

**Masan Resources Corporation
and its subsidiaries**

Consolidated quarterly financial statements
for the period ended 30 June 2020



**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". The project 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. Nguyen Van Thang	Member

Board of Management

Mr. Craig Richard Bradshaw	Chief Executive Officer
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

Masan Resources Corporation and its subsidiaries
Balance sheets as at 30 June 2020

Form B 01a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2020 VND'000	1/1/2020 VND'000
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		8,809,609,265	7,581,595,985
Cash and cash equivalents	110	6	647,071,921	1,723,204,606
Cash	111		641,671,921	941,446,956
Cash equivalents	112		5,400,000	781,757,650
Short-term financial investments	120		-	5,900,000
Held to maturity investments	123		-	5,900,000
Accounts receivable – short-term	130		2,034,573,229	1,735,574,636
Accounts receivable from customers	131		1,010,213,495	280,413,823
Prepayments to suppliers	132		128,786,119	204,604,439
Loan receivables	135	7	599,479,452	1,000,000,000
Other receivables	136	8	296,094,163	250,556,374
Inventories	140	9	4,769,781,312	3,139,024,753
Inventories	141		5,039,117,348	3,139,024,753
Allowance for inventories	149		(269,336,036)	-
Other current assets	150		1,358,182,803	977,891,990
Short-term prepaid expenses	151		79,365,252	41,186,774
Deductible value added tax	152		1,222,574,546	936,705,216
Taxes and other receivables from State Treasury	153		56,243,005	-

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

Masan Resources Corporation and its subsidiaries
Consolidated balance sheets as at 30 June 2020 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2020 VND'000	1/1/2020 VND'000
Long term assets (200 = 210 + 220 + 240 + 250 + 260)	200		27,421,857,683	22,193,123,896
Accounts receivable – long-term	210		1,300,092,966	1,303,868,898
Other long-term receivables	216	8	1,300,092,966	1,303,868,898
Fixed assets	220		18,216,060,574	16,568,909,156
Tangible fixed assets	221	10	17,707,829,595	16,103,772,445
<i>Cost</i>	222		27,377,018,756	21,906,539,480
<i>Accumulated depreciation</i>	223		(9,669,189,161)	(5,802,767,035)
Finance lease tangible fixed assets	224	11	-	-
<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	12	508,230,979	465,136,711
<i>Cost</i>	228		1,087,720,359	696,680,717
<i>Accumulated amortisation</i>	229		(579,489,380)	(231,544,006)
Long-term work in progress	240		1,430,871,136	1,694,487,259
Construction in progress	242	13	1,430,871,136	1,694,487,259
Long-term financial investments	250		20,759,114	-
Investment in associates and joint venture	252		13,359,114	-
Held to maturity investments	255		7,400,000	-
Other long-term assets	260		6,454,073,893	2,625,858,583
Long-term prepaid expenses	261	14	2,665,885,780	2,625,858,583
Deferred tax assets	262		926,013,942	-
Goodwill	269		2,862,174,171	-
TOTAL ASSETS (270 = 100 + 200)	270		36,231,466,948	29,774,719,881

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

Masan Resources Corporation and its subsidiaries
Consolidated balance sheets as at 30 June 2020 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2020 VND'000	1/1/2020 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		24,432,386,919	17,304,897,615
Current liabilities	310		10,125,868,291	11,219,362,163
Accounts payable to suppliers	311		920,075,075	324,870,571
Advances from customers	312		1,090,317,212	1,105,603,346
Taxes payable to State Treasury	313	15	302,564,317	199,721,483
Payables to employees	314		6,565,139	6,220
Accrued expenses	315	16	740,601,348	704,901,206
Other short-term payables	319	17	319,945,604	1,126,975,596
Short-term borrowings and financial lease liabilities	320	18(a)	6,641,383,301	7,757,283,741
Provisions - short-term	321		104,416,295	-
Long-term liabilities	330		14,306,518,628	6,085,535,452
Other long-term payables	337		458,983	-
Long-term borrowings, bonds and financial lease liabilities	338	18(b)	7,153,205,577	4,969,653,657
Deferred tax liabilities	341	19	586,372,147	586,978,688
Provisions – long-term	342	20	6,566,481,921	528,903,107
EQUITY (400 = 410)	400		11,799,080,029	12,469,822,266
Equity	410	21	11,799,080,029	12,469,822,266
Share capital	411	22	9,892,398,780	9,892,398,780
- Ordinary shares with voting rights	411a		9,892,398,780	9,892,398,780
Share premium	412	22	145,709,384	145,709,384
Other capital	414		(295,683,347)	(295,683,347)
Foreign exchange differences	417		(225,970,714)	-
Undistributed profit after tax	421		2,337,986,042	2,727,397,449
- Undistributed profit brought forward	421a		2,727,397,449	2,375,003,634
- Undistributed (loss)/profit for the current year	421b		(389,411,407)	352,393,815
Non-controlling interest	429		(55,360,116)	-
TOTAL RESOURCES (440 = 300 + 400)	440		36,231,466,948	29,774,719,881

30 July 2020

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 financial statements

Masan Resources Corporation and its subsidiaries
Consolidated statements of income for the period ended 30 June 2020

Form B 02a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/4/2020 to 30/6/2020 VND'000	From 1/4/2019 to 30/6/2019 VND'000	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
Revenue from sales of goods	01	24	1,506,703,178	1,501,800,600	2,571,512,239	2,690,013,281
Revenue deductions	02		1,269,922	-	1,269,922	-
Net revenue (10 = 01 - 02)	10		1,505,433,256	1,501,800,600	2,570,242,317	2,690,013,281
Cost of sales	11		1,572,301,462	1,144,971,894	2,484,509,575	1,978,876,729
Gross profit (20 = 01 - 11)	20		(66,868,206)	356,828,706	85,732,742	711,136,552
Financial income	21	25	470,124,876	26,893,087	508,554,779	38,731,931
Financial expenses	22	26	428,446,172	333,335,498	769,704,422	639,758,071
Loss sharing in jointly controlled entities and associates	24		232,098	-	232,098	-
Selling expenses	25		59,801,128	28,348,983	76,978,255	49,070,508
General and administration expenses	26		55,368,016	24,132,953	77,384,369	50,714,349
Net operating (loss)/profit (30 = 20 + 21 - 22 - 25 - 26)	30		(140,590,744)	(2,095,641)	(330,011,623)	10,325,555
Other income	31		2,140,288	120,563	4,533,560	1,088,745
Other expenses	32		22,271,014	6,052,093	22,771,219	11,882,093
Results of other activities (40 = 31 - 32)	40		(20,130,726)	(5,931,530)	(18,237,659)	(10,793,348)
Accounting loss before tax (50 = 30 + 40)	50		(160,721,470)	(8,027,171)	(348,249,282)	(467,793)
Income tax expense – current	51		46,541,643	7,575,309	46,726,962	11,725,894
Income tax benefit – deferred	52		(5,813,462)	(15,686,361)	(2,328,986)	(13,746,564)
Net (loss)/profit after tax (60 = 50 – 51 - 52) (carried to next page)	60		(201,449,651)	83,881	(392,647,258)	1,552,877

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

Masan Resources Corporation and its subsidiaries
Consolidated statements of income for the period ended 30 June 2020 (continued)

Form B 02a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	From 1/4/2020 to 30/6/2020 VND'000	From 1/4/2019 to 30/6/2019 VND'000	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
Net (loss)/profit after tax (60 = 50 – 51 - 52) (brought from previous page)	60		(201,449,651)	83,881	(392,647,258)	1,552,877
Net (loss)/profit attributable to:						
Equity holders of the Company	61		(198,213,800)	83,881	(389,411,407)	1,552,877
Non-controlling interest	62		(3,235,851)	-	(3,235,851)	-
			VND	VND (Restated)	VND	VND (Restated)
(Loss)/earnings per share						
Basic (loss)/earnings per share	70	27	(201)	-	(394)	2

30 July 2020

Prepared by:


 Nguyen Thi Thanh Mai
 Chief Accountant

Reviewed by:


 Stuart James Wells
 Chief Financial Officer

Approved by:



 Craig Richard Bradshaw
 General Director

Masan Resources Corporation and its subsidiaries
Consolidated statements of cash flows for the period ended 30 June 2020
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax	01	(348,249,282)	(467,793)
Adjustments for			
Depreciation and amortisation	02	608,426,914	610,685,451
Allowances and provisions	03	234,630,169	19,249,712
Exchange loss arising from revaluation of monetary items denominated in foreign currencies	04	4,122,662	(7,404,768)
Profits from investing activities	05	(7,446,995)	(5,180,570)
Interest expense and borrowing fees	06	613,795,236	564,402,731
Operating profit before changes in working capital	08	1,105,278,704	1,181,284,763
Change in receivables and other current assets	09	(146,804,860)	(122,040,648)
Change in inventories	10	(149,608,778)	(1,219,691,662)
Change in payables and other liabilities	11	(435,398,423)	510,247,883
Change in prepaid expenses	12	(27,904,028)	(28,251,456)
		345,562,615	321,548,880
Interest paid	14	(618,537,230)	(567,056,813)
Income tax paid	15	(107,699,294)	(39,134,370)
Net cash flows from operating activities	20	(380,673,909)	(284,642,303)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,082,978,902)	(559,114,759)
Proceeds from disposals of fixed assets and other long- term assets	22	481,818	968,182
Payments for term deposit and granting loans to other parties	23	(831,153,425)	-
Collection of term deposit and loans to other parties	24	1,231,321,408	-
Payments for investments in subsidiaries	25	-	(8,525,794)
Business combination, net of cash combined	25	(1,052,093,520)	-
Receipt of interest	27	20,552,797	3,848,104
Net cash flows from investing activities	30	(1,713,869,824)	(562,824,267)

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

Masan Resources Corporation and its subsidiaries
Consolidated statements of cash flows for the period ended 30 June 2020
(Indirect method - continued)

Form B 03a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	7,363,933,719	4,667,449,335
Payments to settle loan principals and bond issuance related costs	34	(6,344,304,705)	(3,924,816,994)
Net cash flows from financing activities	40	1,019,629,014	742,632,341
Net cash flows during the period (50 = 20 + 30 + 40)	50	(1,074,914,719)	(104,834,229)
Cash and cash equivalents at the beginning of the period	60	1,723,204,606	467,220,260
Effect of exchange rate fluctuation on cash and cash equivalents	61	(1,217,966)	6,500,642
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 5)	70	647,071,921	368,886,673

30 July 2020

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



Richard Bradshaw
General Director

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

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and 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 financial statements.

1. Reporting entity

Ownership and group 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.

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

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020

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The principal activities of the subsidiaries are described as follows:

Name	Registration country	Principal activity	Percentage of economic interests at 30/6/2020	1/1/2020
Subsidiaries:				
Masan Thai Nguyen Resources Company Ltd (“MRTN”)	Vietnam	Investment holding	100%	100%
Thai Nguyen Trading and Investment Company Ltd (“TNTI”)	Vietnam	Investment holding	100%	100%
Nui Phao Mining Company Ltd (“NPM”)	Vietnam	Exploring and processing mineral	100%	100%
Masan Tungsten Limited Liability Company (“MTC”)	Vietnam	Deep processing of nonferrous metals and precious metals (Tungsten)	100%	100%
H.C. Starck Holding (Germany) GmbH	Germany	Investment holding	100%	-
H.C. Starck GmbH (Germany)	Germany	Investment holding	100%	-
H.C. Starck Infrastructure GmbH & Co. KG (Germany)	Germany	Deep processing of nonferrous metals and precious metals (Tungsten)	100%	-

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020

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Name	Registration country	Principal activity	Percentage of economic interests at	
			30/6/2020	1/1/2020
Chemische Fabriken Oker und Braunschweig Aktiengesellschaft	Germany	Producing chemicals utilized in the manufacturing of paper and additives for the absorptive materials industry.	100 %	-
Chemilytics GmbH & Co. KG	Germany	Chemical analysis and physical measurement data	100 %	-
H.C. Starck Tungsten GmbH	Germany	Deep processing of nonferrous metals and precious metals (Tungsten)	100 %	-
H.C. Starck Canada Inc. (Canada)	Canada	Deep processing of nonferrous metals and precious metals (Tungsten)	100 %	-
H.C. Starck Tungsten GK (Japan)	Japan	Trading and distribution	100 %	-
H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd.	China	Deep processing of nonferrous metals and precious metals (Tungsten)	60 %	-
H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	China	Trading and distribution	100 %	-
H.C. Starck Tungsten LLC (USA)	USA	Trading and distribution	100 %	-
Chemilytics Beteiligungs GmbH (Germany)	Germany	Deep processing of nonferrous metals and precious metals (Tungsten)	100 %	-

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020

Form B 09a – DN/HN
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Name	Registration country	Principal activity	Percentage of economic interests at 30/6/2020	1/1/2020
Associated company:				
Jiangwu H.C. Starck Tungsten Products Co.,Ltd.	China	Deep processing of nonferrous metals and precious metals (Tungsten)	30 %	

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

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
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2. Basis of preparation

(a) Statement of compliance

The consolidated 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.

(b) Basis of measurement

The consolidated 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 Company's accounting currency is Vietnam Dong ("VND"). The consolidated financial statements are prepared and presented in VND rounded to the nearest thousand ("VND'000").

3. Summary of significant accounting policies

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

(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 acquisition consists of the aggregate fair value at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative, it is recognised immediately in the statement of income.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

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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 effect 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.

(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) Associates (equity accounted investees)

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 of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, 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. When the Group's share of losses exceeds its interest in an equity accounted investee, 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.

Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest (deemed disposal) in the associate, is recognised in the consolidated statement of income.

(iv) 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

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(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 financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate.

(vi) *Goodwill*

Goodwill arises on the acquisition of subsidiary and 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. Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount when management determines that it is not fully recoverable.

(b) *Foreign currency*

(i) *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 rates at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

(ii) *Foreign operations*

All assets and liabilities of foreign operations are translated to VND at the rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions. Capital is translated to VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenue, income and expenses, and cash flows during the year of foreign operations are translated to VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

Foreign currency differences arising from the translation of foreign operations' financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

(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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

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(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. These investments are stated at costs.

(e) Accounts receivable

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

(i) Factoring

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer trade receivables. For factoring transactions, the Group assess 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 recognise 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 recognise 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 recognizes 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.

(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 selling expenses.

The Group applies the perpetual method of accounting for inventories.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(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.

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

(ii) Depreciation

Machinery and equipment and fair value of mineral reserves from business combination directly related to mining activities

Machinery and equipment and fair value of mineral reserves from business combination which are directly related to the mining exploitation activities is depreciated over its mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group’s mining properties.

Machinery and equipment of a subsidiary directly related to production activities

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

As at 30/6/2020 and 1/1/2020

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

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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 – 20 years
▪ machinery and equipment	3 – 15 years
▪ office equipment	3 – 10 years
▪ motor vehicles	3 – 6 years
▪ other mining assets	19 years

(h) Finance lease tangible fixed assets

Leases in terms of which the Group 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 estimated useful lives of items of the leased assets which is five (5) years.

(i) Intangible fixed assets

(i) Land use rights

Land use rights acquired in a legitimate transfer with indefinite term 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 actual 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 development activities to be capitalized will be finalised successfully and thus the intention to complete the development project should be given;
 - The Group will be able to implement and use the software after its development;
 - Adequate technical, financial and personnel resources should be available to complete the software development successfully;
 - The Group is able to measure expenditures attributable to the software development project reliably.

Self-developed software are 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(iii) Mining rights

The mining rights is 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 are stated at an amount equal to the present value of mining rights fee and is capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the period of the economic life of the mineral reserves.

(iv) Development costs

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. Capitalised development costs are stated at cost less accumulated amortisation, which is provided on a straight-line basis over 3 to 16 years.

(j) 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 mineral reserves, mineral resources and related development costs acquired in a business combination and subsequent 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 initially recognised at their fair values as part of business combination accounting and subsequent development expenditure 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.

(k) Long-term prepaid expenses

(i) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepaid expenses, initially stated at cost, and are amortised on a straight line basis over three (3) years starting from the date of commercial operation.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(ii) Land compensation costs

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

(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.

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.

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. 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 over the life of the proven and probable reserves of the relevant components on a systematic basis.

(iv) 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.

(I) Goodwill

Goodwill arises on the acquisition of subsidiaries.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the **Error! Reference source not found.**'s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(m) Accounts payable

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

(n) 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 receives contributions in the form of financial assets from the other parties and as a result assuming a contractual obligation to deliver cash or other financial assets to those parties under the BCC, the Company recognise a financial liability. Where distributions of profits to the other BCC parties have the substance of finance costs, they are recognised as financial expenses 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 an expense when such contingent distributions become probable.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group or the Company 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. The mining rights fee is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights in accordance with:

- 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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. 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 required and the associated costs are dependent on the requirements of 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 reporting date.

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.

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 flow. 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, representing part of the cost of acquiring the future economic benefits of the operation. 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 capitalized 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(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 pay 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 paid.

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 measurement of defined benefit obligation involves estimation of future cash flows, employee turnover, mortality and future increase in salaries.

For purpose of half-year reporting, the defined benefit obligation is estimated using the projection report by independent actuaries for the current year, using the same assumption used in the previous year.

(p) 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.

(q) 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, because they are entitled to fixed dividends and any discretionary dividends declared to ordinary shareholders and it participate 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(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)).

(r) 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 periods.

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.

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.

(s) Revenue from the sale of goods

(i) Revenue from sales of goods

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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(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 – tolling fee is recognised in the consolidated statement of income when the goods have been processed and accepted by the buyer in form of certificate for sampling and weighting. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(t) 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, facility fees, financing costs, transaction costs and foreign exchange losses.

(u) Operating 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.

(v) 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.

(w) 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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. Dilutive potential ordinary shares does not include convertible instruments that are mandatorily convertible.

(x) 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, which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

(y) 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 investors and their ultimate holding companies and their subsidiaries and associates.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

4. Business combination

On 9 June 2020, MTC, a subsidiary indirectly owned by the Company, successfully acquired shares of 100.0% equity interest in H.C Starck Holding (Germany) GmbH (“HCS”), which is a manufacturer of tungsten metal powders and carbides (midstream tungsten products) with global operation for a total consideration of VND1,992,284 million including transactions costs. Such transaction resulted in HCS became a subsidiary indirectly owned by the Company.

On the business combination date, the carrying amount of net identifiable assets and liabilities were as follows

	Carrying amount VND million
Cash and cash equivalents	940,190
Inventories	1,687,581
Other current assets	930,123
Fixed assets and construction in progress	1,830,768
Other long-term assets	972,225
Current liabilities	(1,291,779)
Long-term liabilities	(6,011,838)
Non-controlling interest	50,738
Total net identifiable liabilities from business combination	<u>(891,992)</u>
Goodwill on business combination	2,884,276
Total consideration	<u>1,992,284</u>
Cash acquired from business combination	<u>(940,190)</u>
Net cash outflow	<u>1,052,094</u>

The acquisition of HCS was being consolidated into the Group’s consolidated financial statements as at 30 June 2020 based on the carrying amounts of the assets and liabilities acquired at acquisition date as the fair value of these assets and liabilities have yet to be determined. Adjustments will be made subsequently when the fair values are finalized.

For the period from the acquisition date to 30 June 2020, the acquired business contributed net revenue of VND466,842 million and loss of VND35,178 million to the Group’s results.

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Segment reporting

Business segments

The Group comprises the following main business segments:

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 profit/(loss) in jointly controlled entities and 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 profit after tax					(392,647,258)

Masan Resources Corporation and its subsidiaries

Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

From 1/1/2019 to 30/6/2019	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment revenue	34,116,482	905,494,400	1,666,759,619	83,642,780	2,690,013,281
Segment gross profit	16,908,918	638,628,601	45,348,851	10,250,182	711,136,552
Unallocated expenses					99,784,857
Financial income					38,731,931
Financial expenses					639,758,071
Results from operating activities					10,325,555
Other income					1,088,745
Other expenses					11,882,093
Income tax expenses					(2,020,670)
					1,552,877

Masan Resources Corporation and its subsidiaries

Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

As at 30 June 2020	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment assets	160,171,118	788,312,366	3,859,375,978	255,237,584	5,063,097,046
Unallocated assets					31,168,369,902
Total assets					36,231,466,948
Total liabilities					24,432,386,919
As at 1 January 2020					
Segment assets	167,025,898	826,106,905	1,874,331,657	1,051,224,444	3,918,688,904
Unallocated assets					25,856,030,977
Total assets					29,774,719,881
Total liabilities					17,304,897,615

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

From 1/1/2020 to 30/6/2020	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Capital expenditure	-	-	29,161,828	41,360,210	70,522,038
Unallocated capital expenditure	-	-	-	-	1,012,456,864
Depreciation	6,850,044	34,255,854	64,776,397	11,079,914	116,962,209
Unallocated depreciation	-	-	-	-	388,598,093
Unallocated amortisation	-	-	-	-	102,866,612

From 1/1/2019 to 30/6/2019	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Capital expenditure	467,799	-	74,189,007	13,374,441	88,031,247
Unallocated capital expenditure	-	-	-	-	470,606,414
Depreciation	6,974,668	36,392,813	59,201,376	47,534,763	150,103,620
Unallocated depreciation	-	-	-	-	460,581,831
Unallocated amortisation	-	-	-	-	90,987,209

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

6. Cash and cash equivalents

	30/6/2020	1/1/2020
	VND'000	VND'000
Cash on hand	43,069,887	90,493
Cash in banks	595,916,223	941,356,463
Cash in transit	2,685,811	-
Cash equivalents	5,400,000	781,757,650
	647,071,921	1,723,204,606

7. Loans receivables

Loans receivables – short-term represent loans granted to Masan Group Corporation – ultimate parent company at the end of the period. The loan is unsecured and has interest rate of 8.2% per annum.

8. Other short-term and long-term receivables

	30/6/2020	1/1/2020
	VND'000	VND'000
Short-term receivables		
Receivable for mining rights fee (a)	239,835,807	239,835,807
Others	56,258,356	10,720,567
	296,094,163	250,556,374
Long-term receivables		
Land compensation receivable from Thai Nguyen People's Committee (b)	1,238,220,016	1,249,999,696
Others (c)	61,872,948	53,869,202
	1,300,092,964	1,303,868,898

- (a) Receivable for mining rights fee (“MRF”) represents additional mining rights fee of NPM – a subsidiary for the year 2018 and 2019 and relevant administrative charges that NPM has paid to the authorities based on temporary calculation by the General Department of Geology and Minerals (“GDGM”) under the Official Letter No.3724/DCKS-KTDCKS dated 28 December 2018 (“the Official Letter 3724”).

NPM does not agree with the amount and basis of the Official Letter 3724 as the Company’s management is of the opinion that it is unreasonable and does not comply with current regulation. For example:

- Based on current regulation, the requirement on MRF payment for the year 2018 has to be notified to the Company before 31 December 2017 (NPM received the notification on 28/12/2018); and

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

- The price used to calculate the charge for granting mining rights (or mining right fee) is based on the prices to calculate the resource royalty. In accordance with regulations of the Government's Decree No. 12/2015/ND-CP dated 12 February 2015 and guidance of the Ministry of Finance's Circular No. 152/2015/TT-BTC dated 2 October 2015 on Royalties, if enterprises extracted natural resources undergo further processing instead of being sold, their price is exclusive of processing cost provided that it must be within the taxable price bracket imposed by the Provincial People's Committee. NPM's products are industrial products, for which the taxable price for resource royalty is determined on the basis of the higher of selling price minus (-) processing cost and the taxable price imposed by the Provincial People's Committee. GDGM did not use the taxable price applied for industrial products, instead they used the taxable price applied for tungsten ore ($0.1\% < WO_3 < 0.3\%$).

Management believes that it had adequately provided for its liabilities for MRF based on its interpretation of relevant legislation, including on regulations on the charge for granting mining rights and regulations on natural resources tax. NPM has made payment for MRF in accordance with Decision 500/QD-BTNMT issued by the Ministry of Natural Resources and Environment ("MONRE") on 4 March 2015. Therefore the payment made under Official Letter 3724 has been deemed as receivable from advance payment. NPM has sent letters to different level of authorities to highlight the issues and seek for proper resolutions. The final outcome may be subject to review and investigation by a number of relevant authorities.

- (b) Long-term receivables 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 – a subsidiary is required to deposit for obligation to mine closure and environment rehabilitation obligation to Environment Protection. In accordance with Decision 1536/QD-BTNMT issued by MONRE dated on 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 based on the annual CPI fluctuation in accordance with Circular 38/2015/TT-BTNMT dated 30 June 2015.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

9. Inventories

	30/6/2020		1/1/2020	
	VND'000 Cost	VND'000 Allowance	VND'000 Cost	VND'000 Allowance
Goods in transit	48,990,317	-	54,194,593	-
Raw materials	868,806,216	(35,487,061)	237,723,007	-
Tools and supplies	698,364,721	(6,071,883)	572,289,604	-
Work in progress	623,624,325	(6,187,879)	139,145,869	-
Finished goods	2,794,527,201	(221,589,213)	1,259,545,121	-
Merchandise inventories	-	-	739,273,589	-
Goods on consignment	4,804,568	-	136,852,970	-
	5,039,117,348	(269,336,036)	3,139,024,753	-

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/VHN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

10. Tangible fixed assets

	Buildings and structures VND'000	Machinery and equipment VND'000	Office equipment VND'000	Motor vehicles VND'000	Other assets VND'000	Total VND'000
Cost						
Opening balance	4,930,775,651	11,821,423,653	42,227,092	16,186,948	5,095,926,136	21,906,539,480
Additions	-	516,464	-	-	-	516,464
Increases from business combination (Note 4)	1,345,168,200	3,712,077,404	-	-	-	5,057,245,604
Transfer from construction in progress (Note 13)	19,639,573	597,899,874	-	-	-	617,539,447
Disposals	(13,624,715)	-	-	(807,551)	-	(14,432,266)
Currency translation difference	(45,945,515)	(126,444,226)	-	-	-	(172,389,741)
Other movements	(573,659)	(17,426,573)	-	-	-	(18,000,232)
Closing balance	6,235,439,535	15,988,046,596	42,227,092	15,379,397	5,095,926,136	27,377,018,756
Accumulated depreciation						
Opening balance	1,073,164,994	3,552,372,866	38,295,409	11,603,407	1,127,330,359	5,802,767,035
Increases from business combination (Note 4)	586,645,146	2,819,693,718	-	-	-	3,406,338,864
Charge for the period	145,279,358	332,031,376	853,710	1,085,165	105,666,382	584,915,991
Disposals	(4,365,915)	-	-	(807,551)	-	(5,173,466)
Other movements	-	(3,206,924)	-	-	-	(3,206,924)
Currency translation difference	(20,154,896)	(96,297,443)	-	-	-	(116,452,339)
Closing balance	1,780,568,687	6,604,593,593	39,149,119	11,881,021	1,232,996,741	9,669,189,161
Net book value						
Opening balance	3,857,610,657	8,269,050,787	3,931,683	4,583,541	3,968,595,777	16,103,772,445
Closing balance	4,454,870,848	9,383,453,003	3,077,973	3,498,376	3,862,929,395	17,707,829,595

At 30 June 2020, tangible fixed assets with a carrying value of VND11,101 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2020: VND10,977 billion) (Note 18(b)).

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

11. Finance lease tangible fixed assets

	Machinery and equipment VND'000
Cost	
Opening and closing balances	67,300,000
	<hr/>
Accumulated depreciation	
Opening and closing balances	67,300,000
	<hr/>
Net book value	
Opening and closing balances	-
	<hr/>

The Company's subsidiary - NPM leases laboratory equipment for assay testing. This laboratory equipment is considered to be a finance lease based on the lease's terms and conditions. The leased equipment secures lease obligations.

Included in the cost of finance lease tangible fixed assets of the Group were assets costing VND67.3 billion which were fully depreciated as at 30 June 2020 (1/1/2020: VND67.3 billion), but which are still in active use.

12. Intangible fixed assets

	Land use right	Software	Mining rights	Development	Other	Total
	VND'000	VND'000	VND'000	cost VND'000	intangible assets VND'000	VND'000
Cost						
Opening balance	-	108,309,899	588,370,818	-	-	696,680,717
Addition	-	13,094	-	1,350,261	-	1,363,355
Increases from business combination (Note 4)	34,934,066	285,147,100	-	69,507,179	15,302,068	404,890,413
Currency translation difference	(1,193,542)	(9,742,509)	-	(2,405,177)	(491,681)	(13,832,909)
Other movements	-	-	-	-	(1,381,217)	(1,381,217)
Closing balance	33,740,524	383,727,584	588,370,818	68,452,263	13,429,170	1,087,720,359
Accumulated amortisation						
Opening balance	-	73,423,648	158,120,358	-	-	231,544,006
Increases from business combination (Note 4)	-	280,834,624	-	53,616,472	1,504,709	335,955,805
Charge for the period	-	6,620,487	15,275,164	1,588,229	27,043	23,510,923
Currency translation difference	-	(9,601,709)	-	(1,867,624)	(52,021)	(11,521,354)
Closing balance	-	351,277,050	173,395,522	53,337,077	1,479,731	579,489,380
Net book value						
Opening balance	-	34,886,251	430,250,460	-	-	465,136,711
Closing balance	33,740,524	32,450,534	414,975,296	15,115,186	11,949,439	508,230,979

At 30 June 2020, intangible fixed assets with a carrying value of VND444 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2020: VND465 billion) (Note 18(b)).

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

13. Construction in progress

	From 1/1/2020 to 30/6/2020 VND'000
Opening balance	1,694,487,259
Increases from business combination (Note 4)	110,926,385
Additions during the period	255,156,238
Transfer to tangible fixed assets (Note 10)	(617,539,447)
Transfer to long-term prepaid expenses (Note 14)	(2,145,438)
Transfer to short-term prepaid expenses	(6,184,662)
Difference from the translation of foreign operations' financial statements to VND	(3,829,199)
	1,430,871,136
Closing balance	1,430,871,136

During the period, borrowing costs capitalised into construction in progress amounted to VND20 billion (the period from 1/1/2019 to 30/6/2019: VND26 billion). As at the reporting date, construction in progress of NPM, which mainly represents machinery cost, the 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.

14. Long-term prepaid expenses

	Land compensation costs VND'000	Other mining costs VND'000	Others VND'000	Total VND'000
Opening balance	1,006,778,004	1,563,054,219	56,026,360	2,625,858,583
Additions	-	42,600,359	86,368,334	128,968,693
Transfer from construction in progress (Note 13)	-	-	2,145,438	2,145,438
Transfer from long-term receivables	11,779,680	-	-	11,779,680
Amortisation for the period	(37,124,290)	(54,355,686)	(11,386,638)	(102,866,614)
	981,433,394	1,551,298,892	133,153,494	2,665,885,780
Closing balance	981,433,394	1,551,298,892	133,153,494	2,665,885,780

Masan Resources Corporation and its subsidiaries

Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

15. Taxes payable to State Treasury

	1/1/2020	Increases from business combination	Incurred	Paid/Offset	Foreign exchange difference	30/6/2020
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
Tax payables inside Vietnam						
Value added tax	-	-	179,489,804	(179,489,804)	-	-
Import-export tax	-	-	215,084,869	(215,084,869)	-	-
Corporate income tax	134,400,473	-	43,181,691	(103,497,073)	-	74,085,091
Personal income tax	63,044,211	-	90,009,698	(126,326,847)	-	26,727,062
Environmental protection fee	-	-	18,089,097	(18,089,097)	-	-
Royalty tax	-	-	180,656,383	(180,656,383)	-	-
Other taxes	2,276,799	-	7,894,803	(9,317,850)	-	853,752
Tax payables outside Vietnam						
Corporate income tax	-	92,822,629	3,545,271	(4,202,221)	310,409	92,476,088
Other tax	-	89,618,145	24,875,773	(6,664,165)	592,571	108,422,324
	199,721,483	182,440,774	762,827,389	(430,811,559)	902,980	302,564,317

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

16. Accrued expenses

	30/6/2020	1/1/2020
	VND'000	VND'000
Bonus	-	59,959,470
Accrued interest payable	226,528,810	239,049,923
Other financing costs	10,751,589	4,181,514
Natural resource taxes and fees	21,210,623	71,039,152
Accrual for construction work	37,871,421	14,187,389
Consultant fee	10,037,145	983,850
Operating costs	432,820,931	314,119,079
Others	1,380,829	1,380,829
	<hr/>	<hr/>
	740,601,348	704,901,206
	<hr/>	<hr/>

17. Other short-term payables

Other payables included the following amounts:

	30/6/2020	1/1/2020
	VND'000	VND'000
Amounts due to Masan Group Corporation (“MSN”) – the ultimate holding company		
Financial expenses – short-term (a)	244,123,839	1,124,123,839
Amounts due to Masan Horizon Co., Ltd (“MH”) – the intermediate holding company		
Non-trade – short-term (b)	2,511,785	2,511,785
Other payable to third parties		
Other payables – short-term	73,309,981	339,972
	<hr/>	<hr/>
	319,945,605	1,126,975,596
	<hr/>	<hr/>

(a) Amounts due to related parties were unsecured, interest-free and repayable in December 2020.

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

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

18. Borrowings, bonds and finance lease liabilities

(a) Short-term borrowings and finance lease liabilities

	Carrying amount VND'000	1/1/2020 Amount within repayment capacity VND'000	Movements during the period			30/6/2020 Amount within repayment capacity VND'000
			Additions VND'000	Payments VND'000	Unrealised foreign exchange loss VND'000	
Short-term borrowings	3,188,857,080	3,188,857,080	5,146,868,508	(4,676,434,393)	(1,647,482)	3,657,643,713
Current portion of long-term borrowings (Note(b))	4,568,426,661	4,568,426,661	27,312,927	(1,612,000,000)	-	2,983,739,588
	7,757,283,741	7,757,283,741	5,174,181,435	(6,288,434,393)	(1,647,482)	6,641,383,301

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

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

	Currency	30/6/2020 VND'000	1/1/2020 VND'000
Secured bank loan (i)	USD	779,366,498	864,314,359
Secured bank loan (i)	VND	422,646,000	150,308,000
Secured bank loan (ii)	USD	-	15,908,877
Secured bank loan (ii)	VND	922,449,530	1,082,810,380
Secured bank loan (iii)	USD	4,544,670	-
Secured bank loan (iii)	VND	90,291,000	150,245,000
Secured bank loan (iv)	USD	458,489,616	164,877,248
Secured bank loan (iv)	VND	268,800,000	504,905,811
Secured bank loan (v)	USD	191,295,648	41,814,000
Unsecured bank loan (vi)	VND	246,325,485	155,757,627
Unsecured bank loan (vi)	USD	47,435,266	57,915,778
Related party loan (vii)	VND	226,000,000	-
		3,143,564,737	3,188,857,080

- (i) The loan from a local bank is secured by part of short-term receivables of NPM and 11.12% of the issued shares of the Company held by Masan Horizon Co., Ltd (“MH”). Loans drawdown in USD and VND bore interest ranging from 3.45% to 4.46% and from 8.95% to 9.52% annum respectively.
- (ii) The loan from a local bank is secured by inventories and part of short-term receivables of NPM. Loans drawdown in USD bore interest ranging from 4.5% to 5.5% per annum, loans drawdown in VND bore interest ranging from 7.3% to 7.5% per annum respectively.
- (iii) The loan from a local bank drawdown in USD and VND bore interest of 6.1% and from 9.2% to 9.5% per annum respectively.
- (iv) The loan from a local bank drawdown in USD and VND bore interest ranging from 5.6% to 6.1% and from 8.36% to 9.3% per annum respectively.
- Both loans in (iii) and (iv) are secured by 11.12% of the issued shares of the Company held by MH.
- (v) The USD denominated loan from a foreign bank bore interest within range from 2.22% to 4% per annum. As at reporting date, this loan is secured by part of short-term receivables and all operating bank accounts of MTC opened at the bank..
- (vi) The uncommitted loan of a subsidiary from a foreign bank branch in Vietnam guaranteed to pay on demand unconditionally and irrevocably by the Company. Loans drawdown in USD and VND bore interest ranging from 3.5% to 4.57% and from 5.5% to 6.8% annum respectively
- (vii) The loans in VND granted from Masan Group Corporation – ultimate parent company at the end of the period. The loan is unsecured and has interest rate of 8.2% per annum.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(b) Long-term bonds

	30/6/2020	1/1/2020
	VND'000	VND'000
Long-term bonds issued	10,136,945,165	9,538,080,318
Repayable within twelve months (Note (a))	(2,983,739,588)	(4,568,426,661)
	7,153,205,577	4,969,653,657

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

	Curren cy	Interest rate per annum	Year of maturity	30/6/2020 VND'000	1/1/2020 VND'000
Secured bond issuance	VND	(i)	2020	2,983,739,588	3,570,177,119
Secured bond issuance	VND	(ii)	2020	-	998,249,542
Secured bond issuance	VND	(iii)	2023	497,409,323	496,989,214
Secured bond issuance	VND	(iv)	2021	996,888,889	995,555,556
Secured bond issuance	VND	(v)	2023	1,492,000,000	1,490,800,000
Secured bond issuance	VND	(vi)	2024	496,764,715	496,533,333
Secured bond issuance	VND	(vii)	2022	298,452,690	298,133,333
Secured bond issuance	VND	(viii)	2022	198,921,571	198,711,110
Secured bond issuance	VND	(ix)	2024	496,933,333	496,533,333
Secured bond issuance	VND	(x)	2022	99,335,406	99,288,889
Secured bond issuance	VND	(xi)	2022	188,737,272	188,648,889
Secured bond issuance	VND	(xii)	2022	208,714,734	208,460,000
Secured bonds issuance	VND	(xiii)	2023	1,576,191,238	-
Secured bonds issuance	VND	(xiv)	2023	602,856,406	-
				10,136,945,165	9,538,080,318

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

- (i) The VND denominated non-convertible bonds issued by NPM with a five-year term bore interest rate of 8% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every three months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3%. The bond proceeds were used by NPM and secured by certain long-term assets of NPM.
- (ii) The VND denominated non-convertible bonds issued by NPM with a two-year term bore interest rate of 9.5% per annum. The bond was fully paid as of the date of the financial statements.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

- (iii) The VND denominated non-convertible 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 proceeds were used by NPM and secured by 5.22% of the issued shares of the Company held by MH.
- (iv) 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.
- (v) 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.
- (vi) The VND denominated non-convertible 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 proceeds were used by NPM and secured by 5.62% of the issued shares of the Company held by MH.
- (vii) The VND denominated non-convertible 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 proceeds were used by NPM and secured by a number of shares of the Company held by MH, which will be finalized by 30 September 2020.
- (viii) The VND denominated non-convertible 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 proceeds were used by NPM and secured by a number of shares of the Company held by MH, which will be finalized by 30 September 2020.
- (ix) 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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

- (x) The VND denominated non-convertible 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 number of issued shares of the Company held by MH which will be finalized before 31 August 2020.
- (xi) The VND denominated non-convertible 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 number of issued shares of the Company held by MH which will be finalized before 31 August 2020.
- (xii) The VND denominated non-convertible 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 proceeds were used by NPM and secured by 2.75% of the issued shared of the Company held by MH.
- (xiii) The VND denominated non-convertible 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 bonds are guaranteed by Masan Group Corporation.
- (xiv) The VND denominated non-convertible 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 bonds are guaranteed by Masan Group Corporation.

19. Deferred tax liabilities and unrecognised deferred tax assets

(i) Recognised deferred tax assets

	30/6/2020	1/1/2020
	VND'000	VND'000
Tax losses	38,854,534	-
Deferred tax from pension and temporary differences	887,159,408	-
	926,013,942	-

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(ii) Recognised deferred tax liabilities

	30/6/2020	1/1/2020
	VND'000	VND'000
Mineral reserves and mineral resources	567,677,954	583,078,428
Origination of temporary differences	18,694,193	3,900,260
	586,372,147	586,978,688

(iii) Unrecognised deferred tax assets

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

	Tax losses available
	VND'000
Accumulated five year tax losses	135,634,621

(*) This amount has not finalized with tax authority and may change subsequent to the tax authorities' review.

20. Provisions – long-term

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

	Mine rehabilitation	Mining rights	Pension liabilities	Total
	VND'000	VND'000	VND'000	VND'000
Opening balance	99,121,941	429,781,166	-	528,903,107
Increases from business combination (Note 4)	-	-	6,010,996,282	6,010,996,282
Provision made during the period	2,339,278	16,806,529	6,032,665	25,178,472
Provision used during the period	-	-	(19,154,635)	(19,154,635)
Currency translation difference	-	-	20,558,695	20,558,695
Closing balance	101,461,219	446,587,695	6,018,433,007	6,566,481,921

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

21. Changes in equity

	Share capital	Share premium	Other capital	Foreign exchange differences	Undistributed profit after tax	Equity attributable to equity holders of the Company	Non-controlling interest	Total equity
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
Balance at 01 January 2019	8,993,091,220	145,709,384	(295,683,347)	-	3,282,836,988	12,125,954,245	-	12,125,954,245
Net profit for the period	-	-	-	-	1,552,877	1,552,877	-	1,552,877
Others (*)	-	-	-	-	(8,525,794)	(8,525,794)	-	(8,525,794)
Balance at 31 June 2019	8,993,091,220	145,709,384	(295,683,347)	-	3,275,864,071	12,118,981,328	-	12,118,981,328
Balance at 01 January 2020	9,892,398,780	145,709,384	(295,683,347)	-	2,727,397,449	12,469,822,266	-	12,469,822,266
Changes from business combination	-	-	-	-	-	-	(50,738,370)	(50,738,370)
Net profit for the period	-	-	-	-	(389,411,407)	(389,411,407)	(3,235,851)	(392,647,258)
Foreign exchange differences	-	-	-	(225,970,714)	-	(225,970,714)	(1,385,895)	(227,356,609)
Balance at 30 June 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

(*) This cost related to acquisition of non-controlling interest in 2018.

Masan High-Tech Materials Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

22. Share capital

The Company's authorised and issued share capital comprised:

	30/6/2020 and 1/1/2020	
	Number of shares	VND'000
Authorised share capital	989,239,878	9,892,398,780
Issued share capital		
Ordinary shares	989,239,878	9,892,398,780
Shares in circulation		
Ordinary shares	989,239,878	9,892,398,780
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.

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

23. Off balance sheet items

(a) Foreign currencies

	30/6/2020		1/1/2020	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	10,598,972	245,111,828	30,746,796	710,558,466
EUR	4,714,659	121,284,612	-	-
JPY	286,426,978	61,068,332	-	-
Other		126,457,366	-	-

(b) Bad debts written off

	30/6/2020 VND'000	1/1/2020 VND'000
Bad debts written off	21,507,965	21,507,965

24. Revenue from sales of goods

Total revenue of the Group represents the gross value of goods sold exclusive of value added tax,

25. Financial income

	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
Interest income	32,630,596	4,207,843
Other finance income	406,505,146	-
Foreign exchange gains	69,419,037	34,524,088
	508,554,779	38,731,931

26. Financial expenses

	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
Interest expense	572,959,440	525,485,658
Borrowing fees	40,835,796	38,917,073
Foreign exchange losses	88,681,875	40,027,739
Others	67,227,311	35,327,601
	769,704,422	639,758,071

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

27. (Loss)/earnings per share

Basic (loss)/earnings per share

The calculation of basic loss per share for the period ended 30 June 2020 was based on the loss attributable to ordinary shareholders of VND 398,411 million (for the period ended 30 June 2019: profit attributable to ordinary shareholders of VND 1,553 million) and a weighted average number of ordinary shares outstanding of 989,239,878 shares (restated for the period ended 31 March 2019: 989,239,878 shares), calculated as follows:

	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000 (Restated)
Issued ordinary shares at the beginning of the period	989,239,878	899,309,122
Effect of share issuance for dividend payment in 18 November 2019	-	89,930,756
Weighted average number of ordinary shares for the period	<u>989,239,878</u>	<u>989,239,878</u>

Masan Resources Corporation and its subsidiaries
Notes to the consolidated financial statements for the period ended 30 June 2020
(continued)

Form B 09a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

28. Significant transactions with related parties

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

Related Party	Nature of transactions	From 1/1/2020 to 30/6/2020 VND'000	From 1/1/2019 to 30/6/2019 VND'000
Ultimate holding company			
Masan Group Corporation	Bond interest	-	75,498,134
	Loan received	2,181,000,000	-
	Loan paid	(1,955,000,000)	-
	Loan interest expense	4,622,104	-
	Loan lended	823,753,425	-
	Loan collection	(1,224,273,973)	-
	Loan interest income	29,513,777	-
Ultimate holding company's associate			
Vietnam Technological and Commercial Joint Stock Bank ("TCB") and its subsidiaries	Interest expenses and borrowing fees	61,596,993	34,794,217
	Bond issued	2,217,065,211	1,500,000,000
	Bond repurchased	38,823,600	-
	Loan received	1,063,348,235	1,100,596,299
	Loan paid	876,331,036	1,067,228,184
Ultimate holding company's subsidiary			
Masan Consumer Corporation	Purchase of goods	762,982	746,609
	Purchase of services	1,626,659	1,254,522
Key management personnel			
	Salary, bonus and other benefits (*)	21,671,653	16,152,189

(*) No board fees were paid to Board of Directors members for the period ended 30 June 2020 and 30 June 2019.

30 July 2020

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director