

**ENGLISH TRANSLATION**

**REPORT OF THE BOARD OF DIRECTORS**  
**AT THE 2023 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

The Board of Directors (the “**BOD**”) of Masan High-Tech Materials Corporation (“**MHT**”) is honored to submit to shareholders the BOD’s Company’s 2022 performance assessment report.

**BOD’S ASSESSMENT OF THE COMPANY’S PERFORMANCE**

The BOD’s role is to represent shareholders’ interests and ensure high level oversight of corporate activities and performance of the business. Against the backdrop of ongoing challenges facing the global business including global economic slowdown impacting demand for the company’s products, high inflationary pressures on cost inputs and the significant disruption to the Nui Phao operations as a result of the withdrawal of services by the long-term blasting contractor, the Management Team of MHT has worked tirelessly to improve margins through the Fit for Future program. This initiative is expected to improve margins throughout 2024 and thereby return the business to profitability.

From a financial perspective, we achieved overall revenue of VND14,093 billion for FY2023, a 9% decrease from record VND15,550 billion achieved in FY2022. While the reduction in revenue is disappointing, 2023 revenue of VND14,093 billion is the second highest revenue achieved for the overall business. While overall volumes were down due to a combination of lower market demand in tungsten and lower production in fluorite due to the blasting interruption, it is worth noting that MHT maintained its market share in tungsten intermediate markets despite the competitive environment for volumes. It was also pleasing to see the commencement of monetization of the Copper Concentrate Stockpile has gained momentum throughout 2023 with the ongoing sales of copper concentrates into the domestic market. Despite this improvement the company at the end of 2023 still had a significant value tied up in its copper stockpile with a current market value approximating VND2,312 billion. The company’s significant profitability is also tied up in this stockpile which will only be released as it is sold.

Disappointingly, EBITDA decreased by 52% to VND1,550 billion for FY2023. EBITDA margin was at 11% - reduced compared with same period of last year (FY2022: 20.6%).

After-tax loss in 2023 amounted to VND 1,576 billion, which was lower by VND 1,645 billion compared to the profit after tax of VND 69 billion achieved in 2022. The decrease in profitability was impacted by several factors, including high borrowing costs in the Company’s capital markets, increased material costs due to global inflationary pressures; and the decrease

in market demand for products. The Company is currently in the equity raise process and has been in discussions with potential investors to reduce the financial leverage ratio.

MHT continues making significant tax contributions to both the Vietnamese State budget, and to the local economies surrounding each of our global operations. In Vietnam specifically, MHT has contributed significantly to the state budget and fulfilled its tax obligations and fee payment responsibilities to the state and provincial budget which amounted to VND1,414 billion in 2023, including corporate income tax, personal income tax, royalty tax, mining right fee, environment protection fee, etc. MHT was recognized in 2023 as the highest Vietnamese taxpayer in the Thai Nguyen province.

MHT continues applying world-class standards and practices across all our businesses and areas relating to the community, health, environment, sustainability, and safety. In Vietnam the business continues to be recognized as a leader in sustainability and aims to meet all requirements of international sustainable business practices. The Board sees the whistleblower initiative as particularly important to ensure that stakeholders have a way in which to raise concerns and get feedback on these concerns anonymously.

MHT is the recipient of a number of prestigious awards in 2023 including “Great Place to Work”; Vietnamese Company with the highest contribution to the Thai Nguyen Provincial Budget; Top 10 Most Innovative Enterprises – Vietnam; Top 100 Sustainable Enterprises – Vietnam. These honors represent significant acknowledgement of the continued efforts and dedication of the company in its pursuit of its Mission and Vision and provide independent validation and affirmation of the position of MHT brand in both national and international markets.

The BOD has accomplished its duties in reviewing and approving the resolutions on the operation of the Company and its subsidiaries. In 2023, no members of the BOD received any remuneration for their duties as BOD’s members, nor have they incurred any expenses.

The resolutions passed in the 2023 Annual General Meeting but not yet implemented are:

- To approve the issuance plan of new shares and plan of using proceeds.  
*Reason: Due to the market situation and the Company’s business development strategy, we have decided to put the plan to issue new shares and use proceeds into 2024 Annual General Meeting of Shareholders.*
- To approve the issuance plan of new shares under the employee stock option plan (ESOP).  
*Reason: Due to the Board of Directors found that the market in 2023 is not suitable to issue ESOPs to employees.*

## **BOD’S ASSESSMENT OF THE COMPANY MANAGEMENT TEAM PERFORMANCE**

The global 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 2023, and properly implemented all resolutions from the General Meetings of Shareholders.

## **BOD PLANS AND DIRECTIONS**

The company developed its Vision and Mission in 2020 following the acquisition of the HCS business.

### **Vision**

To be the leading integrated supplier of high-tech advanced materials critical to global innovation.

### **Mission**

We aim to be the partner of choice for high-tech industries where our products are a key component in evolving and shaping the future of our world. Through the application of our materials, we will create unparalleled solutions to drive innovation and productivity which will deliver superior outcomes for all our partners and stakeholders.

The vision and mission were reviewed by executive management, and they remain unchanged in 2023, as they are still considered appropriate for our business at this time.

Given the foregoing, the BOD fully supports the Management Team's efforts to continue to grow the company and deliver on the Vision and Mission while repositioning the cost structure of the business through the Fit for Future initiative and the continued monetization of the copper concentrate stockpile, to ensure that MHT can deliver superior outcomes for all our partners and stakeholders, including you, our shareholders.

*Ho Chi Minh City, 02<sup>nd</sup> April, 2024*

## **ON BEHALF OF THE BOARD OF DIRECTORS**

*[signed and sealed]*

**DANNY LE**

**Chairman of the Board of Directors**

### ANNEX

1. In 2023, the Company does not pay remuneration to members of the Board of Directors as the Resolution of the 2021 Annual General Meeting of Shareholders dated April 18, 2023;
2. The members of the Board of Directors in 2023 has discussed and approved for the important resolutions at the meetings of the Board of Directors as follows:

No.	Resolution No.	Date	Content	Percentage
1	62/2023/NQ-HĐQT	20/02/2023	- Approved the appointment of Ms. Dinh Le Hang to the position of Deputy General Director of the Company.	100%
2	177/2023/NQ-HĐQT	11/04/2023	- Approved the meeting date of the 2023 Annual General Meeting of Shareholders is Tuesday, April 18, 2023.  - Approve the proposed meeting agenda of the 2023 Annual General Meeting of Shareholders.  - Approving the submission of the 2022 Financial Statements audited by KPMG Company Limited to the Annual General Meeting of Shareholders;	100%
3	299/2023/NQ-HĐQT	09/06/2023	- Approving the issuance of guarantees for the payment obligations of Nui Phao Mining Company Ltd. and Masan Tungsten Limited Liability Company related to the interconnected short-term credit limit with a value of up to 400,000,000 VND at HDBank.	100%





1	Masan Tungsten Limited Liability Company	Subsidiary	4601163743 issued on 15 January 2014 in Thai Nguyen	Suoi Cat Hamlet, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province.	2023	154/2022/N Q-DHDCD dated 25/04/2022	MHT's income from business cooperation agreement
2	Masan Tungsten Limited Liability Company	Subsidiary	4601163743 issued on 15 January 2014 in Thai Nguyen	Suoi Cat Hamlet, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province.	2023	154/2022/N Q-DHDCD dated 25/04/2022	Loan granted by MTC to MHT
3	Nui Phao Mining Company Limited	Subsidiary	4600864513 issued on 15 January 2014 in Thai Nguyen	Suoi Cat Hamlet, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province.	2022	154/2022/N Q-DHDCD dated 25/04/2022	MHT's income from business cooperation agreement