

FOR IMMEDIATE RELEASE

**MASAN HIGH-TECH MATERIALS STRATEGY IS DELIVERING VALUE, VALIDATED BY
RECENTLY ANNOUNCED STRATEGIC ALLIANCE WITH MISUBISHI MATERIALS
CORPORATION**

Hanoi, 30 October 2020 – Masan High-Tech Materials (“MHT”) (**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 for the first nine months of the 2020 fiscal year (“9M2020”).

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. As part of the strategic alliance, MMC will subscribe 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”). On completion of the transaction, MMC will own 10.0% of the fully diluted share capital of the Company and becoming the second largest shareholder.

Post completion of the Strategic Investment, the parties shall discuss developing a separate business unit to strengthen and unlock synergies for each respective parties’ mid-stream tungsten platform.

MMC’s participation as a strategic partner is a validation of management’s transformation into a vertically integrated high-tech tungsten platform. MMC will add significant value as a strategic partner and through partnering, the parties will be positioned to develop better leading-edge solutions for end customers which will accelerate growth, including:

1. Establishing opportunities for joint collaboration and investment in revolutionary research and development of key technologies to enhance the parties’ respective high-tech tungsten portfolio;
2. Enhancing the ability of both MMC and MHT to provide industry leading quality and performance of high-tech tungsten materials products going forward; and
3. Strengthening the sales network in the Asia Pacific region, which will broaden the consumption of MHT’s fine powders in the Asia Pacific region.

“Forging a strategic alliance with MMC will accelerate our vision to become a global high-tech industrial materials platform. Our customers will benefit the most as this partnership will strengthen our capabilities to supply high quality and innovative products and solutions. This also will position MHT and HCS to build an Asian franchise which is the missing piece of our strategic puzzle. I am extremely excited and looking forward to creating a long-term, win-win partnership with MMC.” said Craig Bradshaw, Chief Executive Officer of MHT.

Makoto Shibata, Director, Chief Financial Officer of MMC, said *“We have set the tungsten business including the cemented carbide tool business to be one of the major pillars of our growth strategy. The possibility of a new collaborative opportunities, which has been made possible by our investment in MHT will have a significant impact on our future.”*

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 signing of definitive agreements with MMC, the COVID19 pandemic continues to impact on operational results in the short term. Pricing for tungsten products during 9M2020 dropped below US\$200/mtu and have somewhat recovered since with pricing for APT sitting at US\$220/mtu at end of September. Management believes the market has bottomed with increased enquiries occurring combined with the recent price increases seen, but does not foresee any further significant price movement upwards for the remainder of this year. Fluorspar pricing remains healthy, copper pricing remains strong and

bismuth pricing is also showing signs of having bottomed and is improving. Against the COVID19 backdrop, management remains focused on cost reduction with VND460 billion saved during the first three quarters of the year with further savings expected throughout the remainder of 2020 and into 2021. Cost reduction will remain a focus of the business moving forward following the acquisition of HCS, enabling MHT to take full advantage of the market recovery when it occurs, particularly in relation to tungsten.

Q3 2020 represents the first quarter of full consolidation of the HCS business into MHT, with top line revenue growth evident during the quarter. Due to the ongoing impacts of COVID19 and subdued pricing for tungsten and despite the cost saving initiatives, this is yet to translate to the bottom line from an operational perspective.

During Q3 2020, a preliminary Purchase Price Adjustment (“PPA”) exercise was also completed for the HCS acquisition in line with VAS accounting standards. PPA is the practice of revising the asset and liabilities of an acquired business to their fair values at the time of acquisition. The PPA has resulted in an asset uplift for the HCS business of VND3,598 billion and resulted in VND881 billion being booked as negative goodwill into other income of the combined financial statements. The significant uplift in asset values and the resultant creation of negative goodwill management believes appropriately reflects the bargain purchase price that was paid for the HCS acquisition as well as the significant valuation upside the acquisition will create in the longer term to the overall MHT business. Please note: These numbers are preliminary and will be finalized during 4Q2020.

Net revenue increased 38% on the back of increased sales through the acquisition of HCS as well sales of 82,000 tons of copper during 9M2020. Attributable net profit was VND68 billion with operational net losses being offset through the negative goodwill booked into other income as part of the PPA exercise. For the rest of this year, MHT expects to see difficult trading conditions persist due to ongoing impacts of COVID19. Despite these difficulties and thanks to the ongoing focus on cost reduction and synergies realized as part of the HCS acquisition, management is targeting a break-even attributable profit for Q4 assuming no further significant weakening in market fundamentals.

MARKET DEVELOPMENT: COVID19 – CONTINUED IMPACT ON DEMAND

- Demand for tungsten products has remained subdued throughout 9M2020 but with a slight recovery compared with the prior quarter, and signs of increasing optimism from the customer base. Automotive production has resumed and is ramping up to pre-COVID19 levels in much of the world, and government spending across Infrastructure and Military projects continues to be robust. Concerns remain about the Aerospace and Oil and Gas sectors which have been more heavily impacted and are forecast to have a much longer road to recovery.
- Despite some positive signals from the market, management has adjusted the full year price forecast down as a precaution against an extended recovery period for the countries now suffering from a second wave of infection. The speed of economic recovery in China and other major manufacturing countries in Europe points to significant upside once the virus is fully under control, which management now expect to occur towards the end of Q4. The Company is well positioned to capitalize on this restocking and recovery phase and are encouraged by the increased frequency of requests from customers.
- With the newly integrated H.C.Starck production assets, MHT has been active in both the primary and secondary tungsten raw materials markets during Q3, ensuring that the business procures the lowest cost inputs for production at any point in the pricing cycle. The Nui Phao mine continues to be one of the lowest cost producers in the world, and a stable base load production for the future growth of the downstream business.
- Fluorspar market participants have been surprised by the robust nature of the market during 2020, and MHT pricing and volumes in Q3 have remained in-line with MHT’s annual plan. There are signs that the overall ex. China market supply/demand balance will move back towards neutral for Q4 and forward into 2021, with concerns over the temporary downturn aluminum resulting in an increased availability of material. However, end use markets for the high-quality acid-spar product that Nui Phao produces

continue to hold up. Management forecasts robust pricing in the medium term, and MHT production is fully sold for the balance of 2020.

- Copper bulls were rewarded in Q3 as prices continued to surge, with the LME Cash Close sitting at \$6,610/MT at the end of September. The rally has been led by China's robust demand with its unwrought copper imports up over 40% YOY in the first nine months of 2020, and the suspension of operations of various major producers in Africa and South America resulting in a forecast 50k MT global deficit in 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 should help to rebalance supply in the mid-term. Bismuth finished 9M2020 at US\$2.90/lb and MHT forecasts further increases to come in Q4.
- 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.

AVERAGE COMMODITY PRICES	Unit	Average 9M2020	Average 9M2019	% change	At 30.9.20	At 30.9.19
APT European Low*	USD/mtu	222	244	-9%	220	205
Bismuth Low*	USD/lb	2.5	3.2	-21%	2.9	2.6
Copper*	USD/t	5,843	6,065	-4%	6,610	5,719
Fluorspar Acid Grade**	USD/t	405	498	-19%	430	465

* Metals Bulletin, ** Industrial Minerals

9M2020 FINANCIAL HIGHLIGHTS: PRICING AND SUBDUED VOLUMES FOR TUNGSTEN IMPACTS REVENUE AND PROFIT

- **Net revenue up 38%** – MHT posted net revenue of VND5,073 billion in 9M2020, a 38% increase compared to VND3,685 billion recorded in 9M2019. Tungsten revenues were higher due to the consolidation of HCS but partially offset by lower realized prices. Copper revenues were up from shipping ~62,000 tons of concentrates for export. No further copper revenues will be earned this year as tonnages available under the export have been fully utilized. Fluorspar revenues were down on the back of lower tons sold due to delays in shipments and lower realized price due to contract pricing and timing of sales.
- **EBITDA of VND1,007 billion** – EBITDA decreased by 36% for 9M2020, primarily a reflection of low selling prices realized for tungsten and copper. Tungsten pricing remains affected by COVID19. Tungsten unit costs were in line with 9M2019 despite 5% lower grades and 1% lower recovery, reflecting cost savings that have been made on a year to date basis. Further unit costs reductions are expected in 4Q2020. 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 3% higher as compared to last year on lower feed grades. Copper unit production costs on a year to date basis are 13% lower on higher feed grades.
- **VND68 billion attributable net profit** – The Company delivered an attributable net profit of VND68 billion for 9M2020, VND405 billion decrease over the same period last year. The operational loss to 9M2020 was offset by the adjustment in relation to the PPA exercise undertaken as part of the HCS acquisition. 9M2019 prior year also included one-off earnings uplift from the Jacobs arbitration claim equal to ~VND987 billion.

VND Billion	9M2020	9M2019	Growth
Masan High-Tech Materials Consolidated Financial Results⁽¹⁾			
Net Revenue	5,073	3,685	38%
EBITDA ⁽²⁾	1,007	1,566	-36%
Attributable Net Profit/(Loss) After Tax (VAS)	68	473	-86%

⁽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 5% over 9M2019. Mined feed grades were down by 5%. 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 32% over 9M2019.
- Fluorspar production was 7% lower than 9M2019 due to 6% lower feed grades and 1% lower recoveries offset by higher throughput noted above.
- Copper production was 8% higher than 9M2019 on higher throughput and 11% higher feed grades and offset by a 4% reduction in recoveries. Recoveries in 9M2020 are expected to improve following recent optimization of the production process.
- Bismuth production continues to ramp up following resumption of production after an extended maintenance shutdown.

SUMMARY PRODUCTION DATE	Unit	9M2020	9M2019	Growth
Ore processed	kt	2,868	2,834	1.2%
Tungsten Products (Contained) – inclusive HCS	t	6,197	4,702	31.8%
Copper in Copper Concentrate (Contained)	t	6,499	6,039	7.6%
Acid Grade Fluorspar	t	160,939	172,545	-6.7%
Bismuth in Bismuth Cement (Contained)	t	371	917	-59.5%

2020 FINANCIAL AND STRATEGIC OUTLOOK

- MHT has narrowed its range of expected outcome for the current financial year and now expects to earn revenues between US\$310M to US\$330M and an attributable net profit between US\$6M to US\$12M assuming no significant further deterioration of trading conditions.

As previously stated in 1H2020 what cannot be accurately predicted in the current environment is the ongoing impact of COVID19 on the 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 continues to remain focused on realizing the synergistic benefits identified as part of the acquisition process. These benefits will be realized over the next six to eighteen months and will add significant value to both MHT top and bottom line.
- Following completion of the Strategic Investment of MMC into MHT, the parties shall discuss 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 show the world that a Vietnamese company can lead the transformation of the global tungsten market.

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