

NEWS RELEASE

**METRO GROUP DEEPENS PRESENCE IN THE UK THROUGH INCREASED EQUITY STAKE IN FAIRBRIAR REAL ESTATE LIMITED FROM 25% TO 50%**

- *Fairbriar Real Estate Limited owns and develops the award-winning Middlewood Locks mixed-use development in Manchester which will provide 2,215 new homes, and an additional 1,000 new homes or one million square feet of commercial space (including offices, hotel, shops and restaurants)*
- *The entire development has an estimated total gross floor area of around 3 million square feet and a gross development value of approximately £1 billion*
- *Manchester is the UK's second economic powerhouse and continues to see strong demand for Build-to-Rent ("BTR") and new homes*



*Middlewood Locks Exterior*



*Middlewood Locks Exterior*

**Singapore, 1 November 2024** – Mainboard-listed Metro Holdings Limited (“**Metro**” or the “**Group**”) (“美罗控股有限公司”), a property investment and development group backed by established retail operations, has increased its effective interest in Fairbriar Real Estate Limited (“**Fairbriar**”) from 25% to 50%. Fairbriar owns and develops the award-winning Middlewood Locks mixed-use development in Manchester, the United Kingdom (“**UK**”).

Metro, through its direct wholly owned subsidiary Sun Capital Assets Pte. Ltd. has entered into a sale and purchase agreement with an existing joint venture partner to acquire an additional 25% equity stake in Fairbriar including the assignment of shareholders’ loan and its accrued interest, for a total purchase consideration of £18.0 million (approximately S\$31.0 million). This investment deepens Metro’s presence in the UK – a key market for the Group – and strengthens its successful decade-long partnership with Scarborough Group International (“**Scarborough Group**”), which

continues to own a 50% equity stake in Fairbriar. The investment was funded through a combination of internal cash resources and bank borrowings.

Middlewood Locks is an award-winning regeneration project that has created a thriving and vibrant new neighbourhood at the Western gateway to Manchester City Centre, next to the River Irwell and just a short walk to St.Johns, Spinningfields business district and the city centre. The mixed-use development will provide 2,215 new homes, and an additional 1,000 new homes or one million square feet (“**sqft**”) of commercial space including offices, a hotel, shops and restaurants, nestled within beautifully landscaped open spaces, waterways and promenades that promote biodiversity and an enjoyable outdoor lifestyle. The entire development has an estimated total gross floor area (“**GFA**”) of around 3 million sqft and a gross development value of approximately £1 billion.

Middlewood Locks is being delivered in phases with Phases 1 and 2 of the development comprising 1,117 homes and commercial space occupied by Seven Bro7hers Beer house, 92 Degrees coffee shop and Co-op groceries store. Phase 3, a residential development of 189 residential units named The Railings, commenced construction in June 2022 and sales and marketing activities are in progress. Project completion of The Railings is expected by end-2024, which will see the first residents moving into their new homes.

Manchester is the UK's second economic powerhouse and continues to see strong demand for Build-to-Rent (“**BTR**”) and new homes<sup>1,2</sup>, with interest rates expected to drop as inflation eases<sup>3</sup>. Manchester is now one of the most wealthy areas in the UK with the largest BTR market outside of London<sup>1</sup>. In addition, Manchester has recorded the highest home price growth of 33% over the past five years – outstripping a 20-city average of 15% – and its economy is also projected to grow at an annual rate of 2.2% over the next five years<sup>4</sup>.

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<sup>1</sup> Bidwells, *Build-to-Rent Market Snapshot – Manchester, July 2024*

<sup>2</sup> Deloitte, *Manchester Crane Survey 2024*

<sup>3</sup> Bloomberg, *UK Inflation Drops Below BOE Target, Boosting Case for Rate Cut, 16 October 2024*

<sup>4</sup> Colliers, *Top UK Residential Investment Cities | H1 2024, 5 August 2024.*

Also in Manchester, Fairbriar has completed Hat Box comprising 144 homes. Hat Box has been fully sold with handover completed in April 2016 whilst the second phase, Bowlers Yard, was sold as a land sale in 2022, with planning approval attained for 62 residential units and ground floor commercial/amenity space.

In the office segment, Metro and the Scarborough Group has previously collaborated successfully on a 50:50 joint venture development of two Grade-A office buildings at the award-winning Sheffield Digital Campus, namely Acero Works and Endeavour. Acero Works was completed in 3Q2017 and sold in May 2018, whilst Endeavour achieved practical completion in June 2023 and was handed over to British Telecom in July 2023 to commence a 15-year lease.

**(Please see Appendix A for more information)**

Metro Group Chief Executive Officer and Executive Director, Mr. Yip Hoong Mun said, “We have deepened our presence in the UK, one of our key markets, by strategically increasing our stake in our joint venture projects in Manchester. This transaction also strengthens and extends our successful decade-long partnership with the Scarborough Group and enables us to further leverage on their expertise in UK real estate.”

Scarborough Group International Chairman, Mr. Kevin McCabe said, “We are delighted that Metro Group has increased its share ownership at Middlewood Locks. The move represents great confidence in Manchester, and indeed the UK, as a high performing investment opportunity for international operators. We are delighted to continue our close partnership with Metro, securing the future of this important regeneration project.”

Mr Simon McCabe, Chief Executive Scarborough Group International said, “Middlewood Locks is one of the largest regeneration projects that the North West has ever seen and a major undertaking for us as we invest for the long term in creating a highly sustainable neighbourhood.”



## **ABOUT METRO HOLDINGS LIMITED**

Metro Holdings Limited, a company listed on the Main Board of the SGX-ST since 1973, has a rich history that dates back to 1957 when it began as a humble textile store located at 72 High Street. Throughout its journey, Metro Holdings has evolved into a diversified property and retail group, with a global footprint in investments and operations.

Today, Metro Holdings is structured into two primary business segments: property investment and development, as well as retail. The company's strategic focus extends across pivotal markets, encompassing Singapore, China, Indonesia, the UK, and Australia.

### **Property Investment and Development**

The Group's property arm owns and manages prime retail and office properties in first-tier cities in China, including Shanghai and Guangzhou, along with emerging high-growth cities like Chengdu. Through strategic partnerships and collaborative ventures, Metro Holdings has broadened its property portfolio to encompass a diverse range of assets in Singapore, China, Indonesia, the UK, and Australia.

### **Retail**

Metro's retail division is dedicated to serving its valued customers through its two flagship Metro department stores in Singapore. The Metro shopping brand stands as an enduring and household name within the retail industry, offering an extensive range of high-quality merchandise to meet the diverse needs and preferences of its clients.

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## APPENDIX A

### **About Middlewood Locks**

Middlewood Locks is an award-winning neighbourhood impeccably located at the Western gateway to Manchester City Centre, next to the River Irwell and just a short walk to St.Johns, Spinningfields business district and the city centre. The mixed-use neighbourhood will provide 2,215 new homes, and an additional 1,000 new homes or one million sqft of commercial space (including offices, a hotel, shops and restaurants).

The beautifully landscaped open spaces, waterways and promenades promote biodiversity and a healthy and enjoyable outdoor lifestyle. Homes at Middlewood Locks are nestled within a vibrant and exciting environment with a community of over 2,300 people enjoying living and working there.

Middlewood Locks is being delivered in phases with Phase 1 and Phase 2 of the development comprising of 1,117 homes and commercial space occupied by Seven Bro7hers Beer house, 92 Degrees coffee shop and Co-op store now fully sold and occupied. Phase 3, a residential development of 189 residential units named The Railings, commenced construction in June 2022 and sales and marketing activities are in progress. Project completion of The Railings is expected by end-2024, which will see the first residents moving into their new homes.

|                                   |   |
|-----------------------------------|---|
| <b>% owned by Group</b>           | 50                                      |
| <b>Site Area (acres)</b>          | 25                                      |
| <b>Tenure</b>                     | Freehold                                |
| <b>Estimated Total GFA (sqft)</b> | 3 million                               |
| <b>Gross Development Value</b>    | £1 billion                              |
| <b>Partner</b>                    | Scarborough Group International Limited |



*Middlewood Locks Interior*



*Middlewood Locks Interior*



### **About Scarborough Group International**

Founded by Kevin McCabe in 1980, Scarborough Group International (“Scarborough”) is one of the UK’s most-active, privately-owned, mixed-use property developers. Over the last four decades, Scarborough has grown from a UK based real estate developer and investor into a global organisation with an award-winning portfolio of projects.

In the UK alone, Scarborough has delivered 9.1 million square feet of commercial space and approximately 3,900 residential units, with a further 3.7 million square feet of commercial space and approximately 1,900 residential units in the pipeline.

In July 2014, Metro entered into a joint venture with Scarborough Group acquiring a 25% stake in two land plots for GBP5.7 million in Manchester, United Kingdom – Middlewood Locks (a residential-led mixed-use development) and Hat Box (a 144-unit new build residential development) and Bowlers Yard (the second phase which was sold as a land sale with planning approval attained for 62 residential units and ground floor commercial/amenity space in 2022).

The collaboration was further strengthened in February 2016, when Metro participated in another joint venture with the Scarborough Group to develop two office buildings at Sheffield Digital Campus, United Kingdom.