

FOR IMMEDIATE RELEASE

Strategic Investments – Support Farmers and Destocking Initiative Result in Bottom Line Decline for 1H2017; Management Lowers 2017 Financial Estimates

Ho Chi Minh City, 28 July 2017 – Masan Group Corporation (**HOSE: MSN**, “Masan” and the “Company”), today reported its management accounts for the first half of 2017. 1H2017 consolidated net profit after tax post minority interest declined by 56.0% to VND455 billion and consolidated net revenue declined by 5.9% to VND18,019 billion.

Management estimates consolidated FY2017 net profit after tax post minority interest to reach between VND2,400 – VND2,800 billion versus VND2,791 billion in FY2016. Management also estimates FY2017 consolidated net revenue to be approximately flat compared to FY2016 results.

Discussion and Analysis on Management Financial Estimates

Below is a detailed discussion and analysis of management’s basis for their revised 2017 financial estimates and why the strategic corporate actions during the reporting period were necessary to position the Company to deliver on its 2018 – 2020 top and bottom line growth forecast of 15 – 20% per annum. Masan has been implementing a 3-year shareholder value creation plan rather than managing the business to deliver short-term financial results.

- Masan Consumer Holdings (“**MCH**”) lost potential net revenue of VND1,055 billion in 1H2017 to develop a more efficient and healthy distribution network to better serve consumers and to prepare for its second half innovation pipeline across categories.
 - Year-end 2016 stock level at distributors was VND2,272 billion, which decreased to VND1,633 billion as of 31 March 2017 and ended at VND1,217 billion as of 30 June 2017. To support the de-stocking initiative, MCH invested an additional VND305 billion in selling expenses, a 23% increase compared to the same period last year, impacting consolidated operating, EBITDA and net margins. Management targets year-end distributor stock level to reach approximately VND1,000 billion (optimal level to maintain an efficient and healthy distribution network). This strategic effort is expected to maximize consumer offtake for eight product launches in 2H2017 and prepare MCH for its 2018 innovation pipeline.
 - Masan Brewery’s (“**MB**”) net revenue declined by 93.4% from VND543 billion to VND36 billion in 1H2017. Sales deductions increased to VND160 billion in 1H2017 versus VND51 billion in 1H2016 as Masan cleared the existing stock levels to prepare for a mega relaunch of Su Tu Trang at the end of July. Management estimates FY2017 sales of approximately VND700 billion, 70% of the initial budget. After normalizing for the excess stock level at the end of 2016, 2H2017 net revenue is expected to track 2H2016.
 - De-stocking initiative also impacted instant coffee and convenience foods category for the first half with net sales declining by 13% and 19%, respectively. Management has a brand relaunch and innovation product launch schedule in place to restore growth in instant coffee and convenience foods, but does not expect material contribution to fully occur until 2018.

- Overall market share across MCH’s categories remain stable as sales from distributors to consumers only declined by 6.5% versus an accounting net revenue decline of 13.4%. When excluding beer, sales to consumers declined slightly by 3.0%.
- Masan Nutri-Science (“MNS”) was heavily impacted by historically low livestock pig prices of VND20,000-VND25,000 per kilogram, which persisted into 2Q2017, resulting in a sharp decline in its 1H2017 financial results. Management has revised their FY2017 financial estimates downward.
 - Overall pig feed market declined by approximately 35-40% in 1H2017 as pig livestock demand and supply rebalanced to sustainable levels. As a result, MNS’ pig feed sales volume and value declined by 20.8% and 19.5%, respectively. Notably, MNS’ Bio-zeem range of pig feed products declined only by 12.2% in terms of volume. Overall, 1H2017 net revenue declined by 9.8% as growth in other feed categories offset the decline in pig feed net revenue.
 - To counter current market dynamics and better position itself to be the feed of choice, MNS rolled out programs to support and lock-up select farmers and distributors who the Company believes will emerge from the crisis as potential market consolidators. These programs have led to selling expenses increasing by 36% to VND1,136 billion compared to 1H2016. This upfront investment has led to a short-term compression in profitability margins. Management expects the investment to start yielding returns over the course of the next 18 months starting in 3Q2017 as many of the support programs are on loyalty-based terms and pig livestock prices have since recovered.
 - Management expects to deliver pig feed volumes for the full year of 1.5 million tons and continues to invest in supporting farmers and distributors in order to achieve full year topline financial results approximately on par with 2016. Despite pig livestock prices rebounding to approximately VND40,000-VND42,000 per kilogram at the end of July 2017, Masan continues to monitor market dynamics and how farmers react before revising up MNS’ 2017 financial estimates.
- MSN’s consolidated net profit after tax post minority interest benefited from non-recurring gains in 1H2016 of VND204 billion and management does not expect any non-recurring gains for 2017.
- Consolidated financial income declined by 29.2% in 1H2017 due to a decrease in consolidated cash (including short-term financial investments) from VND14,920 billion as of 31 December 2016 to VND6,666 billion as of 30 June 2017 and lower yield from cash management activities.
 - Cash balance impacted by cash dividend payment at MSN of VND2,277 billion in 1Q2017 and prepayment of VND6,700 billion in bonds both at MCH and MNS.
 - Total debt currently at VND34,037 billion compared to VND41,091 billion as of 31 December 2016. As mentioned in 1Q2017, Masan aims to continue to deleverage if there is not a more accretive opportunity to deploy capital.
- Management estimates 2H2017 MSN’s net profit after tax post minority interest to be within the range of VND1,945 billion – VND2,345 billion, a 10.7% - 33.5% increase versus 2H2016.
 - Management believes there is potential upside to the revised net profit after tax post minority interest of VND2,400-VND2,800 billion, but will provide an update post 9M2017 results.

Strategic Growth Pillars Gaining Consumer Traction with Impressive 1H2017 Performance

- **MCH’s energy drink, Wake-up 247, outperforming: delivered 72% net revenue growth in 1H2017 and is on track to be a USD45-50 million power brand by year-end.**
 - Energy drinks is a strategic growth driver for MSN with a total market size of over USD1 billion. Management expects to achieve a nationwide market share of 5% by year-end 2017. The growth momentum is expected to carry over into 2H2017 and 2018 backed by a nationwide launch of Wake-up 247.
 - MCH’s non-alcoholic beverage business is expected to deliver nearly USD100 million in revenue by year-end, up approximately 30% compared to FY2016.
 - In addition, total non-alcoholic bottled beverage (excluding instant coffee and beer) contributed to 17.9% of MCH’s 1H2017 consolidated net revenue compared to 11.7% in 1H2016; tracking Masan’s strategic vision to develop into a 50/50 food and beverage business.
- **MCH’s processed meat business grew by 359% to VND88 billion in 1H2017 and is expected to deliver FY2017 net revenue of VND300 – 500 billion.**
 - Masan has transformed Saigon-Nutri Food (“SNF”) into a strategic processed meat platform through product and distribution innovation, and building power brand “Heo Cao Bồi – Nutrition comes from meat”. MCH’s processed meat net revenue is expected to expand by 4-5x in FY2017 compared to FY2014, when Masan acquired SNF.
 - Management is forecasting that processed meat will become a USD50 – 75 million category by the end of 2018. Currently, MCH is playing only in the snack sausage market, a USD100 – 150 million market. MCH will focus on developing a wider range of innovative value-added meat products to cater to every family eating occasion.
 - Vietnam’s processed, value-added meat market represents only 1% of total meat consumption, similar to China 10-15 years ago. Management expects processed meat penetration to be 15 – 20% of total meat consumption by 2022, growing into a USD1.5 – 2.0 billion market which is on par with China’s current meat market structure.
 - MCH to synergize the processed meat platform with its broader food platform to develop affordable meal solutions.
- **MNS on track to deliver on its 3F business model (feed-farm-food) by 1H2018, de-risking impact of livestock commodity pricing and positioning MNS to grow across cycles.**
 - MNS expects to complete its meat production complex and pig farm by 1H 2018. This would mark the final stage of development to achieve MNS’ vision of building an integrated animal protein business, a unique platform to directly service the significant demand for safe and traceable meat products.
 - Over the next 3 years, meat products will comprise a larger percentage of MNS’ net revenue, enhancing gross margins to approximately 30% – 35% over the medium-term.
 - Kohlberg, Kravis and Roberts’ (“KKR”) USD150 million investment into MNS was a strategic bet on Masan’s ability to build-out an integrated meat platform to transform MNS from a pure commodity business into a branded consumer player with direct access to Vietnam’s largest consumer segment of USD18 billion. KKR is also bringing in

international expertise through its global network to accelerate the process and manage any potential operational risks. As part of the deal, KKR also became one of the largest foreign shareholders of Masan Group.

- **Techcombank (“TCB”) delivered net profit before tax of VND2,734 billion in 1H17.** TCB is focused on shifting its total operating income structure more towards recurring, low-risk fee income and implementing its strategy to build a stronger consumer franchise.
 - TCB has fully provided for VAMC loans as of 1H2017 and will fully provide for any remaining vintage bad loans by year-end.
 - Current net interest margin of 3.85% and NPL of 2.06%.
 - Masan will not participate in TCB’s share buyback program.

Masan Group Consolidated 1H FY2017 Snapshot and Commentary ⁽¹⁾

| VND Billion | 1H 2017 | 1H 2016 | Growth |
|---|---------------|---------------|----------------|
| Net Revenue | 18,019 | 19,141 | (5.9)% |
| <i>Consumer Staples</i> | 15,460 | 17,395 | (11.1)% |
| <i>Masan Consumer Holdings</i> | 5,496 | 6,345 | (13.4)% |
| <i>Masan Nutri-Science</i> | 9,964 | 11,051 | (9.8)% |
| <i>Masan Resources</i> | 2,559 | 1,745 | 46.6% |
| EBITDA⁽²⁾ | 3,718 | 4,127 | (9.9)% |
| <i>Consumer Staples</i> | 1,807 | 2,893 | (37.5)% |
| <i>Masan Consumer Holdings</i> | 696 | 1,278 | (45.5)% |
| <i>Masan Nutri-Science</i> | 1,111 | 1,615 | (31.2)% |
| <i>Masan Resources</i> | 1,275 | 877 | 45.4% |
| <i>Techcombank</i> | 672 | 385 | 74.5% |
| NPAT Post Minority Interest | 455 | 1,034 | (56.0)% |
| Cash NPAT Post Minority Interest⁽³⁾ | 770 | 1,324 | (41.8)% |

| VND Billion | 2Q 2017 | 2Q 2016 | Growth |
|---|--------------|---------------|----------------|
| Net Revenue | 9,479 | 10,373 | (8.6)% |
| <i>Consumer Staples</i> | 8,096 | 9,434 | (14.2)% |
| <i>Masan Consumer Holdings</i> | 3,485 | 3,566 | (2.3)% |
| <i>Masan Nutri-Science</i> | 4,611 | 5,868 | (21.4)% |
| <i>Masan Resources</i> | 1,383 | 939 | 47.3% |
| EBITDA⁽²⁾ | 1,855 | 2,495 | (25.7)% |
| <i>Consumer Staples</i> | 886 | 1,801 | (50.8)% |
| <i>Masan Consumer Holdings</i> | 502 | 861 | (41.7)% |
| <i>Masan Nutri-Science</i> | 384 | 941 | (59.2)% |
| <i>Masan Resources</i> | 641 | 428 | 49.8% |
| <i>Techcombank</i> | 347 | 245 | 41.6% |
| NPAT Post Minority Interest | 218 | 781 | (72.1)% |
| Cash NPAT Post Minority Interest⁽³⁾ | 372 | 929 | (59.3)% |

⁽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 the Masan's M&A transactions in the past. In 1H 2017, amortization expenses alone amounted to VND315 billion. Management believes that these figures reflect Masan's true earnings performance and cash generating potential.

- 1H2017 net revenue declined by 5.9% to VND18,019 billion.
 - Decline was mainly attributable to MNS' underperforming net revenue targets for 2Q2017. Management forecasted that pig prices would normalize in the 1H2017 but

market did not recover until late July. MCH's slight drop-off in 2Q2017 was expected due to the planned de-stocking initiatives.

- Masan Resources (“**MSR**”) offset net revenue decline from Masan's consumer staples business due to higher commodity prices and higher volume production from technology upgrades.
- Masan delivered 1H2017 EBITDA of VND3,718 billion and 2Q EBITDA of VND1,855 billion, down 9.9% and 25.7%, respectively. Decline primarily was the result of increased selling expenses in the consumer staples divisions and MCH's product mix.
- 1H2017 net profit after tax post minority and cash net profit after tax post minority declined by 56.0% and 41.8%, respectively, versus the same period last year.

Commentary on Business Segments

Consumer Staples: Masan Nutri-Science

Negatively impacted by prolonged pig livestock price downturn in 1H2017. 2H2017 looks brighter as pig prices have rebounded to 2016 levels.

| VND Billion ⁽¹⁾ | 1H 2017 | 1H 2016 | Growth |
|-------------------------------------|---------|---------|---------|
| Net Revenue | 9,964 | 11,051 | (9.8)% |
| Gross Margin | 22.8% | 22.3% | 0.5% |
| EBITDA | 1,111 | 1,615 | (31.2)% |
| Net Profit After Tax ⁽²⁾ | 356 | 733 | (51.5)% |

⁽¹⁾ Financial numbers are based on management figures

⁽²⁾ After minority interest

- MNS' net revenue declined by 9.8% in 1H2017 compared to 1H2016 due to an estimated 60% reduction in pig livestock prices. Total pig feed market shrunk by nearly 35 – 40% as small scale farmers were squeezed out of the market and minimal investments were made for the next pig herd cycle.
 - Bio-zeem's volume and net revenue for 1H2017 declined by only 12% and 11%, respectively. However, non-Bio-zeem pig feed products declined by ~31% both in terms of volume and net revenue, nearly matching the overall pig feed market. Bio-zeem accounts for nearly 60% of the pig feed portfolio. 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 2H2017 due to the pig livestock 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 20.8% in 1H2017 compared to the same period last year.
- **Margin analysis:** Improved gross margin but other profitability metrics were lower due to higher spending to support farmers and distributors through the pig livestock crisis.
 - **Gross margin up 56 bps:** MNS' gross margin improved to 22.8% in 1H2017 compared to 22.3% in 1H2016. Margin expected to expand in the near future due to higher capacity utilization as pig feed sales ramp-up to meet customer demand and stable soft commodity prices.
 - **EBITDA margin down 346 bps:** 1H2017 EBITDA was down 31.2% to VND1,111 billion compared to 1H2016, due to higher selling expenses to support farmers and distributors.
 - **Net margin down 306 bps:** MNS generated profit after tax and minority interest of VND356 billion in 1H2017 down 51.5% compared to 1H2016, with profit margin of 3.6%. Margin compression due to higher selling expenses and lower financial income.

Consumer Staples: Masan Consumer Holdings

Energy Drinks and Processed Meat segment emerge as long-term growth drivers but investment to rebalance distributor inventory level to prepare for 2H2017 and 2018 innovation pipeline resulted in lower sales and profitability in 1H2017.

| Category Revenue (VND Billion) | 1H 2017 | 1H 2016 | Growth |
|-------------------------------------|--------------|--------------|--------------|
| Seasonings | 2,195 | 2,356 | (7)% |
| Convenience Foods ⁽¹⁾ | 1,468 | 1,804 | (19)% |
| Processed Meat | 88 | 19 | 359% |
| Beverages and Others ⁽²⁾ | 1,745 | 2,166 | (19)% |
| Branded Food and Beverages | 5,496 | 6,345 | (13)% |

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

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

- **Net revenue analysis and outlook:** Net revenue for Masan's food and beverage portfolio declined by 13.4% in 1H2017 to VND5,496 billion due to the planned effort to promote sell-out growth and rebalance distributor inventory levels announced in 1Q2017. Main categories impacted by this one-off initiative include seasonings, convenience foods, beer and instant coffee.
 - De-stocking initiative effectively completed as momentum has picked up in 2Q2017 with only a slight net revenue decline of 2.3% compared to 2Q2016. Such initiative had an immaterial impact on MCH's market share position across categories as sales from distributors to consumers remained stable.
 - Energy drinks and processed meat emerged as USD100 million plus potential net revenue categories. Wake-up 247, a caffeine based energy drink, delivered 1H2017 net revenue of VND560 billion, up 72%, and processed meat delivered net revenue of VND88 billion, up 359% versus 1H2016, respectively. Masan expects growth momentum to continue with increased nationwide coverage.
 - Full year revenue is expected to be up 3-5% compared to normalized FY2016 net revenue for de-stocking initiative.

- **Strategic innovation pipeline and highlights:** Several brand relaunches and new products launches to reaffirm the power of Masan's brands in the market and achieve nationwide market share. With a more efficient distribution network, Masan is better positioned for innovative product launches to deliver potential net revenue upside in 2H2017 and momentum going into 2018. As a result, key categories are estimated to deliver the following results:
 - Beer product and brand relaunch of Su Tu Trang in July 2017 expected to deliver sales of approximately VND660 billion in 2H2017 to reach full year sales of VND700 billion, achieving 70% of MCH's original 2017 annual plan.
 - Convenience foods is expected to grow net revenue from VND1,468 billion in 1H2017 to VND2,145 billion in 2H2017, delivering FY2017 net revenue of VND3,613 billion which is flat compared to FY2016.
 - As a result of the strategic innovation pipeline, MCH's net revenue in 2H2017 is expected to be VND8,534 billion compared to VND5,496 billion in 1H2017, resulting in FY2017 net revenue of VND14,030 billion, a decline of 5% compared to FY2016. If 2H2017 sales estimates are achieved, MCH will have effectively delivered sales growth of 3-5% when normalizing FY2016's net sales for the excess stock level. Momentum forecasted in

2H2017 is expected to continue into 2018. Management believes the estimates can be achieved while maintaining distributor stock levels at VND1,000 to VND1,200 billion.

- **1H2017 profitability analysis: Slightly higher gross margin offset by higher raw material prices, portfolio mix and one-time SG&A investment to reduce distributor stock levels.**
 - **Gross margin up 24 bps to 41.4%:** Gross margin improved compared to 1H2016 as a result of product mix with a sales decline in lower margin beer products.
 - **1H2017 EBITDA margin down 749 bps to 12.7%** due to one-off expenses related to de-stocking initiative.
 - Masan Consumer Corporation, the UPCoM listed subsidiary, achieved net profit after tax post minority interest of VND618 billion in 1H2017, a decrease of 36% from VND963 billion compared to 1H2016 primarily as a result of the previously discussed increase in selling expenses to support de-stocking.
- **MCH to reallocate SG&A spend in 2H17 to focus more on marketing and television commercials to strengthen existing brands and build new power brands. Management expects to invest VND542 billion on marketing and TVC, an increase of 103% compared to the same period last year and 32% compared to the initial budget.**

Mineral Resources and Value-Add Processing: Masan Resources

Higher productivity at processing plant and commodity price upswing result in stronger 1H2017 financial performance.

| VND Billion ⁽¹⁾ | 1H 2017 | 1H 2016 | Growth |
|-------------------------------------|---------|---------|--------|
| Net Revenue | 2,559 | 1,745 | 47% |
| EBITDA | 1,275 | 877 | 45% |
| Net Profit after Tax ⁽²⁾ | 63 | 70 | (10)% |

⁽¹⁾ Financial numbers are based on management figures

⁽²⁾ Net profit is after minority interest

- **Net revenue up 47%:** Masan Resources delivered a 47% growth in net revenue for 1H2017, driven by increased efficiency and higher prices for all products in comparison to the same period last year.
 - **Productivity and efficiency initiatives paying off:** During 2016, MSR invested in improvements to the tungsten and bulk sulphide flotation circuits that resulted in increased recovery rates. As a result, tungsten and fluorspar concentrate production increased in 1H2017 compared to the same period last year. Management expects to deliver net revenue of ~VND2,900 billion in 2H2017 to achieve full year net revenue of ~VND5,500 billion. In 1H2017, total ore mined and processed increased 4% and 8%, respectively, compared to 1H2016.
 - **Commodity price uptrend:** Average tungsten price for 1H2017 was USD206 per metric ton, up 15% compared to the average price for 1H2016. Management expects tungsten prices to continue to rise due to revived demand from end use sectors and restriction on supply in China due to environment regulations.

- **EBITDA increased by 45%:** Ongoing efficiency initiatives have continued to yield results. Plant availability and mill throughput have significantly increased in 1H2017 over the same period last year. In addition, management’s ability to identify and de-bottleneck issues has resulted in a significant increase in recoveries over the same period. MSR recorded an EBITDA of 1,275 billion in 1H2017, a 43% increase over 1H2016. EBITDA margin, excluding one off adjustments, increased to 50% during the period in comparison to 45% in 1H2016.
- **Net profit after tax post minority interest down 10%:** Decline due to no longer capitalizing costs associated with bismuth production (circuit now in commercial production) and discontinuance of one-off shareholder financial support received in 1H2016. Management views MSR’s 1H2017 financial results as validation of its sustainable business model and believes MSR is well positioned to benefit from higher recoveries and commodity prices to deliver its earnings target.
- **Commitment to sustainability:** The Ministry of Natural Resources and Environment has completed its comprehensive inspection of the Nui Phao mine. The process involved multiple ministries and experts covering all aspects of the project with particular focus on environment and community. The results found no environmental violations, but saw two administrative fines of VND510 million in total on account of administrative oversight. Management has completed corrective actions to ensure that such administrative violations do not reoccur and continues to work closely with regulators to improving Vietnam’s flagship mine. As an endorsement of the positive outcome of the inspection, MSR was chosen to host a global delegation of 21 APEC members in May 2017. MSR’s environmental, CSR, and hiring practices were well received by the delegation.

| Summary Production Data | 1H2017 | 1H2016 | Growth |
|--|--------|--------|--------|
| Material processed (kt) | 1,872 | 1,727 | 8% |
| Tungsten concentrate (t) | 3,324 | 2,756 | 21% |
| Tungsten equivalent units (t) ⁽¹⁾ | 6,840 | 5,466 | 25% |

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

3 Year Strategic Outlook

Management strongly believes that with the 1H2017 initiatives and one-time investments Masan now has the operating and strategic foundation to deliver on its 2020 vision. Masan will be solely focused on its core, consumer-related businesses, where the Company can transform or disrupt the current market dynamics through innovation, deep consumer insights and making products and services available to every Vietnamese citizen. There are three current strategic pillars that will drive 2018 – 2020 top and bottom line growth per annum of 15% - 20%: beer, meat as a foundation for a broader nutrition strategy and non-alcoholic beverages.

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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