

SERRANO LIMITED
(Company Registration No.: 201223004Z)
(Incorporated in the Republic of Singapore on 18 September 2012)

CESSATION OF CONTINUING SPONSORSHIP

Capitalised terms not otherwise defined in this announcement shall have the same meanings ascribed to them in the announcements by the Company (as defined below) dated 8, 28 and 29 September 2017 and references therein

The board of directors (the “**Board**” or “**Directors**”) of Serrano Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that it had on 4 August 2017, received written notification (the “**Notification**”) from the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), that the continuing sponsorship agreement (the “**CSA**”) entered into between the Company and the Sponsor would be expiring on 27 October 2017 and that the Sponsor would not be renewing the CSA with the Company when it was to expire on 27 October 2017.

In the Notification, the Sponsor had also, as a gesture of goodwill, informed the Company that it would, upon the written request of the Company to it by 13 October 2017, be pleased to continue in its capacity as continuing sponsor of the Company up to 30 November 2017, for the purposes of completing (i) the Schemes between the Company, its wholly-owned subsidiary, Serrano Holdings, and their creditors participating in the Schemes under Section 210(1) of the Companies Act (Cap. 50) as sanctioned by the Court on 2 February 2017 and (ii) the Investment Agreement between the Company and the Investors (as defined in the Investment Agreement) in connection with the Schemes, by 30 November 2017 (“**Grace of Time**”).

The Sponsor had further duly informed the Company in the Notification of Rule 1305(1)(c) of the Catalyst Rules which states that the SGX-ST may remove the Company from its Official List (without the agreement of the Company) if the Company does not have a sponsor for more than 3 continuous months (the “**Delisting**”).

The Notification is in accordance with (i) Rule 228(1)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), Section B: Rules of Catalyst (“**Catalist Rules**”) and Clauses 2 and 10.3 of the CSA which state that if the Sponsor intends to end the sponsorship, the Sponsor must notify the SGX-ST, if the Sponsor is ending the sponsorship, it must give no less than 3 months’ notice, and (ii) the Grace of Time to the Company that the continuing sponsorship arrangement of the Sponsor with the Company will terminate on 3 November 2017, unless requested in writing by the Company to the Sponsor by 13 October 2017 for any extension up to 30 November 2017 as aforesaid.

As announced by the Company on 8 and 28 September 2017, one of the grounds of the Company to have obtained approval from Scheme Creditors at the September Scheme Creditors Meeting for the extension of the Effective Date of the Schemes from 28 September 2017 to 31 December 2017 was to provide for more time to resolve the Non-Scheme Liabilities including proposing an amendment / amendments to the Schemes to take account of the Non-Scheme Liabilities. Consequently, it is not currently envisaged that the Schemes as sanctioned by the Court on 2 February 2017 would be completed by 30 November 2017 as any amendment / amendments to the Schemes would likely require the Court’s sanction for such amendment / amendments. Hence, under the Notification, the Company’s continuing sponsorship arrangement with the Sponsor will cease on 3 November 2017.

The Board wishes to inform shareholders of the Company (“**Shareholders**”) that the Company and the Investors have been in discussions with several firms undertaking continuing sponsorship activities on the possibility of engaging one of them to be the continuing sponsor of the Company in place of the Sponsor. Discussions are still on-going and the Company will make an appropriate announcement of

such engagement in due course and will continue to provide a status update to Shareholders on this matter on a monthly basis as is necessary.

In the meanwhile, the Company has approached the Sponsor and, out of further goodwill, the Sponsor has agreed to a further extension of time for the cessation of its continuing sponsorship arrangement with the Company of another month up to 3 December 2017 ("**Further Grace of Time**").

Shareholders and potential investors are duly informed that if by 3 March 2018, 3 months after the Further Grace of Time from 3 December 2017 had lapsed, and the Company does not then have a continuing sponsor, the Company could, pursuant to Rule 1305(1)(c) of the Catalist Rules, potentially face the prospect of the Delisting.

Pursuant to Rule 228(5) of the Catalist Rules, the Sponsor has confirmed to the Company in writing that it is not aware of any non-compliance with the Catalist Rules by the Company that has not been previously announced by the Company and that has not been brought to the attention of the SGX-ST.

Trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company at 9.39 a.m. on 16 June 2017.

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
27 October 2017

*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.