

**ASSET ACQUISITIONS AND DISPOSALS::METRO GROUP INCREASES ITS STAKE FROM 25% TO 50% IN FAIRBRIAR REAL ESTATE LIMITED, UK****Issuer & Securities****Issuer/ Manager**

METRO HOLDINGS LTD

**Securities**

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METRO GROUP INCREASES ITS STAKE FROM 25% to 50% IN FAIRBRIAR REAL ESTATE LIMITED, UK

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Tan Ching Chek

**Designation**

Company Secretary

**Description (Please provide a detailed description of the event in the box below)**

Please refer to the attached files.

**Attachments** [Text Announcement - Final.pdf](#) [News Release - Final.pdf](#)

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**METRO HOLDINGS LIMITED**  
Company Registration No.: 197301792W  
(Incorporated in the Republic of Singapore)

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## **METRO GROUP INCREASES ITS STAKE FROM 25% to 50% IN FAIRBRIAR REAL ESTATE LIMITED, UNITED KINGDOM**

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The Board of Directors of Metro Holdings Limited ("**Metro**" or the "**Company**", together with its subsidiaries, the "**Metro Group**") wishes to announce the following:

### **ACQUISITION OF AN ADDITIONAL 25% STAKE IN FAIRBRIAR**

#### **1. INTRODUCTION**

The Company has announced on 2 July 2014 that the Metro Group, through its direct wholly-owned subsidiary, Sun Capital Assets Pte. Ltd. ("**Sun Capital**") has entered into a Share Purchase Agreement with Scarborough Group International Ltd and Scarborough Singapore Holdings Limited to acquire a 25% equity interest in Scarborough Real Estate Limited ("**SRE**") which own two residential land plots in Manchester, United Kingdom (the "**Investment**"). Scarborough Real Estate Limited ("**SRE**") was subsequently renamed as Fairbriar Real Estate Limited ("**Fairbriar**").

Further to the above announcement, Sun Capital has entered into (i) a sale and purchase agreement to acquire an additional 25% equity stake in Fairbriar from Project UK (Middlewood Locks) Limited, an existing joint venture partner of Fairbriar, and (ii) a Deed of Assignment of Loan for the assignment of loan amount and its accrued interest, (collectively the "**Acquisition**" or the "**Investment**") for a total consideration of £18.0m (S\$31.0m) (the "**Purchase Consideration**"). The existing joint venture partner, Project UK (Middlewood Locks) Limited which is an indirect wholly owned subsidiary of Pure Jade Investments Limited, is an unrelated and independent party.

Fairbriar Real Estate Limited wholly owns Fairbriar Development Holdings Ltd and Fairbriar Developments (Salford) Ltd. Fairbriar Development Holdings Ltd owns The Railings, a residential development of 189 residential units whereby sales are on-going and Fairbriar Developments (Salford) Ltd owns a plot of land named Territory B which can be developed for residential and commercial purpose.

Sun Capital currently holds 25% equity interest in Fairbriar. Upon completion of the Acquisition, Sun Capital's equity stake in Fairbriar will increase from 25% to 50%. The remaining 50% of Fairbriar is held by Scarborough Premier Developments Ltd which is an indirect wholly owned subsidiary of Scarborough Group International Ltd.

#### **2. INFORMATION ON THE INVESTMENT AND THE DEVELOPMENT**

##### **2.1 INFORMATION ON THE INVESTMENT**

The Investment comprises the purchase of 25 C ordinary shares of £1 each fully paid in Fairbriar representing 25% of the issued share capital of Fairbriar of approximately £10.9m (S\$18.8m) and the assignment of shareholders' loan and its accrued interest of approximately £7.1m (S\$12.2m) as at 30 September 2024. The shares will be sold free from any encumbrances and together with all rights attaching or accruing to them upon completion of the acquisition.

## 2.2 INFORMATION ON THE DEVELOPMENT

Fairbriar, through its wholly-owned subsidiary, Fairbriar Real Estate Developments Limited, owns the freehold land plots for the Middlewood Locks and Milliners Wharf Phase 2 developments in Manchester, United Kingdom. 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 development is envisioned to provide approximately 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 (“**GFA**”) of around 3 million square feet (“**sq ft**”) and a gross development value of approximately £1 billion.

## 3. RATIONALE FOR THE PROPOSED ACQUISITION

The Acquisition is in the ordinary course of the business of the Metro Group and is in line with the Group’s intention to enhance its presence in the United Kingdom.

## 4. CONSIDERATION

The Purchase Consideration of £18.0m for the 25% stake in Fairbriar comprises the purchase of the shares of approximately £10.9m and the assignment of shareholders’ loan and its accrued interest of approximately £7.1m as at 30 September 2024. The purchase consideration was arrived at based on arm’s length negotiations, taking into account the unaudited pro-forma consolidated net asset value of Fairbriar as at 30 September 2024, adjusted for predominantly the fair value of the underlying unsold residential units of The Railings and the Territory B land. The Purchase Consideration was funded through a combination of internal cash sources and bank borrowings.

## 5. NTA/FINANCIAL EFFECTS

The Acquisition is not expected to have any significant effect on the consolidated net tangible assets per share and consolidated earnings per share of the Metro Group for the current financial year ending 31 March 2025.

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company (to the best of the knowledge of the Company) has any interest, direct or indirect, in the above matter other than through their shareholding interests in the Company.

By Order Of The Board  
Tan Ching Chek and Eve Chan Bee Leng  
Joint Company Secretaries  
1 November 2024

## **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 six 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). 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.

**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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ISSUED ON BEHALF OF	:	Metro Holdings Limited
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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*

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