METRO HOLDINGS LIMITED
(Company Registration No. 197301792W*)*

NEW ASSOCIATED COMPANY – TOP SPRING INTERNATIONAL HOLDINGS LTD

1. INTRODUCTION

Metro Holdings Limited ("**Metro**" or the "**Company**", and together with its subsidiaries, collectively "**Metro Group**" or the "**Group**") wishes to announce that the Company has been accorded a board seat in Top Spring International Holdings Ltd ("**Top Spring**").

This move enables the Company to achieve its intention (as previously articulated in the Company's announcements of 6 December 2013 and 28 May 2014)[1] of having Top Spring become an associated company of the Metro Group.

Mr Lawrence Chiang Kok Sung, Metro's Group Chief Operating Officer, is the Company's nominated representative to the board of directors of Top Spring. Mr Chiang will join Top Spring's board as a non-executive director with effect from 1 July 2014.[2]

2. EQUITY ACCOUNTING FOR ASSOCIATE

The Company has an effective indirect equity stake of approximately 19.76% voting rights and 16.24% economic interest in Top Spring as at 31 March 2014, which equity stake is accounted for as available-for-sale investments in the unaudited financial statements of the Company and its consolidated subsidiaries (collectively, the "**Group**") for the financial year ended 31 March 2014 ("**FY2014**").

Going forward, with Top Spring as an associated company, this allows the Group to equity account for the results of Top Spring and its subsidiaries (collectively, the "**TSI Group**") as an associate and reflect the Group's share of the associate's profit or loss[3] which is more reflective of the attributable results of the associate rather than the distributions received from it.

Based on (i) the unaudited consolidated financial statements of the Group for FY2014 and the TSI Group's audited consolidated financial statements for the financial year ended 31 December 2013, and (ii) the assumptions set out below:

(a) had Top Spring had become an associated company of the Company on 1 April 2013, the Group's unaudited earnings per share ("**EPS**") for FY2014 would have increased from 12.9 cents to 16.7 cents; and

(b) had Top Spring had become an associated company of the Company on 31 March 2014, there would have been no impact on the Group's unaudited net tangible assets ("**NTA**") per share as at 31 March 2014 .

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1 At paragraph 4 of the Company's announcement dated 6 December 2013, and item 10 of the Unaudited Results for the Full Year Ended 31 March 2014 released by the Company on 28 May 2014.

2 A copy of Top Spring's announcement dated 30 June 2014 in relation to this appointment is available at its website: http://www.topspring.com.

3 In accordance with Singapore Financial Reporting Standard 28 (FRS 28 – Investments in Associates).

Assumptions:

The above computation is based on the Group's 16.24% economic interest in the TSI Group as at 31 March 2014 and it demonstrates the financial impact to the Group's EPS and NTA from equity accounting for a share of the TSI Group's results for the relevant periods[#]. It does not take into account any financial impact to the Group's EPS and NTA for the relevant periods[#], which may arise from the accounting of goodwill on acquisition of Top Spring's shares in accordance with FRS 103 as it is not practicable to do so until a fair valuation of the TSI Group is completed, estimated to be available at the end of 2014. Thus, for purposes of the above computation, the goodwill impact on the Group's EPS and NTA is assumed to be neutral.

[#]Relevant periods: on EPS – financial year ending 31 March 2014; and on NTA – as at 31 March 2014.

Shareholders and potential investors should note that the foregoing financial effects on EPS and NTA are purely for illustrative purposes only and may not be representative of the Group's future performance.

The attainment of the board seat in Top Spring has no impact on the Group's gearing or the share capital of the Company.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Investment (save through their shareholding interests, if any, in the Company).

By Order of the Board

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

30 June 2014