

**VARD HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Registration No. 201012504K)

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**INCREASE IN SHAREHOLDINGS IN A SUBSIDIARY, VARD PROMAR SA**

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The Board of Directors of Vard Holdings Limited (the "Company" and together with its subsidiaries, the "Group") wishes to inform that its wholly-owned subsidiary, Vard Group AS, has increased its shareholdings in the Company's indirect subsidiary, Vard Promar SA ("Promar"), from 50.5% to 95.15%.

The increase in shareholdings results from a capital increase of BRL 532 million in Promar that, not being underwritten by minorities, is entirely taken up by Vard Group AS through the conversion of shareholder loans extended to Promar between 2015 and 2016 into newly issued equity, with no cash consideration. The conversion ratio of the shareholder loans into new shares was based on valuations performed by the Company and negotiated on a 'willing-buyer willing-seller' basis. Shareholder loans with a nominal value of approximately BRL 532 million were converted into equity.

The transaction has a limited impact on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2016.

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**

Roy Reite  
Executive Director and Chief Executive Officer  
5 August 2016