

**MASAN RESOURCES CORPORATION**

*Suite 802, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1,  
Ho Chi Minh City, Vietnam*



**ENGLISH TRANSLATION**

**REPORT OF THE BOARD OF DIRECTORS  
AT THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

The Board of Directors (the “BOD”) of Masan Resources is honored to submit the BOD’s performance assessment report of the Company in 2019.

**BOD Assessment of the Company performance**

2019 is a challenging year, significantly affecting our business operations, however, Masan Resources is still well positioned to keep going in the ongoing transformation from a mining and processing company to a significant influencer in the global materials industry.

In September 2019, MSR, through its wholly owned subsidiary– MTC, entered into an agreement to purchase the tungsten business of H.C.Starck Group GmbH – a leading manufacturer of high-tech tungsten metal powder and carbides (midstream tungsten products) in the world. HCS has production hubs in Europe, North America, and China serving customers across the globe. A highly qualified and professional team of experts in R&D, application engineering, coupled with modern automated manufacturing processes ensure its customers benefit from the highest and consistent quality products. This transaction is a strategic step in executing MSR’s vision to become a leading vertically integrated high-tech industrial material platform in the world. This will enable MSR to generate strong and consistent cash flows across price cycles and expand MSR’s addressable market by 3.5 times from US\$1.3 billion to US\$4.6 billion. But more importantly, enhance Vietnam’s competitive edge in global tungsten market by owning a cutting-edge R&D and technology platform and provide Vietnamese workforce an opportunity to develop engineering skills in the high-tech manufacturing space, as part of the globalization of MSR’s business.

In Vietnam, after successful acquisition of H.C. Starck GmbH’s 49% stake in NHTCM and changing the name of NHTCM to Masan Tungsten Limited Liability Company (“MTC”), we have invested, upgraded and improved equipment, machines and technology to increase the capacity of the MTC’s processing plant up 9,345 tons of tungsten-contained products and increase the total capital investment up VND 2,174,900,000,000. In December 2019, the Ministry of Science and Technology issued High-Tech Enterprise Certificate to MTC.

Although facing with difficulties and challenges affecting our revenues, MSR continues making a significant contribution to the State budget. In 2019, total revenue of NPMC is VND 4,139,928,000,000 and contributed VND 1,170,828,000,000 to Thai Nguyen province’s budget. Total revenue of MTC is VND 2,915,647,000,000 and contributed VND 68,211,000,000 to Thai Nguyen province’s budget (still being granted Corporate income tax rebate).

The Company continues applying the world-class standards and practices in all areas related to the community, environment and safety. For environment, 2019 continues to mark the

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relentless efforts of MSR in environment protection works. These activities keep ongoing to create a “showcase model” in environmental protection for partners to study and learn in the practices of sustainable mining in Viet Nam.

Our significant contributions to the community development initiatives and Corporate Social Responsibility in Thai Nguyen province have been recognized and highly appreciated in the areas such as sustainable agriculture, household economic development, rural sanitation & water, health and child welfare.

The BOD has accomplished its duties in reviewing and approving the resolutions on the operation of the Company and its subsidiaries. In 2019, no members of the BOD received any remuneration for their duties as BOD’s members, nor have they incurred any expenses.

### **BOD assessment of the Company Management Team performance**

The Management Team continues to manage the Company in a manner deserving the BOD’s and shareholders on-going trust and support. The Chief Executive Officer and other managers fulfilled their duties and functions in 2019, and properly implemented all resolutions from the General Meetings of Shareholders.

The appropriate sub-committees that were established in 2016, including the Sustainability Committee and the Risk Committee, have continued to fulfill their obligations in advising and assisting the BOD on matters having remarkable impacts on the Company’s operation and reputation.

### **BOD Plans and directions**

Strategically, Masan Resources will continue to explore opportunities and aims to become a further integrated downstream tungsten business of a global scale.

The company aims at supplying Vietnam’s strategic resources for hightech global material sectors by producing superior quality industrial chemical products from tungsten, fluorspar and bismuth that are then sold via global distribution networks to our customers across key industries that are focused towards strategic and high-tech customers.

In addition, the Company promotes the circular economy through the adoption of “Reduce, Reuse & Recycle” philosophy; safeguard the ecosystems of our people, our environment, our stakeholders; and ensure superior financial results on a long- term sustainable basis.

Given the foregoing, the BOD fully supports the Management Team’s efforts to continue to grow the company and deliver on the newly announced Vision.

Yours faithfully,

*Ho Chi Minh City, 19 June, 2020*

**ON BEHALF OF THE BOARD OF DIRECTORS**

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*/signed and sealed/*

**DANNY LE**

**Chairman of the Board of Directors**