanjing during the three months ended 31 March 2017.

Subsequent event after the period – RMB1.9 billion domestic corporate bonds

In respect of the non-public issue of domestic corporate bonds (the "**Corporate Bonds**"), Shenzhen SZITIC Property Development Co., Ltd.* (深圳深國投房地產開發有限公司) (the "**Issuer**"), an indirect wholly-owned subsidiary of the Company (established in the PRC), had, based on the result of bookbuilding process, determined on 26 April 2017 that the issue size of the 2017 non-public issue of the Corporate Bonds would be of an amount of RMB1.9 billion. The Corporate Bonds would be issued in two types. The first type has a term of three years, in respect of which the Issuer is entitled to opt to adjust the coupon rate while the investors are entitled to opt to sell back the Corporate Bonds as at the end of the second year. The coupon rate is 7.50% and the issue size is RMB1.65 billion. The second type has a term of three years, in respect of which the Issuer is entitled to opt to adjust the coupon rate while the investors are entitled to opt to sell back the Corporate Bonds as at the end of the first year and second year. The coupon rate is 7.28% and the issue size is RMB0.25 billion. The issue of the Corporate Bonds was completed on 27 April 2017.

For details, please refer to the announcement of the Company dated 27 April 2017.

* *For identification purposes only*

REVIEW OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2017 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 three months ended 31 March 2017. The audit committee of the Board comprises three independent non-executive Directors, namely Mr CHENG Yuk Wo (Chairman), Mr LEUNG Kwong Choi and Professor WU Si Zong.

The financial information in this announcement is unaudited and is derived from the interim financial report for the three months ended 31 March 2017. 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.

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

Hong Kong, 31 May 2017

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 and Mr CHIANG Kok Sung Lawrence; and the independent non-executive directors of the Company are 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.*