

## SERRANO LIMITED

(Company Registration Number 201223004Z)

(Incorporated in the Republic of Singapore on 18 September 2012)

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**RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS ISSUE OF UP TO 150,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.07 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY AT A TIME AND DATE TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY FOR THE PURPOSE OF DETERMINING ENTITLED SHAREHOLDERS’ ENTITLEMENTS, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)**

### **– MANAGEMENT AND UNDERWRITING AGREEMENT**

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*Unless otherwise defined, capitalised terms and references used herein shall bear the same meanings as ascribed to them in the announcements dated 29 June 2015, 31 July 2015, 21 August 2015, 22 August 2015 and 26 August 2015 in relation to the Rights Issue.*

### **MANAGEMENT AND UNDERWRITING AGREEMENT**

The board of directors (the “**Board**” or “**Directors**”) of Serrano Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) is pleased to announce that the Company and SAC Capital Private Limited (“**SAC Capital**”) have entered into a definitive management and underwriting agreement dated 31 August 2015 (“**Management and Underwriting Agreement**”), pursuant to which (i) SAC Capital has agreed to manage the Rights Issue and underwrite up to 21,428,571 Rights Shares (“**Underwritten Rights Shares**”) and (ii) the Company has agreed to pay SAC Capital an underwriting commission of 3.0% of the Issue Price for the total number of Underwritten Rights Shares. Assuming that, none of the Shareholders, other than Sinbor, Winmark, Winston Chia, Johnston Chia and Wah Heng, subscribe for the Rights Shares, in accordance to the Loan Agreements, the Shareholders’ Loan Agreements and the Wah Heng Loan Agreement, respectively and SAC Capital subscribes for the Underwritten Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement, 89,019,223 Rights Shares will be issued pursuant to the Rights Issue. For the avoidance of doubt, the obligations of SAC Capital under the Management and Underwriting Agreement to subscribe and pay for, or procure subscriptions and payment for the Underwritten Rights Shares shall cease in the event that valid subscriptions and applications in excess of 89,019,223 Rights Shares have been received by the closing date as set out in the OIS to be despatched by the Company to Entitled Shareholders at their respective Singapore addresses in due course (“**Closing Date**”).

The management and underwriting obligations of SAC Capital are conditional upon, *inter alia*, the following:

- (i) the Listing and Quotation Notice from the SGX-ST having been obtained for the quotation and listing of the Rights Shares on Catalist on terms and conditions acceptable to the Company and SAC Capital and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Rights Shares on Catalist are required to be fulfilled on or before any given deadline, they are so fulfilled; and
- (ii) the OIS and the official application forms to be used for the purposes of the Rights Shares to be issued together with the OIS having been lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in accordance with and for the purposes of the Securities and Futures Act (Chapter 289) of Singapore.

The Company had on 21 August 2015, received the Listing and Quotation Notice from the SGX-ST. The Listing and Quotation Notice is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

The Company has undertaken to SAC Capital that it shall not, *inter alia*:

- (i) prior to the date which the Shares commence trading ex-rights ("**Ex-Rights Trading Date**"), issue any new Shares or other securities or otherwise alter its capital structure (save to the extent contemplated by the Rights Issue) or acquire any subsidiaries or associated companies; and
- (ii) without the prior written consent of SAC Capital (such consent not to be unreasonably withheld), at any time on or before the expiry of ninety (90) days after the Closing Date, issue any marketable securities (in the form of, or represented or evidenced by, bids, notes, debentures, loan stock or other securities) or Shares or options thereof, declare or distribute any dividend or vary, alter, subdivide or otherwise do anything to its capital structure (issued or otherwise).

SAC Capital may, under the terms of the Management and Underwriting Agreement, terminate the Management and Underwriting Agreement, upon the occurrence of certain events, including but not limited to *force majeure* events. Notwithstanding the foregoing, SAC Capital may not terminate the Management and Underwriting Agreement on or after the Ex-Rights Trading Date.

Further details of the Management and Underwriting Agreement will be set out in the OIS to be despatched by the Company to Entitled Shareholders at their respective Singapore addresses in due course.

#### **BY ORDER OF THE BOARD**

**Winston Chia Wing Keong**

Executive Chairman and Chief Executive Officer

31 August 2015

## About Serrano Limited

Serrano Limited (“Serrano” and, together with its subsidiaries, the “Group”) is a leading provider of interior fit-out solutions for property development and refurbishment projects in Singapore and Southeast Asia. Its portfolio spans the residential, hospitality, retail and commercial sectors, with a focus on mid to high-end private residential developments.

Some of its significant projects include prestigious developments such as The Interlace, Reflections at Keppel Bay, Ritz-Carlton Residences, ICON @ Tanjong Pagar and the Youth Olympic Village (Nanyang Technological University) in Singapore; the Star City Thanlyin township development and Traders Hotel (now known as the Sule Shangri-La Hotel) in Myanmar; The Estella in Vietnam; and The Met and The River in Thailand.

As a testament of its leading position and commitment to quality, the Group has won numerous awards and certifications. These include The Business Times and KPMG – Enterprise 50 Award in 2014, the Singapore Prestige Brand Award – Established Brand in 2013 and 2014, the Asia Pacific Brands Award Singapore’s Finest in 2014, the Singapore Furniture Industry Awards - The Furniture Manufacturer Award (Gold) in 2013, the Built Environment Industry Asia Awards – Regional Award of the Year for Outstanding Business Achievement in 2013, the ASEAN Business Awards – Most Admired ASEAN Enterprise – Growth (Large Company) in 2013, and the ISO 9001:2008 Quality Management System Certificate for wholesale and distribution of furniture and project management for residential/building furnishings from December 2013 to December 2016.

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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 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.*