

RECEIPT OF LETTER OF DEMAND

The Board of Directors ("**Board**" or "**Directors**") of Serrano Limited ("**Company**") and, together with its subsidiaries, "**Group**") wishes to announce that (i) the Company, (ii) the Company's wholly-owned subsidiary, Serrano Holdings Pte. Ltd. ("**Serrano Holdings**"), and (iii) the Directors of the Company, Mr Chia Wing Keong and Mr Chia Wing Hock, have each (collectively, the "**Parties**") received a letter of demand (each a "**Letter of Demand**" and, collectively, "**Letters of Demand**") from the lawyers acting for RHB Bank Berhad ("**Lender**") claiming the repayment of S\$2,470,738.78, together with all accruing interests continuing until full repayment, and the Lender's legal costs (collectively, "**Amounts Due**") in respect of banking facilities ("**Banking Facilities**") granted to Serrano Holdings as the borrower and guaranteed by each of the Parties as the guarantors.

Notice is given in the Letters of Demand that, unless the Amounts Due are paid to the Lender within three (3) days from 22 March 2016, the Lender shall commence legal proceedings against the Parties without further notice in relation hereto.

The Parties 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
28 March 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.