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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 2014

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
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	
Turnover	<u>2,991,279</u>	<u>2,826,061</u>	5.8%
Profit from operations	<u>1,483,376</u>	<u>1,328,996</u>	11.6%
Profit attributable to equity shareholders of the Company	<u>488,465</u>	<u>431,669</u>	13.2%
	At 30 September 2014 (unaudited) HK\$'000	At 31 December 2013 (audited) HK\$'000	Change
Total assets	<u>43,164,846</u>	<u>38,759,325</u>	11.4%
Total liabilities	<u>36,541,018</u>	<u>32,484,241</u>	12.5%
Total equity attributable to equity shareholders of the Company	<u>5,885,160</u>	<u>5,645,996</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 2014, together with comparative figures of the previous period indicated below:

**CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 – UNAUDITED**

	Nine months ended 30 September	
	2014	2013
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2,991,279	2,826,061
Direct costs	<u>(1,336,547)</u>	<u>(1,929,416)</u>
Gross profit	1,654,732	896,645
Valuation gains on investment properties	238,307	514,243
Other revenue	130,428	106,277
Other net income	13,663	314,922
Selling and marketing expenses	(170,573)	(149,710)
Administrative expenses	<u>(383,181)</u>	<u>(353,381)</u>
Profit from operations	1,483,376	1,328,996
Finance costs	(469,391)	(491,503)
Share of losses of associates	(11,112)	–
Share of losses of joint ventures	<u>(586)</u>	<u>(2,487)</u>
Profit before taxation	1,002,287	835,006
Income tax	<u>(539,083)</u>	<u>(326,577)</u>
Profit for the period	<u>463,204</u>	<u>508,429</u>
Attributable to:		
Equity shareholders of the Company	488,465	431,669
Non-controlling interests	<u>(25,261)</u>	<u>76,760</u>
Profit for the period	<u>463,204</u>	<u>508,429</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 – UNAUDITED**

	Nine months ended 30 September	
	2014	2013
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit for the period	463,204	508,429
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	(123,864)	49,862
Share of other comprehensive income of associates and joint ventures	(6,065)	2,533
	(129,929)	52,395
Total comprehensive income for the period	333,275	560,824
Attributable to:		
Equity shareholders of the Company	375,373	481,347
Non-controlling interests	(42,098)	79,477
Total comprehensive income for the period	333,275	560,824

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2014 – UNAUDITED**

	At 30 September 2014 (unaudited) HK\$'000	At 31 December 2013 (audited) HK\$'000
Non-current assets		
Fixed assets		
– Investment properties	9,430,627	9,295,306
– Other property, plant and equipment	436,483	474,355
– Interests in leasehold land held for own use under operating leases	4,439	4,701
	<u>9,871,549</u>	<u>9,774,362</u>
Interest in associates	176,189	–
Interest in joint ventures	–	166,238
Other financial assets	183,485	33,469
Restricted and pledged deposits	–	1,407,161
Deferred tax assets	631,052	620,734
	<u>10,862,275</u>	<u>12,001,964</u>
Current assets		
Inventories	19,742,012	15,877,394
Other financial assets	7,575	–
Trade and other receivables	1,190,411	2,059,293
Prepaid tax	262,606	43,929
Restricted and pledged deposits	3,531,793	3,170,483
Cash and cash equivalents	7,568,174	5,606,262
	<u>32,302,571</u>	<u>26,757,361</u>
Current liabilities		
Trade and other payables	13,911,237	10,026,262
Bank and other borrowings	9,956,707	9,070,702
Tax payable	4,974,775	4,872,872
	<u>28,842,719</u>	<u>23,969,836</u>

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2014 – UNAUDITED**

	At 30 September 2014 (unaudited) <i>HK\$'000</i>	At 31 December 2013 (audited) <i>HK\$'000</i>
Net current assets	<u>3,459,852</u>	<u>2,787,525</u>
Total assets less current liabilities	<u>14,322,127</u>	<u>14,789,489</u>
Non-current liabilities		
Bank and other borrowings	6,355,310	5,989,594
Loans from joint ventures	–	1,223,687
Deferred tax liabilities	<u>1,342,989</u>	<u>1,301,124</u>
	<u>7,698,299</u>	<u>8,514,405</u>
NET ASSETS	<u>6,623,828</u>	<u>6,275,084</u>
CAPITAL AND RESERVES		
Share capital	116,063	115,530
Reserves	<u>5,769,097</u>	<u>5,530,466</u>
Total equity attributable to equity shareholders of the Company	5,885,160	5,645,996
Non-controlling interests	<u>738,668</u>	<u>629,088</u>
TOTAL EQUITY	<u>6,623,828</u>	<u>6,275,084</u>

FINANCIAL OVERVIEW

For the nine months ended 30 September 2014, the Group's turnover was approximately HK\$2,991.3 million, increased by approximately 5.8%, as compared with the corresponding period of 2013. The Group recorded a profit attributable to equity shareholders of the Company of HK\$488.5 million as compared to approximately HK\$431.7 million, over the corresponding period of 2013.

Unaudited operating results by business segments

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

Turnover 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\$2,593.0 million for the nine months ended 30 September 2014, representing approximately 86.7% of the total turnover for the nine months ended 30 September 2014. The remaining approximately 13.3% 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 2014 as compared with the corresponding period of 2013 are listed below:

Business segment	Turnover		Direct costs		Gross profit margin	
	Amount HK\$'000	Change %	Amount HK\$'000	Change %	Value % percentage point	Change
Sale of properties	2,593,039	0.7	1,171,254	-34.4	54.8	24.2
Rental income	251,550	116.1	17,811	71.2	92.9	1.8
Hotel operations	41,403	10.5	41,403	4.1	0.0	6.2
Property management and related services income	<u>105,287</u>	8.3	<u>106,079</u>	13.9	-0.8	-5.0
Total	<u>2,991,279</u>	5.8	<u>1,336,547</u>	-30.7	55.3	23.6

Turnover from sale of properties slightly increased by approximately 0.7% for the nine months ended 30 September 2014 as compared with the corresponding period of 2013. The total saleable gross floor area ("GFA") sold and delivered (including sales return but excluding car park units), and the recognised average selling price ("ASP") for the nine months ended 30 September 2014 were approximately 149,788 sq.m. and HK\$17,125.6 per sq.m., respectively. Meanwhile, the Group recognised sales of 180 car park units in the total amount of approximately HK\$27.8 million during the nine months ended 30 September 2014.

Details of the sale of properties of the Group recognised for the nine months ended 30 September 2014 are listed below:

City	Project	Saleable GFA Booked <i>sq.m.</i>	Percentage <i>%</i>	Sales of Properties Recognised <i>HK\$'000</i>	Percentage <i>%</i>	Recognised ASP <i>HK\$/sq.m.</i>
Shenzhen	The Spring Land – Shenzhen	60,187	40.3	1,755,446	68.4	29,166.5
Hangzhou	Hangzhou Hidden Valley	1,641	1.1	40,516	1.6	24,689.8
Changzhou	Changzhou Fashion Mark	11,746	7.8	180,073	7.0	15,330.6
Changzhou	Changzhou Le Leman City	76,154	50.8	588,430	23.0	7,726.8
Chengdu	Chengdu Fashion Mark	60	0.0	751	0.0	12,516.7
Total		<u>149,788</u>	<u>100.0</u>	<u>2,565,216</u>	<u>100.0</u>	17,125.6

City	Project	Number of Car Park Units Booked <i>unit</i>	Percentage <i>%</i>	Sales of Car Park Units Recognised <i>HK\$'000</i>	Percentage <i>%</i>	Recognised ASP <i>HK\$/unit</i>
Shenzhen	The Spring Land – Shenzhen	64	35.6	11,592	41.7	181,125.0
Changzhou	Changzhou Fashion Mark	116	64.4	16,231	58.3	139,922.4
Total		<u>180</u>	<u>100.0</u>	<u>27,823</u>	<u>100.0</u>	154,572.2

Our gross profit increased by approximately 84.5% to approximately HK\$1,654.7 million for the nine months ended 30 September 2014 from approximately HK\$896.6 million for the nine months ended 30 September 2013. The Group reported a gross profit margin of approximately 55.3% for the nine months ended 30 September 2014 as compared to approximately 31.7% for the corresponding period of 2013. The increase in gross profit was primarily attributable to the higher ASP and gross profit margin of our Shenzhen projects, in particular, our The Spring Land – Shenzhen Phase 6B, the sales of which were recognised in the third quarter of 2014, compared with the lower ASP and gross profit margin of our Hangzhou Hidden Valley and Changzhou Le Leman City, the sales of which were recognised during the nine months ended 30 September 2013.

Net Gearing Ratio

The net gearing ratio is calculated by dividing our net borrowings (aggregate borrowings net of cash and cash equivalents, and restricted and pledged deposits) by the total equity. Benefited from the improvement in both operating results and cash position, contributed by the delivery of The Spring Land – Shenzhen Phase 6B and the proceeds collected from pre-sale of Nanchang Fashion Mark during the nine months ended 30 September 2014, respectively, the net gearing ratio decreased from 100.6% as at 31 December 2013 to approximately 83.0% as at 30 September 2014.

CAUTION STATEMENT

The unaudited consolidated results as disclosed above are based on the preliminary information of the Group and have not been audited or reviewed by the Company's auditors. 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, 28 November 2014

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