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MASAN HIGH-TECH MATERIALS – GOING GLOBAL

Hanoi, 30 July 2020 – Masan High-Tech Materials (“MHT”, “Masan High-Tech Materials” or the “Company”), formerly Masan Resources (HNX-UpCoM ticker remains “MSR”), one of Vietnam’s largest integrated industrial mineral and chemical producers, reports its results for the first half of the 2020 fiscal year (“1H2020”).

As reported in 1Q2020, the Company, via its wholly-owned subsidiary Masan Tungsten LLC, was granted with an Offshore Investment License by the Ministry of Planning and Investment on 20th April 2020. We are pleased to announce the acquisition of H.C.Starck’s Tungsten (“HCS”) business was completed on 9th June 2020. This acquisition delivers on the long held ambition to move beyond being an upstream producer of tungsten oxides into a downstream producer of advanced tungsten powders and chemicals and enables the combined entity to take the business to a new level of performance through providing innovative solutions to our customers globally. Already we are seeing benefits of the acquisition with flow through of additional primary tungsten volumes into the HCS business. Aligned to the acquisition and as announced at our annual general meeting held in June 2020, we have taken the opportunity to change the holding company name from “Masan Resources” to “Masan High-Tech Materials” reflecting our global aspirations and growth objectives.

Despite the exciting future that lies ahead for MHT there is no doubt the COVID19 pandemic currently being experienced throughout the world has had a significant impact on our business in 1H2020. As predicted in our 1Q2020 earnings release, we expected pricing to fall further during 2Q2020 and this is how the market played out. We previously predicted a v-shaped recovery from 3Q2020, however given the extended reach the pandemic is having across the world and on the markets in which we operate we now expect price recovery more likely to occur in 4Q2020. We are seeing an increase in enquiries in the last month for deliveries in Q3 and Q4 and this is indicative of the market having bottomed out. Pricing for our tungsten products is down to around ~\$210/mtu at the time of writing this report, this is a pricing level where we understand > 70% of primary producers are losing money on an ‘all in’ cost basis. Once price starts to move it is expected to increase rapidly as we understand most downstream processors have delayed purchasing and as a result have minimal stocks available. Fluorspar pricing remains healthy although some customers are seeking delays in shipping or receival or cargoes to match production interruptions with COVID19. Copper pricing has recovered to levels above those experienced pre-COVID due to supply interruptions whilst bismuth pricing continues to remain subdued. Against the COVID backdrop, management continues to remain focused on reducing the unit costs for its products, with ~VND400 billion stripped out since the start of the year. Further savings are expected in the second half and the focus of management is ensuring the savings are sustainable on an ongoing basis which will place us in a very strong position when markets recover.

Net revenue declined 4% in the first half predominantly on the back of lower pricing but partially offset by an increase in copper revenues and helped by one months sales contribution (VND486 billion) from the acquisition and consolidation of HCS global tungsten business, resulting in a attributable net loss for 1H2020 of VND389 billion (1H2019 profit of VND 1.6 billion). Management focus in second half will be to integrate the business and develop a supply chain and sales model to generate consistent cash flows through tungsten price cycles. Management expects the results to be reflected in 4Q2020 and 1Q2021 at the latest.

MARKET DEVELOPMENT: COVID19 – SIGNIFICANT IMPACT ON DEMAND

- The Tungsten price has been faced with significant headwinds in Q2 2020 due to the impact of COVID on downstream consumption. Industrywide demand across the key sectors of Aerospace, Automotive, and Oil and Gas has seen a double-digit decline for the quarter YOY, with Infrastructure, Military and Consumer Durables being negatively impacted to a lesser extent. MHT has been protected from the worst

of the downturn in demand by stable long-term offtakes with strategic customers, but index pricing has been impacted by increased price competition for the reduced volume of spot transactions.

- Management has revised its near-term price forecast downwards to compensate for the prolonged COVID impact, with second waves of infection now taking hold in the USA, Japan, and Korea. Management sees significant price upside in the 4Q2020 restocking phase that will follow the initial COVID recovery, with tungsten supply chains currently sitting dormant and largely empty through to ultimate customer. The China supply side picture looks particularly strained with > 70% of primary producers losing money on an 'all in' cost basis, ongoing cutbacks in midstream smelting capacity, and a new round of environmental inspections and certifications currently underway to curtail non-compliant production.
- The low-cost nature of the MHT Vietnam operations continue to give the group flexibility over other Tungsten producers, and the increased raw materials optionality enabled by the acquisition of the H.C.Starck scrap processing facility in Goslar, Germany, positions the business to extract the maximum upside potential from the market recovery. The newly combined business is now able to process multiple forms of primary and secondary tungsten raw material, and to quickly pivot between feed sources to capitalize on the lowest cost tungsten units available.
- The Fluorspar market has remained broadly in balance throughout the COVID crisis, with the major producers in South Africa being unable to ship product due to transport restrictions balancing out the temporary downturn in demand. End use markets for Acidspars continue to hold up in 2020 in particular for Fluorine Chemicals, and the ex. China market remains undersupplied going into 2021. Management continues to forecast robust pricing in the short to medium term, and the MHT production is fully sold for the balance of 2020.
- Copper has seen a price resurgence in Q2 2020 with the LME Cash Close sitting at \$6,513/MT as this earnings release goes to publication, largely thanks to China's swift recovery in demand post COVID and the fact that significant producing countries in South America (Peru/Chile) remain in lock down and not producing. Consensus forecasts among global investment banks have the copper price retreating to \$5,300/MT by year end as the global market rebalances. In 2020 MHT successfully lobbied the Government for export approval for copper concentrate, whilst working towards a longer-term goal of smelting the material in country.

AVERAGE COMMODITY PRICES	Unit	Average 1H2020	Average 1H2019	% change	At 30.6.20	At 30.6.19
APT European Low*	USD/mtu	229	265	-14%	205	250
Bismuth Low*	USD/lb	2.5	3.4	-26%	2.5	3.0
Copper*	USD/t	5,492	6,167	-11%	6,038	5,972
Fluorspar Acid Grade**	USD/t	405	503	-19%	430	490

* Metals Bulletin, ** Industrial Minerals

1H2020 FINANCIAL HIGHLIGHTS: PRICING AND SUBDUE VOLUMES FOR TUNGSTEN IMPACTS REVENUE AND PROFIT

- **Net revenue down 4%** – MHT posted net revenue of VND2,570 billion in 1H2020, a 4% decrease compared to VND2,690 billion recorded in 1H2019. Production volumes for Tungsten products on a consolidated basis (inclusive of one months production for HCS) were 1% higher. Lower APT production at MTC caused by a build-up of tungsten concentrate stocks to conserve cash due to reduced demand caused by COVID19 was offset by the HCS volume impact. Copper was up on higher throughput and feed grade and Fluorspar down on lower grade and recoveries and offset by higher throughput. Tungsten revenues were impacted by lower realized prices and a build-up in Tungsten stocks due to the impacts of COVID19. Copper revenues were up with shipping of 20,000 tonnes of concentrates for export commencing in June after receipt of the export permit. It is expected the remaining copper volumes allowed to be exported under the export permit will occur in July and August. Fluorspar revenues were down on the back of lower tons sold due to delays in shipments and a lower realized price due to contract pricing and timing of sales.

- EBITDA of VND670 billion** – EBITDA decreased by 49% for 1H2020. This was primarily due to the impacts of lower net revenues as noted above. Tungsten and fluorspar unit costs were higher as compared to last year on lower production. Copper made an EBITDA loss of VND267 billion in the 1H2020 which included a net realizable value (“NRV”) provision (non-cash) against stocks on hand of VND208 billion. The copper was sold at a loss as the contract was signed in May 2020 based on the average LME price for April following receipt of the export permit from the Government of Vietnam. Management accepted the contract conditions at that time due to the uncertainty that was occurring throughout the world in relation to COVID19 and was looking to protect itself from further downside pricing risk and was also seeking to lock in the cash flows to support the HCS acquisition that occurred in June. The volumes sold in 2H2020 are expected to be profit making due to the NRV provision taken up in 1H2020. EBITDA margins were at 26%, as compared to 49% for 1H2019 due to the lower realized selling prices and the non-cash inventory impact related to copper as noted above. Excluding the copper impacts EBITDA margins were 36%, still well down on 1H2019 mainly related to price.
- VND389 billion attributable net loss** – The Company delivered an attributable net loss of VND389 billion for 1H2020, VND391 billion decrease over the same period last year due to items noted above and higher interest charges. Excluding the impact of copper, the attributable net loss would have been VND122 billion.
- Cost Saving Initiatives** – Management has made significant savings in costs during 1H2020, focusing on ensuring the savings are sustainable year on year. As compared to budget, this program has delivered savings of VND400 billion and is targeting a further VND230 billion throughout the remainder of this financial year.

VND Billion	1H2020	1H2019	Growth
Masan Resources Consolidated Financial Results⁽¹⁾			
Net Revenue	2,570	2,690	-4%
EBITDA ⁽²⁾	670	1,309	-49%
Attributable Net Profit/(Loss) After Tax (VAS)	-389	1.6	-24,438%

⁽¹⁾ Financial numbers are based on management figures.

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

OPERATIONAL HIGHLIGHTS

- Tungsten concentrate production decreased by 3% over 1H2020 on lower grade partially offset by higher throughput with recoveries broadly in line with 1H2019. Mined feed grades were down by 6% whilst throughput was up by 2%. At MTC, APT production decreased by 24% over 1H2019 due to a build-up of tungsten concentrate stocks as management sought to conserve cash through the downturn. APT production will be ramped up again in 2H2020.
- Fluorspar production was 2% lower than 1H2019 due to 3% lower feed grades, 1% lower recoveries and partially offset by higher throughput as noted above.
- Copper production was 12% higher than 1H2019 on the higher throughput and 11% higher feed grades were offset by a 1% reduction in recoveries.

SUMMARY PRODUCTION DATE	Unit	1H2020	1H2019	Growth
Ore processed	kt	1,922	1,875	-2.5%
Tungsten Products (Contained) – inclusive HCS	t	3,250	3,209	1.3%
Copper in Copper Concentrate (Contained)	t	4,474	4,002	11.8%
Acid Grade Fluorspar	t	113,228	115,702	-2.1%
Bismuth in Bismuth Cement (Contained)	t	-	917	-100%

2020 FINANCIAL AND STRATEGIC OUTLOOK

- As announced at the Annual General Meeting, MHT expects to earn revenues between US\$345M to US\$388M in the current financial year realizing an attributable net profit between US\$9M to US\$22M. This is a significant improvement over 1H2020. Revenues and net attributable profit are expected to be bolstered in the second half due to a significant improvement in pricing and demand, full realization of value from the copper export permit and six months consolidation of the HC Starck Tungsten (“HCS”) business into the overall results.

What cannot be accurately predicted in the current environment is the ongoing impact of COVID19 on our markets and customers. Should the situation not improve or further deteriorate, delivering these outcomes will not be possible. Management continues to stress test the business for this potential worst-case outcome and has plans in place to ensure the business remains cash flow positive under this scenario.
- With the completion of the HCS acquisition, management is now focused on realizing the synergistic benefits identified as part of the acquisition process. Management focus in second half will be to integrate the business and develop a supply chain and sales model to generate consistent cash flows through tungsten price cycles. Management expects the results to be reflected in 4Q2020 and 1Q2021 at the latest.

ABOUT MASAN HIGH-TECH MATERIALS

Masan High-Tech Materials is a leading supplier of critical minerals including tungsten, fluorspar, and bismuth. Masan High-Tech Materials is currently operating the world-class polymetallic mineral resource and chemical processing plant in Northern Vietnam, and with the acquisition of the HCS business now also has operations in Germany, Canada and China as well as marketing offices located in USA and Japan. Masan High-Tech Materials's vision is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

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