

FOR IMMEDIATE RELEASE

Petra Foods, Barry Callebaut agree to settle dispute

- *Both parties agree to settle the dispute arising from the sale of the Group's Cocoa Ingredients business to Barry Callebaut in 2013*
- *Mutually agree US\$38 million as the adjustment to the closing price as provided in the Share Purchase Agreement dated 30 June 2013.*

SINGAPORE - 28 August 2015 - Mainboard listed chocolate confectionery company, Petra Foods Limited ("**Petra Foods**" or the "**Group**") announces today that it has entered into a Settlement Agreement with Barry Callebaut with regards to the previously announced dispute and resulting arbitration with Barry Callebaut.

The dispute pertained to the sale of the Company's Cocoa Ingredients business to Barry Callebaut which was completed on 30 June 2013 and for which Barry Callebaut had sought an adjustment of US\$103 million.

Under the settlement, the Company and Barry Callebaut have agreed, among other things, to fully and finally settle the Dispute and discontinue the arbitration, without any admission of liability by the Company or Barry Callebaut. As part of the settlement, the Parties have mutually agreed that Petra Foods will pay a sum of US\$38 million plus interest of US\$0.8 million as an adjustment to the closing price and in consideration of full and final settlement of all claims.

After taking into account this settlement the Company's overall pre-tax gain on the sale of the Cocoa Ingredients business amounts to US\$46.1 million, and Petra Foods will have cash in excess of US\$100 million, the majority of which comprises the proceeds from the sale of the Cocoa Ingredients business.

Mr John Chuang, Petra Food's Chief Executive Officer, said, *"I am pleased that this dispute has been amicably resolved to the satisfaction of both parties and we can now put this episode behind us."*

As a result of the settlement of this dispute with Barry Callebaut, the Group will recognise a one-time exceptional charge of US\$19.4 million. Although this is a non-operational item, this one-time charge is likely to result in a net loss for 3Q 2015 and a drag on the full year 2015 performance, notwithstanding that the core business is likely to remain profitable.

As part of the settlement process both parties have mutually agreed to terminate the SPA although the parties have agreed that certain environmental, tax and other warranties will continue (of which the environmental and tax warranties are time-limited). The Brazilian tax claims (which were previously announced on 24 February 2015) will continue to be contested. The Company wishes to point out that although this agreement fully settles the dispute over the closing price adjustment, Barry Callebaut remains entitled to bring any further claims that may arise under these continuing warranties.

For more information, please refer to the SGX Announcement titled "Petra Foods, Barry Callebaut reaches agreement to settle dispute".

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ABOUT PETRA FOODS LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Petra Foods Limited and its subsidiaries (the "Group") manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China. Petra Foods has an established portfolio of chocolate confectionery brands which are household names in Indonesia. Its flagship brands in Indonesia include "SilverQueen" and "Ceres" that were introduced in the 1950s and "Delfi" in the 1980s. In addition, the Group also distributes a portfolio of well-known agency brands in Indonesia, Singapore, Malaysia and the Philippines.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003. In addition, it was recognised as the "Best Newly Listed Singapore Company in 2004" in AsiaMoney's Best Managed Companies Poll 2004. Petra Foods was named the "Enterprise of the Year 2004" by the 20th Singapore Business Awards on 30 March 2005 and was named one of "Singapore's 15 Most Valuable Brands" in November 2005 by IE Singapore.

Over the years, Petra Foods has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the "Best Annual Report/Newly Listed Company" category in 2006. In April 2009, it clinched a Gold award in the "Best Annual Report/Companies with \$300 million to less than \$1 billion in market capitalisation" category. In May 2010, it bagged two Silver awards for "Best Managed Board" and "Best Investor Relations" under the "companies with \$300 million to less than \$1 billion in market capitalisation" category. In 2015, the Group was awarded "Best Managed Board" in the Bronze category.

The Group's Chief Executive Officer, Mr John Chuang, was also recognised for his leadership and management of Petra Foods. He was named "Best Chief Executive Officer" at the 2011 Singapore Corporate Awards, "Businessman of the Year" at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

In November 2013, Petra Foods was awarded Runner-Up in the "Most Transparent Company Award" for the food and beverage sector at the Securities Investors Association (Singapore) Investors' Choice Awards.

Issued by August Consulting on behalf of Petra Foods Limited

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