



**Masan High-Tech Materials Corporation
and its subsidiaries**

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2021



Masan High-Tech Materials Corporation Corporate Information

Enterprise Registration

Certificate No. 0309966889 27 April 2010

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which was dated 14 December 2020. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The first Business Registration Certificate No. 0309966889 was issued on 27 April 2010.

Investment Certificate No. 41122000131 2 August 2013

The Investment Certificate was issued by the People's Committee of Ho Chi Minh City to the Company to implement the investment of "Ma San Resources Corporation" which has a term of 10 years from the date of the Investment Certificate.

Board of Directors

Mr. Danny Le	Chairman
Mr. Nguyen Thieu Nam	First Vice Chairman
Mr. Craig Richard Bradshaw	Member
Mr. Akira Osada	Member (from 12/4/2021)
Ms. Nguyen Thu Hien	Independent member (from 12/4/2021)
Mr. Nguyen Van Thang	Member (until 12/4/2021)

Board of Management

Mr. Craig Richard Bradshaw	General Director
Mr. Hady Seyeda	Deputy General Director (from 12/4/2021)
Mr. Stuart James Wells	Chief Financial Officer

Registered Office

Suite 802, 8th Floor, Central Plaza Building
No. 17 Le Duan, Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

Masan High-Tech Materials Corporation Statement of the Board of Management

The Board of Management of Masan High-Tech Materials Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) as of and for the six-month period ended 30 June 2021.

The Board of Management is responsible for the preparation and presentation of the consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of Management:

- (a) the consolidated interim financial statements set out on pages 5 to 64 give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of their consolidated results of operations and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorized these accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management



Craig Richard Bradshaw
General Director

Ho Chi Minh City, 20 August 2021



KPMG Limited
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South Tu Liem District, Hanoi, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Masan High-Tech Materials Corporation

We have reviewed the accompanying consolidated interim financial statements of Masan High-Tech Materials Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheets as at 30 June 2021, the related consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s management on 20 August 2021, as set out on pages 5 to 64.

Management’s Responsibility

The Company’s management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting and for such internal control as the Company’s management determines necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 June 2021 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited

Vietnam

Review Report No.: 21-02-00185-21-1



Doan Thanh Toan
Practicing Auditor Registration
Certificate No.: 3073-2019-007-1
Deputy General Director

Hanoi, **20 AUG 2021**

Phan My Linh
Practicing Auditor Registration
Certificate No.: 3064-2019-007-1



Masan High-Tech Materials Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2021 VND'000	1/1/2021 VND'000
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		9,785,272,777	9,756,298,985
Cash and cash equivalents	110	9	638,219,402	761,930,286
Cash	111		460,074,862	705,930,286
Cash equivalents	112		178,144,540	56,000,000
Short-term financial investments	120	10	194,755,460	-
Trading securities	121		194,755,460	-
Accounts receivable – short-term	130		2,156,092,542	2,771,124,731
Accounts receivable from customers	131	11	1,650,739,017	1,166,693,898
Prepayments to suppliers	132		179,918,821	139,861,845
Loan receivables	135		-	1,143,479,452
Other receivables	136	12	325,434,704	321,089,536
Inventories	140	13	5,550,433,473	4,880,128,480
Inventories	141		5,565,942,227	4,969,141,648
Allowance for inventories	149		(15,508,754)	(89,013,168)
Other current assets	150		1,245,771,900	1,343,115,488
Short-term prepaid expenses	151		134,399,133	56,241,220
Deductible value added tax	152		1,111,295,237	1,286,793,842
Taxes and others receivable from State Treasury	153		77,530	80,426

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021 (continued)

Form B 01a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2021 VND'000	1/1/2021 VND'000
Long term assets (200 = 210 + 220 + 240 + 250 + 260)	200		29,810,470,150	30,352,548,829
Accounts receivable – long-term	210		1,304,838,311	1,298,310,451
Other long-term receivables	216	12	1,304,838,311	1,298,310,451
Fixed assets	220		23,083,393,483	23,784,752,467
Tangible fixed assets	221	14	19,160,654,747	19,826,833,068
<i>Cost</i>	222		30,456,872,388	30,478,383,425
<i>Accumulated depreciation</i>	223		(11,296,217,641)	(10,651,550,357)
Finance lease tangible fixed assets	224		-	-
<i>Cost</i>	225		67,300,000	67,300,000
<i>Accumulated depreciation</i>	226		(67,300,000)	(67,300,000)
Intangible fixed assets	227	15	3,922,738,736	3,957,919,399
<i>Cost</i>	228		4,755,991,172	4,693,664,166
<i>Accumulated amortisation</i>	229		(833,252,436)	(735,744,767)
Long-term work in progress	240		1,719,701,359	1,467,480,229
Construction in progress	242	16	1,719,701,359	1,467,480,229
Long-term financial investments	250	10	199,718,802	202,627,868
Investments in associates, joint ventures	252		192,318,802	195,227,868
Held-to-maturity investments	255		7,400,000	7,400,000
Other long-term assets	260		3,502,818,195	3,599,377,814
Long-term prepaid expenses	261	17	2,910,363,980	2,905,894,138
Deferred tax assets	262	23(a)	592,454,215	693,483,676
TOTAL ASSETS (270 = 100 + 200)	270		39,595,742,927	40,108,847,814

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2021 VND'000	1/1/2021 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		25,504,373,495	26,029,306,779
Current liabilities	310		7,649,535,911	7,508,154,152
Accounts payable to suppliers	311		1,411,926,051	952,963,298
Advances from customers	312	18	207,534,210	955,735,222
Taxes payable to State Treasury	313	19	213,381,067	162,676,781
Payables to employees	314		6,290,498	16,064,491
Accrued expenses	315	20	1,102,378,388	944,647,799
Other short-term payables	319	21	524,698,344	306,683,463
Short-term borrowings and bonds	320	22(a)	4,166,607,603	4,162,866,240
Provisions – short-term	321		16,719,750	6,516,858
Long-term liabilities	330		17,854,837,584	18,521,152,627
Other long-term payables	337		296,077	500,170
Long-term borrowings and bonds	338	22(b)	9,236,820,960	9,220,442,520
Deferred tax liabilities	341	23(a)	1,751,802,272	1,842,833,535
Provisions – long-term	342	24	6,865,918,275	7,457,376,402
EQUITY (400 = 410)	400		14,091,369,432	14,079,541,035
Equity	410	25	14,091,369,432	14,079,541,035
Share capital	411	26	10,991,554,200	10,991,554,200
- Ordinary shares with voting rights	411a		10,991,554,200	10,991,554,200
Share premium	412	26	1,098,259,892	1,098,259,892
Other capital	414		(295,683,347)	(295,683,347)
Foreign exchange differences	417		(238,082,357)	(189,058,584)
Other equity funds	420		(35,981,393)	(358,967,342)
Retained profits after tax	421		2,475,818,968	2,766,593,412
- Retained profits brought forward	421a		2,766,593,412	2,727,397,449
- Retained (loss)/profit for the current period/year	421b		(290,774,444)	39,195,963
Non-controlling interest	429		95,483,469	66,842,804
TOTAL RESOURCES (440 = 300 + 400)	440		39,595,742,927	40,108,847,814

20 August 2021

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2021

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Revenue from sales of goods and provision of services	01	28	6,116,364,420	2,571,512,239
Revenue deductions	02		9,353,986	1,269,922
Net revenue (10 = 01 - 02)	10		6,107,010,434	2,570,242,317
Cost of sales	11		5,363,743,521	2,484,509,575
Gross profit (20 = 10 - 11)	20		743,266,913	85,732,742
Financial income	21	29	135,036,179	508,554,779
Financial expenses	22	30	701,674,774	769,704,422
Share of profit/(loss) in associates	24		4,664,541	(232,098)
Selling expenses	25		199,339,667	76,978,255
General and administration expenses	26		293,421,726	77,384,369
Net operating loss (30 = 20 + 21 - 22 + 24 - 25 - 26)	30		(311,468,534)	(330,011,623)
Other income	31		3,974,315	4,533,560
Other expenses	32		23,881,558	22,771,219
Results of other activities (40 = 31 - 32)	40		(19,907,243)	(18,237,659)
Accounting loss before tax (50 = 30 + 40)	50		(331,375,777)	(348,249,282)
Income tax expense – current	51	31	11,202,742	46,726,962
Income tax benefit – deferred	52	31	(80,017,714)	(2,328,986)
Net loss after tax (60 = 50 - 51 - 52) (carried to next page)	60		(262,560,805)	(392,647,258)

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2021 (continued)

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Net loss after tax (60 = 50 - 51 - 52) (brought from previous page)	60		(262,560,805)	(392,647,258)
Net profit attributable to:				
Shareholders of the Company	61		(290,774,444)	(389,411,407)
Non-controlling interest	62		28,213,639	(3,235,851)
			VND	VND
Earnings per share				
Basic earnings per share	70	32	(265)	(394)

20 August 2021

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



CÔNG TY
CỔ PHẦN
MASAN
HIGH-TECH
MATERIALS
QUẬN 7 - T.P. HỒ CHÍ MINH

Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2021
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	01		(331,375,777)	(348,249,282)
Adjustments for				
Depreciation and amortisation	02		820,246,310	608,426,914
Allowances and provisions	03		(31,252,773)	234,630,169
Exchange loss arising from revaluation of monetary items denominated in foreign currencies	04		7,036,326	4,122,662
Profits from investing activities	05		(10,803,252)	(7,446,991)
Interest expense and borrowing fees	06		576,703,231	613,795,236
Operating profit before changes in working capital	08		1,030,554,065	1,105,278,708
Change in receivables and other assets	09		(429,816,400)	(146,819,252)
Change in inventories	10		(596,800,579)	(149,608,779)
Change in payables and other liabilities	11		187,715,679	(435,384,037)
Change in prepaid expenses	12		(81,941,535)	(27,904,028)
Change in trading securities	13		(194,755,460)	-
			(85,044,230)	345,562,612
Interest paid	14		(806,876,964)	(618,537,229)
Income tax paid	15		(245,627)	(107,699,294)
Net cash flows from operating activities	20		(892,166,821)	(380,673,911)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(412,749,512)	(1,082,978,901)
Proceeds from disposals of fixed assets and other long-term assets	22		-	481,818
Payment for term deposits and granting loans to other parties	23		-	(831,153,425)
Term deposits received and receipt from collecting loans granting to other parties	24		1,143,479,452	1,231,321,409
Business combination, net of cash acquired	25		26,476,816	(1,052,093,519)
Receipt of interest	27		24,678,927	20,552,797
Net cash flows from investing activities	30		781,885,683	(1,713,869,821)

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2021
(Indirect method - continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments transaction cost for shares issuance in 2020	31		(13,491,350)	-
Proceeds from borrowings and bonds	33		2,660,444,584	7,363,933,719
Payments to settle loan principals and bond issuance related costs	34		(2,659,534,784)	(6,344,304,706)
Net cash flows from financing activities	40		(12,581,550)	1,019,629,013
Net cash flows during the period (50 = 20 + 30 + 40)	50		(122,862,688)	(1,074,914,719)
Cash and cash equivalents at the beginning of the period	60		761,930,286	1,723,204,606
Effect of exchange rate fluctuation on cash and cash equivalents	61		(848,196)	(1,217,966)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	9	638,219,402	647,071,921

20 August 2021

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these consolidated interim financial statements

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2021

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1. Reporting entity

(a) Ownership structure

Masan High-Tech Materials Corporation (“the Company” or “MHT”) is incorporated as a joint stock company in Vietnam.

The consolidated interim financial statements comprise the Company and its subsidiaries (collectively referred to as “the Group”).

(b) Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are described as follows:

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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Subsidiaries:					Percentage of economic interests at 30/6/2021 and 1/1/2021
Name	Address	Principal activity			
Direct subsidiary					
Masan Thai Nguyen Resources Company Limited (“MRTN”)	(i) Ho Chi Minh City	Investment holding			100%
Indirect subsidiaries					
Thai Nguyen Trading and Investment Company Ltd (“TNTI”)	(i) Ho Chi Minh City	Investment holding			100%
Nui Phao Mining Company Limited (“NPM”)	(i) Thai Nguyen Province	Exploring and processing mineral (*)			100%
Masan Tungsten Limited Liability Company (“MTC”)	(i) Thai Nguyen Province	Deep processing of nonferrous metals and precious metals (Tungsten)			100%
H.C. Starck Holding (Germany) GmbH (“HCS”)	(i) Goslar, Germany	Investment holding (**)			100%
Chemilytics Beteiligungs GmbH	(ii) Goslar, Germany	Investment holding			100%
H.C. Starck GmbH	(ii) Goslar, Germany	Investment holding			100%
Chemische Fabriken Oker und Branschweig AG	(ii) Goslar, Germany	Producing chemicals utilized in the manufacturing of paper and additives for the absorptive materials industry			100%
H.C. Starck Infrastructure GmbH & Co. KG	(ii) Munich, Germany	Deep processing of nonferrous metals and precious metals (Tungsten)			100%
Chemilytics GmbH & Co. KG	(ii) Goslar, Germany	Chemical analysis and physical measurement data			100%
H.C. Starck Tungsten GmbH	(ii) Munich, Germany	Deep processing of nonferrous metals and precious metals (Tungsten)			100%

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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Name	Address	Principal activity	Percentage of economic interests at 30/6/2021 and 1/1/2021
H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	(ii) Shanghai, PRC	Trading and distribution	100%
H.C. Starck Canada Inc.	(ii) Sarnia, Ontario, Canada	Deep processing of nonferrous metals and precious metals (Tungsten)	100%
H.C. Starck Tungsten GK	(ii) Tokyo, Japan	Trading and distribution	100%
H.C. Starck Tungsten LLC	(ii) Newton, USA	Trading and distribution	100%
H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co., Ltd.	(ii) Ganzhou, China	Deep processing of nonferrous metals and precious metals (Tungsten)	60%

Associates	Address	Principal activity	Percentage of economic interests at 30/6/2021 and 1/1/2021
<i>Indirect associates</i>			
Jiangwu H.C. Starck Tungsten Products Co., Ltd.	(ii) Ganzhou, China	Deep processing of nonferrous metals and precious metals (Tungsten)	30%

(i) HCS is subsidiary of MTC. MTC is a subsidiary of NPM. TNTI and NPM are subsidiaries of MRTN. MRTN is a subsidiary of the Company.

(ii) These entities are direct and indirect subsidiaries and associate of HCS.

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2021 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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- (*) NPM’s principal activities are to explore, exploit, mine and process tungsten, fluorite, bismuth, copper under the “Nui Phao Mining Project” in Ha Thuong Commune, Dai Tu District in Thai Nguyen Province for export and domestic sales. The “Nui Phao Mining Project” is under Investment Certificate No. 17121000026 which expires on 2 February 2034.
- (**) HCS is a leading manufacturer of high-tech tungsten metal powders and carbides (midstream tungsten products). HCS has production hubs in Europe, North America, and China serving customers across the globe. HCS and its subsidiaries mainly specialize in the development, manufacture and sale of high-performance powders based on the technology of metal tungsten and its compounds, tailored to individual customer needs.

The percentage of economic interests represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries.

As at 30 June 2021, the Group had 2,059 employees (1/1/2021: 2,028 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

The consolidated interim financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December.

(d) Accounting and presentation currency

The Group’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose. All amounts have been rounded to the nearest thousand (“VND’000”), unless otherwise indicated.



Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2021 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated interim financial statements.

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements, unless otherwise indicated.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration the potential voting rights that currently are exercisable.

Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income. When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current year after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs as the result of fair values of acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination being only provisionally determined, the Group shall account for such business combination at provisional amounts. During twelve months from the acquisition date (i.e. the measurement period), the Group shall retrospectively adjust the provisional amounts recognised at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations included any costs directly attributable to the combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to affect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular combination being accounted for are not included in the cost of the combination; they are recognised as an expense when incurred.

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2021 (continued)

Form B 09a – DN/HN
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(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) Non-controlling interests

Non-controlling interests (“NCI”) are measured by their proportionate economic interest in the acquiree’s identifiable net assets at date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. In accordance with Circular No. 202/2014/TT-BTC issued by the Ministry of Finance providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”) which was applied prospectively from 1 January 2015, the difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iv) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power. Associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group’s share of the profit and loss of an associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in associates is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Group’s share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. However, foreign currency difference arising on intra-group monetary items, whether short-term or long-term are recorded in the consolidated interim statement of income. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee.

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(vi) Goodwill

Goodwill arises on the acquisition of subsidiary. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree in exchange for control of the acquire, plus any costs directly attributable to the acquisition.

When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate for assets and account transfer selling rate for liabilities at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(ii) Foreign operations

For the purpose of presenting the consolidated interim financial statements, the assets and liabilities of foreign operations are translated to VND as follow:

- Assets and liabilities including fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions;
- Revenues, income, expenses and cash flows of foreign operations are translated to VND at exchange rates at which approximate actual exchange rates ruling on the dates of transactions;
- Retained profits/ Accumulated losses, funds and reserves are derived from the translated net profits/movement from which they were appropriated.

Foreign currency differences arising from the translation of foreign operations' financial statements to VND are recognised in the balance sheet under the caption "Foreign exchange differences" in equity. When the foreign currency differences relate to a foreign operation that is consolidated but not wholly owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

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(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Investments

Held to maturity investments

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds and loan receivables held to maturity. These investments are stated at cost less allowance for doubtful debts.

(e) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Factoring

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer trade receivables. For factoring transactions, the Group assesses whether trade receivables can be derecognised in their entirety or not, basing on the extent to which it retains the risks and rewards of ownership of the trade receivables.

If the Group:

- transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognises separately as asset or liability any rights and obligations created or retained in the transfer;
- retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;
- neither transfers nor retains substantially all the risks and rewards of ownership of the receivables, the Group determines whether it has retained control. If the Group does not retain control, it derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control, it continues to recognise the receivables to the extent of its continuing involvement in the receivables.

The extent of continuing involvement in the transferred assets is the extent to which it is exposed to changes in the value of the transferred assets, which is the lower of the carrying amount of assets and the maximum amount of the consideration that the Group could be required to pay ("the guarantee amount").

When the Group continues to recognise an asset to the extent of its continuing involvement, the Group also recognises an associated liability. The associated liability is initially measured at the guarantee amount plus the fair value of the guarantee. Subsequently the initial fair value of the guarantee is recognised in the consolidated income statement on a time proportion basis.

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(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable mining and manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Upon completion of the mine construction phase, the assets are transferred into “building and structures”, “machinery and equipment” or “other mining assets” in tangible fixed assets. Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price or construction cost, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

If the self-constructed tangible assets have been completed and are put into used but their cost is not finalised, their historical cost will be recorded at a temporarily estimated value and they shall be adjusted with the difference after the finalised cost are approved.

Other mining assets comprise mine rehabilitation assets; and fair value of mineral reserves and mineral resources from business combination.

(ii) Depreciation

NPM: Machinery and equipment directly related to mineral processing activities and fair value of mineral reserves from business combination

Machinery and equipment which are directly related to mineral processing activities and fair value of mineral reserves from business combination are depreciated on a unit-of-production method with the depreciation bases calculated using the proved and probable mineral reserve and a portion of resources expected to be converted into reserves.

Effective from 1 January 2021, the Group updated its estimates of mineral reserves and resources, using (i) the result of mining specialist’s technical assessments on mineral reserve within Nui Phao project area, (ii) a portion of mineral resources expected to be converted into reserves and (iii) further mineral resource which can be reprocessed from the NPM’s oxide tails cell (“OTC”). These updates are estimates of the amount of production volume that can be economically and legally extracted from the Group’s mining properties.

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Detail of changes in the remaining ore equivalent quantity served as depreciation basis as at 1 January 2021 are as follow:

	Increased by Tonnes of ore
M&E relating to mineral processing activities	5,443,351
M&E relating to mineral processing activities and to be used in OTC retreatment	20,763,351
Fair value of mineral reserves from business combination	20,763,351
	67,970,053

These changes lead to the depreciation charge for the current period decreased VND105 billion.

MTC: Machinery and equipment directly related to production activities

Machinery and equipment which are directly related to the deep processing of tungsten products of MTC are depreciated over its estimated useful lives on a units of production basis. The estimated total production quantity output which the tangible fixed assets are depreciated on a unit-of-production basis are as follows:

ST plant	171,865 tonnes of tungsten
APT plant	166,990 tonnes of tungsten

Others

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 40 years
▪ machinery and equipment	3 – 22 years
▪ office equipment	3 – 10 years
▪ motor vehicles	3 – 25 years
▪ other mining assets	26 years

Construction asset which are completed and put into use before construction costs being finalised, are stated at provisional cost. On the date the construction costs are finalised and approved, provisional cost shall be adjusted to finalise cost and accumulated depreciation shall not be adjusted. The subsequent depreciation charge is determined as the approved value minus the accumulated depreciation made for the period up to the approval of finalisation of fixed asset divided by the remaining depreciation period of the fixed asset according to relevant regulations.

In the current period, due to changes in estimation from latest mineral reserve assessment and OTC retreatment project as disclosed in Note 3(g)(ii) *for Machinery and equipment directly related to mineral processing activities* above, NPM revised estimated useful life of certain group of assets. These changes lead to the depreciation charge for the current period decreased VND13 billion.

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The revised estimated useful lives are as follows:

	2021	2020
▪ buildings and structures	5 - 27 years	5 - 20 years
▪ machinery and equipment	3 - 22 years	3 - 20 years
▪ other mining assets	26 years	19 years

(h) Intangible fixed assets

(i) Land

Lands comprise those acquired in a legitimate transfer. Lands are stated at cost and are not amortised.

(ii) Software

Cost of software include:

- Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Acquired software costs are amortised on a straight-line basis over three (3) to eight (8) years;
- Cost incurred during software development phase when following conditions are met:
 - Respective costs are attributable directly to the software development stage;
 - There is well-founded expectation – verifiable by program designs, models, or the like that the Group has intention to complete the development project and use or sell it;
 - The Group will be able to implement and use the software after its development;
 - Adequate technical, financial and human resources should be available to complete the software development successfully;
 - The Group is able to measure expenditures attributable to the software development project reliably.

Developed software is amortised on a straight-line basis over period of up to four (4) years starting from the date on which the respective modules are completed.

(iii) Mining rights

The mining rights are calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 203/2013/ND/CP dated 28 November 2013 (“Decree 203/2013”) which became effective from 20 January 2014. Cost of mining rights was stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the economic life of the mineral reserves.

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(iv) Development costs

Cost of development costs include:

- Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and process, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred;
- Development costs that are acquired by the Group through business combinations are capitalised and presented as an intangible fixed asset. The fair value of development costs are amortised on a straight-line basis over period from 10 to 16 years.

The fair value of development costs acquired through business combinations is determined using the incremental cash flow method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(v) Brand name

Cost of acquisition of brand name is recognised as an intangible asset.

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned. The fair value of brand name acquired in a business combination is recognised as an intangible asset and is amortized on a straight-line basis ranging from 20 to 30 years.

(vi) Customer relationship

Customer relationships that are acquired by the Group through business combinations are capitalised and presented as an intangible fixed asset. The fair value of customer relationships are amortised on a straight-line basis over period of 36 years.

The fair value of customer relationships acquired through business combinations is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(vii) Technologies

Technologies that are acquired by the Group through business combinations are recognised as intangible fixed assets and are initially measured at fair value. Technologies are amortised on a straight-line basis over their useful lives ranging from 16 to 31 years.

The fair value of technologies acquired through business combinations are determined using the multi-period excess earnings method whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows and/or based on the discounted estimated royalty payments that have been avoided as a result of the technologies being owned.

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(i) Construction in progress

Construction in progress represents mineral assets under development and cost of construction and machinery which have not been fully completed, installed and commissioned. It also comprises land compensation, mineral reserves, mineral resources and related development expenditure. These assets qualify for capitalisation when the mineral reserves to which they relate is proven to be commercially and technically viable. They are capitalised net of proceeds from the sale of commissioning products during the development phase. On completion of construction defined as the time when the assets are brought into the condition of its intended use, all assets are reclassified to tangible fixed assets as either “buildings and structures”, “machinery and equipment” or “other mining assets”; or long-term prepaid expenses as “other mining costs”.

No depreciation is provided for construction in progress during the period of development, construction, installation and commissioning stages.

(j) Long-term prepaid expenses

(i) *Prepaid land costs*

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the leases from 35 to 50 years.

(ii) *Land compensation costs*

Land compensation costs comprise prepaid land lease rentals, compensation, resettlement and other costs incurred in conjunction with securing the use of leased land for its mining activities. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the related leases.

(iii) *Other mining costs*

Other mining costs comprise:

- Exploration, evaluation and development expenditure (including development stripping); and
- Production stripping (as described below in ‘Deferred stripping costs’).

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are recorded as part of the cost of construction of the mine. All development stripping expenditure incurred during construction phase are transferred to other mining costs.

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The costs of removal of the waste material during a mine's production phase (production stripping costs) are deferred where they give rise to future benefits:

- a) It is probable that the future economic benefits will flow to the Group;
- b) The component of the ore body for which access has been improved can be identified; and
- c) The costs incurred can be measured reliably.

Production stripping costs are allocated between inventory and long-term prepaid expenses in accordance with the life of mine strip ratio of the identified components of the ore bodies.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine of the identified components of the ore bodies. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping costs are amortised systematically based on the mineral reserves and mineral resources expected to be converted to mineral reserves of the relevant components. During the period, NPM, a subsidiary of the Group, has updated its estimate of mineral reserves and resources which serves as basis for calculation and amortisation of development and production stripping costs. The revision was based on the result of mining specialist technical assessments on mineral reserve within Nui Phao project area and the portion of resources expected to be converted into reserves as disclosed in Note 3(g)(ii). The effect on the amortisation charge for the current period was to decrease the amortisation charge by VND1.2 billion.

(iv) *Incremental costs of obtaining a contract*

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained. The Group shall capitalize incremental costs of obtaining a contract if such costs meet the following criteria:

- Only the incremental costs incurred as a result of obtaining a contract should be capitalized;
- The cost must be recoverable.

The recognised asset shall be amortised on a systematic basis match with the transfer of the goods or services to the customer to which the asset relates.

(v) *Other prepaid expenses*

Other prepaid expenses include service fees which are initially stated at cost and amortised on a straight-line basis over the term of the contracts for services fees.

(k) *Accounts payable*

Accounts payable to suppliers and other payables are stated at their cost.

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(I) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Mining rights

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. Mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights which are:

- Decree 203/2013/ND-CP dated 28 November 2013 (“Decree 203”), Decree 158/2016/ND-CP dated 29 November 2016 (“Decree 158/2016”) and Circular 38/2017/TT-BTNMT dated 16 October 2017 (“Circular 38”) until 15 September 2019; and
- Decree 67/2019/ND-CP dated 31 July 2019 (“Decree 67”) from 15 September 2019.

The prices to calculate the resource royalty is announced by the provincial People’s Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Circular 38 and/or Decree 67.

(ii) Mine rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; site and land rehabilitation. The extent of work requires and the associated costs are dependent on the requirements of Ministry of Natural Resources and Environment (“MONRE”) and the Group’s environmental policies based on the Environment Impact Report.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the end of the accounting period.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting dates and the cost is charged to the statement of income. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

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The timing of the actual closure and rehabilitation expenditure is dependent on the life of the mine. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset if the related obligations for closure and rehabilitation are unavoidable to the construction of the asset. The capitalised cost of closure and rehabilitation activities is recognised in other mining assets and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated income statement. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

(iii) Pension liabilities

Pensions are retirement benefits and are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Group pays fixed contributions into a separate fund. The amount of an employee's future retirement benefit is only based on the contributions paid and the income earned from the investment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions are to be recognised as expenses in the periods in which they were to be contributed.

Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The Group determines the net interest expense on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of income. The remeasurement of defined benefit obligation involves estimation of future cashflow, employee turnover, mortality and future increase in salaries.

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Gain or loss arising from remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the relevant deferred tax are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the Ministry of Finance (“MOF”).

(m) Bonds issued

At initial recognition, bonds are measured at cost which comprises proceeds from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(n) Equity

(i) Ordinary shares

Ordinary share capital is classified as equity. The excess of proceeds contributed over the par value of shares issued is recorded as share premium. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share premium.

(ii) Preference shares

Mandatorily convertible preference shares are classified as equity. These are entitled to fixed dividends and any discretionary dividends declared to ordinary shareholders and it participates equally in the residual assets on dissolution. The excess of proceeds contributed over the par value of shares issued is recorded as share premium. Incremental costs directly attributable to the preference shares are recognised as a deduction from share premium.

(iii) Other capital

Equity movements resulting from acquisition or disposal to non-controlling interests and transactions involving equity instruments were recorded in “Other capital” prior to the prospective application of Circular 202 from 1 January 2015 (Note 3(a)(iii)).

(o) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous years.

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Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at end of the annual accounting period. Deferred tax is recognised in the consolidated statement of income except to the extent relating to item recognised directly in equity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts.

For sales of minerals, the sales price is usually determined on a provisional basis at the date of revenue recognition and adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 to 180 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sales recognition is based on the most recently determined product specifications agreed by parties.

(ii) Revenue from tolling business

Tolling process is offered to the Group's worldwide customers of the metal powder business, in which customers deliver used material or metal scraps to the Group for recycling into finished products i.e. metal powder. Revenue from tolling business is recognised in the consolidated statement of income when the goods have been processed and accepted by the buyer. Revenue from tolling business is measured based on the consideration to which the Group expects to be entitled in the contract, including tolling fee and fair value of materials of which its obtained control. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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(q) Financial income and financial expenses

(i) *Financial income*

Financial income comprises interest income from deposits and loans and foreign exchange gains. Interest income is recognised as it accrues in the statement of income.

(ii) *Financial expenses*

Financial expenses comprise interest expenses on borrowings, bonds, facility fees, financing costs, transaction costs and foreign exchange losses.

(r) Leases

(i) *Leased assets*

Leases in terms of which the Group, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g)(ii).

Assets held under other leases are classified as operating leases and are not recognised in the Group's balance sheet.

(ii) *Lease payments*

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense over the term of the leases.

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(s) Borrowing costs

Borrowings costs comprise interest expenses on borrowings, facility fees, financing costs and transaction costs. Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

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(t) Earnings per share

The Group presents basic and diluted, if any, earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. To determine the profit or loss attributable to ordinary equity holders, profit or loss for the period is allocated to the ordinary shares and participating equity instruments. This allocation is made in accordance with the rights of the other class of shares to participate in distributions if the entire profit or loss were distributed.

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group’s primary and secondary format for segment reporting is based on business segments and geographical segments respectively.

(v) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party. Related parties that are individuals refer to key management personnel who have authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers of the Company. Related companies refer to the shareholders and their ultimate parent companies and their subsidiaries and associates.

(w) Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior is included as an integral period of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated financial statements is not intended to present the Group’s consolidated financial position, results of operation or cash flows for the prior period.

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4. Seasonality of operations

The Group do not have any seasonal operations of which may affect the Group operating results for the six-month period ended 30 June 2021.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the management has made several accounting estimates. Actual results may differ from these estimates.

Effective from 1 January 2021, the management updated its estimates of its mineral reserve and resource, using (i) the result of mining specialist's technical assessments on mineral reserve within Nui Phao project area, (ii) a portion of resources expected to be converted into reserves and (iii) further mineral resource which can be reprocessed from the NPM's oxide tails cell ("OTC"). The effects of these changes to the depreciation and amortisation of affected assets are described in Note 3(g)(ii) and Note 3(j)(iii). Except for these changes, there was no significant change in the accounting estimates made since the end of the previous annual accounting period.

6. Unusual items

The Group do not have any unusual items which may affect the Group's consolidated interim financial statements for the six-month period ended 30 June 2021.

7. Changes in the composition of the Group and Company

There is no change in the Group and the Company's structure for the six-month period ended 30 June 2021.

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8. Segment reporting

(a) Business segments

The Group comprises the following business segments:

From 1/1/2021 to 30/6/2021	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment revenue	(24,374,784)	725,185,835	5,280,415,063	125,784,320	6,107,010,434
Segment gross profit/(loss)	(21,240,652)	479,270,889	243,847,630	41,389,046	743,266,913
Unallocated expenses					(492,761,393)
Financial income					135,036,179
Financial expenses					(701,674,774)
Share of profit in associates					4,664,541
Results from operating activities					(311,468,534)
Other income					3,974,315
Other expenses					(23,881,558)
Income tax benefit					68,814,972
Net loss after tax					(262,560,805)

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From 1/1/2020 to 30/6/2020	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment revenue	178,268,629	808,163,509	1,574,101,184	9,708,995	2,570,242,317
Segment gross profit/(loss)	(287,118,992)	510,132,789	(80,730,840)	(56,550,215)	85,732,742
Unallocated expenses					(154,362,624)
Financial income					508,554,779
Financial expenses					(769,704,422)
Share of loss in associates					(232,098)
Results from operating activities					(330,011,623)
Other income					4,533,560
Other expenses					(22,771,219)
Income tax expenses					(44,397,976)
Net loss after tax					(392,647,258)

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As at 30 June 2021	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment assets	147,281,754	739,283,963	8,112,712,762	1,768,779,399	10,768,057,878
Unallocated assets					28,827,685,049
Total assets					39,595,742,927
Total liabilities					25,504,373,495
As at 1 January 2021					
Segment assets	153,242,533	757,149,316	9,407,654,444	963,525,139	11,281,571,432
Unallocated assets					28,827,276,382
Total assets					40,108,847,814
Total liabilities					26,029,306,779

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	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
From 1/1/2021 to 30/6/2021					
Capital expenditure	-	-	85,793,910	41,857,285	127,651,195
Unallocated capital expenditure					285,098,317
Depreciation and amortisation	5,960,779	22,422,954	368,752,972	35,306,585	432,443,290
Unallocated depreciation and amortisation					387,803,020
Unallocated amortization of prepayment					131,952,790

	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
From 1/1/2020 to 30/6/2020					
Capital expenditure	-	-	29,161,828	41,360,210	70,522,038
Unallocated capital expenditure					1,012,456,863
Depreciation and amortisation	6,850,044	34,255,854	64,776,397	43,567,033	149,449,328
Unallocated depreciation and amortisation					458,977,586
Unallocated amortization of prepayment					102,866,614

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(b) Geographical segments

The Group comprises the following geographical segments:

	Vietnam VND'000	Belgium VND'000	Germany VND'000	Japan VND'000	USA VND'000	China VND'000	Others VND'000	Total VND'000
As at and for the six-month period ended 30 June 2021								
External revenue	62,944,241	728,717,945	1,027,823,508	330,392,430	821,876,982	1,621,092,932	1,514,162,396	6,107,010,434
Segment assets	30,306,648,220	359,120,481	4,808,254,708	198,398,585	456,827,392	1,734,524,125	1,731,969,416	39,595,742,927
Capital expenditure	306,754,675	-	49,654,117	-	-	29,573,901	26,766,819	412,749,512
As at and for the six-month period ended 30 June 2020								
External revenue	14,638,118	995,256,290	286,542,346	300,546,140	157,555,351	182,679,752	633,024,320	2,570,242,317
Segment assets	29,882,428,877	326,220,672	3,567,349,202	229,322,413	195,112,688	1,216,806,214	814,226,880	36,231,466,946
Capital expenditure	1,081,233,123	-	1,745,778	-	-	-	-	1,082,978,901

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9. Cash and cash equivalents

	30/6/2021	1/1/2021
	VND'000	VND'000
Cash on hand	158,510	229,529
Cash in banks	459,916,352	696,047,057
Cash in transit	-	9,653,700
Cash equivalents	178,144,540	56,000,000
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	638,219,402	761,930,286
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10. Investments

(a) Trading securities

Trading securities as at 30 June 2021 represent cost of investment in 1,955,000 bonds issued by Masan Group Corporation.

(b) Held-to-maturity investments

	30/6/2021	1/1/2021
	VND'000	VND'000
Long-term deposits	7,400,000	7,400,000
	<hr/>	<hr/>

(c) Investments in associates, joint ventures

The investments in associates, joint-ventures as at 30 June 2021 and 1 January 2021 represent the investment in Jiangwu H.C. Starck Tungsten Products Co. Ltd. – a company incorporated in China, an associate of HCS. The Group has 30% of interest and voting rights in this entity.

	From 1/1/2021	From 1/1/2020
	to 30/6/2021	to 30/6/2020
	VND'000	VND'000
Opening balance	195,227,868	-
Increase from business combination	-	22,255,673
Share profit/(loss) in associates	4,664,541	(232,098)
Currency translation differences	(7,573,607)	(8,664,461)
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Closing balance	192,318,802	13,359,114
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11. Accounts receivable from customers – short-term

Accounts receivable from customers detailed by significant customers

	30/6/2021	1/1/2021
	VND'000	VND'000
<i>Other parties</i>		
Tungsten customers	1,186,287,611	966,871,809
Fluorspar customers	322,806,412	102,016,555
Copper customers	34,310,063	74,769,087
Bismuth customers	106,911,226	23,036,447
Other customers	423,705	-
	1,650,739,017	1,166,693,898

At 30 June 2021 and 1 January 2021, a part of short-term receivables was pledged with banks as security for short term loans granted to subsidiaries (Note 22(a)).

12. Other short-term and long-term receivables

	30/6/2021	1/1/2021
	VND'000	VND'000
Short-term receivables		
Receivable for mining rights fee (a)	239,835,807	239,835,807
Interest income	657,673	19,197,889
Receivable from reduction of purchase price under SPA	-	26,476,816
Others	84,941,224	35,579,024
	325,434,704	321,089,536
Long-term receivables		
Land compensation receivable from Thai Nguyen People's Committee (b)	1,220,645,586	1,234,392,503
Deposit paid to Environment Protection Fund (c)	69,638,018	61,310,120
Others	14,554,707	2,607,828
	1,304,838,311	1,298,310,451

- (a) Receivable for mining rights fee (“MRF”) represents additional mining rights fee of Nui Phao Mining Company Ltd (“NPM”) – a subsidiary for the years 2018 and 2019 and relevant administrative charges that NPM paid to the authorities based on temporary calculation by the General Department of Geology and Minerals (“GDGM”).

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Management believes that it had adequately provided for its liabilities for MRF in prior years based on its interpretation of relevant legislation relating to mining rights and natural resources tax, thus accounted for these additional MRF as other receivable as management expects that the subsidiary will be able to claim back this payment. NPM has sent letters to different levels of authorities to highlight the issues and seek for proper resolutions. In 2021, as instructed by the Prime Minister under letter 978/VPCP-KTTH dated 8 February 2021, the case is under review by MOF, MONRE, Thai Nguyen Province People’s Committee and Thai Nguyen Department of Finance. The final outcome may be subject to final resolution as these authorities are waiting for further guidance from MOF to resolve the case.

- (b) These represented receivables from State Treasury for the land compensation cost of the Nui Phao Mining Project which was paid to the affected residents at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount can be netted off against annual land rental fee of future years.
- (c) NPM is required to deposit for obligation to mine closure and environment rehabilitation obligation to Environment Protection Fund. In accordance with Decision 1536/QD-BTMMT issued by MONRE dated 20 June 2019, the mine rehabilitation plan requires deposit amount to be increased to VND123,460 million. On this date, the remaining deposit of VND87,692 million are approved for annual instalment over 10 years from 2019. The future deposit instalment will be subject to the annual CPI fluctuation in accordance with Circular 38/2015/TT-BTNMT dated 30 June 2015.

13. Inventories

	30/6/2021		1/1/2021	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	196,437,524	-	71,956,654	-
Raw materials	987,589,972	-	956,039,022	-
Tools and supplies	709,582,975	(9,690,173)	686,047,326	(30,721,208)
Work in progress	738,466,882	(3,587,090)	669,042,621	(25,338,147)
Finished goods	2,677,699,870	(2,231,491)	2,508,689,741	(32,953,813)
Merchandise inventories	277,770	-	23,320,446	-
Goods on consignment	255,887,234	-	54,045,838	-
	5,565,942,227	(15,508,754)	4,969,141,648	(89,013,168)

Included in inventories at 30 June 2021 were tools with the cost of VND9,690 million, work in progress and finished goods with the cost of VND69,836 million (1/1/2021: VND30,721 million and VND1,760,354 million, respectively) carried at net realisable value.

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14. Tangible fixed assets

	Buildings and structures VND'000	Machinery and equipment VND'000	Office equipment VND'000	Motor vehicles VND'000	Other mining assets VND'000	Total VND'000
Cost						
Opening balance	7,874,947,836	17,448,092,882	42,933,174	16,483,397	5,095,926,136	30,478,383,425
Additions	1,771,015	30,939,923	-	-	-	32,710,938
Transfer from construction in progress (Note 16)	2,367,116	79,100,572	-	-	-	81,467,688
Disposals and written-off	(720,656)	(13,279,746)	-	-	-	(14,000,402)
Currency translation differences	(57,278,331)	(64,410,930)	-	-	-	(121,689,261)
Closing balance	7,821,086,980	17,480,442,701	42,933,174	16,483,397	5,095,926,136	30,456,872,388
Accumulated depreciation						
Opening balance	2,025,441,828	7,233,272,724	39,870,202	12,966,186	1,339,999,417	10,651,550,357
Charge for the period	185,829,488	438,981,312	644,910	1,140,365	77,024,137	703,620,212
Disposals and written-off	(720,656)	(13,279,746)	-	-	-	(14,000,402)
Currency translation differences	(6,587,542)	(38,364,984)	-	-	-	(44,952,526)
Closing balance	2,203,963,118	7,620,609,306	40,515,112	14,106,551	1,417,023,554	11,296,217,641
Net book value						
Opening balance	5,849,506,008	10,214,820,158	3,062,972	3,517,211	3,755,926,719	19,826,833,068
Closing balance	5,617,123,862	9,859,833,395	2,418,062	2,376,846	3,678,902,582	19,160,654,747

Included in the cost of tangible fixed assets of the Group were assets costing VND81,240 million which were fully depreciated as at 30 June 2021 (1/1/2021: VND73,443 million), but which are still in active use.

At 30 June 2021, tangible fixed assets with carrying value of VND10,488 billion were pledged with banks as security for long-term bonds issued by NPM and the Company (1/1/2021: VND10,832 billion) (Note 22).

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15. Intangible fixed assets

	Land VND'000	Software VND'000	Mining rights VND'000	Development Cost (*) VND'000	Brand name VND'000	Customer Relationship VND'000	Technologies VND'000	Other intangible fixed assets VND'000	Total VND'000
Cost									
Opening balance	71,973,549	424,817,716	588,370,818	685,832,537	1,120,478,861	230,117,249	1,545,588,076	26,485,360	4,693,664,166
Additions	-	771,908	204,284,393	-	-	-	-	-	205,056,301
Currency translation differences	(2,194,267)	(11,219,843)	-	(24,696,420)	(40,347,775)	(8,286,385)	(55,655,704)	(328,901)	(142,729,295)
Closing balance	69,779,282	414,369,781	792,655,211	661,136,117	1,080,131,086	221,830,864	1,489,932,372	26,156,459	4,755,991,172
Accumulated amortisation									
Opening balance	-	383,865,326	188,670,686	89,794,389	22,316,296	3,791,608	44,077,926	3,228,536	735,744,767
Charge for the period	-	10,327,580	23,531,865	22,922,500	18,568,845	3,194,550	37,137,051	943,707	116,626,098
Currency translation differences	-	(10,669,941)	-	(3,706,317)	(1,669,913)	(239,642)	(2,785,870)	(46,746)	(19,118,429)
Closing balance	-	383,522,965	212,202,551	109,010,572	39,215,228	6,746,516	78,429,107	4,125,497	833,252,436
Net book value									
Opening balance	71,973,549	40,952,390	399,700,132	596,038,148	1,098,162,565	226,325,641	1,501,510,150	23,256,824	3,957,919,399
Closing balance	69,779,282	30,846,816	580,452,660	552,125,545	1,040,915,858	215,084,348	1,411,503,265	22,030,962	3,922,738,736

Included in the cost of intangible fixed assets were assets costing VND18,070 million which were fully amortised as at 30 June 2021 (1/1/2021: VND17,311 million), but which are still in use.

At 30 June 2021, intangible fixed assets with carrying value of VND597 billion were pledged with banks as security for long-term bonds issued by NPM and the Company (1/1/2021: VND422 billion) (Note 22).

(*) Development cost includes completed projects related to trouble shooting used in the production process that are used in the subsidiaries.

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16. Construction in progress

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Opening balance	1,467,480,229	1,694,487,259
Additions during the period	338,426,139	255,156,238
Increases from business combination	-	110,926,385
Transfer to tangible fixed assets (Note 14)	(81,467,688)	(617,539,447)
Transfer to long-term prepaid expenses	-	(2,145,438)
Transfer to short-term prepaid expenses	(1,025,405)	(6,184,662)
Currency translation differences	(3,711,916)	(3,829,199)
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Closing balance	1,719,701,359	1,430,871,136

During the period, borrowing costs capitalised into construction in progress amounted to VND12 billion (for the six-month ended 30 June 2020: VND20 billion).

As at the reporting date, construction in progress of NPM, which mainly represented land compensation, mine and plant development cost and other capitalised costs pertaining to tailing dams, have been pledged with banks as security for long-term bonds issued by NPM (Note 22(b)).

Major constructions in progress were as follows:

	30/6/2021 VND'000	1/1/2021 VND'000
Land compensation	825,135,603	774,195,509
Site clearance, relocation infrastructure and others	213,444,864	209,074,215
Plant, machinery and equipment	312,608,958	151,254,220
Tailing dams	92,261,543	25,288
Other assets	276,250,391	332,930,997
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	1,719,701,359	1,467,480,229

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17. Long-term prepaid expenses

	Prepaid land cost and land compensation costs VND'000	Other mining costs VND'000	Incremental costs of obtaining contract (*) VND'000	Others VND'000	Total VND'000
Opening balance	948,324,935	1,581,256,191	181,973,835	194,339,177	2,905,894,138
Additions	-	120,363,570	-	2,312,146	122,675,716
Transfer from long-term receivables	13,746,916	-	-	-	13,746,916
Amortisation for the period	(27,978,779)	(60,765,115)	(12,924,462)	(30,284,434)	(131,952,790)
Closing balance	934,093,072	1,640,854,646	169,049,373	166,366,889	2,910,363,980

(*) In September 2020, a subsidiary incurred costs to terminate its long-term offtake agreement with an existing customer in order to obtain a more favourable contract with another. This cost is incremental costs of obtaining contract, thus is capitalised and amortised on a systematic basis consistent with the transfer of the goods under the new contract.



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18. Advance from customers – short-term

	30/6/2021	1/1/2021
	VND'000	VND'000
<i>Third parties</i>		
Advance from sales of Fluorspar product	133,117,983	645,340,981
Advance from sales of Bismuth product	57,901,956	103,650,397
Others	16,514,271	206,743,844
	207,534,210	955,735,222
	207,534,210	955,735,222

Advance from sales of Fluorspar and Bismuth shall be discharged through monthly instalments through subsequent deliveries. Advance from sales of Fluorspar bears prepayment fee based on agreed term and is guaranteed by the intermediate parent company and the ultimate parent company.



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19. Taxes payable to State Treasury

	1/1/2021 VND'000	Incurred VND'000	Paid/Offset VND'000	Other movements VND'000	Currency translation differences VND'000	30/6/2021 VND'000
Tax payables to Vietnamese State Treasury						
Value added tax	-	202,891,802	(202,891,802)	-	-	-
Import-export tax	-	92,464,147	(92,464,147)	-	-	-
Corporate income tax	454,802	4,152,715	(545,626)	-	-	4,061,891
Environment protection tax	-	11,505,774	(11,505,774)	-	-	-
Personal income tax	8,781,303	50,452,957	(51,416,276)	-	-	7,817,984
Natural resource tax	-	131,692,196	(131,692,196)	-	-	-
Other taxes	3,863,318	6,253,089	(7,191,996)	-	-	2,924,411
	13,099,423	499,412,680	(497,707,817)	-	-	14,804,286
Tax payables to foreign tax authorities						
Corporate income tax	101,345,073	7,050,027	(3,726,593)	(104,140,484)	91,779	619,802
Other taxes	48,232,285	119,563,131	(74,071,549)	104,140,484	92,628	197,956,979
	149,577,358	126,613,158	(77,798,142)	-	184,407	198,576,781
	162,676,781	626,025,838	(575,505,959)	-	184,407	213,381,067

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20. Accrued expenses

	30/6/2021	1/1/2021
	VND'000	VND'000
Operating costs	707,803,002	563,082,117
Accrued interest payable	223,320,519	228,436,211
Accrual for other financing costs	8,076,894	14,691,057
Share issuance fee	3,184,479	42,624,809
Consultant fee	54,860	42,620,276
Natural resource taxes and fees	92,880,662	25,766,750
Bonus	44,983,112	15,469,188
Accrual for construction work	20,694,030	10,576,562
Others	1,380,830	1,380,829
	<hr/>	<hr/>
	1,102,378,388	944,647,799
	<hr/>	<hr/>

21. Other short-term payables

Other payables included the following amounts:

	30/6/2021	1/1/2021
	VND'000	VND'000
Short-term:		
Amounts due to Masan Group Corporation		
(“MSN”) – the ultimate parent company		
Financial expenses – short-term (a)	-	244,123,839
Amounts due to Masan Horizon Company Limited		
(“MH”) – the immediate parent company		
Non-trade – short-term (b)	2,511,785	2,511,785
Other payable to other parties		
Payable for termination of off-take agreement with customer	-	47,056,004
Usance LC payable at sight (UPAS LC) – short-term (c)	484,636,597	-
Other payables – short-term	37,549,962	12,991,835
	<hr/>	<hr/>
	524,698,344	306,683,463
	<hr/>	<hr/>

- (a) Under agreement with MSN – the ultimate parent company, these amounts were unsecured, interest-free.
- (b) Amounts due to related parties were unsecured, interest-free and repayable based on agreement between the parties.
- (c) Amounts due to local banks that issued UPAS LC to MTC, a subsidiary of Group (Note 34). The outstanding balances bear fixed rates over the deferred payment period of 6 months and are secured by 110 million shares of the Company held by MH (Note 22(a)).

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22. Borrowings and bonds

(a) Short-term borrowings and bonds

	1/1/2021 Carrying amount and amount within repayment capacity VND'000	Movements during the period			30/6/2021 Carrying amount and amount within repayment capacity VND'000
		Additions VND'000	Payments VND'000	Unrealised foreign exchange differences VND'000	
Short-term borrowings	3,164,644,018	2,660,444,584	(2,659,396,155)	1,359,600	3,167,052,047
Current portion of long-term bonds (Note 22(b))	998,222,222	1,333,334	-	-	999,555,556
	4,162,866,240	2,661,777,918	(2,659,396,155)	1,359,600	4,166,607,603

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Terms and conditions of short-term borrowings at respective reporting dates were as follows:

	Currency	30/6/2021 VND'000	1/1/2021 VND'000
Secured bank loan (i)	USD	944,318,198	1,135,396,849
Secured bank loan (i)	VND	268,834,000	-
Secured bank loan (ii)	VND	919,699,962	895,817,351
Secured bank loan (iii)	USD	358,595,500	333,766,713
Secured bank loan (iii)	VND	30,905,000	286,954,000
Secured bank loan	VND	-	190,352,000
Guaranteed bank loan (iv)	VND	44,864,500	100,589,728
Guaranteed bank loan (iv)	USD	212,724,490	96,054,387
Secured bank loan (v)	USD	97,591,530	125,712,990
Secured bank loan (vi)	VND	107,331,630	-
Secured bank loan (vii)	VND	511,237	-
Related party loan (viii)	VND	181,676,000	-
		3,167,052,047	3,164,644,018

- (i) The USD and VND denominated loans from a related party. The loans in USD bore interest ranging from 3.34% to 3.93% per annum and the loans in VND bore a basic interest rate of 4.1% per annum plus an additional rate based on some foreign exchange rates agreed by NPM and the bank. The loan is secured by part of short-term account receivables of NPM (Note 11) and 79 million shares of the Company held by MH.
- (ii) The loan from a local bank is secured by inventories, a part of short-term receivables and a part of certain long-term assets of NPM. Loan drawdowns in VND bore interest ranging from 7.0% to 7.3% per annum.
- (iii) Loan drawdowns in USD and VND bore interest ranging from 4% to 5.5% and from 7.7% to 8.4% per annum respectively.
- This loan and the amount payable in Note 21(c) are secured by 110 million shares of the Company held by MH.
- (iv) The loans by MTC from a foreign bank branch in Vietnam are guaranteed by the Company and Masan Group Corporation – the ultimate parent company. Loan drawdowns in USD and VND bore interest ranging from 3.05% to 3.7% and from 4.7% to 5.4% annum respectively.
- (v) The USD denominated loan from a foreign bank is secured by part of short-term account receivables of MTC (Note 11) and all operating bank accounts of MTC opened at the bank. Loan drawn downs in USD bore interest ranging from 3.2% to 3.7% per annum.
- (vi) Specific loan in VND by MTC from a local bank. Loan drawdowns in VND bore interest of 7.2% per annum.

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- (vii) Specific loans in VND by NPM from a local bank. Loan drawdowns in VND bore interest of 7.2% per annum.
The above loans in (a)(vi) and (a)(vii) are secured by 60 million shares of the Company held by MH.
- (viii) The loans from Masan Group Corporation – the ultimate parent company are unsecured, receivable in 12 months after drawdown dates with interest rates agreed in the agreements at the transaction dates.

(b) Long-term bonds

	30/6/2021	1/1/2021
	VND'000	VND'000
Long-term bonds issued	10,236,376,516	10,218,664,742
Repayable within twelve months (Note 22(a))	(999,555,556)	(998,222,222)
	9,236,820,960	9,220,442,520
Repayable after twelve months	9,236,820,960	9,220,442,520

(i) Long-term bonds

Terms and conditions of outstanding long-term bonds denominated in VND were as follows:

		Year of maturity	30/6/2021	1/1/2021
			VND'000	VND'000
Secured bond issued	(a)	2023	498,249,542	497,829,434
Secured bond issued	(b)	2021	999,555,556	998,222,222
Secured bond issued	(c)	2023	1,494,400,000	1,493,200,000
Secured bond issued	(d)	2024	497,608,703	497,186,709
Secured bond issued	(e)	2022	299,296,677	298,874,684
Secured bond issued	(f)	2022	199,484,230	199,202,900
Secured bond issued	(g)	2024	497,733,333	497,333,333
Secured bond issued	(h)	2022	99,642,142	99,488,774
Secured bond issued	(i)	2022	189,320,070	189,028,670
Secured bond issued	(j)	2022	209,285,963	209,000,349
Secured bond issued	(k)	2023	1,582,400,000	1,577,600,000
Secured bond issued	(l)	2023	989,000,000	986,000,000
Secured bond issued	(m)	2023	691,600,000	689,638,629
Secured bond issued	(n)	2023	994,666,667	993,333,333
Secured bond issued	(o)	2023	994,133,633	992,725,705
			10,236,376,516	10,218,664,742

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- (a) The VND denominated bonds issued by NPM with a five-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.25%. The bond was secured by 51.6 million shares of the Company held by MH.
- (b) The VND denominated bonds issued by the Company with a three-year term bore interest rate of 9.8% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.2%. The bond was secured by a part of certain long term assets of NPM (Notes 14, Note 15 and Note 16).
- (c) The VND denominated bonds issued by the Company with a five-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.25%. The bond was secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (d) The VND denominated bonds issued by NPM with a five-year term bore interest rate of 10.2% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.3%. The bond was secured by 55.6 million shares of the Company held by MH.
- (e) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 31.2 million shares of the Company held by MH.
- (f) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 20.8 million shares of the Company held by MH.
- (g) The VND denominated bonds issued by the Company with a five-year term bore interest rate of 10.2% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.3%. The bond was secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (h) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 10.7 million shares of the Company held by MH.

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- (i) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (j) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 22.3 million shares of the Company held by MH.
- (k) The VND denominated bonds issued by NPM with a three-year term bear interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.2%. The bond was guaranteed by Masan Group Corporation – the ultimate parent company and secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (l) The VND denominated bonds issued by NPM with a three-year term bear interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.2%. The bond was guaranteed by Masan Group Corporation – the ultimate parent company and secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (m) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.2%. The bond was guaranteed by Masan Group Corporation – the ultimate parent company and secured by a part of certain long-term assets of NPM (Notes 14, Note 15 and Note 16).
- (n) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 107.9 million shares of the Company held by MH.
- (o) The VND denominated bonds issued by NPM with a three-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.1%. The bond was secured by 107.9 million shares of the Company held by MH.

These secured bonds in the consolidated interim financial statements were reported net of bond arrangement fees.

The representatives of the bondholders of all bonds disclosed above are Techcom Securities JSC – the ultimate parent company's associate.

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23. Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

	Tax rate	30/6/2021	1/1/2021
		VND'000	VND'000
Deferred tax assets:			
Remeasurement of provision for pension liabilities	30%	1,129,325,428	1,281,357,440
Fair value adjustment of other asset from HCS acquisition (*)	15% - 30%	(501,770,627)	(520,258,159)
Tax losses carry-forwards	30%	234,043,554	187,383,399
Unrealized profit on intra-group transactions	10%	1,821,990	-
Pre-existing relationship - Benefit from contract with NPM	30%	18,041,115	20,045,683
Accrual, provisions and others (*)	30%	(289,007,245)	(275,044,687)
		<hr/>	<hr/>
Total deferred tax assets		592,454,215	693,483,676
		<hr/>	<hr/>
Deferred tax liabilities:			
Mineral reserves and mineral resources	15%	540,825,423	552,077,034
Unrealized loss on intra-group transactions	10% - 15%	29,904,508	45,054,074
Newly identified intangible assets from HCS acquisition	25% - 30%	953,176,117	1,010,890,563
Fair value adjustment of other asset from HCS acquisition	15% - 30%	134,816,420	162,647,075
Accrual, provisions and others	30%	93,079,804	72,164,789
		<hr/>	<hr/>
Total deferred tax liabilities		1,751,802,272	1,842,833,535
		<hr/>	<hr/>

(*) Deferred tax assets and liabilities includes items mainly arose from HCS and its subsidiaries. These items were presented on a net basis because the subsidiaries have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on the same taxable entities.

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(b) Movement in temporary differences during the period

	1/1/2021 VND'000	Recognised in consolidated statement of income VND'000	Recognised in equity VND'000	30/6/2021 VND'000
Mineral reserves and mineral resources	(552,077,034)	11,251,611	-	(540,825,423)
Unrealized (loss)/profit on intra-group transactions	(45,054,074)	16,971,556	-	(28,082,518)
Pre-existing relationship asset	20,045,683	(2,004,568)	-	18,041,115
Remeasurement of provision for pension liabilities (**)	1,281,357,440	(4,435,872)	(147,596,140)	1,129,325,428
Tax losses carry-forwards	187,383,399	49,994,903	(3,334,748)	234,043,554
Identified intangible assets from business combination	(1,010,890,563)	22,487,398	35,227,048	(953,176,117)
Fair value adjustment of other asset from business combination	(682,905,234)	22,000,118	24,318,069	(636,587,047)
Accrual, provisions and others	(347,209,476)	(36,247,432)	1,369,859	(382,087,049)
	(1,149,349,859)	80,017,714	(90,015,912)	(1,159,348,057)

(**) Deferred tax recognised in equity also included the relevant deferred tax of the remeasurement of the net defined benefit obligation - provision for pensions. As explained in Note 3(1), these amounts are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the MOF.

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24. Provisions – long-term

Movements of long-term provisions during the period were as follows:

	Mine rehabilitation VND'000	Mining rights VND'000	Pensions VND'000	Total VND'000
Opening balance	103,800,498	390,248,573	6,963,327,331	7,457,376,402
Provision made during the period	2,449,692	210,149,982	23,733,468	236,333,142
Remeasurement of provision for pensions (*)	-	-	(428,929,980)	(428,929,980)
Provision used during the period	-	(36,572,826)	(123,345,063)	(159,917,889)
Currency translation differences	-	-	(238,943,400)	(238,943,400)
Closing balance	106,250,190	563,825,729	6,195,842,356	6,865,918,275

(*) As explained in Note 3(1)(iii), the remeasurement of the net defined benefit obligation - provision for pensions and the relevant deferred tax are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the MOF.



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25. Changes in equity

	Share capital VND'000	Share premium VND'000	Other capital VND'000	Foreign exchange differences VND'000	Other equity funds VND'000	Undistributed profit after tax VND'000	Equity attributable to equity holders of the Company VND'000	Non-controlling interest VND'000	Total equity VND'000
Balance at 1/1/2020	9,892,398,780	145,709,384	(295,683,347)	-	-	2,727,397,449	12,469,822,266	-	12,469,822,266
Net loss for the period	-	-	-	-	-	(389,411,407)	(389,411,407)	(3,235,851)	(392,647,258)
Increases from business combination	-	-	-	-	-	-	-	(50,738,370)	(50,738,370)
Foreign exchange differences	-	-	-	(225,970,714)	-	-	(225,970,714)	(1,385,895)	(227,356,609)
Balance at 30/6/2020	9,892,398,780	145,709,384	(295,683,347)	(225,970,714)	-	2,337,986,042	11,854,440,145	(55,360,116)	11,799,080,029
Balance at 1/1/2021	10,991,554,200	1,098,259,892	(295,683,347)	(189,058,584)	(358,967,342)	2,766,593,412	14,012,698,231	66,842,804	14,079,541,035
Net (loss)/profit for the period	-	-	-	-	-	(290,774,444)	(290,774,444)	28,213,639	(262,560,805)
Remeasurement of provision for pensions	-	-	-	-	322,985,949	-	322,985,949	-	322,985,949
Foreign exchange differences	-	-	-	(49,023,773)	-	-	(49,023,773)	427,026	(48,596,747)
Balance at 30/6/2021	10,991,554,200	1,098,259,892	(295,683,347)	(238,082,357)	(35,981,393)	2,475,818,968	13,995,885,963	95,483,469	14,091,369,432

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26. Share capital

The Company's authorised and issued share capital comprised:

	30/6/2021		1/1/2021	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	1,099,155,420	10,991,554,200	1,099,155,420	10,991,554,200
Issued share capital				
Ordinary shares	1,099,155,420	10,991,554,200	1,099,155,420	10,991,554,200
Shares in circulation				
Ordinary shares	1,099,155,420	10,991,554,200	1,099,155,420	10,991,554,200
Share premium	-	1,098,259,892	-	1,098,259,892

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Share premium represents the excess of the proceeds on issuance of shares over the par value.

Included in the shares in circulation are 109,915,542 of ordinary shares issued to Mitsubishi Material Corporation (the Investor) on 26 October 2020 for the consideration of VND2,094,330,737,268. In relation to this issuance, the Company also granted a put option to the Investor. In the event that (i) the Company and the Investor (or their affiliate) fail to establish a joint operation of midstream tungsten business after closing date of the above share issuance or (ii) if there is a change in control in the Company, the Investor will have an irrevocable right to request the Company or its nominee to purchase all shares issued above at the amount equal to consideration of VND2,094,330,737,268 less the aggregate of any proceeds received by the Investor from disposing the Company's shares, dividends and distributions paid by the Company subject to customary adjustments from dilutive events. The deadline to take actions necessary to effect the completion of the put option is 18 months from the date that the Company receives put option exercise notice from the Investor. The exercise of the put option will be subject to approval of Board of Directors, shareholders and Vietnamese regulators.

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27. Off balance sheet items

(a) Lease

The future minimum lease payments under non-cancellable operating leases were:

	30/6/2021	1/1/2021
	VND'000	VND'000
Within one year	12,536,189	16,497,931
Within two to five years	20,857,908	16,599,443
	33,394,097	33,097,374

(b) Foreign currencies

	30/6/2021		1/1/2021	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	8,965,937	205,454,427	12,139,880.37	279,035,150
EUR	3,746,201	101,390,922	10,166,623.19	285,438,113
JPY	354,382,671	72,577,571	149,538,241.00	33,004,585
CNY	7,526,472	26,357,705	10,586,982.83	36,747,417
CAD	800,775	14,650,981	763,488.94	13,650,419

(c) Bad debts written off

	30/6/2021	1/1/2021
	VND'000	VND'000
Bad debts written off	21,507,965	21,507,965

(d) Capital expenditure commitments

As at 30 June 2021 the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2021	1/1/2021
	VND'000	VND'000
Approved but not contracted	37,064,943	176,985,972
Approved and contracted	51,927,767	85,765,512
	88,992,710	262,751,484

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(e) Final sales pricing adjustment

As disclosed in Note 3(p), the Group had the commitments under sales contract to adjust the sales price of its product sold based on future quoted market price at the London Metal Bulletin (“LMB”) at the agreed final pricing date. The revenue on provisionally priced sales is initially recognised based on the estimated fair value of the total consideration receivable. Such revenue is subject to adjustment at the final pricing date subsequent to balance sheet date.

Total revenue as at 30 June 2021 that have been recognised on a provisional basis is VND12,591 million (1 January 2021: Nil).

28. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax and export tax.

29. Financial income

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Interest income	6,138,711	32,630,596
Foreign exchange gains	128,885,377	69,419,037
Call option fee	-	406,473,000
Others financial income	12,091	32,146
	135,036,179	508,554,779

30. Financial expenses

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Interest expense	543,763,085	572,959,440
Borrowing fees	32,940,146	40,835,796
Foreign exchange losses	55,651,460	88,681,875
Others	69,320,083	67,227,311
	701,674,774	769,704,422

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31. Income tax

(a) Recognised in the consolidated statement of income

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Current tax expense		
Current period	17,515,895	50,952,291
Over provision for prior years/periods	(6,313,153)	(4,225,329)
	<hr/> 11,202,742	<hr/> 46,726,962
Deferred tax benefit		
Origination and reversal of temporary differences	(30,022,811)	(2,328,986)
Benefit of tax losses recognised	(49,994,903)	-
	<hr/> (80,017,714)	<hr/> (2,328,986)
Income tax (benefit)/expense	<hr/> (68,814,972)	<hr/> 44,397,976

(b) Reconciliation of effective tax rate

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Accounting loss before tax	(331,375,777)	(348,249,282)
Tax at the Company tax rate	(66,275,155)	(69,649,857)
Non-deductible expenses	26,327	1,128,577
Tax incentives	(7,821,645)	-
Effect of different tax rate in subsidiaries	11,669,738	24,567,911
Tax losses utilised	(7,979,079)	-
Over provision for prior years/periods	(6,313,153)	(4,225,329)
Change in temporary differences	7,877,995	92,576,674
	<hr/> (68,814,972)	<hr/> 44,397,976



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(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax at the rate of 20% of taxable profits. The Company's Vietnamese subsidiaries have obligation to pay the government income tax in accordance with the prevailing regulations. The Company's subsidiaries enjoy various tax incentives which provide subsidiaries with further tax exemption and reductions as follow:

- MTC – a subsidiary enjoys income tax incentives applicable for high-tech investment project under Vietnamese current tax regulations.
- NPM – a subsidiary enjoys income tax incentives applicable for mining and processing activities for mineral products other than gold in areas with extremely difficult socio-economic conditions under Vietnamese current tax regulations.

All of the above tax exemption and reduction are not applicable to other income which is taxed at the standard income tax rate applicable to enterprises before any incentives of 20%.

- HCS and its subsidiaries are based mainly in Germany, Canada, China.
 - Companies based in Germany with legal form of corporation are subject to corporation tax of 15% and are then subject to a surcharge of 5.5% (solidarity surcharge). This results in a total tax rate of 15.825%. These companies are also subject to the Trade tax which is a combination of a uniform tax rate of 3.5% (base rate) multiple with municipal tax rate depending on where the companies' permanent establishment located. The corporate income tax rate are the sum of total rate and the trade tax, which is approximately 30% on average;
 - H.C. Starck Jiangwu Tungsten Specialities (Ganzhou), Co., Ltd is subject to corporate income tax of 15% applicable to foreign investment production enterprise and established in Ganzhou, Jiangxi Province of People's Republic of China;
 - H.C. Starck Canada Inc. is subject to corporate income tax rate applicable to Canadian enterprise of approximately 25%.

(d) Tax contingencies

The taxation laws and their application in some countries where the Company and its subsidiaries operate were subject to interpretation and may change over time. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks for the Company and its subsidiaries. Management believes that it had adequately provided for tax liabilities based on its interpretation of tax and legislation, including on transfer pricing requirements and computation of corporate income tax and deferred tax liabilities. However, the relevant authorities may have different interpretations.

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32. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2021 was based on the loss attributable to ordinary shareholders of VND290,774 million (for the six-month period ended 30 June 2020: VND389,411 million) and a weighted average number of ordinary shares outstanding of 1,099,155,420 shares (for the six-month period ended 30 June 2020: 989,239,878 shares), calculated as follows:

(a) Net loss attributable to shareholders

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Net loss for the period	(262,560,805)	(392,647,258)
Non-controlling interest	28,213,639	(3,235,851)
Net loss attributable to ordinary shareholders	<u>(290,774,444)</u>	<u>(389,411,407)</u>

(b) Weighted average number of shares

	From 1/1/2021 to 30/6/2021	From 1/1/2020 to 30/6/2020
Issued ordinary shares at the beginning of the period	1,099,155,420	989,239,878
Weighted average number of ordinary shares for the period	<u>1,099,155,420</u>	<u>989,239,878</u>

(c) Diluted earnings per share

The Company has no dilutive potential ordinary shares.

33. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these consolidated interim financial statements, the Group had the following significant balances and transactions with related parties during the period:

(a) Related party balances

As at and for the six-month period ended 30 June 2021, the Group has current and term deposit accounts and other transactions at Vietnam Technological and Commercial Joint Stock Bank (“TCB”) at normal commercial terms.

As at 30 June 2021, associates of the ultimate parent company held VND437,115 million (1/1/2021: VND161,807 million) of the issued bonds of the Group.

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(b) Related party transactions

Related Party	Nature of transactions	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Ultimate holding company			
Masan Group Corporation (“MSN”)	Borrowings received	241,676,000	2,181,000,000
	Borrowings paid	60,000,000	1,955,000,000
	Borrowings interest expense	3,439,134	4,622,104
	Loan granted	-	823,753,425
	Loan collected	1,143,479,452	1,224,273,973
	Interest income from loan granted	4,270,122	29,513,777
Ultimate holding company’s associate			
Local bank	Interest expense and borrowing fees	36,011,311	61,596,993
	Loan received	675,334,825	1,063,348,235
	Loan paid	598,433,726	876,331,036
	Bond proceeds received (i)	-	2,217,065,211
	Bond repurchased	-	38,823,600
Ultimate holding company’s subsidiary			
Masan Consumer Corporation	Purchase of goods	819,538	762,982
	Purchase of services	605,753	1,626,659
Key management personnel			
	Salary, bonus and other benefits (ii)	11,170,948	21,671,653

- (i) The bonds are listed and sold to a broader group of investors pursuant to agreements.
- (ii) No board fees were paid to Board of Directors members for the six-month period ended 30 June 2021 and 30 June 2020.

34. Non-cash financing activities

	From 1/1/2021 to 30/6/2021 VND'000	From 1/1/2020 to 30/6/2020 VND'000
Payments to suppliers by banks on the Group’s behalf under UPAS LC	484,636,597	-

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35. Comparative information

Comparative information as at 1 January 2021 were derived from the balances and amounts reported in the Company's consolidated financial statements as at and for the year ended 31 December 2020, and corresponding figures in the consolidated statement of income and consolidated statement of cash flows were derived from the Company's consolidated interim financial statements for the six-month period ended 30 June 2020.

20 August 2021

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