

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

QUALIFIED OPINION AND EXISTENCE OF MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

In compliance with Rule 704(4) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the board of directors (the “**Board**” of the “**Directors**”) of Serrano Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that its Independent Auditor, Foo Kon Tan LLP, has issued a qualified opinion (the “**Qualified Opinion**”) and indicated the existence of a material uncertainty related to going concern (the “**Material Uncertainty**”) in its Independent Auditor's Report for the financial statements of the Group for the financial year ended 31 December 2017.

A copy of the aforesaid Independent Auditors' Report as well an extract of the relevant Notes to the Audited Financial Statements in respect of the Qualified Opinion and Material Uncertainty are annexed to this announcement for further information.

Notwithstanding the Material Uncertainty, the Board is of the opinion that the Group will be able to continue as a going concern, subject to the completion of the Amended Schemes and the Investment Agreement, and the management and Directors of the Company are taking active steps towards such completion. The Board confirms that all material disclosures/information have been provided by the Company through announcements made on the SGXNET. Further announcements will be made by the Company and the Board via SGXNET as and when there are material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

The Independent Auditors' Report and a complete set of the Audited Financial Statements can also be found in the Company's Annual Report 2017 (“**FY2017 Annual Report**”), which will be released on SGXNET and despatched to shareholders in due course. Shareholders of the Company are advised to read this announcement in conjunction with the FY2017 Annual Report.

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
13 July 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, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).