FOR IMMEDIATE RELEASE

Prolonged Pig Crisis Overshadows Masan's Growth Fundamentals

Ho Chi Minh City, 30 Oct 2017 – Masan Group Corporation (**HOSE: MSN**, "Masan" and the "Company"), today reported its management accounts for the first nine months of 2017.

"Our results are a testament to the bold investments we made in the first half of 2017 to strengthen our operating platforms, positioning us to extend our market leadership across consumer segments. We are prioritizing medium to long-term consumer and revenue growth, long-term profitability and market share gain, not short-term financial results. I am confident that we will sustain our consumer growth trajectory and enhance profitability by cutting out unnecessary costs that do not benefit the end consumer," said Nguyen Dang Quang, Chairman and CEO of Masan Group.

3Q2017 and 9M2017 Consolidated Financials[(1)] Highlights

VND Billion	3Q 2017	3Q 2016	Growth	9M 2017	9M 2016	Growth
Net Revenue	**9,433**	**11,007**	**(14.3)%**	**27,451**	**30,148**	**(8.9)%**
Consumer Staples	*8,064*	*9,945*	*(18.9)%*	*23,524*	*27,341*	*(14.0)%*
Masan Consumer Holdings	*3,438*	*3,425*	*0.4%*	*8,934*	*9,770*	*(8.6)%*
Masan Nutri-Science	*4,626*	*6,520*	*(29.0)%*	*14,590*	*17,571*	*(17.0)%*
Masan Resources	*1,369*	*1,063*	*28.8%*	*3,928*	*2,808*	*39.9%*
EBITDA[(2)]	**2,523**	**2,616**	**(3.6)%**	**6,241**	**6,743**	**(7.4)%**
Consumer Staples	*1,309*	*1,726*	*(24.2)%*	*3,116*	*4,619*	*(32.5)%*
Masan Consumer Holdings	*866*	*906*	*(4.4)%*	*1,562*	*2,184*	*(28.5)%*
Masan Nutri-Science	*443*	*820*	*(46.0)%*	*1,554*	*2,435*	*(36.2)%*
Masan Resources	*691*	*519*	*33.1%*	*1,966*	*1,396*	*40.8%*
Techcombank	*553*	*310*	*78.4%*	*1,225*	*695*	*76.2%*
NPAT Post-MI	**758**	**813**	**(6.8)%**	**1,213**	**1,848**	**(34.4)%**
Cash NPAT Post-MI [(3)]	**918**	**967**	**(5.1)%**	**1,688**	**2,291**	**(26.3)%**

(1) *Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards*

(2) *EBITDA is MSN's consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back. MSN's consolidated EBITDA is lower than the total contributions from its business segments due to holding company level expenses*

(3) *Cash NPAT (or pro forma NPAT), for each of the reporting periods and its respective comparative period, have been computed by reversing the impact from the amortization of goodwill, tangible assets and intangible assets as a result of Masan's M&A transactions in the past. In 9M2017, amortization expenses alone amounted to VND476 billion. Management believes that these figures reflect Masan's true earnings performance and cash generating potential.*

9M2017 consolidated net revenue declined by 8.9% to VND27,451 billion and consolidated net profit after tax post minority interest ("NPAT post-MI") declined by 34.4% to VND1,213 billion, lowered by the planned first half distributor de-stocking initiative at its food and beverage business and one-time investments to consolidate market share in the animal protein business throughout the pig market crisis. 3Q2017 results show signs of improving business fundamentals – reported earnings for 3Q2017 declined by 6.8% period on period compared to 56.0% for 1H2017.

Masan Nutri-Science ("MNS") continued to weigh down Masan's consolidated results due to prolonged slump in livestock pig prices.

- 3Q2017 consolidated net revenue and NPAT post-MI increased by 7.2% and 61.0%, respectively, when excluding MNS financial results.

- 9M2017 consolidated net revenue and NPAT post-MI increased by 2.3% and 7.2%, respectively, when excluding MNS financial results.

However, MNS gained significant market share throughout the course of 9M2017 with run-rate pig market share increasing from ~30% to ~39%. Management is targeting a run-rate market share of approximately 50% by year-end. Management forecasts livestock pig prices to recover over the course of the next 3-6 months due to the expected pick-up of meat consumption demand ahead of the Lunar New Year. With stronger market share and market recovery, MNS is expected to start delivering growth in the near future.

Management Discussion and 2018 Preliminary Forecast

- **Topline for branded food and beverage division stabilized with margins returning as cost of de-stocking winds down:** MCH's net revenue turnaround has been driven by a strong recovery in instant noodles (up 23.2% QoQ as opposed to declining 18.6% in 1H17, period on period), supported by growth in energy drinks (up 36.7% QoQ), beer sales achieving last year's monthly run-rate, and processed meat (up 10x QoQ). The 0.4% net revenue growth in 3Q2017 occurred despite an additional ~VND300 billion in distributor level inventory reduction. Distributor stock level is now at VND900 billion, below target of VND1,200 billion, allowing MCH to sustainably reduce trade promotion activities. **As a result, EBITDA margin nearly doubled from 12.7% in 1H2017 to 25.2% in 3Q2017 as one-off expenses related to de-stocking wind down**.

- **Techcombank continues to deliver earnings growth on the back of strong retail and fee income franchise:** Techcombank ("TCB") has effectively completed the provisioning of NPLs sold to VAMC. S&P has recognized the clean-up efforts, and has upgraded TCB's rating outlook to "stable" and reaffirmed its 'BB-' long-term and 'B' short-term issuer credit ratings, **on par with Vietcombank and Vietnam in September 2017**. In addition, the 15-year bancassurance partnership with Manulife solidifies TCB's aim for its fee-related businesses to contribute a greater percentage of its total operating income in the future.

- **Strong tungsten price recovery leads to record sales at MSR:** China's recent upgrade of its environmental policy and standards has led to long-term capacity constraints. This will force many operating mines to invest to meet China's new environmental policies leading to higher cost of production. In addition, there has been rejuvenated demand for tungsten from the oil and gas industry. As a result, tungsten prices increased from USD191/mtu at the beginning of the year to a high of USD310/mtu during 3Q2017. Management believes that demand should outstrip supply over the medium term. Material bottom-line contribution to be realized in 4Q2017 and onwards.

- **MNS delivers strong profitability in spite of pig livestock crisis:** MNS net revenue declined by 17.0% to VND14,590 billion in 9M2017 but achieved NPAT Post-MI of VND514 billion despite heavy investments to support farmers and dealers to gain market share with loyalty programs. MNS cost and brand business model has sustained throughout the crisis delivering sustained gross margins of 22.0% for 9M2017, slightly decreasing from 22.2% year on year.

- **FY2017 and FY2018 outlook:** Management estimates consolidated net revenue to be down approximately 10% versus FY2016, due to 1H2017 performance. However, earnings in FY2017 is expected to be flat compared to FY2016, supported by solid business fundamentals and a one-time financial gain in 4Q2017 from the sale of some of Masan's Techcombank convertible bonds. Adjusting for MNS, the aforementioned one-time financial gain related to TCB, and normalizing for distributor stock level, Masan's 2H2017 financial results is expected to deliver both organic revenue and earnings growth compared to 2H2016. Management forecasts double-digit top and bottom line growth for FY2018.

- **Management's confidence in growth fundamentals and recovery of pig livestock market underpin decision to buy back up to 10% of Masan's common shares:** According to management, the Masan's growth fundamentals, long-term profitability outlook and market leadership position are not being reflected in the Company's share price. As such, management believes that buying back shares is a prudent allocation of capital and will deliver strong shareholder returns. This corporate action will provide flexibility for growth capital while minimizing dilution to existing shareholders, which is consistent with TCB's recent share buyback.

- **Strengthening the balance sheet remains a priority**: MSN's buyback will be funded by existing cash balance and proceeds from selling some of its TCB convertible bonds, allowing Masan to execute a material buyback program while not impacting its debt to EBITDA ratio. The Company aims to achieve a debt to EBITDA ratio below 3x YE2018 compared to approximately 4x for YE2017. Gross financial debt is expected to decline by 13% to approximately 35,700 billion by the end of 2017. Reducing debt is a strategic priority to enhance profitability margins.

Commentary on Business Segments

Consumer Staples: Masan Consumer Holdings

MCH exceeds distributor level inventory reduction target (down to VND900 billion from VND2,200 billion), supporting "pull" model and return to sales growth in 3Q2017, driven largely by emerging categories such as energy drinks, beer and processed meat

- MCH's 3Q2017 financial results show signs of recovery with the end of period on period sales decline and strong momentum from future growth drivers such as energy drinks, beer, and processed meat. In 9M2017, MCH achieved net revenue of VND 8,934 billion, down 8.6% compared to VND9,770 billion in 9M2016, which takes into account approximately VND1,300 billion in stock reduction during the same period. With the de-stocking initiative completed, 3Q2017 is showing promise with net revenue up 0.4% from VND3,425 billion to VND3,438 billion. Estimates for FY2017 net revenue are expected to be nearly VND13,600 billion, down 8%, mainly due to the aforementioned de-stocking initiative.

    - **Seasonings revenue dragged down by de-stocking initiative:** As a result of nearly VND600 billion in de-stocking, seasonings' net revenue in 9M2017 declined by 6.5% to VND3,482 billion from VND3,723 in 9M2016. Moving towards a "pull" model with lower trade promotion (indirectly increasing consumer price), MCH experienced a decline of sales to consumers in the economy segment where consumers are more price sensitive. However, mainstream and premium segments remain stable or have performed better. Management believes FY2017 net revenue will reach VND5,200 billion and, starting in 4Q2017 and throughout 2018, the seasoning category is expected to benefit from major brand re-launches with its marketing budget expected to grow 25% compared to FY2017.
    - **Strong recovery in convenience food in 3Q2017 due to new launches backed by innovation and brand investment:** MCH's worst performing category in 2016 is returning to growth. 9M2017 net revenue was down 6.0% to VND2,435 billion. However, 3Q2017 sales reached VND967 billion, up 23.2% QoQ versus a period on period decline of 19.0% in 1H2017 thanks to launch of Kokomi Dai. Omachi products have also been doing better, supported by instant noodles with meat and the recent launch of Omachi in cup format.
    - **Processed meat grew by ~10x in 3Q2017 QoQ**: While still a relatively new category for MCH, processed meat is a high potential growth driver as MCH currently sells only snack sausages under the "Heo Cao Boi" umbrella brand. Upcoming processed meat launches in the nutrition and meal solution subcategories will help MCH cater to a larger variety of occasions to grow the business further. Processed meat currently represent less than 1% of Vietnam's meat consumption as compared to ~14% in China**.**
    - **High growth in energy drinks offset decline in soluble coffee:** Net revenue for beverages and others declined by 16.7% in the first 9 months due to a decline of 18.3% in the soluble beverage category, which experienced ~VND375 billion in de-stocking during the same period. Net revenue for beverages is forecasted to be flat for FY2017 on the back of stronger performance in two other key future growth drivers for MCH:
        - **Energy drinks:** Exit volume share in energy drinks grew to 5% in 3Q17 supported by strengthening nationwide distribution (weighted distribution increased by 300 bps from 29% to 32%), especially in the Mekong Delta (increased 700bps to 14% within one quarter). As a result,

net revenue for energy drinks increased by 58.2% to VND836 billion from VND528 billion in the first 9 months.

- **Beer:** Beer festival initiative and the recent re-launch of Su Tu Trang brand were validated by the steady increase in monthly sales run-rate to nearly match last year's volumes. Management expects beer business to achieve ~50% growth in 4Q2017 versus 3Q2017. Re-launched brand is better received in urban areas, with Ho Chi Minh City region now accounting for approximately 20% of total volume sales in 3Q17 vs. approximately 10% in 2016. This consumer reception better positions MCH's beer platform to enter into more premium segments.

- **Success of transformation from "push" to "pull" model**: Objectives behind de-stocking distributor level inventory were to i) improve route to market efficiency and ii) reduce reliance on trade promotion to free up resources for investing in brand building activities. As a result of VND1,300 billion in de-stocking in the first 9 months of 2017, second half trade promotion expenses are expected to decline by over 15% versus 2H2016. In contrast, marketing expenses are expected to reach VND550 billion in 2H17, an increase of 22% from VND448 billion in 2H2016. This has led to sales growth in key categories and higher success rates for new launches. In addition, MCH distributor-level inventory days have gone down from ~50 days to ~20 days, translating to fresher products for consumers.

Category Revenue (VND Billion)	**9M 2017**	**9M 2016**	**Growth**
Seasonings	3,482	3,723	(6.5)%
Convenience Foods(1)	2,435	2,589	(6.0)%
Processed Meat	157	25	528.0%
Beverages and Others(2)	2,860	3,433	(16.7)%
Branded Food and Beverages	**8,934**	**9,770**	**(8.6)%**

(1) *Includes instant noodles, instant congee. In past earnings releases, processed meat was included but has since been separated since 1H217 given its growing significance.*

(2) *Includes bottled beverages, beer, soluble coffee, nutrition cereals, and exports*

- **Profitability analysis: Winding down of de-stocking initiative leads to doubling of EBITDA margins in 3Q2017**
  - Gross margin were flat at 42.8% for 9M2017 due to change in product mix as a result of lower beer sales (which has lower gross margin) net-off with higher raw material prices.
  - 9M2017 EBITDA margin down 487 bps to 17.5% due to one-off expenses related to de-stocking initiative. However, 3Q2017 EBITDA margins have doubled to 25.2% from 12.7% in 1H2017 thanks to the completion of the de-stocking initiative and related costs.
  - Masan Consumer Corporation, the UPCoM listed subsidiary, achieved net profit after tax post minority interest of VND1,267 billion in 9M2017, a decrease of 23% primarily as a result of the previously discussed increase in selling expenses to support de-stocking. However, with improving margins in the second half, Masan Consumer's NPAT Post-MI is expected to reach VND2,100 billion for FY2017.

Consumer Staples: Masan Nutri-Science

Masan Nutri-Science declined less than overall market to gain share in a challenging pig price environment – continue to be profitable despite greater investment to support farmers through loyalty based programs

- MNS' 9M2017 net revenue has been adversely impacted by historically low pig prices during 1H2017 which has continued longer than anticipated with livestock prices currently trading below VND30,000 per kilogram. As a result, the pig feed market is estimated to have declined from 6.3 million tons to 3.5 million tons within a year's time, contributing to MNS' net revenue declining by 17.0% in 9M2017 to VND14,590 billion. The severity of the pig feed market size decline is also driven by an increase in non-commercial feed usage as farmers are currently less concerned about productivity. However, Masan believes that the fundamental supply and demand picture points to a recovery in 2018 as the pig population has already declined by 45% since the peak and Tet holiday is arriving soon. More importantly, the decision to support farmers and large dealers with loyalty based programs in 1H2017 means MNS is well positioned to capture greater share in 2018, evidenced by MNS' market share of the external pig feed market increasing from around 30% to a target of 51% by yearend.
    - Bio-zeem's volume and net revenue for 9M2017 both declined by only ~22%. However, non-Bio-zeem pig feed products declined by ~37% both in terms of volume and net revenue, nearly matching the overall pig feed market. Bio-zeem accounts for more than 60% of MNS' pig feed sales. MNS will focus on increasing Bio-zeem's contribution to 70 – 80% of the pig feed portfolio over the course of the next 6-8 months.
    - Management expects a stronger 2018 due to expected pig price recovery and as farmers start to aggressively invest in the next pig herd cycle.
    - Negative impact partly offset by strong performance in the poultry feed division. Poultry feed volume grew by 9.0% in 9M2017 compared to the same period last year.

VND Billion(1)	9M 2017	9M 2016	Growth
Net Revenue	14,590	17,571	(17.0)%
Gross Margin	22.0%	22.2%	(0.2)%
EBITDA	1,554	2,435	(36.2)%
Net Profit After Tax(2)	514	1,205	(57.3)%

(1) *Financial numbers are based on management figures*

(2) *After minority interest*

- **Margin analysis**: Flat gross margin but other profitability metrics were lower due to higher spending to support farmers and distributors through the pig livestock crisis.
    - **Gross margin down by 17 bps:** MNS' gross margin was nearly flat at 22.0% in 9M2017 compared to 22.2% in 9M2016.
    - **EBITDA margin down 321 bps:** 9M2017 EBITDA was down 36.2% to VND1,554 billion compared to 9M2016, due to higher selling expenses to support farmers and distributors.
    - **Net margin down 333 bps:** MNS generated profit after tax and minority interest of VND514 billion in 9M2017 down 57.3% compared to 9M2016, with profit margin of 3.5%. Margin compression due to higher selling expenses and lower financial income.

Mineral Resources and Value-Add Processing: Masan Resources

Rising tungsten price environment leads to record 9-month revenue and strong momentum going into 2018

- MSR recorded net profit after tax and minority interest of VND98 billion in 9M2017 despite lower tungsten chemicals production due to mining lower tungsten ore grades in 3Q2017.

VND Billion	9M2017	9M2016	Growth
Masan Resources Consolidated Financial Results(1)			
Net Revenue	*3,928*	*2,808*	*39.9%*
EBITDA(2)	*1,966*	*1,396*	*40.8%*
NPAT Post-MI *(VAS)*(3)	*98*	*(79)*	*n.a*

(1) *Financial numbers are based on management figures.*

(2) *Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.*

(3) *Excluding one-off financial support of VND185 billion received from controlling shareholder.*

- **Net revenue VND3,928 billion up 39.9% –** Revenue was supported by strong sales from fluorspar, copper and bismuth. Tungsten chemical production lagged due to lower ore feed grade. Variability in feed grades is normal for all mining operations and management expects to gain access to higher grades in the fourth quarter. Lower tungsten production was largely offset by the significant rise in prices over the last quarter. The pricing mechanisms in MSR's long-term off-take agreements are linked to the average of the prices published in the preceding month. With tungsten prices peaking in September and higher expected tungsten chemical production in the coming months, MSR expects a strong fourth quarter to finish the year.
- **EBITDA increased by 40.8% -** Efficiency initiatives continue to allow plant availability and mill throughput to achieve levels above design. The resulting additional production has been achieved without an increase in cost base as a result of the cost control initiatives implemented earlier this year. The combination of our efficiency and cost initiatives validates our position of being a 'low cost producer of scale'. MSR is looking to secure this position through a capital upgrade undertaken earlier this year that is currently being commissioned.
- **Net profit after tax and minority interest of VND98 billion –** a decline of 7.9% in comparison to the same period last year. Shareholders had provided VND185 billion of financial support during the first nine months of 2016. Excluding this one-off shareholder financial support, attributable net profit to shareholder increased VND177 billion in 9M2017 over the same period last year. Reduction of debt and borrowing costs remains an important area of focus with discussions on-going with financial institutions to improve NPAT Post-MI and increase cash flow available for debt servicing.

Summary Production Data	9M2017	9M2016	Growth
Material processed (kt)	2,887	2,681	7.7%
Tungsten concentrate (t)	4,737	4,248	11.5%
Tungsten equivalent units (t) (1)	9,914	8,627	15.0%

(1) *Nui Phao finished products are converted to a tungsten equivalent units*

- **Second half 2017 momentum to carry into 2018**
  - On account of higher tungsten ore grades mined in the fourth quarter and completion of the tungsten capital upgrade, the business is very well positioned today to achieve its full year net revenue and earnings forecast of VND5,380 – 5,600 billion and VND150 – 290 billion, respectively.
  - Masan Resources is in advanced stages of formulating a solution to commercialize the gold content in its ore body and expects that in 2018, it will begin commercial production of gold, the 5th material revenue stream from the Nui Phao mine.
  - Environmental inspections in China carried out over the last few months coupled with rejuvenated demand for tungsten from the oil and gas industry resulted in tungsten prices increasing to a high of USD310/mtu during 3Q2017 before giving back some gains to settle at USD290/mtu at the end of the reporting period. Management expects pricing to remain above USD250/mtu for the remainder of the year on account of renewed demand and continued uncertainty in China supply compounding on an already limited supply of the commodity in the ex-China market. According to industry observers, the break-even China tungsten concentrate price is set to increase on account of the implementation of the environment tax currently being contemplated by Chinese authorities. This has resulted in a wide-spread belief that global tungsten prices are set to increase again in 2018.

- **Management's strategic priority is to evolve MSR business model into an integrated downstream tungsten business of global scale. This will enable MSR to deliver a consistent and strong financial profile across commodity cycles.**

<u>**Financial Services**</u>

- Techcombank ("TCB") delivered 69.9% growth in profit after tax during the first nine months of 2017 to VND3,890 billion. As a result, despite VND2,536 billion of provisioning (which was primarily for writing off all bad loans sold to VAMC before 30 June 2017), within the first nine months of 2017, TCB had already achieved 96% of its budgeted VND5,020 billion profit before tax for the year. Net interest margin for this nine month period was 3.88%. For 3Q2017, CAR was 12.02% and NPL was 1.93%.

- Recently, TCB announced an exclusive 15-year bancassurance agreement with Manulife to increase its product offering to retail customers through its network of over 300 branches. The bank has publicly stated its target of collecting VND10 trillion in insurance premiums over the next 5 years, furthering its objective of making fee income a larger component of its total operating income. TCB's fee income from bancassurance for this nine month period almost doubled as compared to the same period last year.

MASAN GROUP CORPORATION

Masan Group Corporation ("Masan" and the "Company") believes in doing well by doing good. The Company's mission is to provide better products and services to the 90 million people of Vietnam, so that they can pay half as much for their daily basic needs. Masan aims to achieve this by driving productivity with technological innovations, trusted brands, and focusing on fewer but bigger opportunities that impact the most lives.

Masan Group's member companies and associates are industry leaders in branded food and beverages, consumer agriculture (meat), value-add chemical processing, and financial services, altogether representing segments of Vietnam's economy that are experiencing the most transformational growth.

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