

## SERRANO LIMITED

(Company Registration Number 201223004Z)

(Incorporated in the Republic of Singapore on 18 September 2012)

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### RECEIPT OF LETTERS OF DEMAND

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The Board of Directors ("**Board**" or "**Directors**") of Serrano Limited ("**Company**" and, together with its subsidiaries, "**Group**") refers to the Company's announcements on 29 August 2016 and 30 August 2016 ("**Announcements**") in relation to the receipt of letters of demand by the Company's wholly-owned subsidiaries, Artiwood Supervina Pte Ltd ("**Artiwood**"), Sanzio Space Planner Pte. Ltd. ("**Sanzio**"), Serrano Design Pte. Ltd. ("**Serrano Design**") and Serrano Holdings Pte. Ltd. ("**Serrano Holdings**") from the lawyers acting for Malayan Banking Berhad ("**Maybank**"), in respect of banking facilities (comprising mainly term loans, overdrafts, trust receipts and banker's guarantees) granted by Maybank ("**Maybank Facilities**") to Artiwood, Sanzio, Serrano Design and Serrano Holdings.

Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Announcements and references therein.

Further to the Announcements, the Board wishes to announce that the Company and Serrano Holdings have on 28 September 2016, each received letters of demand dated 26 September 2016 ("**Maybank Letters of Demand**") from the lawyers acting for Maybank in relation to the (i) corporate guarantee provided by the Company in favour of Maybank to secure certain Maybank Facilities granted by Maybank to Serrano Holdings ("**Serrano Limited Guarantee**"); and (ii) corporate guarantees provided by Serrano Holdings in favour of Maybank to secure certain Maybank Facilities granted by Maybank to Artiwood, Sanzio and Serrano Design ("**Serrano Holdings Guarantees**").

Pursuant to the Maybank Letters of Demand, the lawyers acting for Maybank have been instructed to demand that (i) the Company, as guarantor under the Serrano Limited Guarantee, make payment of the total outstanding sum of S\$29,645,889.09 in aggregate as at 22 August 2016, together with all further interest accruing thereon until the date of full payment and Maybank's legal costs on an indemnity basis; and (ii) Serrano Holdings, as guarantor under the Serrano Holdings Guarantees, make payment of the total outstanding sum of S\$3,756,134.32 in aggregate as at 22 August 2016, together with all further interest accruing thereon until the date of full payment and Maybank's legal costs on an indemnity basis (collectively, the "**Maybank Amounts Due**").

Notice is given in the Maybank Letters of Demand that, unless the Maybank Amounts Due are fully paid to Maybank within seven (7) days from 26 September 2016, Maybank reserves its rights to commence legal proceedings against the Company and Serrano Holdings to recover all sums and owing by the Company and Serrano Holdings under the Serrano Limited Guarantee and Serrano Holdings Guarantees, respectively, without further reference.

The Company is seeking professional advice on the above matters and will keep its shareholders ("**Shareholders**") updated on material developments.

**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.

**BY ORDER OF THE BOARD**

**Winston Chia Wing Keong**

Executive Director and Chief Executive Officer

29 September 2016

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*This announcement has been prepared by Serrano Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).*

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

*The contact person for the Sponsor is Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.*