FOR IMMEDIATE RELEASE

Growth Fundamentals Intact: 90% Core NPAT Growth for 9M 2018 and Tracking Full Year 2018 Core Profit Estimates

Ho Chi Minh City, 29 October 2018 – Masan Group Corporation (**HOSE: MSN**, "Masan" or the "Company"), today reported its management accounts for nine months of 2018.

"We continue to execute on our medium-term growth plan. Masan Consumer's premiumization and beverage strategy is showing sustainable traction positioning us to grow 2-3x Vietnam's FMCG retail sales growth rate over the next few years. Masan Resources' acquisition of the high-tech tungsten chemical plant is a strategic step to generate strong cash flows across commodity cycles. We aim to double the plant's capacity to further consolidate ex-China tungsten market share. Techcombank's customer and technology-centric business model has made it the fastest growing and most profitable bank. This trend will continue as the bank prioritizes fee income and services over interest income. However, not all has gone according to our plans. Masan Nutri-Science is still feeling pain from the pig price crisis. The feed market has since been recovering, but our strategic bet is on meat not feed. We have started selling pig livestock with great results but this will cease in 2019 as we begin to fully process our pig supply into branded meat products for consumers. We look forward to closing the year on a strong note and crystallizing our foundation to deliver double digit top and bottom-line growth for 2019 and beyond" said Chairman and CEO Dr. Nguyen Dang Quang.

Consolidated Profitability Commentary

- **Core Profit[1] 9M2018:** Core 9M2018 NPAT Post-MI reached VND2,307 billion, up 90.2% compared to 9M2017 profit of VND1,213 billion, as core NPAT Post-MI margin increased to 8.7% in 9M2018 from 4.4% during the same period last year. 425 basis points ("bps") of improvement signals stronger operating and balance sheet fundamentals: 350 bps reduction in SG&A as a percentage of net revenues and a 10.5% reduction in interest expense.
  - Reported 9M2018 NPAT Post-MI: Reported 9M2018 Post-MI increased by 211.6% to VND3,779 billion versus the same period last year due primarily to a net one-time gain from the partial deemed disposal of the Company's shareholding in Techcombank in 1H2018.
- **Core Profit 3Q2018:** Core 3Q2018 NPAT Post-MI declined by 1.3% to VND748 billion versus VND758 billion in 3Q2017. Results do not demonstrate the growth trajectory of MSN. There were no one-time gains/losses in 3Q2018.
  - Excluding Masan Nutri-Science ("MNS"), NPAT Post-MI in 3Q2018 was up 25% compared to 3Q2017.
  - 3Q2018 NPAT experienced lower contribution from Techcombank ("TCB") which is accounted under the equity method and reflected in the "Share of profit in associates" line item. This lower contribution is due to the dilution of the Company's economic

1 Core Profit excludes net one-time gains (non-core) of VND1,472 billion primarily from the "deemed disposal" of the Company's interest in Techcombank as a result of the bank's recent equity issuances at a price higher than the Company's carrying value.

interest in TCB, which recently issued primary capital as part of its initial public offering. Normalizing for such dilution, MSN would have delivered 33.6% year on year profit growth, inclusive of the one-time feed market impact on Masan Nutri-Science.

  - Masan Resources ("MSR") had a higher inventory of copper on its balance sheet as prices were less favorable due to the ongoing trade war and slightly muted demand. Copper sales are expected to catch up in 4Q2018 as the price environment should be more favorable and demand picks up.

- **EBITDA 9M2018:** 9M2018 consolidated EBITDA improved by 24% to VND7,718 billion compared to VND6,241 billion in 9M2017 mainly driven by SG&A rationalization and operational efficiencies. Consolidated EBITDA margin was up 625 bps to reach 29.0% in 9M2018.
  - Consolidated SG&A as a percentage of revenue reduced by 350 bps from 19.6% in 9M2017 to 16.1% in 9M2018. Main contributors were Masan Consumer Holdings ("MCH"), with 900 bps reduction by scaling back on total sales spend and 360 bps of saving from sales force optimization at Masan Nutri-Science.

- **EBITDA 3Q2018:** Increased by 2% compared to 3Q2017. MCH led the way posting EBITDA growth of 38% but overall consolidated EBITDA was dragged down by MNS and TCB dilution impact.
  - Normalizing for TCB ownership in 3Q2018, EBITDA would have increased by 11% compared to 3Q2017.
  - Higher inventory of copper reduced MSR EBITDA by VND400 billion during 3Q2018 which is expected to be realized in 4Q2018.

- **VND1 trillion of interest expense savings will not be fully realized until 2019.**
  - Masan will trim down interest expense by approximately VND1 trillion per year starting in 4Q2018. Gross debt to EBITDA is expected to decrease to 2.5x by year-end 2018 as a result of the planned pay down of over VND11,000 billion in debt during 4Q2018.
  - The Company's deleveraging is part of its effort achieve a credit rating that is on par with Vietnam's long-term sovereign credit rating of BB- within the next 12 months.

Consolidated Net Revenue Commentary

- **Net Revenue 9M2018:** Masan Group delivered VND26,630 billion in net revenue for 9M2018, down 3.0% compared to 9M2017 net revenue of VND27,451 billion, mainly due to the impact of the pig price crisis on MNS' topline. Excluding MNS, consolidated net revenue would have grown by 29.0% during 9M2018 compared to 9M2017.
- **Net Revenue 3Q2018**: Net revenue declined by 2.8% compared to 3Q2017. However, each business unit has strong momentum for growth for 4Q2018 and into 2019.
  - MCH net revenue was up nearly 28% with disciplined distributor stock level management at less than 1 month of sales. MSR still delivered growth of 5.8% despite higher copper inventory levels, which translated into approximately VND650 billion in missed revenue expected to be realized in 4Q2018. Excluding MNS, consolidated net revenue would have jumped by 21%.
  - MNS net revenue declined by 27.8% as pig feed demand growth did not materialize in 3Q2018. However, farmers are starting to reinvest to increase their herd size which provides management confidence that the commercial feed market will grow by over 10% for full year 2019. MNS pig feed revenue grew by 1.3% in 3Q2018 compared to

2Q2018 and, based on the latest forecast for 4Q2018, pig feed revenue is expected to grow by 2-5% compared to 3Q2018.

3Q Key Operational Commentary

- **MCH: sustainable 20%+ growth momentum supported by premiumization and successful innovations, but more work still needed to be done in new growth portfolio (processed meat and beer).**

    - Approximately 28% growth in net revenue driven by successful implementation of premiumization strategy in foods and execution of scaling-up beverage business.
    - **Foods portfolio**: 36.1% year on year growth in seasonings, and more importantly, 50%+ growth in premium portfolio. 32% growth in convenience foods driven by premium SKU's growing 60%+, as Omachi cup innovation has achieved 3x run rate revenue since launch 5 quarters ago.
    - **Beverage portfolio**: 38% growth in beverage portfolio anchored by Wake-up 247 strong performance and growing brand power. Beverage point of sales has grown from 75k last year to 130k as of 3Q2018.
    - **Instant coffee portfolio**: 17% growth compared to 3Q2017, mainly driven by rebound of Vinacafé brand. Vinacafé delivered 25% year on year top-line growth as MCH revitalized the heritage, premium brand. Focus will be to upgrade coffee R&D platform, as sustaining 15%+ growth going forward will require market break-through innovations.
    - **Beer portfolio:** Significantly underperformed against MCH's 2018 annual business plan. Management realized that cross-selling beer with current food and beverage distribution platform is not the correct operating model to win in beer. MCH has now set up a separate beer distribution platform led by a dedicated salesforce with significant beer-specific experience. Management expects to ramp-up sales force to approximately 150-200 by mid-2019.
    - **Processed Meat:** Underperformed versus management annual forecast due to lack of innovation and technology capabilities. Partnership with Jinju provides MCH world-class innovation and technology processed meat capabilities. First co-product to be launched in 4Q2018 and innovation pipeline for 2019 being solidified.
    - **Operations:** Profitability intact as MCH maintained disciplined stock management and optimized sales spending. 4Q2018 SG&A as a percentage of net revenue is expected to be higher versus 9M2018, as management invests in marketing activities for 4Q2018 innovation launches, Tet and to prepare for 2019 growth.

- **MSR:** generated USD30 million of free cash flow[2] for 9M2018 and expected to deliver USD55 – 60 million of free cash flow for full year 2018, a 30% FY growth.

    - **Strategic Initiatives:** MSR completed the acquisition of H.C. Starck's 49% stake in Masan Tungsten, formerly known as Nui-Phao-H.C. Starck Tungsten Chemicals Manufacturing. MSR is positioned as an integrated Ex-China tungsten chemical champion and is building capacity to grow its mid-stream tungsten market share by 2x. In addition, MSR continues to explore strategic opportunities with down-stream tungsten players to deliver on its shareholder value creation plans.
    - **Tungsten Market Update**: Tungsten prices have softened in 3Q2018 due to seasonality factors in Europe and uncertainties in the ongoing USA-China trade war.

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[2] Free Cash Flow is calculated from year-to-date ("YTD") EBITDA and adjusted for changes in working capital, corporate income tax paid within the reporting period, and CAPEX

However, tungsten concentrate market continues to remain tight and very limited supply available globally. With the recent shutdown of an Ex-China tungsten mine, management forecast tungsten prices to trade up to USD300 per MTU level in 4Q2018.

- **Operational Update**: Achieved the highest tungsten recovery rate since commencing operations but production levels were lower due to consciously treating lower tungsten head grades for 9M2018. Management crystallizing operational plan to increase Tungsten Chemicals capacity to 12,000 MTU from current capacity of 7,500 MTU in 2019.
- **Copper Update**: Less favorable price due to the ongoing trade war and weakened domestic demand as a result of price volatility conflicted with management's desire to achieve higher price realization for MSR's copper inventory. MSR lost revenue of VND650 billion and EBITDA of VND400 billion during 3Q2018 in relation to its copper sales. However, management is confident in its ability to catch up on its budgeted copper sales by 4Q2018.

- **MNS:** Slight improvement of pig feed sales in 3Q2018, but still 2 quarters away from full recovery. Transformation from feed to consumer meat starts in 4Q2018.
  - **Feed market to grow in 2019**: Pig farmers have finally re-invested to grow their pig population size after gaining confidence that prices have sustained at approximately VND45,000 – VND50,000 per kilogram for the past 2 quarters. The time lag for a recovery is due to the pig herding cycle: 5 months for sows to produce piglets and an additional 4 months for piglets to grow into full sized porkers. Therefore, management expects a 10% growth in commercial feed market for FY2019, starting from 1Q2019.
  - **Repositioning for growth in feed**: As small to medium sized farmers have reduced significantly during the market crisis, MNS' management team will focus on penetrating large-scale farmers and will launch an innovative solution to target these customers in 4Q2018. Management will also re-shift its operating model back to brand building and productivity led innovations.
  - **Operational efficiencies achieved**: More efficient sales platform resulted in revenue per salesman jumping from VND2.9 billion per quarter in 1Q2018 to VND4.4 billion per quarter in 3Q2018. Management expects to maintain its salesforce at current levels going forward.
  - **Meat transformation journey begins in 4Q2018:** MNS expects to launch its first fresh meat products in 4Q2018. Management is finalizing its route-to-market model, meat complex in Ha Nam and third party supply chain logistics partner for a year-end launch. Internal farm has started producing pigs and MNS has sold approximately 1,000 pigs into the market at an average price of VND48,500 per kilogram.

- **TCB:** 61% profit before tax ("PBT") growth year over year in 9M2018 and delivered return on average equity ("ROAE") of 25.4%, TCB is well on track to hit its PBT target of VND 10 trillion for the year.
  - Total Operating Income ("TOI") reached VND13,294 billion, a year-on-year increase of 25%.
  - ROAE[3] was 25.4%, consistently among the highest in the region.
  - Please see TCB's press release and financials for more details.

[3] On last-twelve-month ("LTM") basis ending September 2018.

Strategic Update and 4Q Preliminary Views

- Masan Group and SK Group to set up a Strategic Cooperation Committee by 4Q2018. The committee will be responsible to implement operational synergy and explore additional partnership opportunities across Masan Group's business units.

- Management expects consolidated 4Q2018 net revenue to grow by 15% compared to the same period last year and deliver full year Core NPAT Post-MI of VND3,300-3,400 billion and Reported NPAT Post-MI of VND4,700-4,800 billion, both representing over 50% growth compared to last year.

3Q2018 and 9M2018 Consolidated Financial[4] Highlights

Income Statement Highlights

VND Billion	3Q2018	3Q2017	Growth	9M2018	9M2017	Growth
Net Revenue	**9,171**	**9,433**	**(2.8)%**	**26,630**	**27,451**	**(3.0)%**
Masan Consumer Holdings	*4,381*	*3,438*	*27.4%*	*11,907*	*8,934*	*33.3%*
Masan Nutri-Science	*3,341*	*4,626*	*(27.8)%*	*10,035*	*14,590*	*(31.2)%*
Masan Resources	*1,449*	*1,369*	*5.8%*	*4,688*	*3,928*	*19.4%*
Gross Profit	**2,774**	**2,906**	**(4.6)%**	**8,343**	**8,239**	**1.3%**
Masan Consumer Holdings	*1,912*	*1,548*	*23.5%*	*5,257*	*3,825*	*37.4%*
Masan Nutri-Science	*472*	*936*	*(49.5)%*	*1,534*	*3,212*	*(52.2)%*
Masan Resources	*377*	*408*	*(7.6)%*	*1,513*	*1,162*	*30.2%*
Gross Margin	**30.2%**	**30.8%**		**31.3%**	**30.0%**	
Masan Consumer Holdings	*43.7%*	*45.0%*		*44.2%*	*42.8%*	
Masan Nutri-Science	*14.1%*	*20.2%*		*15.3%*	*22.0%*	
Masan Resources	*26.0%*	*29.8%*		*32.3%*	*29.6%*	
SG&A[5]	**(1,386)**	**(1,670)**	**(17.0)%**	**(4,293)**	**(5,386)**	**(20.3)%**
Masan Consumer Holdings	*(942)*	*(903)*	*4.4%*	*(2,832)*	*(2,925)*	*(3.2)%*
Masan Nutri-Science	*(351)*	*(657)*	*(46.5)%*	*(1,103)*	*(2,138)*	*(48.4)%*
Masan Resources	*(44)*	*(57)*	*(22.1)%*	*(190)*	*(186)*	*2.0%*
SG&A as % of Net Revenue	**15.1%**	**17.7%**		**16.1%**	**19.6%**	
Masan Consumer Holdings	*21.5%*	*26.3%*		*23.7%*	*32.7%*	
Masan Nutri-Science	*10.5%*	*14.2%*		*11.0%*	*14.6%*	
Masan Resources	*3.0%*	*4.1%*		*4.0%*	*4.7%*	
Share of Profit in Associates[6]	***442***	***554***	***(20.1)%***	***1,430***	***1,232***	***16.1%***
D&A	***740***	***733***	***1.0%***	***2,238***	***2,156***	***3.8%***
EBITDA	**2,570**	**2,523**	**1.9%**	**7,718**	**6,241**	**23.7%**
Masan Consumer Holdings	*1,194*	*867*	*37.8%*	*3,103*	*1,562*	*98.6%*
Masan Nutri-Science	*300*	*443*	*(32.3)%*	*940*	*1,554*	*(39.5)%*
Masan Resources	*671*	*691*	*(2.9)%*	*2,362*	*1,966*	*20.1%*
Techcombank Contribution	*443*	*553*	*(20.0)%*	*1,411*	*1,225*	*15.1%*
EBITDA Margin	**28.0%**	**26.7%**		**29.0%**	**22.7%**	
Masan Consumer Holdings	*27.3%*	*25.2%*		*26.1%*	*17.5%*	
Masan Nutri-Science	*9.0%*	*9.6%*		*9.4%*	*10.6%*	
Masan Resources	*46.3%*	*50.5%*		*50.4%*	*50.1%*	
Net Financial (Expense)/Income	**(715)**	**(688)**	***4.0%***	**(654)**	**(2,265)**	***(71.1%)***
Financial Income[7]	*125*	*89*	*40.6%*	*1,759*	*360*	*389.2%*
Financial Expense	*(840)*	*(777)*	*8.2%*	*(2,413)*	*(2,625)*	*(8.1)%*
Other Expenses	**(18)**	**(10)**	**77.7%**	**(22)**	**(22)**	**(2.1)%**
Corporate Income Tax	**(179)**	**(144)**	**24.7%**	**(468)**	**(331)**	**41.6%**
NPAT Pre-MI	918	948	(3.2)%	4,336	1,466	195.7%
NPAT Post-MI	748	758	(1.3)%	3,779	1,213	211.6%
Core NPAT[8] Pre-MI	**918**	**948**	**(3.2)%**	**2,864**	**1,466**	**95.3%**
Core NPAT[8] Post-MI	**748**	**758**	**(1.3)%**	**2,307**	**1,213**	**90.2%**

[4] Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards.
[5] MSN's consolidated SG&A is higher than the total of SG&A expenses of its business segments due to holding company level expenses.
[6] Includes contribution from Techcombank.
[7] Includes net one-time gains (non-core) of VND1,472 billion primarily from the "deemed disposal" of the Company's interest in Techcombank as a result of the bank's recent equity issuances at a price higher than the Company's carrying value.
[8] "Core" reflects adjustments mentioned in footnote 7.

Balance Sheet-Related Highlights

VND Billion	FY2016	FY2017	9M2018
Cash and cash equivalents[9]	**15,290**	**8,154**	**5,562**
Debt	**41,091**	**34,796**	**34,302**
Short-term Debt	8,618	9,166	7,546
Long-term Debt	32,472	25,630	26,756
Total Assets	**73,039**	**63,529**	**64,815**
Total Equity	**20,313**	**20,225**	**22,273**
Total Equity Excluding MI	15,276	14,837	17,620
Outstanding Number of Shares (million shares)	**1,138**	**1,047**	**1,053**
Share Capital	1,147	1,157	1,163
Treasury shares	(9)	(110)	(110)

Key Financial Ratios[10]

VND Billion	FY2016	FY2017	9M2018
Debt to EBITDA	**4.2x**	**3.7x**	**3.2x**
ROAA	**5%**	**5%**	**10%**
ROAE	**18%**	**21%**	**35%**
Core ROAE	**18%**	**15%**	**22%**
FFO[11] to Debt	**13%**	**10%**	**15%**
FCF[12]	**4,449**	**4,199**	**3,419**
Cash Conversion Cycle	**49**	**42**	**48**
Inventory days[13]	65	61	68
Receivable days[14]	10	8	6
Payable days[14]	26	27	26
CAPEX	**(2,921)**	**(2,111)**	**(1,893)**

9 Cash and cash equivalent include short-term investments (primarily term deposits between 3 and 12 months) and receivables related to treasury activities and investments.

10 Quarterly financial ratios are calculated based on a last-twelve-month (“LTM”) EBITDA and NPAT.

11 FFO: Funds From Operations is calculated based on LTM EBITDA, excluding contribution from TCB, and adjusted for net financial expense, excluding one-off gain from sale of TCB convertible bonds, and adjusted for corporate income tax paid within the reporting period.

12 FCF: Free Cash Flow is calculated from year-to-date (“YTD”) EBITDA, excluding contribution from TCB, and adjusted for changes in working capital, and corporate income tax paid within the reporting period and CAPEX.

13 Inventory days is calculated based on inventory balances excluding inventory of copper of VND250 billion as of 30 Sep 2018 and divided by LTM COGS

14 Receivable and Payable days are calculated based on balances excluding those that are not related to operating activities divided by LTM Revenue or COGS

Commentary on Business Segments

Masan Consumer Holdings

Consumer business continues to track expectations, on course to deliver 30% topline and ~3x profitability growth for 2018

- MCH's re-emergence as one of the biggest brand builders in Vietnam due to successful innovation launches drove net revenue to VND11,907 billion in 9M2018, compared to VND8,934 billion in 9M2017 and VND9,770 billon in 9M2016, resulting in 33.3% growth vs. 9M2017 and 21.9% growth vs. 9M2016, respectively. 3Q2018 revenue was up 27.4% compared to 3Q2017, due to premiumization of foods portfolio and continued momentum in beverages categories.
- Seasonings, convenience foods, beverages and beer categories were all up more than 25% in revenue terms for 9M2018 vs. 9M2017, signaling the broad based nature of growth profile. New product launches across categories, Vivant – premium mineral water, Omachi mashed potatoes, re-launch of Compact – heavy duty energy drink, can potentially be drivers of future growth.
- Key driver of revenue growth was sell-out growth from distributors, up 21.6% for the period, with consolidated stock levels of VND921 billion across distributors, compared to VND1,016 billion as of year-end 2017 and VND2,220 billion as of year-end 2016.
- Trade promotion was down by 30% in 9M2018 vs. 9M2017, while marketing expenses were up 50% to support new innovations and product relaunches. Strong innovation pipeline continued to be the main driver as 7 big innovations were launched during 9M2018 with spending on brand communication reaching nearly 6.5% of net revenue. EBITDA margins improved significantly to 26.1% in 9M2018, up 857 basis points compared to same period last year.

VND Billion	3Q2018	3Q2017	Growth	9M2018	9M2017	Growth
Net Revenue[15]	**4,381**	**3,438**	**27.4%**	**11,907**	**8,934**	**33.3%**
Seasonings	1,723	1,266	36.1%	4,761	3,408	39.7%
Convenience Foods[16]	1,275	966	32.0%	3,271	2,423	35.0%
Processed Meat	50	70	(28.0)%	131	157	(16.6)%
Coffee	417	356	17.3%	1,066	913	16.7%
Beverages (Non-alcoholic)	676	489	38.4%	1,910	1,480	29.0%
Beer	86	110	(22.1)%	275	180	88.8%
Others[17]	153	181	(15.5)%	493	407	21.3%
Gross Profit	**1,912**	**1,548**	**23.5%**	**5,257**	**3,825**	**37.4%**
EBITDA	**1,194**	**867**	**37.8%**	**3,103**	**1,562**	**98.6%**

  - **Seasonings growth backed by recovery of core brands and premium innovations:** Seasonings' net revenue in 9M2018 increased by 39.7% to VND4,761 billion from VND3,408 billion in 9M2017. Volume growth of 30% was the main driver underpinning the topline growth as core brands, Nam Ngu and Chin-su, continued to perform well. Premiumization strategy continued to work well, as Masan has been able to successfully launch premium variants. 3Q2018 net revenue was up 36.1%

[15] These numbers are based on management figures.
[16] Includes instant noodle and instant congee.
[17] Includes nutrition cereals and exports.

compared to 3Q2017, as premium fish sauce revenue was up 51% during the same period. Distributor stock levels within seasonings category were VND429 billion as of end-Sep 2018, compared to VND494 billion as of YE2017, and VND482 billion as of end-Sep 2017. Management estimates FY2018 net revenue will be between VND6,000 and 7,000 billion.

- **Continued strong momentum in convenience foods due to recovery of core brands and new innovation in meal solution:** Convenience foods net revenue was up by 35.0% to VND3,271 billion in 9M2018, compared to VND2,423 billion in 9M2017. Volume growth of 28% was the main driver for this segment, signalling recovery of core brands. Distributor inventory was at VND201 billion as of end-Sep 2018 with 14 days of inventory, compared to VND172 billion as of year-end 2017. During 3Q2018, convenience foods net revenue was up 32.0% compared to 3Q2017, as premium "Omachi" range of products delivered 60% growth. New innovations like Omachi Cup – full meal solution and Omachi mashed potatoes continue to perform up to management expectations. Omachi Cup continues to track especially well, with 3x run-rate from launch within just 5 quarters. Management expects convenience foods sales to reach approximately VND4,500 billion in FY2018.

- **Processed meat growth will be driven by innovation pipeline**: MCH has formed a strategic partnership with Jinju Ham Co., Ltd, a leading Korean branded processed meat company in 3Q2018. The strategic partnership will create significant synergies by combining Jinju Ham's cutting-edge technology and R&D know-how with Masan's deep understanding of Vietnamese consumers and brand building capabilities. First co-product to be launched in 4Q2018 and innovation pipeline for 2019 being solidified.

- **Coffee net revenue up 16.7%:** MCH's coffee category (excluding Wake-Up 247, which is covered under beverages) recorded VND1,066 billion in net revenue for 9M2018, up 16.7% compared to VND913 billion in 9M2017, with all of the growth attributable to increased volumes. Strategic personnel to be hired in 4Q2018 as the category requires significantly upgraded R&D capabilities to jump-start growth again. Stock levels were kept stable; VND138 billion as of end-Sep 2018 compared to VND201 billion as of YE2017. FY2018 sales for coffee category are expected to reach VND1,700 – 2,000 billion.

- **Beverages net revenue increase driven by high growth in energy drinks:** Success of "Wake Up 247" brand over the last 4 years continues to be a major growth river for the beverages category, supported by the focused brand communication and increased POS from 75K last year to over 130K today. Energy drink segment contributed VND1,294 billion net revenue during 9M2018, up 55% compared to same period last year. Entire beverages category net revenue of VND1,910 billion in 9M2018 were up 29.0% compared to 9M2017. Distributors' inventory levels were at VND95 billion as of end-Sep 2018, compared to VND62 billion as of year-end 2017. A new energy drink brand "Compact" was launched in April 2018 to further grow market share and expand into the "heavy duty" energy drink segment. "Vivant" premium mineral water brand launched in October 2018 would serve as an important growth driver for beverages segment in the near future. All in, management expects beverages to deliver approximately VND3,000 billion in sales for FY2018.

- **Beer underperformed compared to expectations:** Though the beer segment delivered 88.8% growth in topline to reach VND275 billion in revenues for 9M2018, it still underperformed compared to management expectations. MCH is revisiting its sales strategy and focusing on areas where its beer brand has found traction especially in provinces of Central Vietnam. Coupled with the new premium beer brand "Su Tu Trang King" launched in end of April 2018, MCH aims to build a complete portfolio of beer products at different price points to target different consumer segments.

- **Profitability analysis: completion of de-stocking initiative leads to significant growth in margins**
  - Gross margin increased by 134 bps to 44.2% for 9M2018 thanks to premiumization in seasonings and convenience foods, higher growth in higher margin products specifically seasonings and energy drinks, offset by higher raw material prices.
  - 9M2018 EBITDA margin was up 857 bps to 26.1% in 9M2018, compared to 17.5% in 9M2017 mainly due to the completion of the de-stocking initiative and related costs, SG&A expenses for MCH reduced sharply from 32.7% of sales in 9M2017, to 23.8% of sales in 9M2018.
  - Masan Consumer Corporation, the UPCoM listed subsidiary, achieved net profit after tax post minority interest of VND2,484 billion in 9M2018, 96.0% higher than same period last year, as a result of higher sales and increased profit margins.
- **2018 is expected to deliver top line and bottom line growth above 25% and 50%, respectively**: Subject to net revenue achieving management 2018 forecasts, MCH is expected to achieve EBITDA of ~VND4,000 billion in FY2018, up ~50% versus FY2017. Masan Consumer is expected to achieve NPAT Post-MI of VND3,100 to VND3,400 billion. Risks to the forecast include possibility of lower sales from new innovations and higher raw material prices which could affect margins.

Masan Nutri-Science

Delay in commercial feed market pick up leads to underperformance compared to expectations, but with pig prices around VND50,000 per kilogram, management is confident of delivering significant growth during 2019:

- Pig prices have firmed up in Vietnam due to structural domestic supply deficit compounded by swine-flu crisis in China, with prices staying ~VND50,000 per kilogram during the past 3-4 months. Management expectations of a sharp pick up in commercial pig feed market have not materialized, as farmers continue to adopt a wait and watch policy in terms of increasing their herd size.
- Feed market recovery generally lags compared to pig price recovery: 3 months of sustained pricing for farmers to gain confidence in increasing sow herd + 5 months for sows to produce piglets + 4 months for piglet to grow up to porkers.
- Management expects feed market grow 10%+ in 2019 driven by large scale farmers. Hence, the strategy for 2019 would involve consolidating shares in both tier 1 & tier 2 segments, while winning big farmers with dedicated products (expect 20% contribution to the portfolio).
- As long as pig prices continue to hold up above VND45,000 per kilogram, commercial pig feed market will continue to recover. MNS pig feed volumes have already stabilized around 165k tonnes/quarter since the start of 2018, but still lower than the range of 265k tonnes achieved during 2017. Recovery in quarterly volumes back to 2017 levels itself can drive a 25% volume growth in MNS business for 2019.
- Most importantly during the crisis, MNS built a lean operation platform and aggressively managed costs to protect profit by increasing salesman efficiency. Revenue per salesman has increased nearly 15% in 3Q2018 vs 3Q2017, as a result MNS is on track to deliver double digit EBITDA margin in 2019 again.
- Fresh meat launch continues to track well for 4Q2018 launch, as porker supply is ready with the meat complex nearly 70% complete. Supply chain to finalize cold chain partners is also expected to be ready by end-October 2018. Finally, modern trade distribution partner has been selected and some locations already secured for retail stores.

VND Billion[18]	3Q2018	3Q2017	Growth	9M2018	9M2017	Growth
Net Revenue	3,341	4,626	(27.8)%	10,035	14,590	(31.2)%
Gross Margin	14.1%	20.2%		15.3%	22.0%	
EBITDA	300	443	(32.3)%	940	1,554	(39.5)%

- **Net Revenue:** Lower pig prices for the first 5 months of 2018, coupled with longer than expected delay in pick of commercial feed demand resulted in MNS delivering 9M2018 net revenue of VND10,035 billion, down 31.2% compared to 9M2017. However, livestock pig prices have held up around VND50,000 per kilogram levels, as there is a structural pig supply deficit in Vietnam currently. With swine-flu issues emerging in China coupled with spike in year-end demand due to 2019 Tet holiday, prices are expected to stay strong over the near term.
- Bio-zeem “Xanh,” MNS’ “value for money” product continues to perform well in the market contributing nearly 20% of all pig feed volume sold in 9M2018. However, as pig prices recover farmers are expected to switch to productivity mode, which could drive higher sales for MNS’ “premium” product Bio-zeem “Do”, which would also help lift margins.
- **Margin analysis**: Gross margins were lower by 673 bps in 9M2018 vs. 9M2017, due to higher cost of raw material during 1H2018, limiting ability to pass on higher costs. Margins were also hampered by high cost inventory for corn and soybean, which was purchased in early 2018 on

[18] Financial numbers are based on management figures.

expectations of higher feed volume sales during 2018. In addition, higher contribution from Bio-zeem “Xanh” which is a “value for money” product resulted in lower margins.

- **Gross margin down by 673 bps:** MNS’ gross margin decreased to 15.3% in 9M2018 compared to 22.0% in 9M2017.
- **EBITDA margin down 128 bps:** 9M2018 EBITDA was down 39.5% to VND940 billion compared to 9M2017, due to lower gross margins and lower sales. However, EBITDA margin decline was offset by reduction in SG&A spending, with 360 bps improvement in MNS’ SG&A as percentage of sales in 9M2018 vs 9M2017.
- **Net margin:** MNS generated profit after tax and minority interest of VND116 billion in 9M2018. Margin compression driven by lower sales to cover fixed costs and higher contribution from Bio-zeem “Xanh” were the main drivers.

- **Management expects a stronger 2019 due to pig price recovery:** Subject to the recovery in the pig feed market, MNS’ net revenue is expected to be down 20-30% in FY2018. However, management expects a stronger recovery in 2019 if pig prices continue to hold up around current levels.

Masan Resources

MSR evolves as the largest ex-China Tungsten chemicals producer

- MSR continues to develop an integrated business model to generate strong cash flows and profits through commodity cycles and offer flexibility to pay down debt and declare cash dividends to shareholders. In line with this strategy, during 3Q2018, Nui Phao Mining ("NPMC"), a wholly owned subsidiary of the Company, acquired H.C. Starck GmBH's 49% stake in Nui Phao – H.C.Starck Tungsten Manufacturing LLC ("NHTCM") for total cash consideration of USD 29.1 million. Subsequent to acquisition, the name of NHTCM has been changed to Masan Tungsten Limited Liability Company ("MTC").
- MSR delivered outstanding financial results for another quarter; however, tungsten prices (APT European Low) softened during 3Q2018, as anticipated, due to summer shutdown in Europe and the uncertainties caused through ongoing USA-China trade war. Despite subdued benchmark prices, tungsten concentrate market continues to remain tight with very limited supply available globally and the underlying demand drivers for tungsten end use products remain strong. The expectations of stronger and sustainable growth in tungsten demand were also reflected by many of the participants in the recently concluded Annual General Meeting of International Tungsten Industry Association ("ITIA") in China.
- NPMC processing plant achieved the best tungsten recoveries since the start of operations but production levels were low due to consciously treating lower tungsten head grades in 9M2018.

VND Billion	3Q2018	3Q2017	Growth	9M2018	9M2017	Growth
Consolidated Financial Results[19]						
Net Revenue	1,449	1,369	5.8%	4,688	3,928	19.4%
EBITDA[20]	671	691	(2.9)%	2,362	1,966	20.1%
NPAT Post-MI	39	35	13.1%	340	98	247.3%

Financial Highlights

- **Net revenue up 19.4%:** MSR posted revenue of VND4,688 billion in 9M2018, a 19.4% increase compared to VND3,928 billion. Copper inventory remained high as prices were less favorable due to the ongoing trade war and slightly muted demand, but the benchmark price for main products in 9M2018 was significantly higher in comparison to the same period last year. Management's initiative to increase price realization continued to be successful with price realization on a tungsten equivalent unit basis 5.8% higher in 9M2018 over the same period last year.
- **EBITDA of VND 2,362 billion:** – EBITDA grew 20.1% over the same period last year. Despite lower tungsten head grades resulting in 14.1% reduction in Tungsten equivalent units production, MSR recorded an EBITDA margin of 50.4%, representing a 32 bps increase over 9M2017. Management is strictly monitoring cost and accelerating the commissioning of its capital upgrade projects, specifically to the tungsten and fluorspar circuits, to ensure that the Nui Phao project continues to be one the lowest cost producers of scale. MSR has already delivered USD30 million in free cash flow ("FCF") during 9M2018, and is expected to deliver 30% growth in FCF for FY 2018 vs. FY2017.

[19] Financial numbers are based on unaudited management figures.
[20] Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.

- **Attributable net profit increased by 247.3%:** MSR delivered an attributable net profit of VND340 billion for 9M2018, representing 247.3% increase over the same period last year, delivering a profit margin of 7.2% for the first time ever.

Market Development: Trade uncertainties leading to short term price volatility in a fundamentally strong Tungsten market

AVERAGE COMMODITY PRICES[21]	Unit	**Average 9M2018**	Average 9M2017	% change	**At 30.09.18**	At 30.09.17
APT European Low	USD/MTU[22]	**319**	225	*42.0%*	**275**	290
Bismuth Low	USD/lb	**4.6**	4.7	*(0.6)%*	**4.0**	5.1
Copper	USD/t	**6,642**	5,952	*11.6%*	**6,180**	6,485
Fluorspar Acid Grade[23]	USD/t	**482**	337	*43.1%*	**455**	350

- As anticipated at the start of the 3Q2018, global political and trade agendas had a bearing on the commodity prices and the upward momentum in the commodity prices was halted by the ensuing business uncertainties.
- MSR management participated in the 31st Annual General Meeting of ITIA at Chengdu, China and found many of the participants having a strong view of further demand growth of end use tungsten products in the near future. USA, Japan and South Korea, represent more than 40 % ex-China tungsten demand, and are witnessing a strong demand growth for tungsten products while European demand has moderated due to over-production in 1H2018.
- A supply side structural shift is taking place in China that accounts for more than 80% of primary global tungsten supply. Stringent environmental regulations, rising production costs and continuing inspection drives are leading to supply side consolidation and increasing cost pressures providing strong support to global tungsten prices.
- Tungsten prices have been stable for the last 6 weeks and with the return of European buyers in the market. NPMC management is consistently receiving more enquiries for spot sale and expects the benchmark prices for tungsten to recover to 9M2018 average by the end of this fiscal year.

Operational Highlights: Recovering more with less

SUMMARY PRODUCTION DATE	Unit	**9M2018**	9M2017	Growth
Ore processed	kt	**2,813**	2,887	*(2.6)%*
Tungsten concentrate (contained)	t	**4,082**	4,737	*(13.8)%*
Tungsten equivalent units (contained)[24]	t	**8,539**	9,921	*(13.9)%*

- Upgrades to the tungsten circuit have increased tungsten recovery from ore processed by 6.3% over the same period last year. With the capital upgrades performing as expected and a planned shut-down successfully completed in September 2018, management is expecting recovery rates to hit 70% in 4Q2018.
- Performance of the fluorspar circuit continues to improve quarter on quarter. The recoveries for fluorspar in 3Q2018 increased by 1.2% from the previous quarter and by 6.4% from the same quarter last year.

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[21] Metals Bulletin.

[22] MTU mean metric ton unit (equivalent to 10 kilograms). To approximate tungsten sales for every 1 ton of contained tungsten, multiply the number by 100, the USD/MTU price and by the price realization percentage (which is subject to contracts and the nature of the end, tungsten chemical product).

[23] Industrial Minerals.

[24] Nui Phao finished products are converted to a tungsten equivalent unit.

2018 Financial and Strategic Outlook:

- Based on MSR's 9M2018 results, acquisition of H.C. Starck GmBH's 49% stake in MTC and current outlook on pricing fundamentals, management is confident in being able to deliver net revenue and attributable profit to shareholders that are in line with previously released guidance ranges of VND7,300 – 8,000 billion and VND600 – 1,000 billion, respectively.

- In line with Company's 5 year strategy plan, post-acquisition of H.C.Starck GmBH's share in MTC, and the strategic partnership between Masan Group, the parent company of MSR, and SK Group, one of the largest corporate group in S.Korea, management is currently in the process of further increasing the capacity of the highly profitable tungsten chemicals business in Vietnam and is in discussions with selected partners to have strategic partnerships in and outside Vietnam for further downstream integration and getting closer to end-user customers.

- Management is also looking to further secure the supply of raw material to ensure the maximum utilization of MSRs existing and future expanded processing facilities in Vietnam and is in discussion with upstream suppliers for strategic acquisition or long-term offtake contracts.

<u>Techcombank</u>

- **Solid growth of 25% in total operating income ("TOI"):** TOI in the first nine months of 2018 was VND13,294 billion, an increase of 25% from the same period last year. In addition, the Bank continues to diversify its revenue base, in line with its strategic direction. Share of income from credit activities declined from 53% to 48%.
- **Increased efficiency driving profitability:** Profit before tax ("PBT") hit VND7,774 billion, a year-on-year increase of 61%. PBT growth far exceeded TOI growth as a result of the Bank's effort in clearing its VAMC balance. As of the end of September 2018, Techcombank reported ROAE[25] of 25.4% and return on average assets ("ROAA")[25] of 3.2%. Both of these metrics are among the best in the country and the region.
- **Strengthening Balance Sheet:** At the end of 9M2018, TCB had a capital adequacy ratio of 14.33%, 2.31% higher than the same period last year thanks to equity growing faster than risk weighted assets. This reflects the Bank's prudent approach in managing credit growth and strictly following the SBV's guidance. Techcombank enjoys one of the best asset qualities in the sector. Total loans to large corporates, and small and medium enterprises ("SMEs") will be approximately the same share as loans to retail customers. The balancing of the loan book between retail customers and businesses aims to reduce credit risk, thereby improving operational efficiency.
- At the same time, TCB continues to improve its market position on consumer payment solution. According to the latest report by Visa, Techcombank holds the number one position in transaction volumes in both Visa Credit and Debit cards. This milestone is a mark of Techcombank's relentless effort in delivering its customer-centric strategy, especially its commitment to meet customers' financial and transactional needs. And also follow the government directive of reducing cash transaction volume in Vietnam.

[25] On LTM basis ending September 2018.

MASAN GROUP CORPORATION

Masan Group Corporation ("Masan" or 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 less 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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