

SERRANO LIMITED
(Company Registration No.: 201223004Z)
(Incorporated in the Republic of Singapore on 18 September 2012)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The board of directors ("**Board**" or "**Directors**") of Serrano Limited ("**Company**" and, together with its subsidiaries, the "**Group**") refers to the unaudited full year results announcement for the financial year ended 31 December 2016 ("**FY2016**") released on 30 April 2017 (the "**Unaudited Results**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board wishes to highlight that there are material variances between the Unaudited Results and the audited financial statements for FY2016 ("**Audited Results**").

A comparison of the Audited Results and the Unaudited Results with the relevant explanatory notes are shown below:

Consolidated Statement of Comprehensive Income for FY2016

	Audited FY2016	Unaudited FY2016	Difference	Please refer to Note
	S\$'000	S\$'000	S\$'000	
Cost of sales	(98,684)	(97,775)	909	1
Other expenses	(22,328)	(22,182)	146	2

Notes :

1. Due mainly to further write-offs from "Amounts due from contract customers" relating to the Group's interior fit-out projects.
2. Due mainly to additional late payment interest and fines of S\$189K, offset by adjustments for bad debts written off of S\$37K.

Consolidated Statement of Financial Position of the Group

	Audited FY2016	Unaudited FY2016	Difference	Please refer to Note
	S\$'000	S\$'000	S\$'000	
Current Assets				
Amounts due from contract customers	117	1,026	(909)	1
Equity				
Other reserves	(8,496)	(8,875)	(379)	3
Current Liabilities				
Trade and other payables	49,825	50,151	(326)	4
Borrowings	64,506	64,125	381	5

n/m denotes "not meaningful."

Notes :

3. Due to reclassification relating to the deficit on revaluation of property, plant and equipment
4. Due to reversal of unamortized professional fees and adjustment to payables as part of Scheme adjudication process.
5. Due mainly to additional late payment interest and fines of S\$189K and adjustment to payables as

part of Scheme adjudication process.

Consolidated Statement of Cash Flow for FY2016

As a result of the above changes to the Group's statements of financial position and comprehensive income, consequential amendments have been made in the consolidated statement of cash flows for FY2016 which do not affect the cash and cash equivalents of the Group. The key differences between the audited consolidated group cash flows for FY2016 and previously announced unaudited consolidated group cash flows for the same period are set out below:

	Audited FY2016	Unaudited FY2016
	S\$	S\$
Net cash from operating activities	2,775,298	3,156,317
Net cash used in investing activities	(863,814)	(1,602,714)
Net cash used in financing activities	(5,418,485)	(5,060,603)

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers. Trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company at 9.39 a.m. on 16 June 2017.

BY ORDER OF THE BOARD

Tan Tien Hin Winston

Non-Executive Director & Interim Chairman
5 April 2018

This announcement has been prepared by Serrano Limited (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGXST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles and E-mail: sponsorship@ppcf.com.sg).