

SERRANO LIMITED

(Company Registration Number: 201223004Z)
(Incorporated in the Republic of Singapore on 18 September 2012)

RECEIPT OF LETTER OF DEMAND FROM UNITED OVERSEAS BANK LIMITED

The Board of Directors ("**Board**" or "**Directors**") of Serrano Limited ("**Company**" and, together with its subsidiaries, "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Serrano Holdings Pte. Ltd. ("**Serrano Holdings**"), has received a letter of demand on 25 April 2016 ("**Letter of Demand**") from the lawyers acting for United Overseas Bank Limited ("**Lender**") claiming the repayment of the principal sum of S\$21,026,429.28, together with all accruing interests continuing until full repayment (collectively, "**Amounts Due**") in respect of banking facilities ("**Banking Facilities**") granted to Serrano Holdings as the borrower.

In breach of the terms and conditions of the Banking Facilities, an event of default has occurred under the Banking Facilities and the Lender has ceased to be under any further commitment to Serrano Holdings and all sums owing by Serrano Holdings to the Lender under the Banking Facilities including any accruing interests have become immediately due and payable.

The Letter of Demand stated also that pursuant to the letter of set-off and letter of charge and set-off executed between Serrano Holdings and the Lender, the Lender will be applying the monies in several deposit accounts of Serrano Holdings pledged with the Lender of S\$484,960.00 and US\$516,454.26 towards satisfaction of Serrano Holdings' liabilities due to the Lender with immediate effect.

Notice is given in the Letter of Demand that, unless the Amounts Due are paid to the Lender by 27 April 2016, the Lender shall take such further steps as it deems necessary to recover the same without further notice in relation hereto.

The Company, Serrano Holdings and the Lender are in discussions in relation to the Banking Facilities. The Company is also seeking professional advice on the matter 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
25 April 2016

*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 persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and 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.