

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

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**PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2016**

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The board of directors (the “**Board**” or “**Directors**”) of Serrano Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to advise the shareholders of the Company (“**Shareholders**”) that the Group’s net loss for FY2016 is expected to deepen due to, *inter alia*, the following reasons:

- a) lower turnover due to reduced business activities from the Group’s interior fit-out business;
- b) cost overruns for projects under the Group’s interior fit-out business incurred for variation orders which were not approved by the Group’s customers, and reworks undertaken in connection with reinstallation works performed due to non-conformity of specifications with contract requirements, for which the revenue contribution has been fully recognised or reversed due to a reduction in the scope of work, contractual termination by the customer, or contract withdrawals initiated by the Group with the mutual agreement of the Group’s customers;
- c) write-off of doubtful receivables, overdue retention sums as well as claims for variation orders not approved; and
- d) allowance for impairment losses in respect of, *inter alia*, third parties trade receivables, plant and equipment, retention sums, slow-moving inventories, intangible assets and available-for-sale financial assets.

This profit guidance is based on a preliminary review of the unaudited consolidated management accounts of the Group for FY2016. Further details of the Group’s financial performance will be disclosed when the Company announces its unaudited financial results for FY2016.

**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**

**Choh Tian Chee Irving**  
Independent Chairman  
24 April 2017

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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.*