

OFFER INFORMATION STATEMENT DATED 4 SEPTEMBER 2015

(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 4 September 2015)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

The Rights Shares (as defined herein) offered are issued by Serrano Limited (the "Company"), being an entity whose shares are listed for quotation on Catalist (as defined herein).

Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This offer is made in or accompanied by this offer information statement (the "Offer Information Statement"), together with a copy each of the Provisional Allotment Letter (the "PAL"), the Application Form for Rights Shares and Excess Rights Shares (the "ARE") and the Application Form for Rights Shares (the "ARS"), which have been lodged with the SGX-ST acting as agent on behalf of the Authority.

The lodgement of this Offer Information Statement together with a copy each of the PAL, the ARE and the ARS with the SGX-ST acting as agent on behalf of the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore and any statutory modification or re-enactment thereof, or any other legal or regulatory requirements, or requirements in the SGX-ST's listing rules, have been complied with.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness and/or accuracy of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has in any way, considered the merits of our Company, its subsidiaries, the Rights Issue (as defined herein), or the Rights Shares (as defined herein) being offered for investment.

An application has been made for permission for the Rights Shares to be listed for quotation on Catalist. The listing and quotation notice has been obtained from the SGX-ST on 21 August 2015 (the "Notice") for the listing of and quotation for the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements, and is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, our Company, its subsidiaries and their securities.

Acceptance of applications will be conditional upon the issue of the Rights Shares and upon listing of the issued Rights Shares on Catalist. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed. The Rights Shares will be admitted to Catalist after all securities certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other person or for any other purpose. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer for the Rights Shares, and does not constitute an offer, invitation or solicitation to anyone in such jurisdiction.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of the Rights Shares, or allot, issue or sell any Rights Shares on the basis of this Offer Information Statement; and no officer or equivalent person or the promoter of our Company will authorise or permit the offer of any Rights Shares or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement. Your attention is drawn to the section on "Risk Factors" of this Offer Information Statement which you should review carefully.

This Offer Information Statement and its accompanying documents have been seen and approved by the directors of our Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making reasonable enquiries and to their best knowledge and belief, there are no other facts the omission of which would make any statement in these documents misleading.

This Offer Information Statement has been prepared by our Company and its contents have been reviewed by our Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the SGX-ST.

The Sponsor has not independently verified the contents of this Offer Information Statement. This Offer Information Statement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement.

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.



SERRANO LIMITED

(Company Registration No.: 201223004Z)

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

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

MANAGER AND UNDERWRITER OF THE RIGHTS ISSUE



SAC Capital

SAC CAPITAL PRIVATE LIMITED

(Company Registration No.: 200401542N)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for splitting of provisional allotments of Rights Shares	:	17 September 2015 at 5.00 p.m.
Last date and time for acceptance and payment for Rights Shares	:	23 September 2015 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares	:	23 September 2015 at 5.00 p.m.
Last date and time for excess application and payment for Rights Shares	:	23 September 2015 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications)

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IMPORTANT NOTES

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “**Definitions**” of this Offer Information Statement.

For Entitled Depositors and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar.

As our Company’s Shares are not registered under the CPF Investment Scheme, monies in CPF accounts cannot be used for the payment of the Issue Price to accept provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies or Depository Agents, as the case may be. Any acceptance of Rights Shares or application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or our Company will be rejected. Such investors will receive notification letter(s) from their respective finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit acceptances and/or applications to their respective finance company and/or Depository Agent.

Entitled Shareholders who (i) hold Shares through finance companies or Depository Agents; or (ii) bought Shares using SRS Funds must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Shares and (if applicable) application for Excess Rights Shares. Such Entitled Shareholders who wish to accept their Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks, respective finance companies or Depository Agents, in which they hold their SRS accounts to accept their Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Entitled Shareholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective approved banks before instructing their respective approved banks to accept their Rights Shares and (if applicable) apply for Excess Rights Shares. SRS investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market. Any acceptance and/or application of the SRS investors to accept the Rights Shares provisionally allotted pursuant to these Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or our Company, will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or our Company will be rejected.

The existing Shares are listed and quoted on Catalist.

IMPORTANT NOTES

Persons wishing to purchase any “nil-paid” Rights Shares and/or to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to purchase and/or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position, performance and prospects of our Group and the rights and liabilities attaching to the “nil-paid” Rights Shares and the Rights Shares. They should also make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. It is recommended that such persons seek professional advice from their legal, financial, tax or other professional adviser before deciding whether to purchase and/or to subscribe for the “nil-paid” Rights Shares and/or the Rights Shares, purchase any Shares or invest in our Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by our Company, the Manager and Underwriter or the Sponsor. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of our Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, our Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement Offer Information Statement, as the case may be, shall be deemed to have notice of such changes.

Neither our Company, the Manager and Underwriter nor the Sponsor is making any representation in this Offer Information Statement to any person regarding the legality of an investment in the “nil-paid” Rights Shares, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations.

Our Company, the Manager and Underwriter and the Sponsor make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the “nil-paid” Rights Shares, the Rights Shares, the Shares, our Company, our Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or purchase the “nil-paid” Rights Shares, the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in our Company and our Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom these documents are dispatched by our Company, their renounees and Purchasers) or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of our Company to subscribe for any Rights Shares and/or may not be used for the purpose of, and do not constitute an offer, invitation to or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

IMPORTANT NOTES

The distribution of this Offer Information Statement, and/or its accompanying documents, and the purchase of the “nil-paid” Rights Shares or subscription for the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised by our Company to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to our Company or the Manager and Underwriter or the Sponsor.

CORPORATE INFORMATION

Directors of our Company	:	Winston Chia Wing Keong (Executive Chairman and Chief Executive Officer) Johnston Chia Wing Hock (Executive Director) Eugene Tse Yue-Jen (Executive Director) Ong Kian Guan (Lead Independent Director) Choh Thian Chee Irving (Independent Director) James Kho Chung Wah (Independent Director)
Company Secretary	:	Catherine Lim Siok Ching (ACIS)
Registered Office of our Company	:	49 Sungei Kadut Loop Singapore 729492
Legal Adviser to our Company in relation to the Rights Issue	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Sponsor	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
Auditors	:	BDO LLP Public Accountants and Chartered Accountants 21 Merchant Road #05-01 Singapore 058267 Partner-in-charge: Leong Hon Mun Peter (a member of the Institute of Singapore Chartered Accountants)
Manager and Underwriter of the Rights Issue	:	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
Receiving Banker	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624

DEFINITIONS

For the purposes of this Offer Information Statement, the ARE, the ARS and the PAL, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

“ Announcement ”	:	The announcement for the Rights Issue dated 29 June 2015
“ APBA ”	:	Asia Pacific Brands Award
“ ARE ”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ ARS ”	:	Application and acceptance form for Rights Shares to be issued to Purchasers
“ ASEAN ”	:	Association of Southeast Asian Nations
“ ASME ”	:	Association of Small and Medium Enterprises
“ ATM ”	:	Automated teller machine of a Participating Bank
“ BCA ”	:	Building and Construction Authority of Singapore
“ Board ” or “ Directors ”	:	The board of directors of our Company as at the date of this Offer Information Statement
“ Books Closure Date ”	:	3 September 2015 at 5.00 p.m. , being the date and time on which the share transfer books and the register of members of our Company were closed in order to determine, in relation to Entitled Shareholders, their provisional allotment of the Rights Shares under the Rights Issue
“ Catalist ”	:	The sponsor-supervised listing platform of the SGX-ST
“ Catalist Rules ”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“ CDP ”	:	The Central Depository (Pte) Limited
“ Closing Date ”	:	(a) 23 September 2015 at 5.00 p.m. , or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of our Company, being the last date and time for acceptance and/or Excess Application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 23 September 2015 at 9.30 p.m. , or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of our Company, being the last date and time for acceptance and/or Excess Application and payment, and renunciation and payment of the Rights Shares under the Rights Issue by way of an Electronic Application
“ Companies Act ”	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time

DEFINITIONS

“Company”	:	Serrano Limited
“Controlling Shareholder”	:	In relation to a corporation, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in a company; or (b) in fact exercises control over a company
“CPF”	:	The Central Provident Fund
“Electronic Application(s)”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic application through an ATM
“Entitled Depositor(s)”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholder(s)”	:	Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days before the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders, collectively
“EPS”	:	Earnings per Share
“Eugene Tse”	:	Eugene Tse Yue-Jen
“Excess Application(s)”	:	Applications for Excess Rights Shares by Entitled Shareholders
“Excess Rights Shares”	:	Rights Shares in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders
“Ex-Rights Trading Date”	:	The date on which Shares commence trading on the SGX-ST on the basis they will not carry the right to the Rights Shares under the Rights Issue
“Foreign Purchasers”	:	Persons purchasing the provisional allotment of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore

DEFINITIONS

“Foreign Shareholders”	:	Shareholders with registered addresses with the Share Registrar or CDP, as the case may be, outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended on 31 December
“Frank Chia”	:	Chia Wing Heng
“Group”	:	Our Company and its subsidiaries
“HY”	:	Half-year ended on 30 June
“Interior Fit-Out”	:	The installation of the entire interior of a unit or building, including the installation of Panelling Products and other furnishings, ceilings, floors, partitions, M&E works or as otherwise specified
“IPO”	:	Initial public offering of our Company
“ISO”	:	The International Organization for Standardisation. ISO standards provide requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.07 for each Rights Share
“Johnston Chia”	:	Chia Wing Hock
“Karen Chia”	:	Chia Lay Kiong (Xie Lijuan)
“Latest Practicable Date”	:	28 August 2015, being the latest practicable date prior to the date of lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority
“Loan Agreements”	:	The loan agreements dated 29 June 2015 entered into between our Company and each of Sinbor and Winmark
“Loan”	:	The loans extended by Sinbor and Winmark amounting to S\$1,960,000.00 and S\$964,070.10, respectively, and in aggregate S\$2,924,070.10, to our Company upon the terms and subject to the conditions of the Loan Agreements
“M&E”	:	Mechanical and electrical
“Manager”, “Underwriter” or “SAC Capital”	:	SAC Capital Private Limited
“Management and Underwriting Agreement”	:	The management and underwriting agreement entered into between our Company and SAC Capital on 31 August 2015 pursuant to which SAC Capital has agreed to manage the Rights Issue and to partially underwrite up to 21,428,571 Rights Shares

DEFINITIONS

“Management and Technical Consulting Agreement”	:	The management and technical consulting agreement dated 2 April 2014 entered into between Sorrento Vietnam and Serrano Holdings, pursuant to which Serrano Holdings shall, through a consultant, provide Sorrento Vietnam with management and technical consulting services for a period of four years from 2 April 2014
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Assuming that all Entitled Shareholders subscribe in full for their respective pro rata Rights Shares, save for Wah Heng, which will subscribe for 13,859,206 Rights Shares and renounce its balance of 41,772,430 Rights Shares in favour of Sinbor and Winmark (and for which Sinbor and Winmark subscribes for the 41,772,430 renounced Rights Shares pursuant to the Loan Agreements). In this scenario, 150,000,000 Rights Shares will be issued pursuant to the Rights Issue
“Memorandum and Articles of Association”	:	The memorandum and articles of association of our Company, as amended, modified or supplemented from time to time
“Minimum Subscription Scenario”	:	Assuming that, none of the Shareholders, other than the Undertaking Lenders and Undertaking Shareholders, subscribe for the Rights Shares, in accordance to the Loan Agreements, the Shareholders’ Loan Agreements and the Wah Heng Loan Agreement, respectively and the Underwriter subscribes for the Underwritten Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement. In this scenario, up to 89,019,223 Rights Shares will be issued pursuant to the Rights Issue
“MOM”	:	Ministry of Manpower
“MYE”	:	Man-Year Entitlement, which reflects the total quota of foreign construction workers allocated to a main contractor (being a company that contracts a project directly from a property developer or owner) for a specific construction project. Based on the value of projects/contracts awarded by developers/owners, main contractors are allocated a number of man-years (one man-year being equivalent to one year of employment under a work permit) required to complete a project, and the number of foreign workers it is entitled to employ
“NAV”	:	Net asset value
“New Property”	:	A JTC Corporation property at 16 Sungei Kadut Way, Singapore 728793
“NRIC”	:	National Registration Identity Card

DEFINITIONS

“Offer Information Statement”	:	This document, together with, where the context requires, the PAL, the ARE and the ARS and all other accompanying documents, including, where the context so admits, any supplementary or replacement documents to be issued by our Company and lodged with the SGX-ST acting as agent on behalf of the Authority in connection with the Rights Issue
“PAL”	:	The provisional allotment letter issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
“Panelling Products”	:	Furniture made of wooden panels, such as kitchen cabinets, wardrobes, vanity cabinets, doors and door frames
“Participating Banks”	:	DBS Bank Ltd. (including POSB), United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited and Overseas-Chinese Banking Corporation Limited
“Philip Chia”	:	Chia Beng Hock, Philip
“Pre-IPO Investors”	:	The pre-IPO investors as listed in the section entitled “Restructuring Exercise” of the offer document dated 15 October 2014 issued by our Company in respect of the IPO
“Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on Catalist through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore
“QS”	:	Quantity surveyor
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by our Company) on which Shareholders must be registered with our Company or the Securities Accounts of the Shareholders must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Relevant Period”	:	The period which comprises FY2012, FY2013, FY2014, HY2015 and 1 July 2015 up to the Latest Practicable Date
“Renounced Shares”	:	28,000,000 Rights Shares and 13,772,430 Rights Shares to be renounced by Wah Heng to Sinbor and Winmark respectively pursuant to the Loan Agreements.
“Rights Issue”	:	The renounceable and partially-underwritten rights issue by our Company of up to 150,000,000 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Mailing Address”	:	Has the meaning ascribed to it in the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement

DEFINITIONS

“Rights Shares”	:	Up to 150,000,000 new Shares to be allotted and issued by our Company pursuant to the Rights Issue
“Rights Undertakings”	:	In aggregate, 67,590,652 Rights Shares undertaken by the Undertaking Lenders and Undertaking Shareholders, in accordance to the Loan Agreements, Shareholders’ Loan Agreements and the Wah Heng Loan Agreement, respectively
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289, of Singapore, as amended or modified from time to time
“Serrano Holdings”	:	Our subsidiary, Serrano Holdings Pte. Ltd.
“Serrano Thailand”	:	Our associated company, Serrano (Thailand) Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Shareholders”	:	Registered holders of Shares in the register of members of our Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shareholders’ Loan Agreements”	:	The loan agreements dated 29 June 2015 entered into between our Company and each of Winston Chia and Johnston Chia
“Shareholders’ Loan”	:	The loans extended by Winston Chia and Johnston Chia amounting to S\$1,001,000.00 and S\$6,275.50, respectively, and in aggregate S\$1,007,275.50 to our Company upon the terms and subject to the conditions of the Shareholders’ Loan Agreements
“Shares”	:	Ordinary shares in the capital of our Company
“SI Import & Export”	:	SI Import & Export Pte Ltd (formerly known as Serrano International Pte. Ltd.)
“Sinbor”	:	Sinbor Company (Private) Limited
“SME”	:	Small and Medium Enterprises
“Sorrento Vietnam”	:	Sorrento Vietnam Shareholding Company (formerly known as Serrano Vietnam Shareholding Company)
“SRS”	:	Supplementary Retirement Scheme, a voluntary scheme to encourage individuals to save for retirement, over and above their CPF savings
“SRS Funds”	:	Monies standing to the credit of the SRS accounts of SRS investors under the SRS

DEFINITIONS

“Substantial Shareholder”	:	A substantial Shareholder within the meaning of Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act
“Takeover Code”	:	The Singapore Code on Take-overs and Mergers
“TOP”	:	Temporary occupation permit issued by BCA in Singapore, or the equivalent thereof by the relevant government body or agency elsewhere
“Undertaking Lenders”	:	Sinbor and Winmark, each of whom has, irrevocably and unconditionally undertaken to our Company to subscribe for and pay in full and/or procure the subscription and payment in full for 28,000,000 Rights Shares and 13,772,430 Rights Shares, respectively, and in aggregate 41,772,430 Rights Shares, such Rights Shares to be renounced by Wah Heng to Sinbor and Winmark in accordance with the terms and conditions of the Loan Agreements and this Offer Information Statement
“Undertaking Shareholders”	:	Wah Heng, Winston Chia and Johnston Chia, each of which and whom has irrevocably and unconditionally undertaken to our Company to subscribe for and pay in full and/or procure the subscription and payment in full for 11,428,572 Rights Shares, 14,300,000 Rights Shares and 89,650 Rights Shares, respectively, and in aggregate 25,818,222 Rights Shares in accordance with the terms and conditions of the Wah Heng Loan Agreement and the Shareholders’ Loan Agreements, as the case may be, as well as this Offer Information Statement
“Underwritten Rights Shares”	:	Up to 21,428,571 Rights Shares, comprising 14.3% of the Rights Shares, to be underwritten by SAC Capital, subject to the terms and conditions of the Management and Underwriting Agreement
“Unit Share Market”	:	The unit share market of the SGX-ST, which allows the trading of odd lots in quantities less than the board lot size
“VND”	:	Vietnamese Dong
“Wah Heng”	:	Wah Heng Design Corporation Pte Ltd
“Wah Heng Loan”	:	The loan extended by Wah Heng amounting to S\$800,000.04, to our Company upon the terms and subject to the conditions of the Wah Heng Loan Agreement
“Wah Heng Loan Agreement”	:	The loan agreement dated 30 July 2015 entered into between our Company and Wah Heng
“Wah Heng Undertaken Rights Shares”	:	11,428,572 Rights Shares undertaken by Wah Heng in accordance to the Wah Heng Loan Agreement
“Winmark”	:	Winmark Investments Pte Ltd
“Winston Chia”	:	Chia Wing Keong

DEFINITIONS

“%” or “per cent.”	:	Percentage or per centum
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” and “US cents”	:	United States of America dollars and cents, respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them, respectively, in Section 130A of the Companies Act.

The terms “**subsidiary**” and “**subsidiaries**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Offer Information Statement, the PAL, the ARE or the ARS are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

The words “**written**” and “**in writing**” include any means of visible reproduction.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act or the Catalist Rules or any statutory or regulatory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act or the Catalist Rules or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time and date, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and Excess Application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of our Company.

Any discrepancies in tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

References in this Offer Information Statement to “**we**”, “**our**” and “**us**” refer to our Group or any member of our Group as the context requires.

Any reference to announcements of or by our Company in this Offer Information Statement, the ARE, the ARS and the PAL includes announcements by our Company posted on the website of the SGX-ST at <http://www.sgx.com>.

SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Number of Rights Shares : Up to 150,000,000 Rights Shares to be allotted and issued
- Basis of Provisional Allotment : One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
- Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for Excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of our Company. In the allotment of any Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. The Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of our Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares
- Issue Price : S\$0.07 for each Rights Share, payable in full on acceptance and/or application
- The Issue Price represents a discount of approximately (i) 61.1% to the closing price of S\$0.180 per Share for trades done on Catalist on 29 June 2015, being the last trading day of the Shares on the Catalist prior to the Announcement of the Rights Issue on 29 June 2015; (ii) 36.4% to the closing price of S\$0.110 per Share on the Latest Practicable Date; and (iii) 22.2% to the theoretical ex-rights price of S\$0.090 per Share, calculated based on the closing price on the Latest Practicable Date and after adjusting for the issuance of the Rights Shares
- Status of the Rights Shares : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares
- Eligibility to Participate in the Rights Issue : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement
- Acceptance, Excess Application and Payment Procedures : Please refer to Appendices A to C of this Offer Information Statement, and the accompanying PAL, ARE or ARS

SUMMARY OF THE RIGHTS ISSUE

- Listing and quotation notice of the Rights Shares : On 21 August 2015, our Company obtained the listing and quotation notice from the SGX-ST for the listing of and quotation for the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements
- The listing and quotation notice granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, our Company, its subsidiaries and their securities
- Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on Catalist, the Rights Shares will be traded on Catalist under the book-entry (scripless) settlement system. For the purposes of trading on Catalist, each board lot of Rights Shares will comprise 100 Shares
- Undertaking Shareholders : Wah Heng, Winston Chia and Johnston Chia have irrevocably and unconditionally undertaken to our Company to subscribe for and pay in full and/or procure the subscription and payment in full for 11,428,572 Rights Shares, 14,300,000 Rights Shares and 89,650 Rights Shares, respectively, and in aggregate 25,818,222 Rights Shares to be allotted and issued to them subject to the terms and conditions of the Wah Heng Loan Agreement and Shareholders' Loan Agreements, as the case may be
- Please refer to Paragraph 1(f) of Part X of this Offer Information Statement for further details on our Undertaking Shareholders
- Undertaking Lenders : Sinbor and Winmark have irrevocably and unconditionally undertaken to our Company to subscribe for and pay in full and/or procure the subscription and payment in full for 28,000,000 Rights Shares and 13,772,430 Rights Shares, respectively, and in aggregate 41,772,430 Rights Shares to be allotted and issued to them subject to the terms and conditions of the Loan Agreements
- Please refer to Paragraph 1(f) of Part X of this Offer Information Statement for further details on our Undertaking Lenders
- Underwriting : The Rights Issue will be partially-underwritten by the Underwriter pursuant to the terms of the Management and Underwriting Agreement. Please refer to Paragraph 7 of Part VI of this Offer Information Statement for further details on the Management and Underwriting Agreement
- Risk Factors : Investing in the Rights Shares involves risks. Please refer to the section entitled "**Risk Factors**" set out in this Offer Information Statement
- Governing Law : Laws of the Republic of Singapore

INDICATIVE TIMETABLE

Shares trade ex-rights	:	1 September 2015 from 9.00 a.m.
Books Closure Date	:	3 September 2015 at 5.00 p.m.
Despatch of Offer Information Statement, the ARE, the ARS and the PAL (as the case may be) to Entitled Shareholders	:	8 September 2015
Commencement of trading of “nil-paid” Rights	:	8 September 2015 from 9.00 a.m.
Last date and time for trading of “nil-paid” Rights	:	17 September 2015 at 5.00 p.m.
Last date and time for splitting of provisional allotments of Rights Shares	:	17 September 2015 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	23 September 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for acceptance and payment for Rights Shares by renounees	:	23 September 2015 at 5.00 p.m.
Last date and time for application and payment for Excess Rights Shares	:	23 September 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date for issuance of Rights Shares	:	1 October 2015
Expected date for crediting of Rights Shares	:	2 October 2015
Expected date for refund of unsuccessful or invalid application (if made through CDP)	:	2 October 2015
Expected date and time for commencement of trading of Rights Shares	:	2 October 2015 from 9.00 a.m.

Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue cannot be withdrawn after the commencement of ex-rights trading on 1 September 2015 from 9.00 a.m..

The above timetable is indicative only and is subject to change.

As at the Latest Practicable Date, our Company does not expect the above timetable to be modified. However, our Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, our Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. ENTITLED SHAREHOLDERS

Entitled Shareholders have been provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date, fractional entitlements being disregarded. Entitled Shareholders are at liberty, in part or in full, to accept decline, renounce or in the case of Entitled Depositors only, trade on the Catalist during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Rights Shares and are eligible to apply for Excess Rights Shares. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares. Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL or the ARE, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar for the period up to the Closing Date.

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Depositors who may wish to maintain a mailing address with CDP for the purpose of receiving the Rights Issue documents (“**Rights Mailing Address**”) should inform CDP in writing. Depositors are reminded that any request to CDP to register a Rights Mailing Address or any request to CDP to update its records for a new Rights Mailing Address or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Share Registrar. Shareholders who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue may provide such a Singapore address by notifying **BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. C/O THE SHARE REGISTRAR, 50 RAFFLES PLACE SINGAPORE LAND TOWER, #32-01 SINGAPORE 048623**, not later than three (3) Market Days prior to the Books Closure Date.

As our Company’s Shares are not registered under the CPF Investment Scheme, monies in CPF investment accounts cannot be used for the payment of the Issue Price to accept or purchase provisional allotments of Rights Shares or to apply for Excess Rights Shares.

All dealings in and transactions of the provisional allotments of Rights Shares through the Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist.

Fractional entitlements of the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and used to satisfy applications for Excess Rights Shares (if any) or disposed or otherwise dealt with in such manner as the Directors may, in their absolute discretion deem fit in the interests of our Company.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots and the Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of our Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of our Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

Pursuant to Rule 803 of the Catalist Rules, our Company will not issue securities to transfer a controlling interest without prior approval of Shareholders in general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to C to this Offer Information Statement and in the PAL, the ARE and the ARS.

2. FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdiction outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application thereof by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Rights Shares renounced to him. Our Company further reserves the right to reject any acceptances of the Rights Shares and/or any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

Our Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to our Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires our Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty required by the terms of the Offer Information Statement, ARE, ARS or PAL.

If it is practicable to do so, our Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sale may, however, only be effected if our Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque drawn on

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

a bank in Singapore and sent at their own risk by ordinary post to their mailing address as recorded with CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of our Company or dealt with as our Directors may, in their absolute discretion, deem fit in the interests of our Company and no Foreign Shareholder shall have any claim whatsoever against our Company, our Directors, the Manager and Underwriter, the Sponsor, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the Catalist, they will be sold at such price or prices as our Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against our Company, our Directors, the Manager and Underwriter, the Sponsor, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be used to satisfy Excess Applications or dealt with in such manner as our Directors may, in their absolute discretion, deem fit in the interests of our Company and no Foreign Shareholder shall have any claim whatsoever against our Company, our Directors, the Manager and Underwriter, the Sponsor, the Share Registrar or CDP in connection therewith. Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any of the Rights Shares unless such offer, invitation or solicitation can lawfully be made without violating any regulation or other legal requirements in those territories.

Investors who hold Shares through a finance company and/or Depository Agent, should refer to the section entitled “Important Notes” of this Offer Information Statement on important details relating to the offer procedure for such investors. Any acceptances of the Rights Shares and/or applications for Excess Rights Shares made directly through Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or our Company by such investors will be rejected.

TRADING

1. Listing of and Quotation for the Rights Shares

The listing and quotation notice has been obtained from the SGX-ST on 21 August 2015 for the dealing in, listing of and quotation for the Rights Shares on Catalist subject to compliance with the SGX-ST's listing requirements. The listing and quotation notice from the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, our Company, its subsidiaries and their securities.

Upon listing and quotation on Catalist, the Rights Shares, when allotted and issued and save as disclosed in paragraph 2 below, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares effected through the Catalist and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Rights Shares and the Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk to their address recorded in the register of members of the Company but will not be valid for delivery pursuant to trades done on the Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificates with CDP but wishes to trade on the Catalist, must deposit with CDP his share certificates, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

3. Trading of Odd Lots

Shareholders should note that the Shares are quoted and traded on Catalist in board lot sizes of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (that is less than 100 Shares) and who wish to trade in odd lots on the Catalist should note they may do so on the Unit Share Market.

TRADING

4. Rights Trading Period

Entitled Depositors who wish to trade all or part of their provisional allotment of their Rights Shares on Catalist can do so for the period commencing on 8 September 2015 from 9.00 a.m. being the date and time of commencement of the Rights trading period, and ending on 17 September 2015 at 5.00 p.m. being the last date and time of the Rights trading period.

5. Trading of “nil-paid” Rights

Shareholders who wish to trade all or part of their provisional allotments of Rights Shares on Catalist during the Rights trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising allotment of 100 Rights Shares, or any other board lot size which the SGX-ST may require.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by our Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, “without limitation”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause our Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. Our Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither our Company, the Manager and Underwriter, the Sponsor, nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, our Company, the Manager and Underwriter and the Sponsor disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, our Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. Our Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

RISK FACTORS

An investment in the Shares and the Rights Shares involves a high degree of risks. Shareholders should carefully evaluate each of the material risk factors relating to our Group described below together with all of the other information set forth in this Offer Information Statement. To the best of our Directors' knowledge and belief, all risk factors (save for those which have already been disclosed to the general public) which are material to Shareholders in making an informed judgment of the Rights Issue have been set out in this Offer Information Statement.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to our Directors which could materially affect our Group's operations. If any of the following considerations and uncertainties develops into actual events, the business, financial performance and prospects of our Group could be materially and adversely affected. In that event, the trading price of the Shares and/or Rights Shares could decline significantly, and Shareholders may lose all or part of their investment in the Shares and/or the Rights Shares.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

(A) INTERIOR FIT-OUT BUSINESS

We derive a significant portion of our revenue for our Interior Fit-Out business from Singapore, Myanmar and Vietnam and, accordingly, we are subject to the cyclical nature of the property market and the construction industry in these countries

We derive a significant portion of our revenue for our Interior Fit-Out business from Singapore, Myanmar and Vietnam. Consequently, we are vulnerable to any downturn in the property market and/or the construction industry in Singapore, Myanmar and Vietnam.

A downturn or a dampening of the general sentiments in the property market and/or construction industry in Singapore, Myanmar and Vietnam may result in fewer Interior Fit-Out projects being made available for award. This may lead to greater competition and an erosion of our profit margin for any Interior Fit-Out project that we are successful in securing and will, accordingly, adversely affect our business, results of operations and prospects.

The property market and the construction industry are, in turn, affected by factors such as the prevailing state of the general economy, unemployment rates, interest rates, inflation and government plans and policies. For instance, the Singapore government has in the past few years implemented several rounds of measures to cool demand for property and increase supply for land so as to moderate the increase in property prices. More recent cooling measures announced by the Singapore government include the requirement for banks to apply the total debt servicing ratio which considers a borrower's other existing debt obligations when granting private residential property loans such that the total monthly repayments of the borrower's total debt obligations do not exceed 60.0% of his gross monthly income (effective 29 June 2013), and the requirement for banks to cap the mortgage servicing ratio for housing loans granted for executive condominiums bought directly from developers at 30.0% of a borrower's gross monthly income (effective from 10 December 2013).

Such measures may affect the purchasing power of potential buyers and investors of properties and dampen the general sentiments of the property market, leading to lower demand for construction activities and our Interior Fit-Out services. There is no assurance that measures introduced by the relevant government will not continue to adversely affect the property market, or that the relevant government will not introduce further measures to regulate the growth of the property market in the respective countries. Such measures and the introduction of any new measures may adversely affect our business, results of operations and prospects.

Our financial performance will be affected by our ability to continually and consistently secure new projects for our Interior Fit-Out business and by any cancellation or delay of existing projects

The projects undertaken by our Interior Fit-Out business are non-recurring in nature and, hence, the turnover and profitability of our Interior Fit-Out business may fluctuate from period to period and

RISK FACTORS

from year to year. In order to grow or even maintain the turnover and profitability of our Interior Fit-Out business, we have to continually and consistently secure new projects which have higher or comparable contract values and margins, and in greater or at least the same number. In the event that we are not able to continually and consistently do so on terms and conditions that are favourable to us, this would have an adverse effect on our business, results of operations and prospects.

In addition, there may be a lapse of time between the completion of our existing projects and the commencement of new projects. Accordingly, any unutilised capacity in between projects would have an adverse effect on our overall margins and our results of operations.

Any cancellation or delay of our projects due to factors such as changes in the business or circumstances or lack of funds on the part of our customers or the project owners or poor market conditions, will adversely affect us. Any cancellation or delay of projects could lead to our inability to recover any associated costs or delay in the recognition of revenue or could result in idle or excess capacity, and in the event that we are unable to secure new projects of a comparable size and profitability and in a timely manner to compensate for the loss in revenue and profitability from the cancellation or delay, our business, results of operations and prospects will be adversely affected.

Our Interior Fit-Out business may be subject to disputes, claims and variation orders and may, as a result, incur additional costs or liquidated damages

Disputes may arise and claims may be made against us for our Interior Fit-Out projects on grounds such as defective workmanship, non-adherence to contract specifications and/or defects in the quality of materials used or supplied. These disputes and claims may lead to legal and other proceedings and may result in substantial costs and diversion of our management's resources and attention from our business. In the event that such disputes, claims and legal and other proceedings are not concluded in our favour and we are made liable for the claims and/or damages and incur legal and other costs, or we accept settlement terms that are unfavourable to us, our business and reputation, results of operations, financial condition and prospects will be adversely affected.

It is customary for the customers of our Interior Fit-Out business to withhold between 5.0% and 10.0% of each progress payment up to an aggregate of 5.0% of the contract value, as retention monies. These retention monies will be applied in respect of any defective work that may surface during the defects liability period. The defects liability period is usually 18 months from the date of TOP. Of the retention monies held, up to 2.5% of the contract value will be released on TOP, and the remaining on the issue of the maintenance certificate. Based on our experience in the past, the maintenance certificate is typically issued between 18 and 36 months from the date of the TOP.

During the defects liability period, we are required to perform any defect rectification at no additional cost to our customers. We may, hence, run the risk of incurring additional costs not budgeted for to make good the defective work under dispute. In the event that our customers withhold the retention monies for an unduly long period of time beyond the defects liability period, we may then have to commence legal or other proceedings to claim for the retention monies. We may therefore encounter difficulties in collecting the full sum or any part of the retention monies due. The above circumstances would result in an erosion of our profit margin or losses for the project. There can be no assurance that there will not be any material disputes or claims or additional costs not budgeted for that may adversely affect our business, results of operations, financial condition and prospects.

We may experience delays in the completion of a project due to unforeseen circumstances including labour or raw material shortage, a delay in the delivery of supplies on the part of our suppliers, a delay in the completion of works on the part of our sub-contractors, social unrests and work stoppages due to industrial accidents. In the event of any delay in the completion of a project due to factors within our control, we could be liable to pay liquidated damages under the contract and incur additional costs that will adversely affect our results of operations and erode or reduce

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our profit margin. Such liquidated damages will usually be chargeable for each day of delay, up to 30.0% of the contract value. If the delay is due mainly to factors beyond our control, we may not be liable to pay for liquidated damages and the stipulated project time may be extended with the mutual agreement between our customer and us to take into consideration such inadvertent factors. Notwithstanding, regardless of whether the delay was due to factors beyond or within our control, our customer may still be able to claim for liquidated damages and other losses suffered by them by off-setting the same from the retention monies or enforcing the performance bond taken out in favour of our customer with the relevant financial institution or seeking legal redress for any other breach of contract, and may be able to enforce their rights to the stipulated date of completion of the project. If the performance bond is called upon by our customer, we will be required to indemnify the relevant financial institution for such payment. Any of the above events will have an adverse effect on our business, reputation, results of operations, financial condition and prospects.

In addition, during the course of our projects, our customers may require us to perform certain works not specified in the contract or to carry out variations not in the specifications stipulated in the contract. In order to facilitate the completion of the project within the stipulated time, the variation orders may be carried out before additional charges for such variation orders are agreed upon between our customers and us. We will bill our customers based on the estimated value of the works done. However, the final value of the works carried out may be subject to negotiations between our customers and us, which usually take place after the completion of a project. In the event that there is a dispute over the costs of variations, such that we are required to bear part of the variation costs, our results of operations and profit margins would be adversely affected.

Disputes and claims may also similarly arise between us, our suppliers and our sub-contractors as they may arise between us and our customers for various reasons such as defective workmanship, non-adherence to the contract specifications, defects in the quality of materials used or supplied, disagreement over the scope or cost of variation orders, delay in delivery or completion of the works, breach of contract by us or them or other losses suffered by us or them.

We are dependent on skilled staff and foreign workers

Our business is highly labour intensive. We are heavily dependent on skilled and experienced staff including interior designers, project managers, craftsmen, carpenters, QS, procurement personnel and foreign workers, for our business. Our ability to grow and compete effectively will therefore depend on our ability to identify, hire and train new skilled staff and at the same time, retain and motivate our current skilled staff, as well as our ability to procure outsourced labour with the relevant skill sets from our sub-contractors. Competition for talent with the requisite skills is intense. In the event that we are unable to attract and/or retain the number of skilled staff or procure the outsourced labour that we need, it will affect our ability to grow and compete effectively. On the other hand, if we are only able to attract, retain and motivate these skilled staff by increasing their overall compensation package or procure outsourced labour at a higher sub-contracting cost, this will increase our cost of operations. In any of such events, our business, results of operations and prospects will be adversely affected.

Most of the skilled staff and foreign workers whom we employ and procure from sub-contractors are from Bangladesh, India, China and Malaysia. We are therefore vulnerable to changes in the availability and costs of hiring workers from these countries. Any unfavourable changes in the labour policies of Singapore or those of the foreign workers' countries of origin may affect the supply and/or cost of workers and cause disruptions to our operations, delays in the completion of our projects, increase in our costs and/or cause us to suffer liquidated damages. For instance, the availability of foreign workers in Singapore is regulated by the MOM through policy instruments such as the imposition of levies and quotas based on the MYE. We are susceptible to any increases in such levies and any changes in the supply and/or quota of foreign workers that we are permitted to hire (including any non-allocation or non-renewal of our MYE or in the MYE from our customers to us for the hiring of foreign workers to undertake our projects).

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For instance, in line with the Singapore government's policy over the past few years to moderate the demand for foreign labour and to encourage productivity improvements, measures to tighten foreign labour by the MOM have been announced, including: (a) a progressive increase in foreign worker levy rates for Special Pass (S Pass) and work permit holders for all sectors; and (b) a 15.0% reduction in the MYE quota for the construction sector. The 15.0% reduction in the MYE quota is in addition to the previous reductions in the MYE quota, bringing the cumulative MYE reduction between 1 July 2010 and 1 July 2013 to 45.0%.

As a result of these measures, our cost of hiring foreign workers and procuring outsourced labour will increase and we will also be entitled to hire fewer foreign workers in Singapore. If we are not able to pass on the increase in such costs to our customers and/or raise our productivity levels and/or identify alternative sources of labour with the same or lower cost to satisfy our requirements, our business, results of operations and prospects will be adversely affected.

We may be adversely affected by cost overruns and/or increases in costs and/or supply shortages

The contracts for our Interior Fit-Out business are generally project-based and are usually awarded to us by our customers on a fixed price basis. We need to estimate the costs of our projects correctly before fixing the price of our contracts, in order to achieve the projected profit margins. When preparing our tender bid for a project, we carry out internal costing and budgetary estimates which are based on our own estimation of costs for raw materials, accessories (such as lock sets and hinges) and Panelling Products (including those manufactured by our supplier, Sorrento Vietnam), labour sub-contracting and all other incidental costs. It is only after the award of a contract for an Interior Fit-Out project that we will source for price quotations from our suppliers and sub-contractors and will enter into contracts to fix our supplies and sub-contracting costs. If our estimation of costs is too low, or there is a significant lapse of time between the preparation of our tender bid, the award of the project and the signing of our contracts with our suppliers and/or sub-contractors such that the costs of our supplies and/or sub-contracting costs increase beyond our estimates, the actual costs of the project will exceed the estimated costs leading to a cost overrun.

Cost overruns can also occur if we misinterpret the design and underestimate the costs required to implement the design. Also, where sub-contractors do not perform according to the required standard or schedule, we may have to incur additional costs to rectify defects or keep the project on schedule to avoid liquidated damages. In the event of any cost overrun, our profit margins for the project will be eroded, thereby negatively affecting our business, results of operations and prospects.

A significant proportion of our cost of sales comprises direct costs including those in relation to raw materials, such as plywood, particle boards and laminates, and accessories including door handles, lock sets and hinges that we purchase for the manufacture of our Panelling Products as well as in relation to the Panelling Products that we purchase from our supplier, Sorrento Vietnam. Such direct costs accounted for approximately 76.1%, 65.7%, 62.7% and 58.8% of our cost of sales in FY2012, FY2013, FY2014 and HY2015, respectively. The prices of raw materials, accessories and Panelling Products may fluctuate due to demand and supply conditions, which may in turn be influenced by factors such as government policies, import and export restrictions, cost of labour, production costs and capacity or natural disasters affecting the supply and supply chain. Save for the manufacturing agreement dated 2 April 2014 between Serrano Holdings and Sorrento Vietnam ("**Manufacturing Agreement**"), we do not enter into long-term arrangements with our suppliers for raw materials, accessories and Panelling Products. As such, we run the risk of not being able to purchase sufficient quantities of such supplies or may encounter difficulty in sourcing for alternative suppliers in a timely fashion to meet our production requirements, which could in turn result in delays in the completion of our projects and/or expose us to liquidated damages. We may also have to pay higher prices for our supplies which are above that costed into our contracts with our customers or for additional supplies not provided for in our contracts with our customers. Under the terms of our contracts for our Interior Fit-Out projects, we are generally unable to pass on any increase in cost to our customers. Hence, any shortages in supply of raw materials, accessories or Panelling Products or increase in their prices could have an adverse effect on our business, results of operations and prospects.

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We may face liquidity risks and are exposed to the non-payment and credit risks of our customers

Given the nature of our Interior Fit-Out business, we generally do not collect any initial deposit from our customers in Singapore for the Interior Fit-Out contracts that we are awarded. For our overseas Interior Fit-Out projects in countries such as Myanmar and Vietnam, we will typically collect initial deposits of between 20.0% and 30.0% of the contract value.

In Singapore, notwithstanding that we do not collect an initial deposit, we are usually contractually required to perform the works before any monthly progress claims may be submitted to our customers for approval and payment. Under the customary terms and conditions of our contracts with our customers, we can only commence making monthly progress claims after the completion of a demonstration unit to our customers' satisfaction which is usually about five to six months after the award of the contract to us. Our customers would approve our monthly progress claims based on the proportion of work performed with respect to the contract value as certified by the QS for the project. Once the claims have been approved, our customers would make payment to us against our tax invoices issued to them. We generally extend credit terms ranging from 30 days to 90 days from the date of invoice to our customers.

Hence, there is a time lag which could potentially be significant, between any costs incurred for an Interior Fit-Out project that we undertake and the receipt of any payment from our customer. Any progress claim that we submit may also be the subject of a dispute between us and our customer which could delay any payment made to us and/or result in the amount that is paid to us to be less than the amount we claim for. We may also encounter situations where we, as a sub-contractor, do not receive payment from our customers notwithstanding that we have completed our Interior Fit-Out works because they have not received payment from their customers. Accordingly, the longer the Interior Fit-Out project takes to complete, the greater our exposure to liquidity risks and the non-payment and credit risks of our customers.

Further, in compliance with the Building and Construction Industry Security of Payment Act, Chapter 30B, of Singapore ("**BCISPA**"), we must make payment to our suppliers and sub-contractors carrying out work in Singapore within a specific period, whether or not we have received payments from our customers.

In the event that we fail to monitor and manage our working capital adequacy and cash flow position closely or our customers fail to approve or make payment for our progress claims on a timely basis or at all due to a dispute, cancellation, suspension or delay in the project as a result of the deterioration in the financial condition of the project owners or our customers or because of poor market conditions or for whatever reasons, we may run into liquidity problems whilst still being liable to pay our suppliers and sub-contractors.

Due to the foregoing factors, we are vulnerable to liquidity risks and are exposed to the delay in payment or non-payment by our customers and the credit risks of our customers as our working capital and/or our cash flows may become inadequate.

We may experience negative operating cash flows due to substantial outlay during the initial stages of our Interior Fit-Out projects

Our Interior Fit-Out projects typically require substantial outlay during the initial stages and usually take at least five (5) to six (6) months after the award of the contract before monthly progress claims to our customers can be made. Accordingly, as a result of the general mismatch in the timing of our cash flow movements between our outlay and collection from our customers, we could potentially experience negative operating cash flows. In FY2012, FY2014 and HY2015, our Group recorded net cash used in operating activities of approximately S\$1.9 million, S\$16.1 million and S\$4.0 million, respectively. This was mainly due to higher volumes of unbilled Interior Fit-Out works-in-progress, as a result of increased levels of project activities in FY2012, FY2014 and HY2015, and an increase in repayments to creditors in FY2012.

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Our negative operating cash flows in FY2012, FY2014 and HY2015 were mainly financed through credit facilities. In the event that we fail to monitor and manage our working capital adequacy and cash flow position closely, we may run into liquidity problems.

We operate in a highly competitive environment and face competition from existing competitors and new market entrants

We operate in a highly competitive environment. We generally compete with our competitors in our Interior Fit-Out business on, among other things, our contract bid price, our track record, the quality of our products and services, our timeliness in completion of projects, and our financial standing and resources. In particular, we may have to submit competitive bid prices in order to secure contracts for our Interior Fit-Out business in the face of keen competition. If we have to lower bid prices to compete effectively and yet incur high purchasing and operating costs to maintain our high standards of product and service quality, this will have an adverse effect on our profit margins. There is no assurance that we can continue to compete against our competitors successfully in the future.

We may face more intense competition in the future from existing competitors and new market entrants. Our competitors or potential competitors may have longer operating histories, more entrenched expertise, a larger customer base, greater access to manufacturers, suppliers and sub-contractors, greater financial resources or may otherwise be in a better position to secure and manage large and/or complex projects, undertake projects across different countries or expand their market share than us. Increased competition may result in lower demand for our products and services, lower profit margins and/or loss of market share.

If we fail to compete effectively, to adapt quickly to changing market conditions and trends and to maintain or grow our market share, our business, results of operations and prospects will be adversely affected.

Our Interior Fit-Out business is dependent on the services rendered by our suppliers and sub-contractors

We purchase Panelling Products from our supplier, Sorrento Vietnam, and raw materials such as plywood, particle boards, laminates and accessories including door handles, lock sets and hinges that we use in the manufacture of our Panelling Products, from our suppliers for our Interior Fit-Out business. We also engage sub-contractors to provide various services including the installation of ceilings, floorings, partitions, M&E works, utilities and counter tops, and for the provision of outsourced labour. Our suppliers and sub-contractors may either be selected by us or nominated by our customers or the project owners.

In the case where the suppliers and sub-contractors are selected by us, the selection criteria will be based on, amongst others, their track record, their competitiveness in terms of their pricing, the quality of their products or services and timeliness in delivery and completion. We cannot be assured that the products and services rendered by our suppliers and sub-contractors will meet our requirements for quality, or that they will be able or willing to continue providing supplies and services to us. If these suppliers or sub-contractors experience financial or other difficulties that affect their ability to supply the products or carry out the services for which they were contracted whether in terms of quantity, quality, timeliness in delivery or otherwise, thus delaying the completion of or failing to complete our projects, this may result in additional costs for us or expose us to the risk of liquidated damages.

Although certain of our suppliers and sub-contractors provide us with a warranty/defects liability period and we in turn provide our customers with a defects liability period for the rectification of any defective products or works, we cannot be assured that they will be able or willing to perform their obligations satisfactorily or at all during the defects liability period.

In general, in the event of any defect in the products or services or any loss or damage suffered by our customers which arises from the default of the suppliers or sub-contractors engaged by us, and if they are not able or willing to make good the default or defect, we, being the main contractor, will

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nevertheless be liable for our suppliers' or sub-contractors' default and will have to make good any default or defect to our customers at our own cost which will erode our profit margins for the projects. If we are not able to pass such costs on to our suppliers or sub-contractors, our business, results of operations, financial condition and prospects may be adversely affected.

We have business relationships with a few suppliers and sub-contractors

We have business relationships with a few suppliers and sub-contractors for certain of our raw materials and outsourced labour. Such raw materials include plywood, particle boards and laminates, for which there are only a few suppliers in Singapore who are able to supply us with the quantity that we require. In addition, there are only a few sub-contractors in Singapore capable of providing outsourced labour of the scale that we require for certain of our Interior Fit-Out projects.

We do not have long-term supply or procurement agreements with our suppliers or sub-contractors. There is no assurance that we will be able to continue sourcing such raw materials or outsourced labour from our suppliers or sub-contractors in quantities or at prices that are acceptable to us or at all. In the event that our suppliers or sub-contractors reduce or terminate the supply or provision of their products or services to us or raise the prices of the products or services they supply or provide to us, and we are not able to seek alternative sources in sufficient quantities in a timely manner and/or at reasonable prices or we are not able to pass on such increase in the prices to our customers, our business, results of operations and prospects will be adversely affected.

In particular, we rely on the supply of various Panelling Products from Sorrento Vietnam, our supplier in Vietnam. In FY2012, FY2013, FY2014 and HY2015, 23.2%, 24.3%, 17.7% and 28.3%, respectively, of our total purchases was attributable to Sorrento Vietnam. Pursuant to the divestment agreement dated 2 April 2014, SI Import & Export, Serrano Holdings, Winston Chia and Frank Chia's collective interest in aggregate of 43.6% in Sorrento Vietnam was divested to an existing unrelated shareholder (the "**Divestment**"). Winston Chia, Johnston Chia and Frank Chia were directors of Sorrento Vietnam. In June 2014, they resigned as directors of Sorrento Vietnam. In connection with the Divestment, the Manufacturing Agreement provides that Sorrento Vietnam will continue to manufacture and supply various Panelling Products for four years commencing from 2 April 2014, with an exclusivity period of two years up to 1 April 2016. Furthermore, pursuant to the Divestment, although we are providing management and technical consulting services under the Management and Technical Consulting Agreement to Sorrento Vietnam, its management, operations and control no longer rest, collectively, with our Controlling Shareholders, their associates and us. Notwithstanding the arrangements under the Manufacturing Agreement and the Management and Technical Consulting Agreement, there can be no assurance that Sorrento Vietnam will be able and/or willing to meet our supply requirements, or that their supplies will meet our requirements for quantity, quality or otherwise and if any such events were to occur, our business, results of operations and prospects will be adversely affected. In the event of any default on the part of Sorrento Vietnam, or any defect in the Panelling Products that they supply to us, and Sorrento Vietnam is not able or willing to make good the default or defect, we will nonetheless continue to be liable to our customers at our own cost and this will erode our profit margins for the projects.

Our ability to secure new projects may depend on us being able to secure performance bonds

In line with industry practice, certain of our projects require a performance bond to be furnished by an acceptable financial institution to guarantee our contractual performance of the project. Generally, the performance bonds for such projects covers up to approximately 10.0% of the contract value of the project. In the event that we default on our contractual obligations, our customer would be entitled to call on the bond with the financial institution. If the performance bond is called upon, we will be required to indemnify the relevant financial institution for such payment, and our liquidity, business, reputation, results of operations, financial position and prospects may be adversely affected.

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During the Relevant Period, none of the performance bonds that we have taken out in favour of our customers from financial institutions have been called on and we have not encountered any problems in securing performance bonds for all our projects. There is no assurance that the performance bonds for our projects will not be called on or that we can continue to secure performance bonds for our new projects in the future or that the performance bonds may be secured on terms that are acceptable to us or on terms as favourable as those previously obtained. If the performance bonds for our projects are called on or we are unable to secure performance bonds from acceptable financial institutions such that we are unable to secure new projects, this would adversely affect our business, results of operations and prospects.

We may be affected by accidents and/or violation of workplace safety and health regulatory requirements

Accidents or mishaps may occur at the worksites of our projects and our production facility even though we have put in place certain safety measures as may be required. As such, we are subject to personal injury claims by workers and/or third parties who are involved in accidents at our worksites and production facility during the course of their work from time to time. In addition, any accidents or mishaps resulting in significant damage to our premises, machinery, equipment or inventory may result in work stoppages and cause us to incur significant losses.

Besides having to incur costs to make good our premises, machinery, equipment or inventory or to relocate to alternative premises, such accidents or mishaps may severely disrupt our operations and lead to delays in the completion of our projects, and in the event of such delay, we could be liable to pay liquidated damages under the contract with our customers. In addition, we may incur fines and penalties imposed by the MOM or the relevant authorities in the relevant jurisdictions in relation to any breaches of workplace safety and health regulations at our worksites and production facility. In such an event, our business, results of operations and prospects may be materially and adversely affected. Further, such accidents or mishaps may subject us to claims from workers or other persons involved in such accidents or mishaps for injury or damages suffered by them or even death, or we may submit claims under our insurance policies in respect of our premises, machinery, equipment or inventory which have been damaged and if any significant claims are not covered by our insurance policies, this may adversely affect our business, results of operations, financial condition and prospects.

We, our suppliers and/or sub-contractors may be subject to environmental and other laws and regulations

Our business operations at our project worksites and our production facility are subject to the applicable laws and regulations on environmental protection such as industrial waste control, noise pollution and air pollution. However, environmental standards may be raised significantly, or new environmental protection regulations may be promulgated. In such an event, we may incur additional costs to comply with the new regulatory standards or face an increase in our operating costs. In addition, should we fail to comply with any applicable environmental laws and regulations, we or any persons including our Directors could be subject to substantial fines penalties and civil and criminal liabilities. In such an event, our business, results of operations and prospects may be adversely affected.

We cannot guarantee that our suppliers and sub-contractors have obtained all necessary licences, permits or other regulatory approvals or that such licences, permits or approvals will not be revoked or will be renewed. We also cannot guarantee that they have complied and will continue to comply with all applicable laws and regulations or that they will not be subject to any new laws and regulations, whether in Singapore or in the relevant countries of origin in relation to the products that we purchase from or the services that we procure from them. In the event that our suppliers and/or sub-contractors have not obtained all necessary licences, permits or approvals, have not complied with all applicable laws and regulations or are subject to new laws and regulations, we may be required to cease our purchases of supplies or our procurement of services from them. If we are unable to find alternative suppliers and/or sub-contractors at all or on similar and/or terms acceptable to us, our operations may be disrupted or our cost of operations may increase and this will in turn adversely affect our business, results of operations and prospects.

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(B) WHOLESALE AND RETAIL FURNISHINGS BUSINESS

We are subject to changes in consumer tastes, preferences, affluence and demographics and failure to cater to these changes with commercially viable designs and products will adversely affect our business

Our wholesale and retail furnishings business is subject to constantly evolving product designs, consumer tastes and preferences. Our success depends largely on our sensitivity to changes in consumer trends as well as our ability to respond promptly and to continually introduce, develop and/or produce new designs and products with commercially viable designs, functionality and quality to meet our customers' changing tastes and preferences. To introduce, develop and/or produce new designs, new products or to enhance our product quality to meet our customers' requirements, we may also need to acquire new production technology or machinery. Further, our ability to develop brand recognition and brand equity for the lines of products that we carry under our wholesale and retail furnishings business will also influence consumer and market acceptance for our products which in turn would determine the niche, price points and loyalty for our products. There can be no assurance that we will be able to keep up with changes in consumer trends, that our investment in new technology and machinery or in branding and marketing would yield the desired results or that our new designs and products would gain consumer and market acceptance against the competition. If any of such events is not in our favour, demand for our products and, hence, our business, results of operations and prospects will be adversely affected.

Consumer preferences and expenditure patterns for our furnishing products are also influenced by external factors including the prevailing state of the general economy, the property market cycle, the income level and affluence of consumers and their demographics. These factors can have a significant impact on our sales and the marketing and operational strategies that we adopt and failure to recognise changes to such factors could adversely affect our business. For instance, an economic downturn could adversely affect the property market and the income and job stability of consumers or an ageing population could allocate more of their resources to medical and healthcare than to consumer spending, and this adversely affects their purchasing power and their demand and consumer tastes and preferences for furnishings which in turn may adversely affect our business, results of operations and prospects.

We are dependent on our suppliers

Most of the furnishing products that we sell under our wholesale and retail furnishings business are provided by our suppliers. Although we have not experienced any significant problems with our suppliers and have maintained good business relationships with them since we began making purchases from them, there can be no assurance that our business relationships will remain cordial and/or that we will be able to continue purchasing from them on terms which are acceptable to us or at all.

We have distribution agreements with certain of our suppliers. These distribution agreements grant us the exclusive right to distribute certain products in selected countries or territories which are renewable on a yearly basis.

Our distribution agreements with our suppliers are subject to renewal and there can be no assurance that we will be able to successfully renew these agreements on terms acceptable to us or at all or that these agreements will not be terminated prematurely or modified to our detriment for whatever reasons. There can also be no assurance that our suppliers will be able to fulfill our purchase requirements in adequate quantities on a timely basis or at all. If any of these events is to occur, we may have to satisfy our purchase requirements from alternative suppliers, or may only be able to satisfy them in limited quantities or at higher costs. Further, any significant delay or disruption in the delivery of products by our suppliers may affect our ability to fulfill our customers' orders which in turn could subject us to lost sales and could affect customer satisfaction and our reputation. In any of such events, our business, results of operations and prospects will be adversely affected.

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We may face claims for defective products or product liability claims if our products are found to contain defects

All of our furnishings products manufactured by us come with a one-year defects liability warranty. For furnishing products that we distribute but are not manufactured by us, the relevant manufacturer will normally provide warranties of one year for defective products to the end-users of the products. In the event that the relevant manufacturer is not able and/or unwilling to perform its obligations under the warranty, we may be liable to our customer to make good or replace the defective product at our own cost. If the quantity and/or amount involved is material, this will adversely affect our business, reputation, results of operations and prospects.

In addition, we are potentially exposed to the risks of product liability claims for personal injury or property damage as a result of the use of our products (whether manufactured by us or by third party manufacturers) which may be found to be unsafe or defective, or the misuse of such products due to inadequate warnings and instructions provided or other factors. If any successful product liability claim is brought against us for damages, we may be required to pay substantial monetary compensation, and in such event, our business, reputation, customer satisfaction, results of operations, financial condition and prospects will be adversely affected.

(C) GENERAL RISKS

We are subject to government legislation, regulations and policies in the jurisdictions where we have businesses in and where we derive revenue from

We are subject to government legislation, regulations and policies in the jurisdictions where we have businesses in and where we derive revenue from, including, *inter alia*, governing, among other things, in Singapore:

- (a) employment of workers (including foreign workers), such as overtime limits;
- (b) MYE allocation system and the conditions of the work permits of foreign workers;
- (c) workplace safety and health; and
- (d) environmental matters such as public health and noise pollution,

the contravention of which may subject our Group, our Group's employees and/or our Directors to statutory penalties which may be significant, such as fines imposed by the relevant authorities or we may have to modify, suspend or discontinue our operations. Hence, any conviction for such contravention may adversely affect our business, reputation, results of operations and prospects.

We have implemented systems and procedures to comply with such legislation, regulations and policies and we believe that we are materially in compliance with such legislation, regulations and policies. However, prior to or notwithstanding the implementation of such systems and procedures, there have been instances of non-compliance, including that relating to certain licences and permits, and certain instances of employees working more than the statutory overtime limits, and for which our Group, our Group's employees and/or our Directors may be subject to investigation and/or liable to statutory penalties which may be significant, such as fines imposed by the relevant authorities.

There is no assurance that our Group, our Group's employees and/or our Directors will not be subject to investigation in the future by the relevant authorities in respect of past instances of non-compliance which have since ceased, and if found guilty, held liable to statutory penalties, such as fines, which may be significant.

Any changes in government legislation, regulations or policies in the jurisdictions where we have businesses in and where we derive revenue from can adversely affect our business, results of operations and prospects. Compliance with such changes may also increase our costs or cause us to expend a significant amount of time, financial, management and other resources or divert our

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management's attention away from our business which in turn may adversely affect our business, results of operations and prospects.

We are exposed to the risks of intellectual property infringement or may face litigation suits for intellectual property infringement

We have registered a trademark in Singapore.

We are not aware of any violations or infringements of our intellectual property rights during the Relevant Period. However, there is no assurance that third parties will not infringe our intellectual property rights in ways that will have negative repercussions on our reputation, business and results of operations or that measures taken by us will be effective in protecting our intellectual property rights. In the event that third parties unlawfully infringe on our intellectual property rights, we may face considerable difficulties and costly litigation in order to fully protect our intellectual property rights which may in turn adversely affect our business, reputation, results of operations and prospects.

We are currently allowed to use the logos and trademarks of our suppliers in our advertising materials for our wholesale and retail furnishings business. However, we may, in future, receive allegations from third parties asserting the infringement of their intellectual property rights in relation to our business and operations. Any claim or litigation against us in respect of the infringement of intellectual property rights of third parties, whether with or without merit, could divert a significant amount of our management, financial and other resources and could also affect our reputation with our customers and suppliers which would in turn, adversely affect our business, results of operations and prospects.

We require adequate working capital and credit facilities to fund our operations

We require adequate funding either from internal resources or credit facilities to fund the working capital of our business. Our ability to arrange adequate financing on terms which are acceptable depends on a number of factors that are beyond our control, including general economic, liquidity and political conditions, the terms on which financial institutions are willing to extend credit to us, and the availability of other sources of debt financing or equity financing. If we are unable to secure adequate financing, our business, results of operations and prospects may be adversely affected.

In particular, we utilise credit facilities to fund our operations. Although we have sufficient credit facilities at present, we cannot be assured that the financial institutions that extend these facilities to us will increase, renew or will not recall our facilities. Certain of our term loans, amounting in aggregate to approximately S\$18.8 million and S\$20.9 million, as at 31 December 2014 and 30 June 2015, respectively, are also subject to repayment on demand clauses. In the event that these financial institutions do not increase or renew our facilities or recall our facilities or accelerate our payment obligations due to our high gearing or changes in our business circumstances or prospects or due to a breach in our loan covenants or a default of any of our payment obligations at any time in the future or demand repayment in accordance with any applicable repayment on demand clauses, our cash flows may be adversely affected.

The interest rates for our credit facilities, including bank overdrafts for our working capital, are based on floating rates. If the interest rates on our credit facilities were to rise, our profitability will be adversely affected. Also, our cash flows may not be sufficient to meet the increased interest payments.

We may underestimate our capital requirements and other expenditures or overestimate our future cash flows. If such financing requirements are met by way of debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to adverse economic and/or industry conditions;

RISK FACTORS

- (c) require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing the availability of our cash flows to fund capital expenditure, working capital and other requirements; and/or
- (d) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

There is no assurance that sufficient credit facilities will be available when needed or that, if available, such credit facilities will be obtained on terms that are acceptable to us. There is also no guarantee that the terms for credit facilities will be as favourable as those previously obtained. Our ability to obtain credit facilities for our requirements depends, *inter alia*, on the prevailing economic conditions, our ongoing performance and the general condition of our industry. In the event that we are unable to obtain sufficient credit facilities or if such credit facilities are obtained on terms not as favourable as those previously obtained, we may not be able to undertake certain new projects or the profitability of such secured projects will be adversely affected, and our business, results of operations and prospects may be adversely affected.

We are dependent on our key personnel for our continued success

Our Executive Chairman and Chief Executive Officer, Winston Chia, and our Executive Director, Johnston Chia, have over 20 years of experience each with our Group and have been instrumental in building our Group to what we are today, formulating our business strategies and spearheading the growth of our business. They possess extensive industry knowledge, are familiar with our business operations and have established good relationships with both our customers, suppliers and sub-contractors.

They are supported by our team of Executive Officers, including Frank Chia, Karen Chia and Philip Chia, who each has more than 20 years of experience in the Interior Fit-Out industry and the wholesale and retail furnishings industry, respectively. Our Executive Officers play an important role in implementing the overall business strategy of our Group, managing our operations and executing our corporate development activities.

Our business is in addition ably supported by an experienced and dedicated corporate team including our Executive Director, Eugene Tse, who has more than 10 years of experience in mergers and acquisitions, investments, consulting and corporate development, and our Chief Financial Officer, Kung Guan Seng, who has more than 10 years of experience in audit, accounting, finance, mergers and acquisitions and investments.

However, there is no assurance that we will be able to continue to retain the services of our key personnel. The resignation or the loss of the services of any of our Executive Directors, Executive Officers or other key personnel without suitable and timely replacement or the inability to attract and retain qualified management personnel in line with our growth, or the need to increase the overall compensation package to attract, retain and motivate our key personnel, will adversely affect our business, results of operations and prospects. Currently, we do not have keyman insurance coverage for any of our key personnel.

We require various licences and permits to operate our business

We are required to obtain various licences and permits to operate our business and there may be new licences and permits that we need to apply for in the future before we are permitted to operate our business and/or undertake projects. The licences and permits are generally subject to conditions stipulated in them and/or the relevant laws and/or regulations under which such licences and permits are issued. Our licences and permits may also be granted for fixed periods of time after the expiry of which these need to be renewed from time to time. There is therefore no assurance that if the relevant authorities are to enact new laws, rules and regulations, that we will be able to successfully satisfy their requirements or that our licences and/or permits will not be revoked or that upon expiration of the licences and permits, we will be able to successfully renew them in a timely manner or at all, or that the renewal of such licences and permits will not be attached with conditions which we may find difficult to comply with.

RISK FACTORS

For instance, in the event that we contravene the conditions of the work permits issued to our foreign workers, such contravention can result in a statutory penalty, a curtailment in our foreign workers' quota and/or a ban by the MOM on all our applications and renewals of work permits for foreign workers, which will in turn generate unwanted negative publicity for us. As such, we have to constantly monitor and ensure our compliance with such conditions. Failure by us to obtain, renew or maintain the required licences and permits, or cancellation, suspension or revocation of any of our licences and permits may result in the disruption of our business and operations and the imposition of a statutory penalty, and may adversely affect our business, results of operations, reputation and prospects.

There is no assurance that our future plans will be commercially successful

We intend to increase our penetration into Southeast Asian countries, mainly Myanmar, Thailand, Cambodia and Vietnam, through various channels, such as the incorporation of new companies and the setting up of new offices. We also intend to expand into the Interior Fit-Out business targeting the home retail, commercial and hospitality sectors in Singapore and Southeast Asia. We may also expand our businesses organically through investments in property, plant, equipment and human capital or through acquisitions, joint ventures and/or strategic alliances that we believe will complement our current and future businesses and be aligned with our longer-term interests.

These expansion plans will depend on our ability to identify suitable investment targets and/or partners and will require substantial capital expenditure, financial and management resources and expose our business to unforeseen liabilities and risks associated with these investments or entering new markets or new businesses which we have no experience in. There is no assurance that such future plans will achieve the expected results or outcome that will commensurate with our investment or be commercially successful and if for any reason, we fail to manage our expansion efficiently or execute our plans or achieve the desired results or outcomes, or fail to integrate such expansion successfully with our existing operations, our business, results of operations and prospects may be adversely affected.

We may require additional funding for our future growth

We may identify future opportunities to grow either organically or through acquisitions or otherwise which we have yet to identify at this juncture. Hence, we may need to obtain additional debt or equity financing to fund these plans.

Any new Shares which are issued to fund our expansion plans could result in dilution in the shareholding interests of our Shareholders. If such funding does not generate a commensurate increase in earnings, our EPS will be diluted, and this can also lead to a decline in our Share price.

Additional debt financing may, apart from increasing interest expenses and gearing, subject us to various restrictive covenants and result in all or any of the following:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and/or industry conditions;
- (c) require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing the availability of our cash flows to fund capital expenditure, working capital and other requirements; and/or
- (d) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

There is no assurance that we will be able to obtain additional equity and/or debt financing on terms that are acceptable to us or at all. Any inability to secure additional equity and/or debt financing may adversely affect our business, implementation of our business strategies and future plans, results of operations, financial condition and prospects.

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Our business may be adversely affected by the recent developments in the global markets

Since the global economic downturn in late 2008, there have been negative developments in the global financial markets including the downgrading by major international credit rating agencies of sovereign debts issued by some of the European Union member countries and the difficult conditions in the global credit and capital markets. More recently, the US federal government has undertaken a roll back of its quantitative easing programme and may also increase interest rates. These challenging market conditions may have given rise to reduced liquidity, greater volatility, lack of price transparency in credit markets, a reduction in available financing, government intervention and lack of market confidence. These factors, combined with uncertain business and consumer confidence and high unemployment rates in western countries and elsewhere in the world, have resulted in a global economic slowdown.

It is difficult to predict how long these developments will last. Further, there can be no assurance that measures implemented by governments around the world to stabilise the credit and capital markets will improve market confidence and the overall credit environment and economy. A global economic downturn can adversely affect our ability to obtain short-term and long-term financing.

It could also result in an increase in the cost of our credit facilities and a reduction in the amount of credit facilities currently available to us, our customers, our suppliers and sub-contractors. The inability of our Group, our customers, our suppliers and our sub-contractors to access capital efficiently on time, or at all, as a result of possible financial and/or economic difficulties may have an adverse effect on our ability to complete existing projects and/or secure new projects. In the event that the global economic conditions do not improve or any recovery is halted or reversed, our business, results of operations and prospects may be adversely affected.

We may be affected by conflicts, terrorist attacks, natural disasters, an outbreak of communicable diseases or other events beyond our control

Any fresh occurrence of terrorist attacks and conflicts such as those between Russia and the Ukraine and in the Middle East region, natural disasters, riots, demonstrations, social unrests, international sanctions such as those imposed on Russia by the United States of America and the European Union and other events that are beyond our control, in particular, in the countries that we, our customers, our suppliers and our sub-contractors are located, may disrupt business operations or cause unexpected destruction, or lead to economic and social uncertainties and may result in an economic downturn.

This will in turn have a material and adverse impact on our industry and our business, results of operations and prospects. For example, the recent violence in Vietnam arising from China's deployment of an oil platform in disputed waters in the South China Sea caused social unrest in Vietnam and our supplier of Panelling Products, Sorrento Vietnam, closed its factory for two days in May 2014.

Furthermore, an outbreak of Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), Ebola or any other communicable diseases in the future in the countries that we, our customers, our suppliers and our sub-contractors are located may potentially affect us. In particular, our operations and/or the operations of our customers, suppliers and/or sub-contractors may be disrupted and business sentiments, activities and spending could be adversely affected.

This would result in delays in the completion of our projects which in turn will have a negative impact on our business, results of operations and prospects.

Our operations are susceptible to the risk of fire

Our corporate headquarters together with our production facilities are located in Singapore, at 49 Sungei Kadut Loop, Singapore 729492 and at the New Property. Should we be unable to operate out of these locations or should our operations at these locations be temporarily or permanently disrupted whether due to fire, accidents, the spread of communicable disease, any debarment from usage by the government or other circumstances, our business, results of operations, financial conditions and prospects will be adversely affected.

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In particular, our business requires the extensive use of flammable materials such as plywood, particle boards, veneers and solid wood. Our corporate headquarters and our production facilities house chemicals and equipment such as power tools and other electrical machinery as well as showcase products such as kitchen cabinets, wardrobes, vanity cabinets, doors and doorframes that can be susceptible to the risk of fire. Consequently, we are subject to a higher risk of fire as compared to other businesses.

Although we are insured against the risk of fire, a massive fire may severely disrupt our business operations, resulting in loss of income and business opportunities. This will have an adverse effect on our business, results of operations, financial condition and prospects.

Our insurance coverage may not be adequate

We may face the risk of loss or damage to our Interior Fit-Out projects, properties, equipment and inventory due to fire, theft and natural disasters such as floods and typhoons (in Vietnam and Myanmar) at the worksites for our projects or our premises. Such events may cause a disruption or cessation in our operations, which can have an adverse effect on our business, results of operations and prospects.

We maintain public risks insurance, work injury compensation risks insurance, contractors' all risks insurance, as well as insurance policies which cover our office premises and production facility for losses due to fire. We also maintain group personal accident and hospitalisation and surgical insurance for our employees. However, no insurance can compensate for all potential losses and there can be no assurance that our insurance coverage will be adequate or that our insurers will pay a particular claim. There are also certain types of risks that are not covered by our insurance policies because they are either uninsurable or not economically insurable including acts of war and terrorism.

In addition, we do not have keyman insurance and are not insured against business interruption. In the event that our insurance coverage is not adequate whether in terms of the sum assured or the risk coverage, this may have an adverse effect on our business, results of operations and prospects.

Our historical financial and operating results are not indicative of future performance

Our turnover, operating expenses and results of operations may vary from period to period and from year to year in response to a variety of factors beyond our control, including our ability to continually and consistently secure new projects for our Interior Fit-Out business, changes to our order book due to renegotiations, cancellations or delays of our contracts initiated by our customers and increases in supplier prices or sub-contracting costs due to unforeseen disruption in supply or supply chain.

Owing to these factors, among others, we believe that year-to-year or even period-to-period comparisons of our historical results of operations may not be indicative of our future performance and undue reliance should not be placed on these comparisons to predict our future financial performance or the future performance of our Shares.

(D) RISKS RELATING TO OUR OVERSEAS OPERATIONS

We may face general risks associated with doing business outside Singapore

There are risks which are inherent in doing business overseas, such as unexpected changes in legislation, regulatory requirements and government policies, economic downturns, difficulties in staffing and managing foreign operations, social and political instability, controls and fluctuations in currency exchange and interest rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, investment restrictions, variable and unexpected changes in local laws and barriers to the repatriation of capital or profits, any of which could affect our overseas operations and, consequently, our business, results of operations, financial condition and prospects.

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Currently, besides Singapore, we have businesses overseas such as in Myanmar, Thailand, Vietnam and Cambodia. Our business and future growth in these countries are dependent on the economic, political, legal, regulatory, social and other conditions in these countries. We have no control and can provide no assurance over such conditions and developments and any such changes that are detrimental to our business could adversely affect our operations, financial performance and future growth in these countries.

We are exposed to foreign exchange risks

To the extent that our revenue or receipts and costs or payments are not perfectly matched in the same currency and that there are time gaps between revenue recognition and actual receipts and between cost recognition and actual payments, we will be exposed to foreign exchange fluctuations.

We do not currently have a formal foreign currency hedging policy with respect to our foreign exchange exposure. As at the date of this Offer Information Statement, we have not used any financial hedging instruments to manage our foreign exchange risk. There can be no assurance that we will be able to successfully hedge all foreign exchange exposures or that this approach would be in the best interest of our Group and our Shareholders.

We will continue to monitor our foreign exchange exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise in the future. If necessary, we will seek the approval of our Board on the policy for entering into any foreign exchange hedging transactions and will put in place adequate procedures which will be reviewed and approved by our audit committee.

As our Group's financial statements are recorded in our functional and reporting currency in S\$, any foreign exchange fluctuations against the S\$ arising from transactions carried out in foreign currencies as well as translations of foreign currency monetary assets and liabilities as at the end of the reporting period will result in exchange gains or losses in our statements of comprehensive income and our statements of financial position.

In FY2012, FY2013 and FY2014, we recorded a net foreign exchange gain of approximately S\$72,000, S\$67,000 and S\$75,000, respectively. However, in HY2015, we had recorded a net foreign exchange loss of S\$12,793.

(E) RISKS RELATING TO OWNERSHIP OF OUR SHARES AND AN INVESTMENT IN THE RIGHTS ISSUE

We are susceptible to a take-over by third parties as our Controlling Shareholders and their associates will not have majority control after the Rights Issue

After the completion of the Rights Issue, our Controlling Shareholders and their associates will collectively own less than 50.0% of our Company's post Rights Issue share capital. Future sales or issuance of our Shares by our Company or future sales of our Shares by any of our Controlling Shareholders or their associates after the moratorium on their Shares in accordance with the IPO has expired, would potentially further dilute our Controlling Shareholders and their associates' collective shareholding interests in our Company.

We may, hence, be susceptible to a take-over by third parties. Pursuant to such take-over, such third parties may change the management, business, operations and strategy of our Group even where such changes may not be beneficial to our minority public Shareholders. Accordingly, the risk-return profile of our Group may be changed such that it is significantly different from that which such public Shareholders had contemplated when they invested in our Company before the take-over.

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Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. If we offer to our Shareholders rights to subscribe for additional Shares or any rights of any other nature or other equity issues, we will have the discretion and be subject to the relevant laws, rules and regulations as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. We may choose not to offer the rights or other equity issues to our Shareholders or investors having an address outside Singapore, hence overseas Shareholders or investors may be unable to participate in future offerings of our Shares and may experience dilution of their interests in our Company.

Shareholders who do not or are not able to accept their provisional allotments of Rights Shares will experience a dilution in their shareholding interests in our Company

If any Entitled Shareholder does not or is not able to accept his provisional allotment of Rights Shares and his Rights Shares are subscribed for by other investors in the Rights Issue, his proportionate voting and ownership interest in our Company will be reduced. Such an Entitled Shareholder may also experience a dilution in the percentage that his Shares represent of our Company's enlarged share capital upon completion of the Rights Issue. Even if the Entitled Shareholder sells his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Shares as a result of the Rights Issue.

The Rights Issue may cause the price of the Shares to immediately decrease, and this decrease may continue. The Issue Price is not an indication of the underlying value of our Company's Shares

The Issue Price represents (i) a discount of approximately 61.1% to the last traded price of S\$0.180 for Shares traded on Catalist on 29 June 2015, being the last Market Day prior to the Announcement; and (ii) a discount of approximately 44.0% to the theoretical ex-rights price of S\$0.125 per Share. The discount of the Rights Shares, along with the number of Rights Shares, may result in an immediate decrease in the market value of the Shares. The Issue Price does not bear a direct relationship to the book value of our Group's assets, past operations, cash flow, earnings, financial condition or other established criteria for value. Hence, the Issue Price is not an indication of any underlying value of Shares or of the future performance of our Company or the trading price of the Shares. This decrease in market value may continue after the completion of the Rights Issue.

An active trading market may not develop for the Rights and, if a market does develop, the Rights may be subject to greater price volatility than the Shares

A trading period has been set for the trading of Rights on a "nil-paid" basis from 9.00 a.m. on 8 September 2015 to 5.00 p.m. on 17 September 2015. Our Company cannot assure Shareholders that an active trading market for the Rights on Catalist will develop during the Rights trading period or that any over-the counter trading market in the Rights will develop. Even if an active market develops, the trading price of the Rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The Rights relating to the Shares held by such ineligible Shareholders may be sold by our Company, which could result in a decline in the trading price of the Rights.

Investors may experience future dilution of their percentage of ownership of the Shares and future issues or sale of Shares could adversely affect the Share price

Our Group may need to raise additional funds in the future to finance the repayment of borrowings, expansion of new developments relating to our Group's operations and/or to finance future investments. If additional funds are raised through the issuance by our Company of new Shares other than on a *pro-rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience further dilution of their percentage ownership of the Shares. Further, any future issue or sale of Shares can have a

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downward pressure on the Share price. The sale of a significant number of Shares on Catalist after the Rights Issue, or the perception that such sales may occur, could materially affect the market price of the Rights Shares. These factors may also affect our Company's ability to undertake future equity fund-raising.

The price of the Shares may be volatile

The global financial markets have experienced significant price and volume fluctuations and market prices of shares may continue to be volatile. Volatility in the price of the Shares may be caused by factors outside our Group's control and may be unrelated or disproportionate to our Group's operating results. Examples of such factors include but are not limited to:

- changes in securities analysts' estimates of our Group's financial performance;
- developments affecting our Group, our customers or competitors;
- fluctuations in stock market prices and volume;
- changes in general economic, financial, equity and credit market conditions;
- negative publicity involving our Group or any directors or executive officers of our Group; and
- other events or factors described in this Offer Information Statement.

Any of these events may adversely affect the price of the Shares, including the Rights Shares, during and after the Rights Issue.

A fall in the price of the Shares could have a material adverse impact on the value of the Rights Shares. Our Group cannot assure investors that they will be able to sell the Rights Shares at a price equal to or greater than the Issue Price. Accordingly, holders of the Shares who are existing Shareholders or have acquired Rights in the secondary market and/or subscribed for Rights Shares, whether existing Shareholders or not, may suffer a loss.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

Our Shares, and the Rights Shares when issued, is and will be quoted on Catalist, a listing platform primarily designed for fast-growing and emerging or smaller companies which generally involve higher investment risk compared to larger or more established companies on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, we are required to, *inter alia*, retain a sponsor at all times after the admission of our Company to Catalist. In particular, unless approved by SGX-ST, our Sponsor must act as our continuing sponsor for at least three (3) years after the date of admission of our Company to Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no guarantee that following the expiration of the three-year period, our Sponsor will continue to act as our sponsor or that we are able to find a replacement sponsor within the three-month period. Should such risks materialise, we may be delisted.

In addition, there is no assurance that the liquidity of the Shares or the volume of the Shares as traded on Catalist may not change or decline after the Rights Issue. For example, if minority Shareholders of our Company do not subscribe to the Rights Issue, in the event of the Minimum Subscription Scenario, the free float of our Company will decrease and the liquidity of the Shares may decline as a result.

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Shareholders who wish to accept their Rights Shares and/or apply for Excess Rights Shares under the Rights Issue must act promptly and in accordance with the procedures set out in this Offer Information Statement as failure to do so may lead to rejection of all or part of such acceptances and/or applications

Shareholders who wish to accept their Rights Shares and/or apply for Excess Rights Shares under the Rights Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth under **Appendices A, B and C** to this Offer Information Statement. The failure to complete and sign the requisite acceptance forms or letters, the sending of an incorrect payment amount, or otherwise the failure to follow the procedures that apply to the acceptance of the Rights Shares and/or the application for Excess Rights Shares under the Rights Issue may lead to rejection of all or part of the Shareholder(s)' acceptance of the Rights Shares and/or the application for Excess Rights Shares.

Shareholders should also note that any Rights that are not accepted will expire without value and without any compensation. None of our Company, the Share Registrar or CDP shall be responsible for contacting any Shareholder concerning, or for correcting, any incomplete or incorrect acceptance form, letter or payment. Our Company has the sole discretion to determine whether an acceptance of the Rights Shares and/or an application for Excess Rights Shares is made in accordance with the appropriate procedures as set forth under **Appendices A, B and C** to this Offer Information Statement.

Shareholders who hold Shares through a securities sub-account, brokerage account or other similar custodial account with a Depository Agent, broker, custodian or nominee other than CDP should consult their Depository Agent, broker, custodian or nominee without delay regarding the procedures that they need to follow for the subscription and payment for the Rights Shares and/or Excess Rights Shares.

TAKE-OVER LIMITS

The Takeover Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including our Company. Except with the consent of the Securities Industry Council, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by parties acting in concert with him) carry 30.0% or more of the voting rights of our Company; or
- (b) any person who, together with parties acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in our Company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights,

such person must extend a mandatory take-over offer immediately to the Shareholders for the remaining Shares in our Company in accordance with the provisions of the Takeover Code. In general, the acquisition of instruments convertible into securities which carrying voting rights does not give rise to an obligation to make a mandatory take-over offer under the Takeover Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Takeover Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may according to the circumstances of the case, have the obligation to extend such an offer.

Depending on the level of subscription for the Rights Shares, our Company will, if necessary and upon approval of the Sponsor and/or the SGX-ST, scale down a Shareholder's application to subscribe for the Rights Issue to:

- (a) avoid the transfer of a controlling interest in our Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Takeover Code) in the position of incurring a mandatory take-over bid obligation under the Takeover Code as a result of other Shareholders not taking up their Rights Shares entitlements fully.

For the avoidance of doubt, the possibility of scaling down a Shareholder's application to subscribe for the Rights Issue shall not apply to the Undertaking Shareholders' and the Undertaking Lenders' applications to subscribe for the Rights Undertaking.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers immediately.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II (IDENTITY OF DIRECTORS, ADVISERS AND AGENTS)

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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Name	Designation	Address
Winston Chia	Executive Chairman and Chief Executive Officer	c/o 49 Sungei Kadut Loop, Singapore 729492
Johnston Chia	Executive Director	c/o 49 Sungei Kadut Loop, Singapore 729492
Eugene Tse	Executive Director	c/o 49 Sungei Kadut Loop, Singapore 729492
Ong Kian Guan	Lead Independent Director	c/o 49 Sungei Kadut Loop, Singapore 729492
Choh Thian Chee Irving	Independent Director	c/o 49 Sungei Kadut Loop, Singapore 729492
James Kho Chung Wah	Independent Director	c/o 49 Sungei Kadut Loop, Singapore 729492

Advisers

2. Provide the names and addresses of –
- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.
-

Manager and Underwriter of the Rights Issue	:	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
Legal Adviser to our Company in relation to the Rights Issue	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Share Registrar and Share Transfer Office : **Boardroom Corporate & Advisory Services Pte. Ltd.**
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Receiving Banker : **United Overseas Bank Limited**
80 Raffles Place
UOB Plaza
Singapore 048624

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III (OFFER STATISTICS AND TIMETABLE)

Offer Statistics

1. For each method of offer, the number of securities being offered.

Method of offer	:	Renounceable partially-underwritten rights issue of up to 150,000,000 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.07 for each Rights Share.
Number of Rights Shares	:	Based on the Maximum Subscription Scenario, up to 150,000,000 Rights Shares are expected to be issued pursuant to the Rights Issue. Based on the Minimum Subscription Scenario, up to 89,019,223 Rights Shares are expected to be issued pursuant to the Rights Issue.
Status of Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
-

Please refer to paragraphs 3 to 7 of this Part III below.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
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Offer period	:	Please refer to the section entitled "Indicative Timetable" on page 17 of this Offer Information Statement for information in relation to the offer period.
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Circumstances under which the offer period may be modified : As at the Latest Practicable Date, our Company does not expect the timetable under the section entitled "Indicative Timetable" on page 17 of this Offer Information Statement to be modified. However, our Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitations under any applicable laws, rules and regulations. In such an event, our Company will publicly announce the same through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Name and address of person to whom purchase or subscription to applications are to be submitted : Please refer to the procedures for, and the terms and conditions applicable to, acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment as set out in Appendices A to C to this Offer Information Statement and in the PAL, the ARE and the ARS.

Acceptances and applications should be made in the manner set out in this Offer Information Statement as well as the applicable PAL, the ARE or the ARS to the persons named therein to the following address:

- (a) In the case of Entitled Depositors, by hand to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 9 NORTH BUONA VISTA DRIVE #01-19/20 THE METROPOLIS SINGAPORE 138588** or by post in the self-addressed envelope provided, at the sender's own risk, to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**; and
- (b) In the case of Entitled Scripholders, to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**.

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4. **State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
-

Applicable procedures for making payment

The Rights Shares and Excess Rights Shares are payable in full upon acceptance and/or application. All payments for Rights Shares and Excess Rights Shares must be made either:

- (a) by way of Electronic Applications in the case of Entitled Depositors or the Purchasers; or
- (b) if the acceptance for Rights Shares and/or application for Excess Rights Shares, as the case may be, is made by sending the relevant completed ARE or ARS to the CDP, then remittance must be attached to the duly completed and signed ARE or ARS, as the case

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

may be, in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore for the full amount payable to "**CDP – SERRANO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**". The applicant's name and Securities Account number must be clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft; or

- (c) if the acceptance for Rights Shares and/or application for Excess Rights Shares is made by sending the duly completed PAL to the Share Registrar, payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SERRANO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the remittance. The completed PAL and form of payment should be addressed and forwarded, at the sender's own risk, to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623.**

The detailed procedures for, the terms and conditions applicable to, acceptances, splitting, renunciation and/or sales of the provisional allotments of the Rights Shares and for the application for Excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices A to C of this Offer Information Statement and in the PAL, the ARE and the ARS.

Time for payment

The last date and time for acceptances of the Rights Shares and/or application for Excess Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on 23 September 2015 at 5.00 p.m. through CDP or through the Share Registrar (as the case may be) or, in the case of acceptances for Rights Shares and/or application for Excess Application and payment through an ATM of a Participating Bank is on 23 September 2015 at 9.30 p.m..

Please refer to the section entitled "Indicative Timetable" of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, Excess Rights Shares. As at the Latest Practicable Date, our Company does not expect the timetable to be modified. However, our Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws, rules and regulations. In that event, our Company will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com>.

5. State, where applicable, the methods and time limits for:

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 7 September 2015 by crediting the provisional allotments of Rights Shares into the Securities Accounts of the respective Entitled Depositors or through the despatch of the relevant PALs to the Entitled Scripholders, based on their respective shareholdings in our Company as at the Books Closure Date.

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In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and successful applications of Excess Rights Shares, respectively, and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificates representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees with valid acceptances of Rights Shares and successful applications for Excess Rights Shares, respectively, and who have furnished valid Securities Account numbers in the relevant form(s) comprised in the ARE, ARS or PAL, as the case may be, share certificate(s) representing such number of Rights Shares will be registered in the name of CDP or its nominee and are expected to be despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, by ordinary post and at their own risk, a notification letter stating the number of Rights Shares that have been credited to their Securities Account.

Please refer to Appendices A to C to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

7. Provide a full description of the manner in which results of the allotment or allocation of securities are to be made public and, where appropriate, the manner for refunding the excess amounts are paid by applicants (including whether interest will be paid).

Results of the Rights Issue

Our Company will publicly announce the results of the allotment or allocation of the Rights Shares, as soon as practicable after the Closing Date, via a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Manner of Refund

Where any acceptance of Rights Shares and/or application for Excess Rights Shares is invalid or unsuccessful in full or in part, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore (where the acceptance and/or application is through CDP) sent by ordinary post at the relevant applicant's own risk to the applicant's mailing address as maintained with CDP or, in such other manner as the relevant applicant may have agreed with CDP for the payment of any cash distributions;
- (b) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore (where the acceptance and/or application is through the Share Registrar) sent by ordinary post at the relevant applicant's own risk to the applicant's mailing address as maintained with the Share Registrar; or

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (c) by crediting the relevant applicant's bank account with the relevant Participating Bank (where the acceptance and/or application is through Electronic Application) at the applicant's own risk, the receipt by such bank being a good discharge to our Company, the Manager and Underwriter, and CDP of their obligations, if any, thereunder.

Please also refer to Appendices A to C to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV (KEY INFORMATION)

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
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Please refer to paragraphs 2 to 7 of this Part IV below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
-

In the Minimum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated expenses of approximately S\$0.39 million) is expected to be approximately S\$5.84 million.

In the Maximum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated expenses of approximately S\$0.39 million) is expected to be approximately S\$10.11 million.

The above estimated net proceeds for the Minimum Subscription Scenario and Maximum Subscription Scenario shall be referred to as "**Net Proceeds**" as applicable.

All Net Proceeds from the Rights Issue will be received by our Company for allocation to the principal intended uses set in paragraph 3 of this Part IV below.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
-

Our Company intends to utilise the Net Proceeds (assuming the Minimum Subscription Scenario) in the following manner:

- (a) approximately S\$1.50 million, representing 25.7% of the Net Proceeds, to fund the purchase of the New Property, new production machinery and warehouse management system for the New Property, so as to improve our Group's manufacturing capability and supply chain productivity;
- (b) approximately S\$1.50 million, representing 25.7% of the Net Proceeds, to fund business expansion into the Interior Fit-Out business targeting the home retail, commercial and hospitality sectors in Singapore and Southeast Asia; and
- (c) approximately S\$2.84 million, representing 48.6% of the Net Proceeds, for general working capital purposes.

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Our Company intends to utilise the Net Proceeds (assuming the Maximum Subscription Scenario) in the following manner:

- (a) approximately S\$2.00 million, representing 19.8% of the Net Proceeds, to fund the purchase of the New Property, new production machinery and warehouse management system for the New Property, so as to improve our Group's manufacturing capability and supply chain productivity;
- (b) approximately S\$2.00 million, representing 19.8% of the Net Proceeds, to fund business expansion into the Interior Fit-Out business targeting the home retail, commercial and hospitality sectors in Singapore and Southeast Asia;
- (c) approximately S\$2.00 million, representing 19.8% of the Net Proceeds, to fund investments, acquisitions, strategic alliances and/or joint ventures; and
- (d) approximately S\$4.11 million, representing 40.6% of the Net Proceeds, for general working capital purposes.

Pending the deployment of the Net Proceeds for the uses mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as our Directors may, in their absolute discretion, deem fit in the interests of our Group.

As and when any significant amount of the Net Proceeds is disbursed or deployed, our Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such Net Proceeds in its annual report.

Our Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue, taking into consideration the Loan Agreements, the Wah Heng Loan Agreement and the Shareholders' Loan Agreements, the underwriting arrangement with the Underwriter and the intended use of Net Proceeds as disclosed above.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

As the final proceeds from the Rights Issue cannot be determined as at the Latest Practicable Date, please find below the breakdown based on the gross proceeds in the event of (i) the Minimum Subscription Scenario, and (ii) the Maximum Subscription Scenario:

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Use of gross proceeds from the Rights Issue	Assuming Minimum Subscription Scenario		Assuming Maximum Subscription Scenario	
	Estimated amount (\$ million)	Per S\$ of gross proceeds	Estimated amount (\$ million)	Per S\$ of gross proceeds
Funding of the purchase of the New Property, new production machinery and warehouse management system for the New Property	1.50	0.24	2.00	0.19
Funding of business expansion into the Interior Fit-Out business targeting the home retail, commercial and hospitality sectors in Singapore and Southeast Asia	1.50	0.24	2.00	0.19
Funding of investments, acquisitions, strategic alliances and/or joint ventures	–	–	2.00	0.19
General working capital purposes	2.84	0.46	4.11	0.39
Estimated expenses incurred in connection with the Rights Issue	0.39	0.06	0.39	0.04
Total	6.23	1.00	10.50	1.00

- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

Not applicable. The Net Proceeds from the Rights Issue will not be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Not applicable. The Net Proceeds from the Rights Issue will not be used to finance or refinance the acquisition of another business. Although a portion of the Net Proceeds under the Maximum Subscription Scenario has been set aside for the funding of investments, acquisitions, strategic alliances and/or joint ventures, as at the date of this Offer Information Statement, we are not in the process of finalising any agreement with any party for any material contracts, investments, acquisitions, strategic alliances and/or joint ventures.

- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

Not applicable. The Net Proceeds from the Rights Issue will not be used to discharge, reduce or retire the indebtedness of our Group.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or the other placement or selling agents in relation to the offer and the persons making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.
-

In consideration of the Underwriter's agreement to partially-underwrite the Rights Issue, our Company will pay the Underwriter an underwriting commission of 3.0% of the Issue Price for the total number of the Underwritten Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement.

Please refer to paragraph 7 of Part VI of this Offer Information Statement for further information on the Management and Underwriting Agreement.

Information on the Relevant Entity

9. Provide the following information:
- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);
-

Registered office and principal place of business

Address : 49 Sungei Kadut Loop, Singapore 729492

Telephone number : (65) 6305-0850

Facsimile number : (65) 6367-4868

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;
-

Our Company was incorporated in Singapore on 18 September 2012 under the Companies Act as an exempt private limited liability company under the name of Serrano Investment Holdings Pte. Ltd.. On 11 December 2013, the name of our Company was changed to Serrano Pte. Ltd.. In connection with its conversion into a public company limited by shares, our Company changed its name from Serrano Pte. Ltd. to Serrano Limited on 14 October 2014. Our Company was listed on Catalist on 28 October 2014.

Our Group has two (2) major business segments, namely (i) Interior Fit-Out business; and (ii) wholesale and retail furnishing business.

Our Company is domiciled in Singapore and its registered office and principal place of business are located at 49 Sungei Kadut Loop Singapore 729492. The principal activity of our Company is that of an investment holding company.

Further information on the principal activities of the subsidiaries of our Group as at the Latest Practicable Date are set out as follows:

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Name of subsidiary	Country of incorporation and principal place of business	Principal activities	Effective interests held by our Company (%)
Artiwood Supervina Pte Ltd (“ Artiwood Supervina ”)	Singapore	International trading / wholesale	100.0
Sanzio Space Planner Pte. Ltd. (“ Sanzio Space Planner ”)	Singapore	Furniture retail	100.0
Serrano Holdings Pte. Ltd. (“ Serrano Holdings ”)	Singapore	Project management and interior fit-out	100.0
Serrano Design Pte. Ltd. (“ Serrano Design ”)	Singapore	Interior design and renovation	100.0

Further information on the principal activities of the associated company of our Group as at the Latest Practicable Date are set out as follows:

Name of associated company	Country of incorporation and principal place of business	Principal activities	Effective interests held by our Company (%)
Serrano (Thailand) Ltd.	Thailand	Project management and Interior Fit-Out	49.0

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- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
 - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

Details of the significant Interior Fit-Out projects that we have handed over for FY2012, FY2013, FY2014 and from 1 January 2015 to the Latest Practicable Date are as follows:

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Description of works/ project name	No. of units/ rooms	Developer/customer	Handover date
SINGAPORE			
Supply and installation of kitchen cabinet, wardrobe, vanity cabinet, medicine cabinet and mirror and design, supply, delivery and installation of fire rated timber doors, non-fire rated doors and glass doors at D'Leedon condominium	1,180 (out of 1,715)	Morganite Pte Ltd	2014
Supply and installation of wardrobes, supply and delivery of ironmongery and fabrication, supply, delivery and installation of timber doors to basement, apartment units and common areas at The Interlace condominium	1,040	Ankerite Pte Ltd	2013
MYANMAR			
Design and construction of the interior works for apartment units at Star City Thanlyin township development, Yangon, Myanmar (Package 1)	150	Yoma Strategic Holdings Ltd / Thanlyin Estate Development Ltd.	2014
Interior renovation and mechanical and electrical works to guestrooms, guestroom corridors, lift lobbies and common areas at Traders Hotel, Yangon, Myanmar	316	Traders Yangon Company Limited (part of the Shangri-La group)	2011-2014 ⁽¹⁾
OTHERS			
Supply and installation of kitchens at The River condominium, Bangkok, Thailand	523	Raimon Land Public Co., Ltd / Taksin Properties Co., Ltd	2013
Supply, delivery and installation of kitchen cabinet, counter top and wardrobes and supply and delivery of door frame and door leaf at The Estella condominium, Vietnam	719	Estella Joint Venture Co., Ltd (part of the Keppel Land group) / Investment & Construction Development Corporation	2012

Note:

- (1) This Interior Fit-Out project comprises several contracts, for which the Interior Fit-Out works were handed over in phases from 2011 to 2014.

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General Developments in FY2012

In FY2012, Serrano Holdings acquired 100 shares in Sanzio Space Planner from How Choon Hiong and Karen Chia representing 100.0% of the then issued and paid up share capital of Sanzio Space Planner, for a nominal consideration of S\$100, as part of an internal restructuring exercise. The consideration was fully paid in FY2012. How Choon Hiong is the spouse of Winston Chia and sister-in-law of Johnson Chia while Karen Chia is the sister of Winston Chia and Johnson Chia.

General Developments in FY2013

Our wholesale and retail furnishings business continued to grow with exclusive distributorships awarded to us in 2012 and 2013 to distribute products under the “Handson” brand in Singapore, the “Pierre Cardin” brand in Singapore and Vietnam, and the “Stosa” brand in Singapore, Vietnam and Cambodia.

In FY2013, our Group received the following awards and certifications:

- Workplace Safety and Health Council, bizSAFE Certificate;
- SGS United Kingdom Ltd, ISO 9001:2008 Quality Management System Certificate for wholesale and distribution of furniture and project management for residential/building furnishings;
- ASEAN Business Advisory Council, ASEAN Business Awards – Most Admired ASEAN Enterprise – Growth (Large Company);
- Creative Group (CG) Pte Ltd, Built Environment Industry Asia Awards – Regional Award of the Year for Outstanding Business Achievement;
- Singapore Furniture Industries Council, Singapore Furniture Industry Awards – The Furniture Manufacturer Award (Gold);
- ASME and Lianhe Zaobao, Singapore Prestige Brand Award – Established Brand;
- DP Information Group, Singapore SME 1000 Company;
- Woh Hup 2013, Appreciation Award – Reflections at Keppel Bay (BCA Construction Excellence 2011 Award Winner, Certificate of Merit); and
- Woh Hup 2013, Appreciation Award – The Cascadia, Singapore (BCA Construction Excellence 2012 Award Winner).

General Developments in FY2014

Our Company was listed on Catalist on 28 October 2014. As part of the rationalisation of our corporate and shareholding structure in preparation of the IPO, we undertook a restructuring exercise pursuant to which our Company became the investment holding company of our Group (the “**Restructuring Exercise**”). As part of the Restructuring Exercise, Serrano Holdings, SI Import & Export, Winston Chia and Frank Chia divested an aggregate of 3,922,908 ordinary shares representing 43.6% of the issued and paid-up share capital of Sorrento Vietnam to an existing unrelated third party shareholder for a cash consideration of VND39,229,080,000 on 2 April 2014.

On 15 May 2014 and 30 June 2014, Pre-IPO Investors subscribed for an aggregate of 3,000,000 pre-IPO subscription shares in the capital of our Company for an aggregate consideration of S\$3.0 million, which were subsequently converted into 17,391,304 Shares immediately prior to the listing of our Company. Further information can be found in the section entitled “**Restructuring Exercise**” of the offer document dated 15 October 2014 issued by our Company in respect of the IPO.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 4 November 2014, our Company announced that our Group was awarded an Interior Fit-Out project contract by Woh Hup (Private) Limited for a private condominium development project at Pasir Ris Grove and Pasir Ris Drive 1.

On 13 November 2014, our Company announced that Serrano Holdings had on 13 November 2014, been granted an option by Defu Furniture Classic Pte Ltd to purchase the New Property at a consideration of S\$5,136,000 (inclusive of 7.0% goods and services tax) (the “Option”).

On 27 November 2014, our Company announced that Serrano Holdings had exercised the Option. Our Group intends to relocate its production facilities for its Interior Fit-Out business, showroom for furnishings products for its wholesale and retail furnishings business and warehousing systems to the New Property. This will allow our Group to utilise more space at its head office premises at 49 Sungei Kadut Loop, Singapore 729492 for office and warehousing purposes.

On 1 December 2014, our Company announced that it was awarded new Interior Fit-Out contracts with contract values of approximately S\$20.2 million in aggregate by Thanlyin Estate Development Ltd, Distinctive International Sdn Bhd, Rich-Link Construction Pte Ltd, Dragages Singapore Pte Ltd and Lian Beng Construction (1988) Pte Ltd.

In January 2014, Rongda Building Contractor (as the plaintiff) (“Rongda”) filed a claim against Serrano Holdings (as the defendant) in respect of S\$852,608.94 owing to Rongda under various sub-contractor agreements entered into between Serrano Holdings and Rongda for the provision of cleaning and silicon works by Rongda. In March 2014, Serrano Holdings filed a defence and a counterclaim against Rongda for the sum of approximately S\$934,706.47. On 1 December 2014, our Company had announced that Serrano Holdings had on 30 November 2014 entered into a settlement agreement with Rongda pursuant to which the parties had reached an amicable resolution in full and final settlement of all claims between the parties in connection with the mediation proceedings between Serrano Holdings and Rongda for an amount of S\$210,000 payable by Serrano Holdings. Our Group had fully provided for the said amount in our accounts for FY2014.

In FY2014, our Group further received the following awards and certifications:

- ASME and Lianhe Zaobao, Singapore Prestige Brand Award – Established Brand;
- Trade & Industry Association (Singapore), Asia Business Journal and APBA Singapore, Asia Pacific Brands Award Singapore’s Finest; and
- DP Information Group, Singapore SME 1000 Company.

General Developments from 1 January 2015 to the Latest Practicable Date

On 5 June 2015, Serrano Holdings completed the acquisition of the New Property. The New Property will be used for the setting up of new production facilities, showrooms and warehousing systems to support our Group’s growing Interior Fit-Out business.

On 29 June 2015, our Company announced the Rights Issue.

On 29 June 2015, our Company also announced that it had on the same day, entered into two loan agreements with each of Sinbor and Winmark, pursuant to which Sinbor and Winmark agreed to extend the Loan to our Company upon the terms and subject to the conditions of the Loan Agreements. Under the terms of the Loan Agreements, Sinbor and Winmark, are interested to subscribe for the Rights Shares in connection with the Rights Issue. Wah Heng, an Entitled Shareholder of our Company shall renounce the Renounced Shares to Sinbor and Winmark free of encumbrances and in accordance with the terms and conditions of the Rights Issue. Sinbor and Winmark have undertaken irrevocably and unconditionally to subscribe for the Renounced Shares. The payment for the Renounced Shares shall be satisfied by Sinbor and Winmark through the

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offering of the Loan, and the Loan owing by our Company to Sinbor and Winmark shall be deemed fully repaid by our Company upon the allotment and issuance of the Renounced Shares to Sinbor and Winmark by our Company.

On 29 June 2015, our Company also announced that it had on the same day, entered into two loan agreements with each of Winston Chia and Johnston Chia, pursuant to which Winston Chia and Johnston Chia agreed to extend the Shareholders' Loan to our Company upon the terms and subject to the conditions of the Shareholders' Loan Agreements. Under the terms of the Shareholders' Loan Agreements, Winston Chia and Johnston Chia, have undertaken irrevocably and unconditionally to our Company to subscribe for 14,300,000 Rights Shares and 89,650 Rights Shares, respectively, in connection with the Rights Issue (collectively the "**Loan Shareholders' Rights Shares**"). The payment for the Loan Shareholders' Rights Shares shall be satisfied by Winston Chia and Johnston Chia through the offering of the Shareholders' Loan, and the Shareholders' Loan owing by our Company to Winston Chia and Johnston Chia shall be deemed fully repaid by our Company upon the allotment and issuance of the fully paid Loan Shareholders' Rights Shares to Winston Chia and Johnston Chia by our Company.

On 30 July 2015, our Company announced that it had on the same day, entered into a loan agreement with Wah Heng pursuant to which Wah Heng agreed to extend the Wah Heng Loan to our Company upon the terms and subject to the conditions of the Wah Heng Loan Agreement. Under the terms of the Wah Heng Loan Agreement, Wah Heng has undertaken irrevocably and unconditionally to our Company to subscribe for the Wah Heng Undertaken Rights Shares, in connection with the Rights Issue. The payment for the Wah Heng Undertaken Rights Shares shall be satisfied by Wah Heng through the offering of the Wah Heng Loan, and the Wah Heng Loan owing by our Company to Wah Heng shall be deemed fully repaid by our Company upon the allotment and issuance of the fully paid Wah Heng Undertaken Rights Shares to Wah Heng by our Company.

Save as disclosed in this Offer Information Statement and in public announcements released by our Company via SGXNET, there has been no material changes to the affairs of our Group during the period from 1 January 2015 to the Latest Practicable Date.

-
- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
-

As at the Latest Practicable Date, the share capital of our Company comprises:

Issued and paid-up share capital	:	S\$24,802,397
Number of ordinary shares in issue (excluding treasury shares)	:	150,000,000
Number of treasury shares	:	Nil

As at the Latest Practicable Date, our Company does not have any loan capital.

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(e) where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
 - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;
-

The Substantial Shareholders and their shareholding interests in our Company as at the Latest Practicable Date, as recorded in the Register of Substantial Shareholders kept by our Company under Section 88 of the Companies Act are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Wah Heng ⁽²⁾	55,631,636	37.09	–	–
Chia Ah Kau ^{(2), (4)}	–	–	55,631,636	37.09
Ng Wan ^{(2), (4)}	–	–	55,631,636	37.09
Winston Chia ^{(3), (4)}	19,479,714	12.99	173,913	0.12
Lauv Uy Long	17,477,775	11.65	–	–
Chen Qingliao	10,730,996	7.15	–	–

Notes:

- (1) Based on the issued and paid-up share capital of our Company of 150,000,000 Shares as at the Latest Practicable Date.
 - (2) Chia Ah Kau and his spouse, Ng Wan, hold 36.7% and 43.3% of the issued and paid-up share capital of Wah Heng respectively, and each of them is therefore deemed to have an interest in the Shares held by Wah Heng pursuant to Section 7 of the Companies Act.
 - (3) Winston Chia is deemed to be interested in the 173,913 Shares held by his spouse, How Choon Hiong pursuant to Section 164(15) of the Companies Act.
 - (4) Winston Chia is the son of Chia Ah Kau and Ng Wan.
-

(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

Save as disclosed in Paragraph 9(c) of Part IV of this Offer Information Statement and in all public announcements made by our Company via SGXNET, as at the date of lodgement of this Offer Information Statement, our Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of our Group taken as a whole.

(g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or

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- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and

Date of listing and quotation	Price per Share	Number of shares issued	Transaction
28 October 2014	S\$0.23	22,500,000 ⁽¹⁾	IPO

Note:

- (1) 30,000,000 Shares comprising 22,500,000 new Shares and 7,500,000 vendor Shares were offered during the IPO as disclosed in our Company's offer document dated 15 October 2014.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save as disclosed below, neither our Company nor any of its subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

1. Sale and purchase agreement dated 2 April 2014 entered into between Serrano Holdings, SI Import & Export, Winston Chia, Frank Chia as the vendors and Dang Van Luong as the purchaser for the divestment of an aggregate of 3,922,908 ordinary shares representing 43.6% of the issued and paid-up share capital of Sorrento Vietnam at an aggregate consideration of VND39,229,080,000.
2. Manufacturing agreement dated 2 April 2014 entered into between Sorrento Vietnam and Serrano Holdings, pursuant to which our Group has appointed Sorrento Vietnam to continue to manufacture and supply to our Group various panel furniture products and items as required by our Group for a period of four (4) years from 2 April 2014.
3. Management and technical consulting agreement dated 2 April 2014 entered into between Sorrento Vietnam and Serrano Holdings, pursuant to which Serrano Holdings shall, through a consultant, provide Sorrento Vietnam with management and technical consulting services for a period of four (4) years from 2 April 2014 for a monthly consulting fee of US\$56,217.10.
4. Pre-IPO subscription agreements dated 15 May 2014 and 30 June 2014 entered into between our Company, Serrano Holdings and the Pre-IPO Investors pursuant to which the Pre-IPO Investors subscribed for an aggregate of 3,000,000 pre-IPO subscription shares in the capital of our Company for an aggregate consideration of S\$3.0 million.
5. Licencing agreement dated 2 September 2014 entered into between Serrano Holdings and Serrano Thailand, pursuant to which Serrano Thailand is licenced to use the name "Serrano" and its trademark.
6. Share sale and purchase agreement dated 3 October 2014 entered into between SI Import & Export and Wah Heng for the acquisition by Wah Heng from SI Import & Export of 19.6% of the issued and paid-up share capital of Serrano Holdings held by SI Import & Export, comprising 1,480,000 shares for a total cash consideration of approximately S\$3.3 million.

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7. Share swap agreement dated 3 October 2014 entered into between our Company, Wah Heng, Luong Ronny, Chan Ching Hung, Chen Qingliao, Winston Chia and Lauv Uy Long (collectively, the “**Vendors**”) whereby our Company acquired from the Vendors the entire issued and paid-up share capital of Serrano Holdings, comprising an aggregate of 7,550,000 shares for a total consideration of approximately S\$17.0 million, satisfied by the allotment and issue of an aggregate of 3,000,000 Shares to the Vendors, credited as fully paid-up.
8. Share swap agreement dated 3 October 2014 entered into between our Company, Winston Chia and Johnston Chia for the acquisition by our Company from Winston Chia and Johnston Chia of an aggregate of 27,200 ordinary shares representing 34.0% of the issued and paid-up share capital of Serrano Thailand for a total consideration of S\$49,648, satisfied by the allotment and issue of an aggregate of 8,767 Shares to Winston Chia and Johnston Chia, credited as fully paid-up.
9. Share sale and purchase agreement dated 3 October 2014 entered into between Winston Chia (as the purchaser) and Wah Heng, Johnston Chia, Lauv Uy Long, Chen Qingliao and Chan Ching Hung (as the vendors) for the acquisition of 327,428 Shares at an agreed cash consideration of approximately S\$8.42 per share.
10. Option dated 13 November 2014 granted by Defu Furniture Classic Pte Ltd to Serrano Holdings, pursuant to which Serrano Holdings shall purchase a JTC Corporation property located at 16 Sungei Kadut Way Singapore 728793 for an aggregate consideration of S\$5,136,000 (“**Option**”). Serrano Holdings had on 27 November 2014 exercised the Option.
11. Consultancy agreement dated 13 February 2015 entered into between our Company and Joey Yeo Jin Qiang (the “**Introducer**”), an unrelated third party (“**Consultancy Agreement**”) pursuant to which our Company had appointed the Introducer to source for and introduce investors to our Company for a commission of 2.0% of the investment amount.

Pursuant to the Consultancy Agreement, Sinbor and Winmark were introduced to us by the Introducer and we will be paying the Introducer an approximate amount of S\$58,481.40, in cash, upon the successful completion of the Rights Issue.
12. Loan Agreement dated 29 June 2015 entered into between our Company, Wah Heng and Sinbor, pursuant to which Sinbor agreed to extend a loan of S\$1,960,000.00 to our Company in consideration for 28,000,000 Rights Shares which shall be renounced by Wah Heng.
13. Loan Agreement dated 29 June 2015 entered into between our Company, Wah Heng and Winmark, pursuant to which Winmark agreed to extend a loan of S\$964,070.10 to our Company in consideration for 13,772,430 Rights Shares which shall be renounced by Wah Heng.
14. Shareholder’s Loan Agreement dated 29 June 2015 entered into between our Company and Winston Chia, pursuant to which Winston Chia agreed to extend a loan of S\$1,001,000.00 to our Company in consideration for 14,300,000 Rights Shares.
15. Shareholder’s Loan Agreement dated 29 June 2015 entered into between our Company and Johnston Chia, pursuant to which Johnston Chia agreed to extend a loan of S\$6,275.50 to our Company in consideration for 89,650 Rights Shares.
16. Wah Heng Loan Agreement dated 30 July 2015 entered into between our Company and Wah Heng, pursuant to which Wah Heng agreed to extend a loan of S\$800,000.04 to our Company in consideration for 11,428,572 Rights Shares.
17. Management and Underwriting Agreement dated 31 August 2015 entered into between our Company and SAC Capital, pursuant to which (i) SAC Capital agreed to manage the Rights Issue and underwrite up to 21,428,571 Rights Shares, and (ii) our Company agreed to pay SAC Capital an underwriting commission of 3.0% of the Issue Price for the total number of Underwritten Rights Shares.

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PART V (OPERATING AND FINANCIAL REVIEW AND PROSPECTS)

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

(i) The audited combined income statements of our Group for the financial years ended 31 December 2012 and 2013 and the unaudited combined income statement of our Group for the financial period from 1 January 2014 to 30 June 2014; and

(ii) The audited consolidated income statement of our Group for the financial year ended 31 December 2014 and the unaudited consolidated income statement of our Group for the financial period from 1 January 2015 to 30 June 2015,

are as follows:

INCOME STATEMENT

	← FY2012 S\$	Audited FY2013 S\$	FY2014 S\$	← Unaudited HY2014 S\$	→ HY2015 S\$
Revenue	52,723,240	82,951,874	85,222,077	41,511,123	53,113,454
Cost of sales	(45,384,952)	(71,928,376)	(74,067,497)	(35,725,027)	(47,445,690)
Gross profit	7,338,288	11,023,498	11,154,580	5,786,096	5,667,764
<i>Other item of income</i>					
Other income	140,909	1,986,393	2,489,968	996,651	1,089,243
<i>Other items of expense</i>					
Selling and distribution costs	(502,256)	(1,781,324)	(1,362,585)	(591,151)	(570,111)
Administrative expenses	(2,544,277)	(3,849,983)	(4,176,898)	(1,902,447)	(2,620,135)
Other expenses	(452,115)	(750,445)	(2,636,676)	(1,377,889)	(890,923)
Finance costs	(2,528,322)	(3,136,729)	(3,557,675)	(1,750,271)	(2,303,035)
Share of profit of associate, net of tax	–	–	3,671	–	1,984
Profit before income tax	1,452,227	3,491,410	1,914,385	1,160,989	374,787
Income tax expense	(309,436)	(280,658)	(826,160)	(379,202)	(66,002)
Profit for the financial year/period	1,142,791	3,210,752	1,088,225	781,787	308,785

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	← FY2012 S\$	Audited FY2013 S\$	FY2014 S\$ →	← Unaudited HY2014 S\$	HY2015 S\$ →
Other comprehensive income:					
<i>Items that will or may be reclassified subsequently to profit or loss</i>					
Surplus on revaluation of property, plant and equipment	1,158,758	-	-	-	-
Income tax relating to the items that will or may be reclassified	(196,989)	-	-	-	-
Other comprehensive income for the financial year/period, net of tax	961,769	-	-	-	-
Total comprehensive income for the financial year/period	2,104,560	3,210,752	1,088,225	781,787	308,785
Profit attributable to Shareholders	1,142,791	3,210,752	1,088,225	781,787	308,785
Total comprehensive income attributable to Shareholders	2,104,560	3,210,752	1,088,225	781,787	308,785

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and in addition include the following items:
- dividends declared per share in both currency of the financial statements and the Singapore currency, including the formula used for any adjustments to dividends declared;
 - earnings or loss per share; and
 - earnings or loss per share, after any adjustment to reflect the sale of new securities.

No dividends were declared for FY2012, FY2013 and FY2014, HY2014 and HY2015. Please refer to the table appended below for information relating to earnings per share.

Cents	FY2012	FY2013	FY2014	HY2014	HY2015
Earnings per share before Rights Issue⁽¹⁾					
- Basic	0.90	2.52	0.83	0.61	0.21
- Diluted	0.90	2.52	0.83	0.61	0.21
Earnings per share after adjusting for Rights Issue assuming Minimum Subscription Scenario⁽²⁾					
- Basic	0.53	1.48	0.49	0.36	0.13
- Diluted	0.53	1.48	0.49	0.36	0.13

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Cents	FY2012	FY2013	FY2014	HY2014	HY2015
Earnings per share after adjusting for Rights Issue assuming Maximum Subscription Scenario⁽³⁾					
- Basic	0.41	1.16	0.39	0.28	0.10
- Diluted	0.41	1.16	0.39	0.28	0.10

Notes:

- (1) Calculated based on weighted average number of Shares in issue of 127,500,000⁽⁴⁾ in FY2012; 127,500,000⁽⁴⁾ in FY2013, 131,506,849⁽⁵⁾ in FY2014, 127,500,000⁽⁴⁾ in HY2014 and 150,000,000 in HY2015.
- (2) Calculated based on weighted average number of Shares in Note (1) above and adjusting for the issue of 89,019,223 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period, but without taking into account the effect of the use of proceeds from the Rights Issue on the earnings of our Group.
- (3) Calculated based on the weighted average number of Shares in Note (1) above and adjusting for the issue of 150,000,000 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each period, but without taking into account the effect of the use of proceeds from the Rights Issue on the earnings of our Group.
- (4) For comparative purposes, the issued and paid-up share capital of our Company for FY2012, FY2013 and HY2014 as adjusted for the Restructuring Exercise and the Share Split (as defined in the offer document dated 15 October 2014 issued by our Company in respect of the IPO) of 127,500,000 shares is assumed to have been in issue throughout FY2012, FY2013 and HY2014.
- (5) The weighted average number of shares of our Company for FY2014 has been computed using the pre-IPO share capital of 127,500,000 shares and the post-IPO share capital of 150,000,000 shares.

3. In respect of –

- (a) **each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and**
- (b) **any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Performance Review for FY2013 versus FY2012

Revenue

Revenue increased by approximately S\$30.2 million or 57.3%, from S\$52.7 million in FY2012 to S\$83.0 million in FY2013.

Our revenue from our Interior Fit-Out business increased by approximately S\$26.2 million or 51.3% from S\$51.0 million in FY2012 to S\$77.1 million in FY2013. Of the S\$26.2 million:

- (a) S\$14.0 million was attributable to 8 new Interior Fit-Out projects (namely, Star City Thanlyin, ATreasure Trove @ Punggol, Sky Habitat, The Nautical, Hedges Park, The Tampines Trilliant and student hostels at Singapore University of Technology and Design and the Nanyang Technological University) which commenced Interior Fit-Out works in FY2013; and

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- (b) S\$11.2 million was attributable to 7 Interior Fit-Out projects (namely, Leedon Residence, D'Leedon, Lakefront Residences, Bartley Residences, Marina One, Euhabitat and The Shore) which were carried over from FY2012 and which had higher levels of project activity in FY2013.

Our revenue from the wholesale and retail furnishings business increased by approximately S\$4.1 million or 234.7% from S\$1.7 million in FY2012 to S\$5.8 million in FY2013. This was mainly attributable to the full year effect of our Company's acquisition of its subsidiary, Sanzio Space Planner Pte. Ltd. in December 2012 which contributed to an increase in revenue of S\$4.2 million in FY2013.

Cost of sales

Cost of sales increased by approximately S\$26.5 million or 58.5% from S\$45.4 million in FY2012 to S\$71.9 million in FY2013. This was mainly attributable to the increase in direct costs and sub-contracting costs of approximately S\$12.7 million or 36.9% and S\$11.0 million or 485.0%, respectively.

The increase in direct costs was due to the increase in purchases made as a result of more projects that commenced in the year. The increase in sub-contracting costs was due to the engagement of outsourced labour in relation to several projects that commenced during the year as well as sub-contractors to perform certain Interior Fit-Out works in relation to several others that our Group had undertaken on a turnkey basis.

Gross profit and gross profit margin

Gross profit increased by approximately S\$3.7 million or 50.2%, from S\$7.3 million in FY2012 to S\$11.0 million in FY2013. Gross profit margin was relatively stable at 13.3% in FY2013 compared to 13.9% in FY2012.

Other income

Other income increased by approximately S\$1.8 million or by 13 fold, from S\$141,000 in FY2012 to S\$2.0 million in FY2013. This was mainly due to dividend income of S\$750,000 from J-Plan Associates, trade rebates of approximately S\$743,000 assigned by SI Import & Export and Wah Heng receivable from suppliers of furnishings products in relation to our wholesale and retail furnishings business for purchases made by SI Import & Export and Wah Heng on behalf of us, and rental income of approximately S\$309,000 for our rental of certain plant and machinery to Sorrento Vietnam.

Selling and distribution costs

Selling and distribution costs increased by approximately S\$1.3 million or 254.8% from S\$502,000 in FY2012 to S\$1.8 million in FY2013. This was mainly attributable to the exhibition expenses incurred of approximately S\$630,000 and an increase in advertisement and sponsorship expenses of approximately S\$378,000, for our wholesale and retail furnishings business. The exhibition expenses were due to marketing efforts that were commenced during the year to promote our in-house "Sanzio" brand of products. The increase in advertising and sponsorship expenses were mainly due to an increase in advertising efforts undertaken by our wholesale customers of our wholesale and retail furnishings business.

Administrative expenses

Administrative expenses increased by approximately S\$1.3 million or 51.3% from S\$2.5 million in FY2012 to S\$3.9 million in FY2013. This was mainly attributable to the increase in rental of approximately S\$635,000, for showrooms and warehousing for our wholesale and retail furnishings business, and increase in employee benefits expense of approximately S\$306,000 due to the full year effect of the four (4) senior management staff who were hired in the previous year and the

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increase in headcount for our businesses. There was also an increase in depreciation of plant and equipment of approximately S\$147,000 due to renovations of our showrooms and several motor vehicles that we purchased for business use during that year.

Other expenses

Other expenses increased by approximately S\$298,000 or 65.9% from S\$452,000 in FY2012 to S\$750,000 in FY2013. This was mainly due to the increase in bank charges of approximately S\$94,000 due to bank transaction fees and telegraphic transfers, provision for doubtful debts of approximately S\$48,000 for certain retail customers for our wholesale and retail furnishings business, amortisation of intangible asset of approximately S\$47,000 arising from our acquisition of Sanzio Space Planner Pte. Ltd. in December 2012, and an increase in other staff expenses of approximately S\$33,000.

Finance costs

Finance costs increased by approximately S\$609,000 or 24.1% from S\$2.5 million in FY2012 to S\$3.1 million in FY2013 due to the increase in interest expenses incurred on our bank overdrafts and trust receipts of approximately S\$476,000 and S\$182,000, respectively, with the increase in activity of our Interior Fit-Out business. This was partially offset by a decrease in finance lease expenses and factoring loan expenses of S\$32,000 and S\$20,000, respectively, with the repayment of our finance leases and factoring loans.

Profit before income tax

As a result of the foregoing, profit before income tax increased by approximately S\$2.0 million or 140.5% from S\$1.5 million in FY2012 to S\$3.5 million in FY2013.

Performance Review for FY2014 versus FY2013

Revenue

Revenue increased by approximately S\$2.3 million or 2.7% from S\$83.0 million in FY2013 to S\$85.2 million in FY2014. Revenue from the Interior Fit-Out business increased by approximately S\$2.5 million or 3.2% from S\$77.1 million in FY2013 to S\$79.6 million in FY2014. Of the S\$2.5 million;

- (a) S\$5.0 million was attributable to three (3) new projects which commenced Interior Fit-Out works in FY2014;
- (b) S\$14.1 million was attributable to seven (7) projects which were carried over from FY2013 and which had higher levels of projects activity in FY2014; and
- (c) Partially offset by S\$16.6 million attributable to six (6) projects which were carried over from FY2013 but which had lower levels of project activity as they neared completion in FY2014.

Revenue from the wholesale and retail furnishings business decreased by approximately S\$195,000 or 3.4% from S\$5.8 million in FY2013 to S\$5.6 million in FY2014. This was mainly due to a decrease in sales to customers in the retail furnishings market due to softer market conditions.

Cost of sales

Cost of sales increased by approximately S\$2.1 million or 3.0% from S\$71.9 million in FY2013 to S\$74.1 million in FY2014, in line with the increase in revenue.

Gross profit and gross profit margin

Our Group's gross profit increased by 1.2% to S\$11.2 million in FY2014, while gross profit margin remained stable at 13.1% in FY2014 as compared to 13.3% in FY2013.

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Other income

Other income increased by approximately S\$504,000 or 25.4% from S\$2.0 million in FY2013 to S\$2.5 million in FY2014. This was mainly due to management fees payable by our Group's major supplier, Sorrento Vietnam pursuant to the Management and Technical Consulting Agreement of S\$1.1 million, which was partially offset by the decrease in trade rebates of S\$479,000 assigned by SI Import & Export and Wah Heng receivable from suppliers of furnishings products in relation to the wholesale and retail furnishings business for purchases made by SI Import & Export and Wah Heng on behalf of our Group, as a result of lower sales volume of products with third party brands that our Group distributes through them.

Selling and distribution costs

Selling and distribution costs decreased by approximately S\$419,000 or 23.5% from S\$1.8 million in FY2013 to S\$1.4 million in FY2014 due mainly to the decrease in advertisement and sponsorship expenses and exhibition expenses in aggregate of S\$412,000.

Administrative expenses

Administrative expenses increased by approximately S\$327,000 or 8.5% from S\$3.8 million in FY2013 to S\$4.2 million in FY2014 due to the aggregate increase of S\$315,000 in staff costs arising from an increase in headcount, as well as an increase in remuneration of our Company's directors and directors' fees payable in conjunction with the IPO.

Other expenses

Additionally, our Group's other expenses also increased by approximately S\$1.9 million or 251.3% from S\$750,000 in FY2013 to S\$2.6 million in FY2014 on the back of IPO expenses charged against our Group's profit of S\$1.4 million and the loss on disposal of Sorrento Vietnam of S\$661,000 in relation to the restructuring exercise pursuant to the IPO.

Finance costs

Finance costs increased by approximately S\$421,000 or 13.4% from S\$3.1 million in FY2013 to S\$3.6 million in FY2014 due to an increase in the interest expenses incurred mainly on bank overdrafts and term loans to fund the working capital of our Group's Interior Fit-Out business of S\$290,000 and S\$256,000, respectively.

Profit before income tax

As a result of the foregoing, profit before income tax declined 45.2% to S\$1.9 million, largely due to the one-off IPO related expenses and expenses incurred in relation to the restructuring exercise undertaken prior to the IPO. Had such non-recurring expenses been excluded, our Group would have recorded a 12.7% increase in profit before income tax of S\$3.9 million in FY2014.

Performance Review for HY2015 versus HY2014

Revenue

Revenue increased by approximately S\$11.6 million or 27.9% from S\$41.5 million in HY2014 to S\$53.1 million in HY2015.

Revenue from the Interior Fit-Out business increased by approximately S\$12.5 million or 31.8% from S\$39.3 million in HY2014 to S\$51.8 million in HY2015, which was mainly attributable to;

- (a) S\$16.6 million was attributable to seven (7) new projects which commenced Interior Fit-Out works in HY2015;
- (b) S\$6.9 million was attributable to five (5) projects which had higher levels of project activity in HY2015 compared with HY2014; and

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (c) Partially offset by S\$9.8 million attributable to five (5) projects which had lower levels of project activity as they neared completion in HY2015 as compared with HY2014.

Revenue from the wholesale and retail furnishings business decreased by approximately S\$900,000 or 39.5% from S\$2.3 million in HY2014 to S\$1.4 million in HY2015. This was mainly due to a decrease in sales to customers in the retail furnishings market due to softer market conditions.

Cost of sales

Cost of sales increased by approximately S\$11.7 million or 32.8% from S\$35.7 million in HY2014 to S\$47.4 million in HY2015. This was mainly attributable to the increase in sub-contracting costs and direct costs of approximately S\$8.0 million and S\$2.7 million respectively.

The increase in sub-contracting costs was due to the increase in outsourced labour costs and foreign worker labour costs, which arose from the overall increase in project activity levels, as well as the increase in foreign worker levies payable or embedded in the labour costs incurred by our Group as a result of an increase in the foreign worker levy rates. The increase in direct costs was due to the increase in purchases made as a result of more projects that commenced during HY2015.

Gross profit and gross profit margin

Gross profit decreased by approximately S\$118,000 or 2.0% from S\$5.8 million in HY2014 to S\$5.7 million in HY2015. The decrease in the gross profit margin from 13.9% in HY2014 to 10.7% in HY2015 was mainly due to the proportionately greater increase in cost of sales than the increase in revenue, as discussed above.

Other income

Other income increased by approximately S\$93,000 or 9.3%, from S\$1.0 million in HY2014 to S\$1.1 million in HY2015. The increase in other income related mainly to interest income accrued of approximately S\$300,000 in relation to our Group's advances to Sorrento Vietnam for the purchases of raw materials for the manufacture of panelling products and government grants of S\$62,000, and partially offset by the decrease of S\$178,000 in management fees payable by Sorrento Vietnam pursuant to the Management and Technical Consulting Agreement as a result of a one-off up-front payment payable by Sorrento Vietnam to the Group in HY2014 for the purpose of establishing the arrangements under the Management and Technical Consulting Agreement, as well as the decrease in trade rebates of approximately S\$114,000 assigned by SI Import & Export and Wah Heng receivable from suppliers of furnishings products in relation to the wholesale and retail furnishings business for purchases made by SI Import & Export and Wah Heng on behalf of our Group. Please refer to the sections entitled "**General and Statutory Information – Material Contracts**" of the offer document dated 15 October 2014 issued by our Company in respect of the IPO for further details on the Management and Technical Consulting Agreement, and "**Management's Discussion and Analysis of Results of Operation and Financial Condition – Review of Results of Operations**" and "**Interested Person Transactions – Past Interested Person Transactions**" of the offer document dated 15 October 2014 issued by our Company in respect of the IPO for further details on our Group's transactions with SI Import & Export and Wah Heng.

Selling and distribution costs

Selling and distribution costs remained relatively stable at S\$591,000 in HY2014 and S\$570,000 in HY2015.

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Administrative expenses

Administrative expenses increased by approximately S\$718,000 or 37.7% from S\$1.9 million in HY2014 to S\$2.6 million in HY2015. This was attributable to the increase in employee benefits expense, directors' remuneration and directors' fees payable in aggregate of approximately S\$490,000. The increase in employee benefits expense was due to staff salary increments, as well as the general increase in headcount, while the increase in directors' remuneration and directors' fees was in conjunction with the IPO. In addition, there was an increase in costs for the upkeep of plant and machinery of approximately S\$44,000.

Other expenses

Other expenses decreased by approximately S\$487,000 or 35.3% from S\$1.4 million in HY2014 to S\$891,000 in HY2015. The decrease was mainly due to the loss on disposal of Sorrento Vietnam of approximately S\$661,000 in relation to the Restructuring Exercise and the IPO expenses of S\$231,000 which were incurred in HY2014, partially offset by an increase in provision for overdue retention sums receivable of approximately S\$489,000 in HY2015. The loss on disposal of Sorrento Vietnam arose because of (a) the difference between our Group's historical cost of investment in and the consideration for the disposal of Sorrento Vietnam arising from the currency exchange rate movements between the Vietnamese Dong (which was the transactional currency) and US\$ (which was the reporting currency of Sorrento Vietnam) over the period of our Group's investment in Sorrento Vietnam; and (b) the currency exchange rate movement between the US\$ and S\$ over the period of our Group's investment in Sorrento Vietnam when these US\$ amounts in (a) were converted and recorded in our Group's financial statements in S\$.

Finance costs

Finance costs increased by approximately S\$553,000 or 31.6% from S\$1.8 million in HY2014 to S\$2.3 million in HY2015 mainly due to interest expenses and bank charges payable in relation to loans and credit facilities for general working capital purposes of approximately S\$419,000, respectively.

Profit before income tax

As a result of the foregoing, profit before income tax for the financial period decreased by S\$473,000 from S\$782,000 in HY2014 to S\$309,000 in HY2015.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:**
 - (a) **the most recent completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

STATEMENT OF FINANCIAL POSITION OF OUR GROUP

	Audited as at 31 December 2014 S\$	Unaudited as at 30 June 2015 S\$
ASSETS		
Non-current assets		
Property, plant and equipment	7,721,452	12,776,759
Intangible assets	565,277	541,757
Investment in associate	62,737	113,721
Available-for-sale financial assets	1,800,000	1,800,000
	<hr/> 10,149,466	<hr/> 15,232,237
Current assets		
Inventories	1,336,082	1,205,598
Trade and other receivables	20,827,562	19,766,195
Prepayments	193,222	303,597
Amounts due from contract customers	71,257,116	84,118,669
Cash and cash equivalents	7,515,265	8,610,483
	<hr/> 101,129,247	<hr/> 114,004,542
Total assets	<hr/> 111,278,713	<hr/> 129,236,779
EQUITY AND LIABILITIES		
Equity		
Share capital	24,802,397	24,802,397
Other reserves	(6,801,123)	(6,801,123)
Retained earnings	8,540,618	8,849,403
Equity attributable to owners of the Company	<hr/> 26,541,892	<hr/> 26,850,677
Non-current liabilities		
Bank borrowings	672,384	3,860,575
Finance lease payables	954,627	710,729
Deferred tax liabilities	672,975	668,977
	<hr/> 2,299,986	<hr/> 5,240,281
Current liabilities		
Trade and other payables	21,284,733	30,237,951
Bank borrowings	59,687,415	66,043,564
Finance lease payables	557,053	454,804
Current income tax payable	907,634	409,502
	<hr/> 82,436,835	<hr/> 97,145,821
Total liabilities	<hr/> 84,736,821	<hr/> 102,386,102
Total equity and liabilities	<hr/> 111,278,713	<hr/> 129,236,779

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

For illustrative purposes only, the following is an analysis of the effects of the Rights Issue under the Minimum Subscription Scenario and the Maximum Subscription Scenario on the NAV of our Group assuming that the Rights Issue had been completed on 31 December 2014 and 30 June 2015, respectively:

	As at 31 December 2014	As at 30 June 2015
<u>Before the Rights Issue</u>		
NAV	26,541,892	26,850,677
Number of Shares	150,000,000	150,000,000
NAV per Share (cents)	17.69	17.90
<u>After the Rights Issue</u>		
<i>Assuming Minimum Subscription Scenario</i>		
NAV	32,383,238	32,692,023
Number of Shares	239,019,223	239,019,223
NAV per Share (cents)	13.55	13.68
<i>Assuming Maximum Subscription Scenario</i>		
NAV	36,651,892	36,960,677
Number of Shares	300,000,000	300,000,000
NAV per Share (cents)	12.22	12.32

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

STATEMENT OF CASH FLOWS OF OUR GROUP

	Audited FY2014 S\$	Unaudited HY2015 S\$
Operating activities		
Profit before income tax	1,914,385	374,787
Adjustments for:		
Allowance for impairment loss on doubtful third parties trade receivables	26,197	501,668
Amortisation of intangible asset	47,040	23,520
Allowance for impairment loss on doubtful third parties trade receivables written back	(13,331)	–
Depreciation of property, plant and equipment	1,023,721	541,795
Gain on disposal of plant and equipment	(14,017)	(17,914)
Interest income	(162,103)	(315,786)
Interest expenses	3,557,675	2,303,035
Initial public offering expenses	1,357,759	–
Loss on disposal of available-for-sale financial assets	660,990	–
Plant and equipment written off	–	51,997
Share of results of associate, net of tax	(3,671)	(1,984)
Operating cash flows before working capital changes	8,394,645	3,461,118
Working capital changes:		
Decrease in inventories	300,182	130,484
(Increase) / decrease in trade and other receivables	(9,294,939)	859,698
Increase in prepayments	(31,513)	(110,375)
Increase in amounts due from contract customers	(18,038,011)	(12,861,553)
Increase in trade and other payables	2,854,349	5,053,272
Cash absorbed by operations	(15,815,287)	(3,467,356)
Income tax paid	(279,151)	(568,132)
Net cash used in operating activities	(16,094,438)	(4,035,488)
Investing activities		
Interest received	24,734	15,786
Proceeds from disposal of property, plant and equipment	51,782	152,491
Proceeds from disposal of available-for-sale financial assets	1,004,328	–
Investment in associates	–	(49,000)
Purchase of plant and equipment	(62,690)	(1,127,675)
Net cash from/(used in) investing activities	1,018,154	(1,008,398)

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

	Audited FY2014 S\$	Unaudited HY2015 S\$
Financing activities		
Increase in fixed deposits pledged	(1,055,627)	(567,129)
Interest paid	(3,557,675)	(2,303,035)
Proceeds from issue of ordinary shares	5,175,000	–
Proceeds from issue of redeemable convertible preference shares	3,000,000	–
Proceeds from bank borrowings	67,727,436	48,934,253
Repayments of bank borrowings	(30,392,640)	(41,062,894)
Repayment of finance leases	(580,673)	(346,148)
Loan from related party	–	800,000
Loan from third party	–	3,099,947
Shares issue expenses	(1,768,150)	–
Net cash from financing activities	38,547,671	8,554,994
Net change in cash and cash equivalents	23,471,387	3,511,108
Cash and cash equivalents at beginning of financial year/period	(26,213,330)	(2,741,943)
Cash and cash equivalents at end of financial year/period	(2,741,943)	769,165

Review of cash flows for FY2014

Net cash used in operating activities

In FY2014, net cash used in operating activities of S\$16.1 million consisted of operating cash flow before working capital changes of S\$8.4 million, net of working capital outflow of S\$24.2 million and income tax paid of S\$279,000.

The net working capital outflow arose mainly due to:

- (a) an increase in amounts due from contract customers of S\$18.0 million mainly due to a higher volume of unbilled Interior Fit-Out work-in-progress arising from increased levels of project activity in FY2014;
- (b) an increase in trade and other receivables of S\$9.3 million due mainly to an increase in trade receivables of S\$4.3 million arising from an increase in sales made on credit terms to our customers, and an increase in other receivables of S\$5.0 million. The increase in other receivables relate mainly to loan advances due from Sorrento Vietnam in relation to the purchases of raw materials of S\$3.6 million for the manufacture of Panelling Products and management fees payable by Sorrento Vietnam to our Group pursuant to the Management and Technical Consulting Agreement of approximately S\$1.1 million; and
- (c) partially offset by an increase in trade and other payables of S\$2.9 million due mainly to an increase in purchases made on credit.

Net cash from investing activities

Net cash from investing activities amounted to S\$1.0 million in FY2014 mainly due to proceeds from our disposal of available-for-sale financial assets in relation to Sorrento Vietnam of S\$1.0 million undertaken in relation to the Restructuring Exercise.

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Net cash from financing activities

Net cash from financing activities amounted to S\$38.5 million in FY2014 mainly due to:

- (a) proceeds from bank borrowings of S\$67.7 million primarily in relation to term loans and trust receipts to finance the working capital of our Interior Fit-Out projects;
- (b) proceeds from issuance of Shares of S\$5.2 million in relation to the IPO and the issuance of pre-IPO subscription Shares of S\$3.0 million to new and some of our Company's existing Shareholders for general working capital purposes;
- (c) partially offset by repayment of bank borrowings of S\$30.4 million; and
- (d) partially offset by interest paid of S\$3.6 million, IPO share issue expenses paid of S\$1.8 million and an increase in fixed deposits pledged to secure bank borrowings of S\$1.1 million.

Review of cash flows for HY2015

Net cash used in operating activities

In HY2015, net cash used in operating activities of approximately S\$4.0 million consisted of operating cash flow before working capital changes of S\$3.5 million, net of working capital outflow of S\$6.9 million and income tax paid of S\$568,000. The net working capital outflow arose mainly due to:

- (a) an increase in amounts due from contract customers of approximately S\$12.9 million as a result of higher volume of unbilled Interior Fit-Out work-in-progress arising from increased levels of project activity in HY2015;
- (b) partially offset by a decrease in trade and other receivables of approximately S\$860,000 due to a decrease in other receivables of approximately S\$540,000 as a result of a decrease in advances made to various third party suppliers in relation to the purchases of raw materials, and the decrease in trade receivables of approximately S\$320,000 due to repayment from trade customers; and
- (c) partially offset by an increase in trade and other payables of approximately S\$5.1 million due to an increase in trade purchases made on credit by our Group of approximately S\$3.0 million, and accrued payables to sub-contractors of approximately S\$2.0 million.

Net cash from investing activities

Net cash used in investing activities amounted to approximately S\$1.0 million in HY2015 mainly due to:

- (a) payment in part for the acquisition of the New Property of approximately S\$1.1 million; and
- (b) partially offset by the sale proceeds from disposal of motor vehicles of approximately S\$152,000.

Net cash from financing activities

Net cash from financing activities amounted to approximately S\$8.6 million in HY2015 mainly due to:

- (a) proceeds from bank borrowings of approximately S\$48.9 million primarily in relation to term loans and trust receipts to finance the working capital of our Group's Interior Fit-Out projects; and
- (b) partially offset by repayment of bank borrowings of approximately S\$41.1 million.

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7. **Provide a statement by the directors or equivalent persons of the relevant entity whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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Our Directors are of the opinion that:

- (a) after taking into consideration our Group's internal resources, operating cash flows and present credit facilities, the working capital available to our Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, our Directors are of the opinion that the Rights Issue will allow existing Shareholders to further participate in the future growth of our Group. The Rights Issue would also strengthen our Group's financial position by enlarging its capital base and enhance its financial flexibility to capitalise on potential growth opportunities; and
 - (b) after taking into consideration our Group's internal resources, operating cash flows, present credit facilities and the Net Proceeds, the working capital available to our Group is sufficient to meet its present requirements.
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8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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To the best of our Directors' knowledge and belief as at the date of lodgement of this Offer Information Statement, our Directors are not aware of any breach by any entity in our Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect our Group's financial position and results or business operations, or the investments by holders of securities in our Group.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PROSPECTS

In Singapore, the property cooling measures implemented by regulators have moderated demand for the residential property market in 2014. Although developers may adopt a cautious stance amid a slowdown in demand, private construction demand is still anticipated to be healthy at between S\$11.0 billion to S\$15.0 billion in 2015¹.

While competition in the Interior Fit-Out industry is expected to remain strong, we are optimistic that our years of proven track record, reliability and ability to complete projects within a short time frame without compromising on quality, will place us in a favourable position to garner more projects.

In addition, we have also over the years, built strong and long-standing relationships with our customers which have led to numerous repeat collaborations.

The purchase of the New Property was completed in June 2015, upon which our Group intends to relocate our production facilities and furnishing showroom to this property. This will allow our Group to utilise more space at our head office premises at 49 Sungei Kadut Loop, Singapore 729492 for office expansion and warehousing purposes. The New Property will be used for the setting up of new production facilities, showrooms and warehousing systems to support our Group's growing Interior Fit-Out business.

Leveraging on our capabilities, our Group is also exploring opportunities to strengthen our presence in the emerging Southeast Asian markets, particularly, Myanmar, Vietnam, Cambodia and Thailand.

Our Group has identified two key markets with high growth potential, namely, Myanmar and Vietnam.

In Myanmar, our Group had noted that in tandem with its robust population growth, which is projected to grow to a high of 57.6 million in 2020² from its current 53.7 million, Myanmar's construction sector is also expected to achieve a 46.0% growth from a value of close to US\$3.0 billion in 2012 to US\$4.2 billion in 2016³.

In Vietnam late last year, it was announced that Vietnam was easing restrictions on foreign ownership of property⁴ which is expected to spur foreign investors' interests in the up-scale segment of the Vietnamese property market. As such, we believe that Vietnam's high-end property market is likely to witness positive years ahead.

On the back of this outlook, we believe that our Group's business strategies are on the right track. Moving forward, our newly acquired public-listed status will put us in good stead as we continue to explore new Interior Fit-Out project opportunities locally as well as in these emerging markets, not only in the residential sector but also in the commercial, hospitality and retail sectors. However, our Group's operating environment is expected to remain challenging on the back of weakened private construction demand in Singapore arising from the property cooling measures implemented by the Singapore government, as well as the tightening in supply of foreign workers and increase in foreign worker levies. In spite of the challenges, our Group has secured a total of 14 new Interior Fit-Out projects amounting to S\$46.3 million since our IPO, with a total order book of S\$63.6 million as at 30 June 2015. Our Directors believe that our Company's public-listed status will stand our Group in good stead as it continues to explore new Interior Fit-Out project opportunities locally and in other emerging Southeast Asian markets, in particular, Myanmar, Vietnam, Cambodia and

¹ http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html

² <http://worldpopulationreview.com/countries/myanmar-population/>

³ <http://www.bca.gov.sg/exportservices/others/myanmarcountryreport.pdf>

⁴ <http://uk.reuters.com/article/2014/11/28/vietnam-property-idUKL3N0TH2AL20141128>

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Thailand. Our Group will also seek to leverage on its track record and capabilities to secure more Interior Fit-Out projects not only in the residential sector, but also in the commercial, hospitality and retail sectors including home renovation.

Save as disclosed in this Offer Information Statement, and in particular, the section entitled “**Risk Factors**” and as disclosed by our Company on the SGXNET, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of our Group.

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10. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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11. **Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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12. **Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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13. **Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**
- (a) **a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
 - (b) **a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

Significant Change

15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement and in public announcements made by our Company on the SGXNET, our Directors are not aware of any event which has occurred since 31 December 2014 up to the Latest Practicable Date which may have a material effect on the financial position and results of our Group.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VI (THE OFFER AND LISTING)

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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The Issue Price for each Rights Share is S\$0.07, payable in full on acceptance and/or application.

The expenses incurred in the Rights Issue will not be charged to subscribers or Purchasers of the Rights Shares. However, an administrative fee will be charged by the Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

Not applicable. The Shares and the Rights Shares will be listed, quoted and traded on Catalist.

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders or equity interest-holders has pre-emptive rights to subscribe for or purchase the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further details.

Wah Heng, an Entitled Shareholder is entitled to subscribe for 55,631,636 Rights Shares in connection with the Rights Issue. Pursuant to the Loan Agreements, Wah Heng agreed and undertook to renounce the Renounced Shares to Sinbor and Winmark while Sinbor and Winmark undertook irrevocably and unconditionally to our Company to subscribe for the Renounced Shares. The payment for the Rights Shares shall be satisfied by Sinbor and Winmark through the offering of the Loan, and the Loan owing by our Company to Sinbor and Winmark shall be deemed fully repaid by our Company upon the allotment and issuance of the fully paid Renounced Shares to Sinbor and Winmark by our Company. The offer price for the Renounced Shares is S\$0.07 per Rights Share.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

-
- (a) The Shares were listed and quoted on Catalist on 28 October 2014, less than twelve (12) months immediately preceding the Latest Practicable Date.
- (b) The price range and volume of the Shares traded on Catalist during each of the calendar months immediately preceding the Latest Practicable Date and for the period from 1 August 2015 to the Latest Practicable Date are as follows:

Month	Price Range		Share Volume ⁽³⁾ (‘000)
	High ⁽¹⁾ (S\$)	Low ⁽²⁾ (S\$)	
October 2014	0.245	0.215	8,246
November 2014	0.230	0.197	2,842
December 2014	0.215	0.205	178
January 2015	0.210	0.200	132
February 2015	0.210	0.210	2
March 2015	0.210	0.150	303
April 2015	0.199	0.150	531
May 2015	0.139	0.138	103
June 2015	0.190	0.126	142
1 July 2015	0.146	0.081	526
1 August 2015 to the Latest Practicable Date	0.130	0.071	185

Source: Bloomberg⁽⁴⁾

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Notes:

- (1) Based on the highest daily closing price for the Shares in a particular month.
 - (2) Based on the lowest daily closing price for the Shares in a particular month.
 - (3) Based on the total volume of the Shares traded in a particular month.
 - (4) Bloomberg L.P. has not consented to the inclusion of the price range and volume of Shares quoted under this paragraph and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. Our Company has included the above price range of Shares in their proper form and context in this Offer Information Statement and has not verified the accuracy of such information.
- (c) Since our Company's listing on Catalist on 28 October 2014 and up to the Latest Practicable Date, there has been no trading suspension for the Shares.
- (d) Please refer to the table to (b) above.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) **A statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

Not applicable as the Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

The Rights Shares are to be issued pursuant to the authority granted to the Directors pursuant to the approval obtained from Shareholders at the annual general meeting of our Company held on 27 April 2015.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

Basis of Provisional Allotment : The Rights Issue is made on a renounceable partially-underwritten basis by our Company of up to 150,000,000 Rights Shares at the Issue Price on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date.

Fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' allotments and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

applications for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner as our Directors may in their absolute discretion deem fit in the interests of our Company.

Entitled Shareholders : Entitled Shareholders will be at liberty (in full or in part) to accept, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for Excess Rights Shares. For the avoidance of doubt, only Entitled Shareholders and not the Purchasers or the renouces shall be entitled to apply for Excess Rights Shares.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over our Company in connection with the day to day affairs of our Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Foreign Shareholders : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

Terms and Conditions : The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, including the Appendices to this Offer Information Statement, the ARE, the ARS and the PAL. The Rights Shares are not offered through any broker or dealer.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

The Company has appointed SAC Capital as the Manager and Underwriter of the Rights Issue pursuant to which SAC Capital has agreed to manage the Rights Issue and to partially-underwrite up to 21,428,571 Rights Shares comprising 14.3% of the Rights Shares subject to the terms and conditions of the Management and Underwriting Agreement. For the avoidance of doubt, SAC Capital's underwriting obligations will cease in the event that by the Closing Date, valid acceptances and/or applications for 89,019,223 Rights Shares have been received.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In consideration of the Management and Underwriting Agreement to partially-underwrite the Rights Issue, our Company will pay the Underwriter an underwriting commission of 3.0% of the Issue Price for the total number of Underwritten Rights Shares in accordance with the terms of the Management and Underwriting Agreement.

The underwriting commitment of the Underwriter under the Management and Underwriting Agreement is conditional upon, *inter alia*, the following:

- (a) 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 our Company and the Manager and Underwriter 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;
- (b) the Offer Information Statement having been lodged with the SGX-ST acting as agent on behalf of the Authority in accordance with and for the purposes of the Securities and Futures Act; and
- (c) there having been, between the date of the Management and Underwriting Agreement and on or before the Ex-Rights Trading Date, save as disclosed in the Offer Information Statement and on SGXNET prior to that date, no material adverse change, or any development (including but not limited to any event or series of events in the nature of force majeure) likely to result in a material adverse change, in the business or financial condition of the Company or the Group as a whole from that set forth in the audited accounts of the Company and the audited consolidated accounts of the Group for FY2014 or the unaudited HY2015 financial statements or the Offer Information Statement and the official application forms to be used for the purposes of the Rights Shares to be issued together with the Offer Information Statement, nor the occurrence of any event (including but not limited to any event or series of events in the nature of *force majeure*) nor the discovery of any fact or circumstances rendering untrue or incorrect in any material respect any of the warranties or representations contained in Clause 6 of the Management and Underwriting Agreement as if they were repeated on and as of the Ex-Rights Trading Date with reference to the facts and circumstances then subsisting nor the occurrence of any breach by the Company of any of the undertakings and agreements contained in Clause 6 of the Management and Underwriting Agreement in any material respect.

Under the Management and Underwriting Agreement, our Company has, *inter alia*, undertaken that it will not,

- (a) prior to the 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
- (b) without the prior written consent of the Manager and Underwriter (such consent not to be unreasonably withheld), at any time on or before the expiry of 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).

The Underwriter 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.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VII (ADDITIONAL INFORMATION)

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not applicable. No statement or report made by or attributed to a person as an expert is included in this Offer Information Statement.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) in the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

SAC Capital, as the Manager and Underwriter, has given and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name and all references thereto, in the form and context in which it appears in this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Other Matters

- 5. Include particulars of any other matters not disclosed under any paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity's business, operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity.**
-

Save as disclosed in this Offer Information Statement and to the best of our Directors' knowledge, our Directors are not aware of any other matter which could materially affect, directly or indirectly:

- (a) our Company's business operations or financial position or results; or
- (b) investments by holders of securities in our Company.

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PART VIII (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES)

Not applicable.

PART IX (ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES)

Not applicable.

PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE)

1. Provide –

(a) the particulars of the rights issue;

Please refer to the section entitled “Summary of the Rights Issue” of this Offer Information Statement for the particulars of the Rights Issue.

(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;

The last date and time for splitting of the provisional allotments of Rights Shares is on **17 September 2015 at 5.00 p.m.**

(c) the last day and time for acceptance and payment for the securities to be issued pursuant to the rights issue;

The last date and time for acceptance of Rights Shares, application for the Excess Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on **23 September 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications).**

(d) the last day and time for the renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;

The last date and time for the renunciation of and acceptance of and payment by the renounee for the Rights Shares is on **23 September 2015 at 5.00 p.m.**

(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

The allotment and issue of the Rights Shares are governed by the terms and conditions as set out in this Offer Information Statement, in particular, Appendices A to C of this Offer Information Statement, and the PAL, the ARE and the ARS.

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- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and
-

Undertakings given by the Undertaking Shareholders

Pursuant to the Rights Issue, Winston Chia and Johnston Chia are Entitled Shareholders of our Company, and are entitled to 19,479,714 Rights Shares and 89,650 Rights Shares, respectively. Winston Chia and Johnston Chia have undertaken irrevocably and unconditionally to our Company to subscribe for the Loan Shareholders' Rights Shares. The payment for the Loan Shareholders' Rights Shares shall be satisfied by Winston Chia and Johnston Chia through the offering of the Shareholders' Loan, and the Shareholders' Loan owing by our Company to Winston Chia and Johnston Chia shall be deemed fully repaid by our Company upon the allotment and issuance of the fully paid Loan Shareholders' Rights Shares to Winston Chia and Johnston Chia by our Company.

Pursuant to the Rights Issue, Wah Heng is an Entitled Shareholder of the Company, and is entitled to 55,631,636 Rights Shares. Wah Heng has undertaken irrevocably and unconditionally to the Company to subscribe for the Wah Heng Undertaken Rights Shares. The consideration for Wah Heng Undertaken Rights Shares shall be satisfied by offsetting the Wah Heng Loan, and the Wah Heng Loan owing by the Company to Wah Heng shall be deemed fully repaid by the Company upon the allotment and issuance of the fully paid Wah Heng Undertaken Rights Shares to Wah Heng by the Company.

Undertaking given by the Undertaking Lenders

Pursuant to the Loan Agreements, Sinbor and Winmark are interested to subscribe for the Rights Shares in connection with the Rights Issue and Wah Heng, an Entitled Shareholder of our Company shall renounce the Renounced Shares to Sinbor and Winmark free of encumbrances and in accordance with the terms and conditions of the Rights Issue. Sinbor and Winmark have undertaken irrevocably and unconditionally to our Company to subscribe for the Renounced Shares. The payment for the Renounced Shares shall be satisfied by Sinbor and Winmark through the offering of the Loan, and the Loan owing by our Company to Sinbor and Winmark shall be deemed fully repaid by our Company upon the allotment and issuance of the fully paid Renounced Shares to Sinbor and Winmark by our Company.

No commission is payable to the Undertaking Lenders and Undertaking Shareholders in connection to the Rights Undertakings.

(a) Scenario 1

Assuming the Maximum Subscription Scenario, the aggregate voting rights and respective shareholdings of the Undertaking Shareholders and Substantial Shareholders in our Company immediately before and after the close of the Rights Issue are set out below:

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	Before the Rights Issue and as at the Latest Practicable Date				After the close of the Rights Issue			
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%	Direct Interest Number of Shares	% ⁽⁵⁾	Deemed Interest Number of Shares	% ⁽⁵⁾
Undertaking Shareholder								
Winston Chia ⁽¹⁾	19,479,714	12.99	173,913	0.12	38,959,428	12.99	347,826	0.12
Johnston Chia	89,650	0.06	–	–	179,300	0.06	–	–
Wah Heng ⁽²⁾	55,631,636	37.09	–	–	69,490,842	23.16	–	–
Undertaking Lender								
Sinbor ⁽³⁾	–	–	–	–	28,000,000	9.33	–	–
Winmark ^{(3) (4)}	–	–	–	–	13,772,430	4.59	28,000,000	9.33
Substantial Shareholder								
Lauv Uy Long	17,477,775	11.65	–	–	34,955,550	11.65	–	–
Chen Qingliao	10,730,996	7.15	–	–	21,461,992	7.15	–	–

Notes:

- (1) Winston Chia is deemed to be interested in the 173,913 Shares held by his spouse, How Choon Hiong, by virtue of Section 164(15) of the Companies Act.
- (2) Chia Ah Kau and his spouse, Ng Wan, hold 36.7% and 43.3% of the issued and paid-up share capital of Wah Heng respectively, and each of them is therefore deemed to have an interest in the Shares held by Wah Heng pursuant to Section 7 of the Companies Act, Cap 50.
- (3) Winmark Investments Pte Ltd, Quek Meng Liat and Quek Wey Lon, hold 25.00%, 52.76% and 22.24% of the issued and paid-up share capital of Sinbor, respectively. Each of them is therefore deemed to have an interest in the shares held by Sinbor pursuant to Section 7 of the Companies Act, Cap 50. of Singapore.
- (4) Tan Tien Hin Winston and Lim Sioh Tin Amy each hold 50.00% of the issued and paid-up capital of Winmark Investments Pte Ltd. Each of them is therefore deemed to have an interest in the shares held by Winmark pursuant to Section 7 of the Companies Act, Cap 50. of Singapore.
- (5) The percentages are calculated based on an enlarged share capital of 300,000,000 Shares.

(b) Scenario 2

Assuming the Minimum Subscription Scenario, the aggregate voting rights and respective shareholdings of the Undertaking Shareholders and Substantial Shareholders in our Company immediately before and after the close of the Rights Issue are set out below:

	Before the Rights Issue and as at the Latest Practicable Date				After the close of the Rights Issue			
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%	Direct Interest Number of Shares	% ⁽⁵⁾	Deemed Interest Number of Shares	% ⁽⁵⁾
Undertaking Shareholder								
Winston Chia ⁽¹⁾	19,479,714	12.99	173,913	0.12	33,779,714	14.13	173,913	0.07
Johnston Chia	89,650	0.06	–	–	179,300	0.08	–	–
Wah Heng ⁽²⁾	55,631,636	37.09	–	–	67,060,208	28.06	–	–
Undertaking Lender								
Sinbor ⁽³⁾	–	–	–	–	28,000,000	11.71	–	–
Winmark ^{(3) (4)}	–	–	–	–	13,772,430	5.76	28,000,000	11.71
Substantial Shareholder								
Lauv Uy Long	17,477,775	11.65	–	–	17,477,775	7.31	–	–
Chen Qingliao	10,730,996	7.15	–	–	10,730,996	4.49	–	–
Underwriter								
SAC Capital	–	–	–	–	21,428,571	8.97	–	–

Notes:

- (1) Winston Chia is deemed to be interested in the 173,913 Shares held by his spouse, How Choon Hiong, by virtue of Section 164(15) of the Companies Act.
- (2) Chia Ah Kau and his spouse, Ng Wan, hold 36.7% and 43.3% of the issued and paid-up share capital of Wah Heng respectively, and each of them is therefore deemed to have an interest in the Shares held by Wah Heng pursuant to Section 7 of the Companies Act, Cap 50.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (3) Winmark Investments Pte Ltd, Quek Meng Liat and Quek Wey Lon, hold 25.00%, 52.76% and 22.24% of the issued and paid-up share capital of Sinbor, respectively. Each of them is therefore deemed to have an interest in the shares held by Sinbor pursuant to Section 7 of the Companies Act, Cap 50. of Singapore.
- (4) Tan Tien Hin Winston and Lim Sioh Tin Amy each hold 50.00% of the issued and paid-up capital of Winmark Investments Pte Ltd. Each of them is therefore deemed to have an interest in the shares held by Winmark pursuant to Section 7 of the Companies Act, Cap 50. of Singapore.
- (5) The percentages are calculated based on an enlarged share capital of 239,019,223 Shares.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The Rights Issue is partially-underwritten by the Underwriter pursuant to the terms of the Management and Underwriting Agreement.

Having regard to the Loan Agreements, the Wah Heng Loan Agreement and the Shareholders' Loan Agreements and underwriting costs and commission payable, our Directors have decided for the Rights Issue to be partially-underwritten by SAC Capital.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER
APPENDIX 8A OF THE CATALIST RULES**

Working Capital

1. **Provide a review of the working capital for the last three (3) financial years and the latest half year, if applicable.**

The working capital of our Group as at 31 December 2012, 2013, 2014 and 30 June 2015 are set out below:

	Audited as at 31 December 2012 S\$	Audited as at 31 December 2013 S\$	Audited as at 31 December 2014 S\$	Unaudited as at 30 June 2015 S\$
Total current assets	56,741,263	74,391,199	101,129,247	114,004,542
Total current liabilities	51,395,333	66,077,819	82,436,835	97,145,821
Net Working Capital	5,345,930	8,313,380	18,692,412	16,858,721

Review of Working Capital

As at 31 December 2013 versus 31 December 2012

Our Group's working capital increased by approximately S\$3.0 million from S\$5.3 million as at 31 December 2012 to S\$8.3 million as at 31 December 2013. This was due to an increase in current assets of S\$17.6 million which was offset by an increase in current liabilities of S\$14.7 million.

Current assets increased by S\$17.6 million to S\$74.4 million as at 31 December 2013 due mainly to (i) the increase in amounts due from contract customers of S\$10.7 million mainly due to the higher volume of unbilled Interior Fit-Out works-in-progress arising from increased level of projects activity for FY2013; and (ii) an increase in trade and other receivables of S\$2.3 million mainly due to higher sales made to customers on credit terms; an increase in loan to SI Import and Export of S\$0.7 million; and dividend receivable from an associated company, J-Plan Associates Pte Ltd of S\$0.5 million.

Current liabilities increased by S\$14.7 million to S\$66.1 million as at 31 December 2013 due mainly to an increase in bank borrowings of S\$6.9 million for project financing in respect of our Interior Fit-Out business, as well as an increase in trade and other payables of S\$7.4 million due mainly to the increase of in purchases made on credit, and accrued payables to sub-contractors.

As at 31 December 2014 versus 31 December 2013

Our Group's working capital increased by approximately S\$10.4 million from S\$8.3 million as at 31 December 2013 to S\$18.7 million as at 31 December 2014. This was due to an increase in current assets of S\$26.7 million which was offset by an increase in current liabilities of S\$16.4 million.

Current assets increased by S\$26.7 million to S\$101.1 million as at 31 December 2014 due mainly to the increase in amounts due from contract customers of S\$18.0 million arising from higher volume of unbilled Interior Fit-Out work-in-progress arising from increased levels of project activities in FY2014, and an increase in trade and other receivables of S\$9.4 million arising from an increase in sales made on credit terms of S\$4.3 million to customers and an increase in other receivables which relate mainly to loan advances due from Sorrento Vietnam in relation to the purchases of raw materials of S\$3.6 million for the manufacture of Panelling Products.

Current liabilities increased by S\$16.4 million to S\$82.4 million as at 31 December 2014 due mainly to an increase in bank borrowings of S\$12.9 million to fund our working capital for our Interior Fit-Out business, as well as an increase in trade and other payables of S\$2.9 million.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8A OF THE CATALIST RULES

As at 30 June 2015 versus 31 December 2014

Our Group's working capital decreased by approximately S\$1.8 million from S\$18.7 million as at 31 December 2014 to S\$16.9 million as at 30 June 2015. This was due to an increase in current assets of S\$12.9 million which was offset by an increase in current liabilities of S\$14.7 million.

Current assets increased by \$12.9 million to S\$114.0 million as at 30 June 2015 due mainly to the increase in amounts due from contract customers of approximately S\$12.9 million, as a result of the higher volume of unbilled Interior Fit-Out work-in-progress arising from increased levels of project activity in HY2015.

Current liabilities increased by S\$14.7 million to S\$97.1 million as at 30 June 2015 due mainly to an increase in loans and credit facilities of approximately S\$9.4 million for general working capital purposes, as well as an increase in trade and other payables, which consisted primarily of amounts payable to the Group's suppliers and sub-contractors for purchases made on credit for raw materials and accessories, and accrued expenses for Interior Fit-Out works performed by the Group's sub-contractors in aggregate of approximately S\$5.0 million.

2. Convertible Securities

- (i) **Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Catalist Rules.**
- (ii) **Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

Not applicable. The Rights Issue does not involve an issue of convertible securities.

3. Responsibility Statement

A responsibility statement by the sponsor and/or financial adviser stating that to the best of the Sponsor's and/or financial adviser's knowledge and belief, the document constitutes full and true disclosure of all material facts about the rights issue, the issuer and its subsidiaries, and the sponsor and/or financial adviser is/are not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that they are satisfied that the profit forecast has been stated by the directors after reasonable enquiry.

To the best of the knowledge and belief of the Manager, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Rights Shares, our Company and its subsidiaries and the Manager is not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

Acceptances of the provisional allotment of and any Excess Application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Memorandum and Articles of Association of our Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, our Company may, at its absolute discretion, reject or treat as invalid any such application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

Our Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Right Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renouncee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renouncee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares should note that all dealings in and transactions of the provisional allotments of Rights Shares through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on Catalist.

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

2.2 Insufficient Payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder;

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix A entitled "Appropriation" which sets out the circumstances and manner in which our Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, our Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotments of Right Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one (1) person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs (“**Split Letters**”) according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned by post in the self-addressed envelope provided, at the sender’s own risk, to reach **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, not later than **5.00 p.m. on 17 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 17 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

The Split Letters representing the number of Rights Shares, which Entitled Scripholders intend to renounce, may be renounced by completing the Form for Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and forward the said Split Letter(s) together with remittance for the payment in the prescribed manner to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company). Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s). The renounee should complete and sign Form D and send Form D, together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

4. PAYMENT

Payment for full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SERRANO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the remittance. The completed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided at the sender's own risk, to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623**, so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in this Offer Information Statement is not received by **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapsed and become void and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of our Company. Our Company will return all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within fourteen (14) days after the Closing Date.

5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to the application for Excess Rights Shares, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares.

Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the form for the application for Excess Rights Shares (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above, by post in the self-addressed envelope provided at their own risk, to **SERRANO LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

The Excess Rights Shares are available for application subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of our Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s) of the provisional allotments of Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Memorandum and Articles of Association.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

In the event that applications are received by our Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of our Company. In the allotment of Excess Rights Shares applied for from provisional allotments not taken up for any reason, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over our Company in connection with the day-to-day affairs of our Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. Our Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason whatsoever. CDP takes no responsibility for any decision that the Directors may make. In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by our Company, as the case may be, will be refunded to them by our Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, legal adviser, accountant or other professional adviser immediately.

Upon listing and quotation on Catalist, the Rights Shares when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through Catalist and/or CDP shall be made in accordance with CDP's ("**Terms and Conditions for Operation of Securities Accounts with CDP**"), as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts before accepting any Rights Shares or applying for any Excess Rights Shares in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

delivery pursuant to trades done on Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP. A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on Catalist, must deposit with CDP his existing share certificate(s), together with the duly stamped and executed instrument(s) of transfer in favour of CDP, pay the applicable fees and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 23 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF OUR COMPANY).

7. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Depositor or Purchaser (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined below) for the Purposes (as defined below), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons (as defined below) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX B – PROCEDURES FOR ACCEPTANCE AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of our Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares in addition to the Rights Shares he has been provisionally allotted, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

Use of SRS Funds

SRS investors who had previously bought Shares using their SRS accounts can only use, subject to certain conditions as may be imposed under the SRS rules and regulations and/or by the SRS operators, the funds from their SRS Accounts (subject further to the availability of investible funds) (“SRS Funds”) to subscribe for the Rights Shares and (if applicable) apply for the Excess Rights Shares. SRS investors who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS Funds will need to instruct the relevant approved banks in which they hold their SRS accounts to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Entitled Depositors who have insufficient funds in their SRS account may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares. SRS investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptances and/or applications made directly through CDP, the Share Registrar and/or our Company, and/or through ATMs of the Participating Banks will be rejected. SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market.

For and on behalf of our Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application, and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the Excess Application is in breach of the terms of the ARE or the Offer Information Statement, at

APPENDIX B – PROCEDURES FOR ACCEPTANCE AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, our Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

Our Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application for acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

An Entitled Depositor may accept his provisional allotment of Rights Shares specified in his ARE and (if applicable) apply for Excess Rights Shares either through CDP or by way of Electronic Application through an ATM of a Participating Bank as described below. For investors who hold Shares through finance companies or Depository Agents or SRS accounts, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. For such investors, applications for Rights Shares and/or Excess Rights Shares made directly through CDP, the Share Registrar, our Company or through an ATM of a Participating Bank will be rejected.

APPENDIX B – PROCEDURES FOR ACCEPTANCE AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, OUR COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS OUR COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of Excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to **“CDP — SERRANO RIGHTS ISSUE ACCOUNT”**; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
 - (i) by hand to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER’S OWN RISK**, in the self-addressed envelope provided, to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to **“CDP — SERRANO RIGHTS ISSUE ACCOUNT”** and crossed **“NOT NEGOTIABLE, A/C PAYEE ONLY”** with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

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NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by our Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix B which set out the circumstances and manner in which our Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on our Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of our Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY**

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ORDINARY POST AND AT THE PURCHASERS' OWN RISK, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of our Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), our Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as our Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised our Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as our Company and/or CDP may, in their/its absolute discretion, deem fit.

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4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ORDINARY SHARE AT AN ISSUE PRICE OF S\$0.07)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
|---|---|
| (a) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for Excess Rights Shares. | (1) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 23 September 2015 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company); or |
| | (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 10,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$700.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " CDP — SERRANO RIGHTS ISSUE ACCOUNT " and crossed " NOT NEGOTIABLE, A/C PAYEE ONLY " for the full amount due on acceptance and (if applicable) application, by hand to SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 or by post, at his own risk, in the self-addressed envelope provided to SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 23 September 2015 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. |

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

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(b) Accept a portion of his provisional allotment of Rights Shares, for example 100 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) Accept his provisional allotment of 100 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 100 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$7.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

The balance of the provisional allotment of 9,900 Rights Shares which is not accepted by the Entitled Depositor may be traded on the Catalist during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 100 provisionally allotted Rights Shares, not apply for Excess Rights Shares and reject the balance.

- (1) Accept his provisional allotment of 100 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 100 Rights Shares and forward the original signed ARE, together with a single remittance for S\$7.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

The balance of the provisional allotment of 9,900 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company) or if an acceptance is not made through CDP by **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 23 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF OUR COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) 5.00 P.M. ON 23 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF OUR COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company) or through CDP by **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of our Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by means of a crossed cheque in Singapore currency sent by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as recorded with CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix B, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Right Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to our Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or
 - (ii) the amounts as stated in Parts (A) and (B) of Section (II) in the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the Excess Rights Shares,

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our Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on our Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. Without prejudice to the above, CDP shall be entitled to make such appropriation for each application based on the amount received for that application notwithstanding payment (or overpayment) made in that or other application(s). The determination and appropriation by our Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised our Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), our Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as our Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised our Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) which he has authorised or deemed to have authorised to apply towards the payment for acceptance of the Rights Shares and/or application for Excess Rights Shares in whichever mode or combination as our Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of our Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by our Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of our Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares applied for from provisional allotments not taken up for any reason, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors who have control or influence over our Company in connection with the day-to-day affairs of our Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. Our Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

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If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to our Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SERRANO RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **SERRANO LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP (where acceptance is through CDP), at the Entitled Depositors' or the Purchasers' (as the case may be) own risk within fourteen (14) days after the Closing Date.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

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5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. Our Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor our Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

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5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, an Entitled Depositor or Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, CPF Board, the SGX-ST, our Company and the Manager (the “Relevant Persons”) for the purpose of facilitating his applications for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks. Please read carefully the terms and conditions of this Offer Information Statement, the instructions are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of, and (if applicable) apply for Excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Excess Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application through an ATM of the Participating Bank.

The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE and/or ARS.

For investors who hold Shares through finance companies or Depository Agents or SRS investors who had bought Shares using their SRS accounts, acceptances of the Right Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors and SRS investors are advised to provide their respective finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) applications for Excess Rights Shares on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Share Registrar and/or our Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Share Registrar and/or our Company will be rejected.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number, CPF investment account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, CDP, CPF, the SGX-ST and our Company, the Manager and Underwriter and any other relevant parties (the “Relevant Parties”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, on the ATM) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by way of acceptance through Electronic Application through an ATM of a Participating Bank, our Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

the case may be) and by Electronic Application through an ATM of a Participating Bank, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the “Free Balance” of his Securities Account which is available for acceptance and payment as at the Closing Date. Our Company and/or CDP, in determining the number of Rights Shares for which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier’s Order or Banker’s Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.

- (6) If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of ARE and by way of application through Electronic Application through an ATM of a Participating Bank, our Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank. Our Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier’s Order or Banker’s Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Applicant irrevocably requests and authorises our Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by our Company for any reason, by automatically crediting the Applicant’s bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant’s bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of our Company, CDP, the Share Registrar, the Manager and Underwriter and/or the Participating Banks) and any other events whatsoever beyond the control of our Company, CDP, the Share Registrar, the Manager and Underwriter and/or the Participating Banks and if, in any such event, our Company, CDP, the Share Registrar, the Manager and Underwriter and/or the Participating Banks do not record or receive the Applicant’s Electronic Application by **9.30 p.m. on**

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

23 September 2015 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against our Company, CDP, the Share Registrar, the Manager and Underwriter and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.

- (10) **Electronic Applications may only be made through an ATM of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m..**
- (11) Electronic Applications shall close at **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of our Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 23 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of our Company) and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the SGX-ST acting as agent on behalf of the Authority);
 - (b) his Electronic Application, the acceptance by our Company and the contract resulting therefrom shall be governed by, and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of our Company, the Manager and Underwriter, CDP, the Share Registrar, or the Participating Banks shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to our Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

- (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) application for Excess Rights Shares;
 - (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. Our Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE and/or ARS and/or by way of Electronic Application through any ATM of a Participating Bank, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as our Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** at his own risk to his mailing address, as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions, if he accepts and (if applicable) applies through CDP; and/or
 - (b) crediting the Applicant's bank account with the relevant Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to our Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of the Rights Shares which he can validly accept, our Company and/or CDP are entitled and the Applicant authorises our Company and/or CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of the Rights Shares that the Applicant has validly accepted, whether under the ARE and/or any other application form (including Electronic Application through an ATM) for the Rights Shares;

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF THE PARTICIPATING BANKS

- (b) the total number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the “Free Balance” of the Applicant’s Securities Account which is available for acceptance; and
- (c) the total number of Rights Shares represented by the provisional allotment of the Rights Shares which has been disposed of by the Applicant.

The Applicant acknowledges that our Company’s and/or CDP’s determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises our Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of the Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Memorandum and Articles of Association and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, our Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) Our Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

**APPENDIX D – LIST OF PARTICIPATING BANKS FOR ELECTRONIC
APPLICATIONS THROUGH AN ATM**

- (a) DBS Bank Ltd. (including POSB);
- (b) Overseas–Chinese Banking Corporation Limited; and
- (c) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, our Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

Offer Information Statement

Dated this 4th day of September 2015

Board of Directors of Serrano Limited

Winston Chia Wing Keong
Executive Chairman and
Chief Executive Officer

Johnston Chia Wing Hock
Executive Director

Eugene Tse Yue-Jen
Executive Director

Ong Kian Guan
Lead Independent Director

Choh Thian Chee Irving
Independent Director

James Kho Chung Wah
Independent Director