



Masan Resources Corporation

Separate Interim Financial Statements
for the six-month period ended 30 June 2019



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 20 May 2019. 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 ("BOD")

Mr. Danny Le	Chairman (<i>appointed and approved by BOD on 19/4/2019</i>)
Mr. Chetan Prakash Baxi	Chairman (<i>resigned on 16/4/2019 and approved by BOD on 19/4/2019</i>)
Mr. Nguyen Thieu Nam	Vice Chairman (<i>appointed and approved by BOD on 19/4/2019</i>)
Dr. Nguyen Dang Quang	Member
Mr. Nguyen Van Thang	Member
Mr. Craig Richard Bradshaw	Member (<i>appointed and approved by BOD on 19/4/2019</i>)
Mr. Dominic John Heaton	Member (<i>resigned on 26/7/2018 and approved by BOD on 19/4/2019</i>)

Board of Management

Mr. Craig Richard Bradshaw	General Director
Mr. Stuart James Wells	Chief Financial Officer (<i>from 7/3/2019</i>)
Ms. Nguyen Thi Thanh Mai	Chief Accountant

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 Resources Corporation Statement of the Board of Management

The Board of Management of Masan Resources Corporation (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 30 June 2019.

The Board of Management is responsible for the preparation and presentation of the separate 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 separate interim financial statements set out on pages 5 to 23 give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2019, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the six-month period then ended in accordance with the 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 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 interim financial statements for issue.

On behalf of the Board of Management



Craig Richard Bradshaw
General Director

Ho Chi Minh City, 15 August 2019



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Masan Resources Corporation

We have reviewed the accompanying separate interim financial statements of Masan Resources Corporation (“the Company”), which comprise the separate balance sheets as at 30 June 2019, the related separate 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 Board of Management on 15 August 2019, as set out on pages 5 to 23.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial positions of the Company as at 30 June 2019 and of its unconsolidated results of operations and its unconsolidated 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.: 19-02-00167-19-2



Dam Xuan Lam

Practicing Auditor Registration
Certificate No.: 0861-2018-007-1
Deputy General Director

Hanoi, 15 August 2019

Wang Toon Kim

Practicing Auditor Registration
Certificate No.: 0557-2018-007-1

Masan Resources Corporation
Separate balance sheet as at 30 June 2019

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

	Code	Note	30/6/2019 VND'000	1/1/2019 VND'000
ASSETS				
Current assets (100 = 110 + 130 +150)	100		53,338,051	47,959,283
Cash and cash equivalents	110	8	2,745,380	3,288,566
Cash	111		245,380	234,588
Cash equivalents	112		2,500,000	3,053,978
Accounts receivable – short-term	130		49,670,464	44,670,717
Other receivables	136	9	49,670,464	44,670,717
Other current assets	150		922,207	-
Short-term prepaid expenses	151		922,207	-
Long term assets (200 = 210 + 220 + 250)	200		12,995,844,635	12,495,844,635
Accounts receivable – long-term	210		3,541,074,175	7,355,509,062
Receivables on long-term lending loans	215	10	-	3,945,518,100
Other long-term receivables	216	9	3,541,074,175	3,409,990,962
Fixed assets	220		-	-
Intangible fixed assets	227		-	-
<i>Cost</i>	228		137,950	137,950
<i>Accumulated amortisation</i>	229		(137,950)	(137,950)
Long-term financial investments	250		9,454,770,460	5,140,335,573
Investment in a subsidiary	251	11	9,454,770,460	5,140,335,573
TOTAL ASSETS (270 = 100 + 200)	270		13,049,182,686	12,543,803,918

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

Masan Resources Corporation
Separate balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND'000	1/1/2019 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,602,868,012	3,098,253,712
Current liabilities	310		61,793,837	57,179,537
Taxes payable to State Treasury	313		584	136,840
Accrued expenses	315	12	48,986,783	41,014,278
Other short-term payables	319	13	12,806,470	16,028,419
Long-term liabilities	330		3,541,074,175	3,041,074,175
Other long-term payables	337	13	541,074,175	541,074,175
Long-term borrowings and bonds	338	14	3,000,000,000	2,500,000,000
EQUITY (400 = 410)	400		9,446,314,674	9,445,550,206
Equity	410	15	9,446,314,674	9,445,550,206
Share capital	411	16	8,993,091,220	8,993,091,220
- Ordinary shares with voting rights	411a		8,993,091,220	8,993,091,220
Share premium	412	16	145,709,384	145,709,384
Retained profits after tax	421		307,514,070	306,749,602
- Retained profits brought forward	421a		306,749,602	304,991,903
- Retained profit for the current period	421b		764,468	1,757,699
TOTAL RESOURCES (440 = 300 + 400)	440		13,049,182,686	12,543,803,918

15 August 2019

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 interim financial statements

Masan Resources Corporation

Separate statement of income for the six-month period ended 30 June 2019

Form B 02a – DN

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

	Code	Note	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
Financial income	21	17	129,883,132	32,624
Financial expenses	22	18	128,020,006	-
General and administration expenses	26		1,098,658	3,000
Net operating profit (30 = 21 - 22 - 26)	30		764,468	29,624
Accounting profit before tax (50 = 30)	50		764,468	29,624
Income tax expense – current	51	19	-	-
Net profit after tax (60 = 50 - 51)	60		764,468	29,624

15 August 2019

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 interim financial statements

Masan Resources Corporation
Separate statement of cash flows for the six-month period ended 30 June 2019
(Indirect method)

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

	Code Note	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	764,468	29,624
Adjustments for			
Profits from investing activities	05	(129,883,132)	(32,624)
Interest expense and borrowing fees	06	128,020,006	-
Operating loss before changes in working capital	08	(1,098,658)	(3,000)
Change in receivables	09	148,795	963,995
Change in payables and other liabilities	11	(3,483,274)	(98,900)
Change in prepaid expenses	12	(922,207)	-
		(5,355,344)	862,095
Interest paid	14	(120,047,401)	-
Net cash flows from operating activities	20	(125,402,745)	862,095
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	(4,314,434,887)	-
Receipts of interests	27	493,776,346	30,481
Net cash flows from investing activities	30	(375,140,441)	30,481

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

Masan Resources Corporation
Separate statements of cash flows for the six-month period ended 30 June 2019
(Indirect method - continued)

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

	Code Note	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	500,000,000	-
Net cash flows from financing activities	40	500,000,000	-
Net cash flows during the period (50 = 20 + 30 + 40)	50	(543,186)	892,576
Cash and cash equivalents at the beginning of the period	60	3,288,566	483,619
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70 8	2,745,380	1,376,195

15 August 2019

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 interim financial statements

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019

Form B 09a – 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 interim financial statements.

1. Reporting entity

Ownership and company structure

Masan Resources Corporation (“the Company” or “MSR”) is incorporated as a joint stock company in Vietnam. The principal activity of the Company is investment holding.

As at 30 June 2019, the Company had 3 employees (1/1/2019: 2 employees).

2. Basis of preparation

(a) Statement of compliance

The separate 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.

The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the consolidated financial position of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and its consolidated cash flows for the six-month period then ended, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2019.

(b) Basis of measurement

The separate interim 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”). The separate interim financial statements are prepared and presented in VND rounded to the nearest thousand (“VND’000”).

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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3. Summary of significant accounting policies

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

The accounting policies that have been adopted by the Company in the preparation of these separate interim financial statements are consistent with those adopted in the preparation of the latest separate annual financial statements.

(a) 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 and account transfer selling rate at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the 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.

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(e) Intangible fixed assets

Software

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

(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 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.

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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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.

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 accounting period.

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

(i) Financial income

Financial income comprises interest income from deposits and loans, distribution profit from BCC 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.

(l) 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.

(m) 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 investors and the ultimate holding company and its subsidiaries and associates.

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN
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4. Seasonality of operations

The Company do not have any seasonal operations of which may affect the Company's operating results for the six-month period ended 30 June 2019.

5. Changes in accounting estimates

In preparing the annual and interim separate financial statements, the management has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2019, there was no significant change in the accounting estimates made at the end of the previous annual accounting period affecting the separate financial statements.

6. Unusual items

The Company do not have any unusual items which may affect the Company's separate financial statements for the six-month period ended 30 June 2019.

7. Changes in the composition of the Company

There is no change in the Company's structure for the six-month period ended 30 June 2019.

8. Cash and cash equivalents

	30/6/2019	1/1/2019
	VND'000	VND'000
Cash in banks	245,380	234,588
Cash equivalents	2,500,000	3,053,978
	<hr/>	<hr/>
	2,745,380	3,288,566
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Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019

Form B 09a – DN
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9. Other short-term and long-term receivables

	30/6/2019	1/1/2019
	VND'000	VND'000
Short-term receivables		
Distribution of profit receivable from BCC (a)	49,609,809	44,598,599
Others	60,655	72,118
	49,670,464	44,670,717
Long-term receivables		
Borrowing cost granted to NPM (b)	541,074,175	909,990,962
Receivables under BCC (c)	3,000,000,000	2,500,000,000
	3,541,074,175	3,409,990,962

- (a) The distribution of profit receivables were due to accrual of the current period'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 9(c)).
- (b) Borrowing cost granted to a related party are unsecured and interest free. In 2019, the Company has collected a part of borrowing cost from the related party.
- (c) The other long-term receivables under BCC represents contribution to NPM under Business Cooperation Contracts ("BCCs") dated 21 September 2018 and amended four times thereafter according to which the Company use the bond proceeds of VND1,000 billion, VND500 billion and VND500 billion respectively for business cooperation activities with NPM. The BCCs has terms of thirty-six (36), sixty (60) and sixty (60) months of cooperation respectively from when NPM received the proceeds from business cooperation contract in September 2018, November 2018 and May 2019. 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 twice thereafter according to which the Company use the bond proceeds of VND1,000 billion for business cooperation activities with MTC. The BCCs has 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 Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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10. Receivables on long-term lending loans

Receivables on long-term lending loans as at 1 January 2019 represent the loan receivables from MRTN – a subsidiary, which were unsecured and interest free. As defined in the convertible contract, the Company has the rights to convert the loans into contributed capital prior to or on maturity date of the loans. In 2019, the long-term lending loans were fully settled by a subsidiary in cash.

11. Long-term financial investments

	30/6/2019		1/1/2019	
	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”)	9,454,770,460	(*)	5,140,335,573	(*)

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 30 June 2019 (1/1/2019: 100%).

(*) The Company has not determined the fair values of the equity investments for disclosure in the separate interim 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.

12. Accrued expenses

	30/6/2019 VND'000	1/1/2019 VND'000
Accrued interest payable	48,591,783	40,619,178
Others	395,000	395,100
	48,986,783	41,014,278

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

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

Other payables included the following amounts:

	30/6/2019	1/1/2019
	VND'000	VND'000
Short-term:		
Amounts due to Masan Horizon Company Limited (“MH”) – a immediate holding company		
Non-trade – short-term (a)	2,511,785	2,511,785
Amount due to NPM – a subsidiary		
Non-trade – short-term (a)	10,294,685	10,294,685
Other payable to other parties		
Other payables – short-term	-	3,221,949
	12,806,470	16,028,419
Long-term:		
Amounts due to Masan Group Corporation (“MSN”) – the ultimate holding company		
Financial expenses – long-term (b)	541,074,175	541,074,175

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

(b) Amounts due to the ultimate holding company was unsecured, interest-free and repayable in December 2020.

14. Long-term borrowings and bonds

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

		Year of maturity	30/6/2019	1/1/2019
			VND'000	VND'000
Long-term bonds issued				
▪ Secured bond issued	(a)	2020	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	-
			3,000,000,000	2,500,000,000

Masan Resources Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN

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

- (a) The VND denominated non-convertible 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 10.58% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd. The bond proceeds were used for the business cooperation activities with NPM (Note 9(c)).
- (b) The VND denominated non-convertible 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 15.65% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd. The bond proceeds were used for the business cooperation activities with NPM and MTC (Note 9(c)).
- (c) The VND denominated non-convertible 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 5.62% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd. The bond proceeds were used for the business cooperation activities with NPM (Note 9(c)).

15. Changes in equity

	Share capital VND'000	Share premium VND'000	Retained profits after tax VND'000	Total VND'000
Balance at 1 January 2018	7,194,473,280	1,944,327,324	304,991,903	9,443,792,507
Net profit for the period	-	-	29,624	29,624
Balance at 30 June 2018	7,194,473,280	1,944,327,324	305,021,527	9,443,822,131
Balance at 1 January 2019	8,993,091,220	145,709,384	306,749,602	9,445,550,206
Net profit for the period	-	-	764,468	764,468
Balance at 30 June 2019	8,993,091,220	145,709,384	307,514,070	9,446,314,674

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16. Share capital

The Company's authorised and issued share capital comprised:

	As at 30/6/2019 and 1/1/2019	
	Number of shares	VND'000
Authorised share capital	899,309,122	8,993,091,220
Issued share capital		
Ordinary shares	899,309,122	8,993,091,220
Shares in circulation		
Ordinary shares	899,309,122	8,993,091,220
Share premium	-	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.

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17. Financial income

	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
Interest income	67,127	32,624
Distribution of profit from BCC	129,816,005	-
	<hr/>	<hr/>
	129,883,132	32,624
	<hr/> <hr/>	<hr/> <hr/>

18. Financial expenses

	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
Interest expense	127,731,507	-
Others	288,499	-
	<hr/>	<hr/>
	128,020,006	-
	<hr/> <hr/>	<hr/> <hr/>

19. Income tax

(a) Reconciliation of effective tax rate

	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
Profit before tax	764,468	29,624
	<hr/>	<hr/>
Tax at the Company tax rate	152,894	5,925
Tax losses utilised	(152,894)	(5,925)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

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(b) Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the past years' tax losses of the Company, which could be carried forward for up to 5 years:

	Tax losses available VND'000
Accumulated five year tax losses	1,081,951
of which:	
Finalised with tax authorities	-
Outstanding – subject to tax authorities' review (*)	1,081,951
	1,081,951

(*) The tax losses expire in 2020. This amount may change subsequent to the tax authorities' review.

(c) Applicable tax rates

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

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20. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these separate interim financial statements, the Company 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 2019, the Company have current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank (“TCB”) at normal commercial terms.

As at 30 June 2019, an associate of the ultimate holding company and the ultimate holding company held VND12,191 million (1/1/2019: VND282,090 million) and VND889,990 million (1/1/2019: VND1,499,990 million) of the issued bonds of the Company respectively.

(b) Related party transactions

Related Parties	Nature of transactions	From 1/1/2019 to 30/6/2019 VND'000	From 1/1/2018 to 30/6/2018 VND'000
Ultimate holding company			
Masan Group Corporation	Bond interest	66,361,148	-
Ultimate holding company's associate			
TCB and its subsidiaries	Bond interest	693,119	-
	Bond proceeds received (*)	500,000,000	-
Subsidiaries			
Masan Thai Nguyen Resources Company Limited	Capital contribution	4,314,434,887	-
	Collection of long-term loan receivables	3,945,518,100	-
	Collection of interest	368,916,787	-
Nui Phao Mining Co., Ltd	Distribution of profit from BCC	79,499,305	-
	BCC contribution	500,000,000	-
Masan Tungsten LLC	Distribution of profit from BCC	50,316,700	-

(*) The bonds are listed and sold to a broader set of investors pursuant to an arrangement agreement.

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21. Corresponding figures

Corresponding figures as at 1 January 2019 were derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2018, and corresponding figures in the statement of income and statement of cash flows were derived from the Company's interim financial statements for the six-month period from 1 January 2018 to 30 June 2018.

15 August 2019

Prepared by:



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Reviewed by:



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