ZAGRO ASIA LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 199406784D

INCREASED INVESTMENT IN WHOLLY-OWNED SUBSIDIARY

The Board of Directors of Zagro Asia Limited ("the Company") wishes to announce that it has increased the capital contribution of its wholly-owned subsidiary, Zagro Australia Pty Ltd ("ZAP") from AUD300,000.00 to AUD1.1 million by way of capitalization of an inter-company loan owing by ZAP.

The above transaction is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the current financial year.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Poh Beng Swee
Chairman

Date: 31 December 2014