

**FOR IMMEDIATE RELEASE**

**Masan Tenders for up to 100% of Vinacafé Bien Hoa Corporation; Coffee Platform a Core Pillar to Deliver Beverage Growth Strategy**

**Ho Chi Minh City, 5 December 2017** – Masan Group Corporation (**HOSE: MSN**), today announced that Masan Beverage Company Limited (“MB”), a wholly owned subsidiary of Masan Consumer Corporation (**HNX UPCOM: MCH**), will launch a tender offer to acquire all of the shares in Vinacafé Bien Hoa Corporation (**HOSE: VCF**, “VCF”). MB intends to tender at a price of VND202,000 per share to increase its current ownership from 68.5% to up to 100%. In addition, the Board of Directors at VCF has passed a resolution to pay a cash dividend of VND66,000 per share, to be funded by retained earnings of approximately VND2,000 billion as of 31 December 2017.

Increasing Masan’s stake in VCF is instrumental to achieving the following future strategic and financial results:

- 1) Already a market leader in instant coffee with power brands such as Vinacafé and Wake-up, VCF has been achieving success in growing Wake-up 247, a coffee-flavored energy drink and Vietnam’s #4 energy drink brand with approximately 5% market volume share. In the first 9 months of 2017, Wake-up 247 has grown by 58.3%YoY, validating Masan’s diversified beverage business model of product innovation and effective nationwide distribution network.

Management believes coffee and coffee-based products are among the key growth pillars in its beverage business that will move Vietnam’s coffee industry (now primarily comprised of unbranded roast and ground coffee or coffee bean export) up the value chain.

- 2) By acquiring an additional ~30% stake in VCF, Masan’s earnings are expected to improve as minority interest will be reduced. In addition to improving net margin, the Transaction, is also expected to simplify Masan’s group ownership structure and further consolidate cash flows, allowing Masan to build a healthier balance sheet and meet its target debt to EBITDA ratio of below 2x in the next 3 years.

VCF is also a case study that demonstrates Masan’s ability to create value for shareholders. Under Masan’s stewardship, VCF’s revenue has grown from VND2,115 billion in 2012 to VND3,308 billion in 2016 (a compounded annual growth rate of 11.8%), and gross margin has improved from 27.6% to 36.2% during the same period. With the proposed tender price and proposed cash dividend, shareholders of VCF would be making approximately 3.4 times the price per share Masan paid for its initial controlling stake in 2011. With VCF’s potential growth, management believes the Transaction would value VCF at a forward price to earnings in the mid-teens for 2018 and single digits by 2019.

The Transaction is expected to close in the beginning of the first quarter of 2018, subject to corporate and regulatory approvals.

## **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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