



**Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)**

Separate Financial Statements
for the year ended 31 December 2020



Masan High-Tech Materials Corporation
(formerly known as Masan Resources 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. Nguyen Van Thang	Member
Mr. Craig Richard Bradshaw	Member

Board of Management

Mr. Craig Richard Bradshaw	General Director
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
(formerly known as Masan Resources Corporation)
Statement of the Board of Management

The Board of Management of Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2020.

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

- (a) the separate financial statements set out on pages 5 to 22 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2020, and of its unconsolidated results of operations and unconsolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company 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, authorised these separate financial statements for issue.

On behalf of the Board of Management



Craig Richard Bradshaw
General Director

Ho Chi Minh City, 5 March 2021



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation)

We have audited the accompanying separate financial statements of Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) ("the Company"), which comprise the separate balance sheet as at 31 December 2020, the related separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 5 March 2021, as set out on pages 5 to 22.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Masan High-Tech Materials Corporation as at 31 December 2020 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No. 20-02-00097-21-2



Dam Xuan Lam
Practicing Auditor Registration
Certificate No. 0861-2018-007-1
Deputy General Director

Hanoi, 5 March 2021

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

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Separate balance sheet as at 31 December 2020

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2020 VND'000	1/1/2020 VND'000
ASSETS				
Current assets (100 = 110 + 130)	100		1,102,056,861	711,706,777
Cash and cash equivalents	110	4	51,739,750	4,273,418
Cash	111		739,750	273,418
Cash equivalents	112		51,000,000	4,000,000
Accounts receivable – short-term	130		1,050,317,111	707,433,359
Other receivables	136	5	1,050,317,111	707,433,359
Long term assets (200 = 210 + 220 + 250)	200		14,156,476,389	12,454,770,460
Accounts receivable – long-term	210		2,000,000,000	3,000,000,000
Other long-term receivables	216	5	2,000,000,000	3,000,000,000
Fixed assets	220		-	-
Intangible fixed assets	227		-	-
Cost	228		137,950	137,950
Accumulated amortisation	229		(137,950)	(137,950)
Long-term financial investments	250		12,156,476,389	9,454,770,460
Investment in a subsidiary	251	6	12,156,476,389	9,454,770,460
TOTAL ASSETS (270 = 100 + 200)	270		15,258,533,250	13,166,477,237

The accompanying notes are an integral part of these separate financial statements

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Separate balance sheet as at 31 December 2020 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2020 VND'000	1/1/2020 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,101,408,455	3,068,983,519
Current liabilities	310		1,101,408,455	68,983,519
Accounts payable to suppliers	311		32	330,000
Taxes payable to State Treasury	313		406,630	6,860,237
Accrued expenses	315	7	88,151,323	48,986,812
Other short-term payables	319	8	12,850,470	12,806,470
Short-term borrowings and bonds	320	9	1,000,000,000	-
Long-term liabilities	330		2,000,000,000	3,000,000,000
Long-term borrowings and bonds	338	9	2,000,000,000	3,000,000,000
EQUITY (400 = 410)	400		12,157,124,795	10,097,493,718
Equity	410	10	12,157,124,795	10,097,493,718
Share capital	411	11	10,991,554,200	9,892,398,780
- Ordinary shares with voting rights	411a		10,991,554,200	9,892,398,780
Share premium	412	11	1,098,259,892	145,709,384
Retained profits after tax	421		67,310,703	59,385,554
- Retained profits brought forward	421a		59,385,554	-
- Retained profit for the current year	421b		7,925,149	59,385,554
TOTAL RESOURCES (440 = 300 + 400)	440		15,258,533,250	13,166,477,237

5 March 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 separate financial statements

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Separate statement of income for the year ended 31 December 2020

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2020 VND'000	2019 VND'000
Financial income	21	12	306,449,356	941,356,833
Financial expenses	22	13	299,550,094	279,184,198
General and administration expenses	26		5,428,920	3,368,886
Net operating profit (30 = 21 - 22 - 26)	30		1,470,342	658,803,749
Other income	31		501,547	-
Other expenses	32		-	501,547
Results of other activities (40 = 31 - 32)			501,547	(501,547)
Accounting profit before tax (50 = 30 + 40)	50		1,971,889	658,302,202
Income tax expense - current	51	14	(5,953,260)	6,358,690
Net profit after tax (60 = 50 - 51)	60		7,925,149	651,943,512

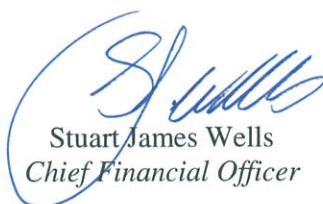
5 March 2021

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 separate financial statements

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)

Separate statement of cash flows for the year ended 31 December 2020 (Indirect method)

Form B 03 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2020 VND'000	2019 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		1,971,889	658,302,202
Adjustments for				
Profits from investing activities	05		(306,449,356)	(941,356,833)
Interest expense and borrowing fees	06		298,399,658	279,184,198
Operating loss before changes in working capital	08		(6,077,809)	(3,870,433)
Change in receivables and other assets	09		(292,885)	-
Change in payables and other liabilities	11		(413,263)	(2,527,342)
			(6,783,957)	(6,397,775)
Interest paid	14		(301,932,976)	(271,211,564)
Income tax paid	15		(300,000)	-
Net cash flows from operating activities	20		(309,016,933)	(277,609,339)
CASH FLOWS FROM INVESTING ACTIVITIES				
Contribution for Business Cooperation Contract (“BCC”)	23		-	(500,000,000)
Receipts from collecting loans	24		-	3,945,518,100
Capital contribution to a subsidiary	25		(2,701,705,929)	(4,314,434,887)
Receipts of interests and dividends	27		963,858,457	647,510,978
Net cash flows from investing activities	30		(1,737,847,472)	(221,405,809)

The accompanying notes are an integral part of these separate financial statements

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Separate statements of cash flows for the year ended 31 December 2020
(Indirect method - continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2020 VND'000	2019 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued	31		2,094,330,737	-
Proceeds from bonds issuance	33		-	500,000,000
Net cash flows from financing activities	40		2,094,330,737	500,000,000
Net cash flows during the year (50 = 20 + 30 + 40)	50		47,466,332	984,852
Cash and cash equivalents at the beginning of the year	60		4,273,418	3,288,566
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	4	51,739,750	4,273,418

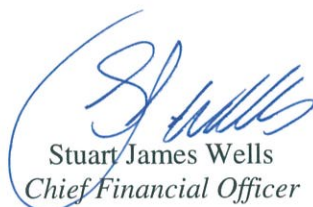
5 March 2021

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 separate financial statements

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020

Form B 09 – DN
*(Issued under Circular No. 200/2014/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 separate financial statements.

1. Reporting entity

Ownership and company structure

Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) (“the Company” or “MHT”) is incorporated as a joint stock company in Vietnam. The principal activity of the Company is investment holding. In 2020, the Company changed its name from Masan Resources Corporation to Masan High-Tech Materials Corporation and successfully registered the change in its Enterprise Registration Certificate dated 6 August 2020.

As at 31 December 2020, the Company had 2 employees (1/1/2020: 3 employees).

2. Basis of preparation

(a) Statement of compliance

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

The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the consolidated financial position of the Company and its subsidiaries (collectively referred to as “the Group”) as at 31 December 2020, and their consolidated results of operations and their consolidated cash flows for the year then ended, these separate financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020.

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company’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
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/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 Company in the preparation of these separate financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year 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 annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) 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.

(c) Investments in a subsidiary

Investment in a subsidiary is initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's Board of Management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

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

(e) Intangible fixed assets

Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is recognised as an intangible asset. Acquired software costs are amortised on a straight-line basis over three (3) to eight (8) years.

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(f) Accounts payable

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

(g) Business cooperation contract

Business Cooperation Contracts (“BCC”) are those under which contracting parties agree to carry out specific business activities that do not require an establishment of legal entity. The Company accounts for each BCC according to its substance and its rights and obligations under the contract. Where the Company makes contributions in the form of financial assets to the other parties and as a result obtaining a contractual right to receive cash or other financial assets from those parties under the BCC, the Company recognise a financial asset. Where distributions of profits from the other BCC parties have the substance of finance income, they are recognised as financial income based on the rate of returns as agreed by contracting parties. Distributions which are contingent on the ultimate operating results of the BCC are recognised as income only as when the ultimate operating results of the BCC can be determined reliably.

(h) 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.

(i) Equity

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.

(j) Taxation

Income tax on the profit or loss for the year 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 year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

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.

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
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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.

(k) Financial income and financial expenses

Financial income

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

Financial expenses

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

(l) Income from distributed profits

Income from distributed profits from a subsidiary is recognized when the right to receive profit distribution is established. Distributed profits received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(m) 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 year in which they are incurred.

(n) Related parties

Parties are considered to be related to the Company 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 subsidiaries and associates of the Company, the shareholders and the ultimate parent company and their subsidiaries and associates.

(o) Comparative information

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part 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 year. Accordingly, the comparative information included in these separate financial statements is not intended to present the Company's unconsolidated financial position, results of operation or cash flows for the prior year.

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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4. Cash and cash equivalents

	31/12/2020	1/1/2020
	VND'000	VND'000
Cash in banks	739,750	273,418
Cash equivalents	51,000,000	4,000,000
	51,739,750	4,273,418

5. Other short-term and long-term receivables

	31/12/2020	1/1/2020
	VND'000	VND'000
Short-term receivables		
Distribution of profit receivable from BCC (a)	49,962,111	49,962,111
Profit distribution	-	657,409,101
Receivables under BCC (b)	1,000,000,000	-
Others	355,000	62,147
	1,050,317,111	707,433,359
Long-term receivables		
Receivables under BCC (b)	2,000,000,000	3,000,000,000

(a) The distribution of profit receivables were due to accrual of the current year's operating results as distribution of profit receivable from BCC which the Company contracted with its subsidiaries, Nui Phao Mining Co., Ltd ("NPM") and Masan Tungsten LLC ("MTC") (Note 5(b)).

(b) The other short term receivables and long-term receivables under BCC represents contribution to NPM under Business Cooperation Contracts ("BCCs") dated 21 September 2018 and amended five times thereafter according to which the Company uses the bond proceeds of VND1,000 billion, VND500 billion and VND500 billion respectively for business cooperation activities with NPM. The BCCs have cooperation terms of thirty-six (36) months, sixty (60) months and sixty (60) months respectively from when NPM received the proceeds from business cooperation contract in September 2018, November 2018 and May 2019 respectively. The sharing of profit is based on the agreed rate as stipulated in the BCC.

The other long-term receivables under BCC represents contribution to MTC under BCC dated 16 November 2018 and amended thrice thereafter according to which the Company uses the bond proceeds of VND1,000 billion for business cooperation activities with MTC. The BCCs have terms of sixty (60) months of cooperation from when MTC received the proceeds from business cooperation contract in November 2018. The sharing of profit is based on the agreed rate as stipulated in the BCC.

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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6. Long-term financial investments

	31/12/2020		1/1/2020	
	Cost VND'000	Fair value VND'000	Cost VND'000	Fair value VND'000
Investment in a subsidiary				
Investment in Masan Thai Nguyen Resources Company Limited (“MRTN”)	12,156,476,389	(*)	9,454,770,460	(*)

MRTN is an investment holding company, incorporated in Vietnam. The direct and indirect percentage of economic interests of the Company at MRTN is 100% as at 31 December 2020 (1/1/2020: 100%).

(*) The Company has not determined the fair values of the equity investments for disclosure in the separate financial statements because information about their market prices are not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of the equity investments may differ from their carrying amounts.

During the year, according to the Resolution No.522/2020/NQ-HDQT dated 27 November 2020 of the Board of Directors, the Company contributed additional capital to MRTN in cash amounting to VND2,701,706 million (2019: VND4,314,435 million).

7. Accrued expenses

	31/12/2020 VND'000	1/1/2020 VND'000
Accrued interest expenses	45,058,494	48,591,812
Share issuance fee	42,624,809	-
Others	468,020	395,000
	88,151,323	48,986,812

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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8. Other short-term payables

Other payables included the following amounts:

	31/12/2020	1/1/2020
	VND'000	VND'000
Amounts due to Masan Horizon Company Limited (“MH”) – the immediate parent company		
Non-trade – short-term (*)	2,511,785	2,511,785
Amount due to Nui Phao Mining Company Ltd – a subsidiary		
Non-trade – short-term (*)	10,294,685	10,294,685
Others	44,000	-
	12,850,470	12,806,470

(*) Amounts due to related parties were unsecured, interest-free and repayable based on agreement between the parties.

9. Borrowings and bonds

	31/12/2020	1/1/2020
	VND'000	VND'000
Long-term bonds issued	3,000,000,000	3,000,000,000
Repayable within twelve months	(1,000,000,000)	-
	2,000,000,000	3,000,000,000

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

		31/12/2020	1/1/2020
	Year of maturity	VND'000	VND'000
Long-term bonds issued			
▪ Secured bond issued	(a) 2021	1,000,000,000	1,000,000,000
▪ Secured bond issued	(b) 2023	1,500,000,000	1,500,000,000
▪ Secured bond issued	(c) 2024	500,000,000	500,000,000
		3,000,000,000	3,000,000,000

Masan High-Tech Materials Corporation
(formerly known as Masan Resources Corporation)
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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- (a) 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 representatives of the bondholders is Techcom Securities Company JSC – the ultimate parent company’s associate. The bond proceeds were used for the business cooperation activities with NPM (Note 5(b)).
- (b) 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 14.09% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities JSC. The bond proceeds were used for the business cooperation activities with NPM and MTC (Note 5(b)).
- (c) The VND denominated bonds issued by the Company with a five-year term bear 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 5.06% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company JSC. The bond proceeds were used for the business cooperation activities with NPM (Note 5(b)).

10. Changes in equity

	Share capital VND'000	Share premium VND'000	Retained profits after tax VND'000	Total VND'000
Balance at 1/1/2019	8,993,091,220	145,709,384	306,749,602	9,445,550,206
Net profit for the year	-	-	651,943,512	651,943,512
Bonus share issuance	899,307,560	-	(899,307,560)	-
Balance at 1/1/2020	9,892,398,780	145,709,384	59,385,554	10,097,493,718
New shares issuance	1,099,155,420	995,175,317	-	2,094,330,737
Transaction cost for new share issuance	-	(42,624,809)	-	(42,624,809)
Net profit for the year	-	-	7,925,149	7,925,149
Balance at 31/12/2020	10,991,554,200	1,098,259,892	67,310,703	12,157,124,795

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11. Share capital

The Company's authorised and issued share capital comprised:

	31/12/2020		1/1/2020	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	1,099,155,420	10,991,554,200	989,239,878	9,892,398,780
Issued share capital				
Ordinary shares	1,099,155,420	10,991,554,200	989,239,878	9,892,398,780
Shares in circulation				
Ordinary shares	1,099,155,420	10,991,554,200	989,239,878	9,892,398,780
Share premium	-	1,098,259,892	-	145,709,384

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.

Movements in share capital during the year were as follows:

	2020		2019	
	Number of shares	VND'000	Number of shares	VND'000
Issued share capital				
Balance at the beginning of the year	989,239,878	9,892,398,780	899,309,122	8,993,091,220
Bonus shares issuance during the year	-	-	89,930,756	899,307,560
Shares issued during the year (*)	109,915,542	1,099,155,420	-	-
Balance at the end of the year	1,099,155,420	10,991,554,200	989,239,878	9,892,398,780

(*) On 26 October 2020, the Company signed a share subscription agreement with Mitsubishi Material Corporation (the Investor) to issues 109,915,542 of ordinary shares for the total consideration of VND2,094,330,737,268. In relation to this transaction, the Company also granted a put option to the Investor under which the put option will be exercised in the event that (i) the Company and the Investor (or their affiliate) fail to establish a joint operation of midstream tungsten business within 18 months after the closing date of share issuance or (ii) a change in control in the Company. The put

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price is at the amount equal to the purchase price in VND less the aggregate of any proceeds received by the Investor from disposing the Company's shares, dividends and compensations received by the Investor, subject to customary adjustment from dilutive events. The deadline to close the put option is 18 month from the date that the Company receives put option notice from the Investor. The exercise of the put option will be subject to approval of Board of Directors, shareholders and Vietnamese regulators.

The share issuance was completed on 24 November 2020 and all expected shares were distributed and all considerations were received. After completion of this transaction, the Investor holds 10% of the Company's equity interest. The proceeds from new shares issuance transactions shall be used for enhanced financial capability, expanded operation scale and increased competitiveness, forming a basic for the sustainable development, safety and efficiency of the Company and/or its subsidiaries through capital injection by the Company to its subsidiaries.

12. Financial income

	2020	2019
	VND'000	VND'000
Interest income	137,167	138,714
Income from distributed profits	-	657,409,101
Distribution of profit from BCC	306,312,189	283,809,018
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	306,449,356	941,356,833
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13. Financial expenses

	2020	2019
	VND'000	VND'000
Interest expense	298,399,658	278,460,274
Borrowing fee	1,150,436	723,924
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	299,550,094	279,184,198
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14. Income tax

(a) Reconciliation of effective tax rate

	2020	2019
	VND'000	VND'000
Profit before tax	1,971,889	658,302,202
Tax at the Company tax rate	394,378	131,660,440
Non-deductible expenses	11,052	100,309
(Over)/under provision in prior year (*)	(6,358,690)	6,079,761
Tax exempt income	-	(131,481,820)
	(5,953,260)	6,358,690

(*) The over provision in prior year was mainly due to adjustment for the impact of Decree No. 68/2020/ND-CP dated 24 June 2020 amending Clause 3 Article 8 of the Government's Decree No. 20/2017/ND-CP dated 24 February 2017 prescribing tax administration for enterprises engaged in transfer pricing.

(b) Applicable tax rates

The Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

15. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these separate financial statements, the Company had the following significant balances and transactions with related parties during the year:

(a) Related party balances

As at and for the year ended 31 December 2020, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank ("TCB") at normal commercial terms.

As at 31 December 2020, associates of the ultimate parent company and the ultimate parent company held VND67,856 million (1/1/2020: VND146,358 million) and nil (1/1/2020: VND750,000 million) of the issued bonds of the Company respectively.

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(b) Related party transactions

Related Parties	Nature of transactions	2020 VND'000	2019 VND'000
Ultimate parent company			
Masan Group Corporation ("MSN")	Bond interest	-	89,829,756
	Offset payable due to MSN and receivable due from NPM	-	541,074,175
Ultimate parent company's associate			
TCB and its subsidiaries	Bond interest	11,635,249	6,052,234
	Bond proceeds received (i)	-	500,000,000
Subsidiaries			
Masan Thai Nguyen Resources Company Limited	Capital contribution	2,701,705,929	4,314,434,887
	Collection of long-term loan receivables	-	3,945,518,100
	Collection of finance cost	-	368,916,787
	Distributed profits	-	657,409,101
	Transfer receivable due from NPM to receivable due from MRTN	-	368,916,787
Nui Phao Mining Co., Ltd ("NPM")	Distribution of profit from BCC	204,566,817	182,341,639
	BCC contribution	-	500,000,000
	Transfer receivable due from NPM to receivable due from MRTN	-	368,916,787
	Offset receivable due from NPM and payable due to MSN	-	541,074,175
Masan Tungsten LLC	Distribution of profit from BCC	101,745,371	101,467,379
Key management personnel			
	Salary, bonus and other benefits (ii)	-	-

(i) The bonds are listed and sold to a broader set of investors pursuant to arrangement agreements.

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- (ii) No board fees were paid to Board of Directors members for the year ended 31 December 2020 and 31 December 2019. Salary and bonus for the General Director of the Company for the year ended 31 December 2020 and 31 December 2019 are paid out by a subsidiary of the Company.

Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company’s Board of Directors and the Company’s General Director during the year ended 31 December 2020 was as follows:

Name	Position	VND’000
Board of Management		
Mr. Danny Le	Chairman	-
Mr. Nguyen Thieu Nam	First Vice Chairman	-
Mr. Nguyen Van Thang	Member	-
Mr. Craig Richard Bradshaw	Member	-
General Director		
Mr. Craig Richard Bradshaw	General Director	-

16. Comparative information

Comparative information as at 1 January 2020 was derived from the balances and amounts reported in the Company’s separate financial statements as at and for the year ended 31 December 2019.

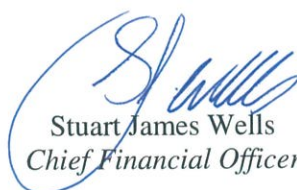
Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

5 March 2021

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

