

**UPDATE RELATING TO COMPLETION OF THE INVESTMENT AGREEMENT AND THE FIRST
TRANCHE CASH DISTRIBUTION UNDER THE SCHEMES**

The board of directors ("**Directors**" or "**Board**") of Serrano Limited (the "**Company**") refers to the Company's circular dated 9 May 2018. Unless otherwise defined, all capitalized terms and references used herein shall bear the same meanings ascribed to them in the Circular and references therein.

Completion of the Investment Agreement

The Investment Agreement provides that completion of the Investment Agreement shall take place on the date falling on the fifth (5th) business day after the fulfilment of the Relevant IA Conditions Precedent (to the extent not waived by the Investors), or such other date as may be agreed in writing ("**IA Completion Date**").

The Company wishes to update its Shareholders that the Investors have requested for, and the Company has agreed to, a deferment of the IA Completion Date. The Company understands that the Investors require more time to fulfil the completion deliverables under the Investment Agreement, due to an administrative delay in procuring the necessary funds. The Investors have assured the Company that they remain committed to completing the Investment Agreement and are confident of fulfilling the completion deliverables in time in order for the Company to rectify the non-compliance of the terms of the Schemes as described below.

Update on the First Tranche Cash Distribution under the Schemes

Pursuant to the terms of the Schemes, the First Tranche Cash Distribution to both Phase One Creditors and Phase Two Creditors shall be made within four weeks from the Effective Date of 24 May 2018, i.e. on or before 21 June 2018. The Schemes further provide that in the event of any breach or non-compliance of any terms of the Schemes, the Company shall rectify such breach or non-compliance within thirty (30) business days from the date of such breach or non-compliance. No breach of the Schemes shall be regarded as having occurred if rectified within such time period.

Consequent to the Investment Agreement not having been completed as describe above, the First Tranche Cash Distribution has not been made on or before 21 June 2018. Instead, the Company will work closely with the Investors to achieve completion of the Investment Agreement, with a view to carrying out the First Tranche Cash Distribution as soon as possible, and in any event within the thirty (30) business days' period from 21 June 2018.

The Company will continue to keep its Shareholders updated on any material developments relating to the Investment Agreement and the Schemes on a timely basis.

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 was 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
21 June 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).