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MASAN HIGH-TECH MATERIALS READY TO CAPITALIZE FROM COMMODITIES REBOUND

Hanoi, 29 January 2021 – Masan High-Tech Materials (**HNX-UpCOM: MSR**), (“Masan High-Tech Materials”, “MHT” or the “Company”), one of Vietnam’s largest integrated industrial mineral and chemical producers, reports its results of the 2020 fiscal year (“12M2020”).

As reported in the press release dated 26 October 2020, Masan High-Tech Materials Corporation, signed definitive agreements to establish a strategic alliance in the Tungsten industry with Mitsubishi Materials Corporation (“MMC”) with an objective to develop a leading, high-tech tungsten materials platform. Completion of the transaction occurred on November 24, 2020. As part of the strategic alliance, MMC subscribed for 109,915,542 new issued ordinary shares via a private placement for a total cash consideration of US\$90 million equivalent to US\$0.82 or VND19,054 per share (the “Strategic Investment”). MMC now owns 10.0% of the fully diluted share capital of the Company and is the second largest shareholder.

Despite the exciting long term future that lies ahead for MHT following the recent acquisition of H.C.Starck’s Tungsten (“HCS”) business and the forming of a strategic alliance with MMC, undoubtedly 2020 was a difficult year due to COVID19 and in particular its impacts on the price and demand for Tungsten. Market sentiment and demand is however returning and is evidenced by monthly sales volumes of APT products in December 2020 being the highest since September 2019. This trend is expected to continue into 2021. Volume increases are also supported by an increasing price. The LMB price has recovered to US\$245/mtu as at the time of writing this report, a +20% increase from the lows experienced in 9M2020. Management further expects the price to continue to move upwards post Lunar New Year. Fluorspar pricing remains healthy, copper pricing remains strong and bismuth pricing is also rising. The other bright spot for 2020 was the cost reduction program across the company operations with VND530 billion saved during the full year. The cost reduction program will continue to remain a focus of the business moving forward with particular emphasis for 2021 being on productivity improvement and process efficiency.

Net revenue increased 58% on the back of increased sales through the acquisition of HCS as well sales of 82,000 wet metric tonnes of copper during 9M2020. Attributable net profit was VND151 billion with operational net losses being offset through the negative goodwill booked into other income as part of the purchase price adjustment (“PPA”) exercise and reported in the 9M2020 earnings release. Please note: The full year audited NPAT Post MI for 2020 is potentially subject to adjustments as it is MHT’s first time consolidating a foreign company under VAS.

MARKET DEVELOPMENT: RECOVERY IN DEMAND AND PRICING EVIDENT

- Demand for tungsten products continued to recover in Q4 2020, with a particularly strong month for export volumes in December (with highest volumes sold since September 2019) and renewed optimism from the customer base thanks to the COVID 19 vaccine rollout. Automotive production has recovered well in much of the world, with global production forecast for light vehicles to reach 87 million units in 2021, recovering to pre-crisis levels. Fourth quarter oil and gas sector activity surpassed forecasts as the oil price recovered to test US\$50/bbl by end of December, and the US domestic rig count jumped 50% from the low in July. Infrastructure, and consumer durables spending remained robust, but concerns remain about the aerospace sector with a recovery dependent on a resumption of international travel.

- MHT Fluorspar pricing and volumes remained in-line with MHT’s annual plan and Q4 forecast, and many of the major offtake contracts were renewed in the quarter for FY2021 on similar terms. End use markets for the high-quality acid-spar product that Nui Phao produces continue to hold up, and in certain segments such as Electronic gases for semiconductor manufacturing, demand has exceeded 2019 levels (+5.1% YOY). The weakness in demand for AIF₃, a Fluorspar intermediate product appears to have been offset by a resurgent demand for Acid Grade Fluorspar for chemical applications in China and forecasts point to a rebalanced market by Q2 2021. Management maintains a robust view on pricing in the medium to long term, and MHT production is expected to be fully sold for FY 2021.
- Copper has led the base metals in a continued bull run in Q4, with some analysts pointing to the start of a new commodity super cycle. Copper finished at an LME Cash Close of \$7,757/MT at the end of December. The rally is partly a reaction to a weaker US\$, supply deficits from major producing regions throughout the COVID crisis coupled with strong demand from China (setting an annual record in 2021 of 6.68mio MT of unwrought imports). Analysts remain bullish on price for 2021 although increasing at a slower pace with the market set to remain in deficit.

As reported in 1H2020 MHT successfully received the approval to export copper concentrate, whilst working towards a longer-term goal of smelting the material in country. Copper exports available under the export permit were completed during Q3 2020.

- Bismuth metal prices have recovered from the 20-year historic lows seen in 2Q2020 as the news that the FANYA stockpile material had been acquired by Vital Materials (an industrial buyer) lifted sentiment. Several smelters in China have cut back production or stopped producing entirely whilst price levels remain uneconomic, and the insolvency of major producer Hunan Jinwang is expected to help rebalance supply in the mid-term. Bismuth finished FY2020 at US\$2.85/lb and MHT forecasts further increases to come in Q1 2021.

AVERAGE COMMODITY PRICES	Unit	Average 12M2020	Average 12M2019	% change	At 31.12.2020	At 31.12.2019
APT European Low*	USD/mtu	222	240	-7%	230	234
Bismuth Low*	USD/lb	2.6	3.1	-15%	2.9	2.6
Copper*	USD/t	6,163	6,021	2%	7,742	6,156
Fluorspar Acid Grade**	USD/t	402	486	-17%	412	425

* Metals Bulletin, ** Industrial Minerals

12M2020 FINANCIAL HIGHLIGHTS: COVID19 IMPACTS PRICING AND VOLUMES FOR TUNGSTEN IMPACTING REVENUE AND PROFIT

- **Net revenue up 58%** – MHT posted net revenue of VND7,426 billion in 12M2020, a 58% increase compared to VND4,706 billion recorded in 12M2019. Tungsten revenues were higher due to the consolidation of HCS but offset by lower realized prices. Copper revenues were up from shipping ~82,000 tons of concentrates for export. Fluorspar revenues were down on the back of lower tons sold and slightly lower realized prices.
- **EBITDA of VND1,433 billion** – EBITDA decreased by 24% for 12M2020, primarily a reflection of low selling prices realized for tungsten and copper. Tungsten unit costs were broadly in line with 12M2019 despite 6% lower grades and 1% lower recovery, reflecting cost savings that were made during the year. As explained in the 1H2020 earnings release, 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. Fluorspar production unit costs were 5% higher as compared to last year on 8% lower feed grades and partially offset by the cost saving initiatives. Copper unit production costs were 14% lower primarily on higher feed grades.

- **VND151 billion attributable net profit** – The Company delivered an attributable net profit of VND151 billion for 12M2020, VND201 billion decrease over the same period last year. The operational loss to 12M2020 was offset by the adjustment in relation to the PPA exercise undertaken as part of the HCS acquisition. Prior year also included one-off earnings uplift from the Jacobs arbitration claim equal to ~VND987 billion. Please note: The full year audited NPAT Post MI for 2020 is potentially subject to adjustments as it is MHT’s first time consolidating a foreign company under VAS.

VND Billion	12M2020	12M2019	Growth
Masan High-Tech Materials Consolidated Financial Results⁽¹⁾			
Net Revenue	7,426	4,706	58%
EBITDA ⁽²⁾	1,433	1,881	-24%
Attributable Net Profit/(Loss) After Tax (VAS)	151	352	-57%

⁽¹⁾ Financial numbers are based on management figures and still subject to audit completion.

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

OPERATIONAL HIGHLIGHTS

- Tungsten concentrate production decreased by 5% over 12M2019. Mined feed grades were down by 6%. Throughput was up by 1% and recoveries down by 1%. Overall tungsten production between Masan Tungsten LLC (“MTC”), the Company’s tungsten chemical processing facility in Vietnam and HCS, increased by 68% over 12M2019, mainly on the back of first year consolidation of the HCS business.
- Fluorspar production was 8% lower than 12M2019 due to 8% lower feed grades and 1% lower recoveries offset by higher throughput.
- Copper production was 13% higher than 12M2019 on higher throughput and 15% higher feed grades and offset by a 4% reduction in recoveries. Recoveries in 2021 are expected to return to historic levels with some operational improvements implemented.
- Bismuth production continues to ramp up following resumption of production after an extended maintenance shutdown.

SUMMARY PRODUCTION DATE	Unit	12M2020	12M2019	Growth
Ore processed	kt	3,869	3,788	2.1%
Tungsten Products (Contained) – inclusive HCS	t	10,171	6,073	67.5%
Copper in Copper Concentrate (Contained)	t	9,061	8,026	12.9%
Acid Grade Fluorspar	t	219,920	238,003	-7.6%
Bismuth in Bismuth Cement (Contained)	t	993	917	8.2%

2021 FINANCIAL AND STRATEGIC OUTLOOK

- Based on the assumption the world economy has now seen the worst of COVID 19, management is optimistic about the prospects of the business in 2021 and expects to earn revenues between US\$537M to US\$614M and an attributable net profit between US\$3M to US\$34M on a consolidated basis.

Should however the pandemic situation deteriorate further, delivering these outcomes will be difficult. Management continues to stress test the business for this potential 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 continues to remain focused on realizing the synergistic benefits identified as part of the acquisition process. These benefits will be realized over the next twelve months to two years and will add significant value to both MHT top and bottom line.
- Following completion of the Strategic Investment of MMC into MHT, the parties are discussing developing a separate business unit to strengthen and unlock synergies for each respective parties’ mid-stream tungsten platform.

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' vision is to grow globally "From Vietnam strategic resources to high-tech global materials".

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