

Masan Resources Corporation

Standalone 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 | General Director |
| | Mr. Stuart James Wells | Chief Financial Officer |
| Registered Office | Suite 802, 8 th Floor, Central Plaza Building No. 17 Le Duan, Ben Nghe Ward, District 1 Ho Chi Minh City Vietnam | |

Masan Resources Corporation
Standalone 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 + 150) | 100 | | 711,448,404 | 711,706,777 |
| Cash and cash equivalents | 110 | 4 | 6,096,034 | 4,273,418 |
| Cash | 111 | | 2,096,034 | 273,418 |
| Cash equivalents | 112 | | 4,000,000 | 4,000,000 |
| Accounts receivable – short-term | 130 | | 704,786,158 | 707,433,359 |
| Prepayments to suppliers | 132 | | 1,328,686 | - |
| Other receivables | 136 | 5 | 703,457,472 | 707,433,359 |
| Other current assets | 150 | | 566,212 | - |
| Short-term prepaid expenses | 151 | | 266,212 | - |
| Taxes and others receivable from State Treasury | 153 | | 300,000 | - |
| Long term assets (200 = 210 + 220 + 250) | 200 | | 12,454,770,460 | 12,454,770,460 |
| Accounts receivable – long-term | 210 | | 3,000,000,000 | 3,000,000,000 |
| Other long-term receivables | 216 | 5 | 3,000,000,000 | 3,000,000,000 |
| Fixed assets | 220 | | - | - |
| Intangible fixed assets | 227 | | - | - |
| <i>Cost</i> | 228 | | 137,950 | 137,950 |
| <i>Accumulated amortisation</i> | 229 | | (137,950) | (137,950) |
| Long-term financial investments | 250 | 6 | 9,454,770,460 | 9,454,770,460 |
| Investment in a subsidiary | 251 | | 9,454,770,460 | 9,454,770,460 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 13,166,218,864 | 13,166,477,237 |

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

Masan Resources Corporation
Standalone 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 | | 3,063,214,779 | 3,068,983,519 |
| Current liabilities | 310 | | 63,214,779 | 68,983,519 |
| Accounts payable to suppliers | 311 | | 330,000 | 330,000 |
| Taxes payable to State Treasury | 313 | | 1,200 | 6,860,237 |
| Accrued expenses | 315 | 7 | 50,077,109 | 48,986,812 |
| Other short-term payables | 319 | 8 | 12,806,470 | 12,806,470 |
| Long-term liabilities | 330 | | 3,000,000,000 | 3,000,000,000 |
| Long-term borrowings, bonds and financial lease liabilities | 338 | 9 | 3,000,000,000 | 3,000,000,000 |
| EQUITY (400 = 410) | 400 | | 10,103,004,085 | 10,097,493,718 |
| Equity | 410 | 10 | 10,103,004,085 | 10,097,493,718 |
| Share capital | 411 | 11 | 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 | 11 | 145,709,384 | 145,709,384 |
| Undistributed profit after tax | 421 | | 64,895,921 | 59,385,554 |
| - Undistributed profit brought forward | 421a | | 59,385,554 | - |
| - Undistributed profit for the current year | 421b | | 5,510,367 | 59,385,554 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 13,166,218,864 | 13,166,477,237 |

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 standalone financial statements

Masan Resources Corporation
Standalone 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 |
|--|-----------|------|--|---|--|---|
| Financial income | 21 | 12 | 76,199,564 | 67,791,902 | 152,387,804 | 129,883,132 |
| Financial expenses | 22 | 13 | 77,247,436 | 66,822,937 | 152,076,526 | 128,020,006 |
| General and administration expenses | 26 | | 1,157,744 | 952,704 | 1,661,148 | 1,098,658 |
| Net operating (loss)/profit (30 = 21 - 22 - 26) | 30 | | (2,205,616) | 16,261 | (1,349,870) | 764,468 |
| Other income | 31 | | 501,547 | - | 501,547 | - |
| Other expenses | 32 | | - | - | - | - |
| Results of other activities (40 = 31 - 32) | 40 | | 501,547 | - | 501,547 | - |
| Accounting (loss)/profit before tax (50 = 30) | 50 | | (1,704,069) | 16,261 | (848,323) | 764,468 |
| Income tax expense / (credit) | 51 | | (6,529,839) | - | (6,358,690) | - |
| Net profit after tax (60 = 50) | 60 | | 4,825,770 | 16,261 | 5,510,367 | 764,468 |

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 standalone financial statements

Masan Resources Corporation
Standalone 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 30/06/2019 VND'000 |
|---|-----------|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| (Loss)/profit before tax | 01 | (848,323) | 764,468 |
| Adjustments for | | | |
| Profits from investing activities | 05 | (152,387,804) | (129,883,132) |
| Interest expense and borrowing fees | 06 | 151,502,740 | 128,020,006 |
| Operating loss before changes in working capital | 08 | (1,733,387) | (1,098,658) |
| Change in receivables and other current assets | 09 | (1,648,686) | 148,795 |
| Change in payables and other liabilities | 11 | 472,134 | (3,483,274) |
| Change in prepaid expenses | 12 | (266,212) | (922,207) |
| | | (3,176,151) | (5,355,344) |
| Interest paid | 14 | (151,084,924) | (120,047,401) |
| CIT paid | 15 | (300,000) | - |
| Net cash flows from operating activities | 20 | (154,561,075) | (125,402,745) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Contribution for Business Cooperation Contract (“BCC”) | 23 | - | (500,000,000) |
| Proceeds from loan conversion received | 24 | - | 3,945,518,100 |
| Capital contribution to subsidiary | 25 | - | (4,314,434,887) |
| Receipt of interest | 27 | 156,383,691 | 493,776,346 |
| Net cash flows from investing activities | 30 | 156,383,691 | (375,140,441) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 33 | - | 500,000,000 |
| Net cash flows from financing activities | | - | 500,000,000 |
| Net cash flows during the year (50 = 20 + 30) | 50 | 1,822,616 | (543,186) |
| Cash and cash equivalents at the beginning of the year | 60 | 4,273,418 | 3,288,566 |
| Cash and cash equivalents at the end of the year (70 = 50 + 60) (Note 4) | 70 | 6,096,034 | 2,745,380 |

Masan Resources Corporation
Separate 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)*

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
Notes to the standalone 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 financial statements.

1. Reporting entity

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.

2. Basis of preparation

(a) Statement of compliance

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

The Company prepares and issues its consolidated quarterly financial statements separately. For a comprehensive understanding of the consolidated financial position of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and its consolidated cash flows, these stand alone quarterly financial statements should be read in conjunction with the consolidated quarterly financial statements of the Group for the year ended 31 December 2019.

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company 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 separate financial statements are prepared and presented in VND rounded to the nearest thousand (“VND’000”).

Masan Resources Corporation
Notes to the standalone 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)*

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 separate financial statements.

(a) 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.

(b) Investments in a subsidiary

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

(c) Accounts receivable

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

(d) Intangible fixed assets - *Software*

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

(e) Accounts payable

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

Masan Resources Corporation
Notes to the standalone 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)*

(f) 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.

(g) 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.

(h) 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.

(i) Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the accounting year, 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 year.

Masan Resources Corporation
Notes to the standalone 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)*

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.

(j) 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.

(k) Borrowing costs

Borrowings costs comprise interest expenses on borrowings, facility fees, financing costs and transaction costs. Borrowing costs are recognised as an expense in the year in which they are incurred, 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 year of construction are capitalised as part of the cost of the fixed assets concerned.

(l) 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**Notes to the separate 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. Cash and cash equivalents**

| | 30/6/2020 | 1/1/2020 |
|------------------|------------------|-----------------|
| | VND'000 | VND'000 |
| Cash in banks | 2,096,034 | 273,418 |
| Cash equivalents | 4,000,000 | 4,000,000 |
| | <hr/> | <hr/> |
| | 6,096,034 | 4,273,418 |
| | <hr/> | <hr/> |

5. Other short-term and long-term receivables

| | 30/6/2020 | 1/1/2020 |
|--|------------------|-----------------|
| | VND'000 | VND'000 |
| Short-term receivables | | |
| Distribution of profit receivable from BCC (a) | 49,962,111 | 50,017,111 |
| Profit share from Subsidiary | 653,409,101 | 657,409,101 |
| Others | 86,260 | 7,147 |
| | <hr/> | <hr/> |
| | 703,457,472 | 707,433,359 |
| | <hr/> | <hr/> |
| Long-term receivables | | |
| Receivables under BCC (b) | 3,000,000,000 | 3,000,000,000 |
| | <hr/> | <hr/> |
| | 3,000,000,000 | 3,000,000,000 |
| | <hr/> | <hr/> |

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

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

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

Masan Resources Corporation
Notes to the standalone 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. Long-term financial investments

| | 30/6/2020 | | 1/1/2020 | |
|--|-----------------|-----------------------|-----------------|-----------------------|
| | Cost VND'000 | Fair value VND'000 | Cost VND'000 | Fair value VND'000 |
| Investment in a subsidiary | | | | |
| Investment in Masan Thai Nguyen Resources Company Limited ("MRTN") | 9,454,770,460 | (*) | 9,454,770,460 | (*) |

MRTN is an investment holding company, incorporated in Vietnam. The direct and indirect percentage of economic interests of the Company at MRTN is 100% as at 30 June 2020 (1/1/2020: 100%).

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

Masan Resources Corporation
Notes to the standalone 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)*

7. Accrued expenses

| | 30/6/2020 | 1/1/2020 |
|--------------------------|------------------|-----------------|
| | VND'000 | VND'000 |
| Accrued interest payable | 49,009,628 | 48,591,812 |
| Others | 1,067,449 | 395,000 |
| | 50,077,077 | 48,986,812 |

8. Other short-term and long-term payables

Other payables included the following amounts:

| | 30/6/2020 | 1/1/2020 |
|---|------------------|-----------------|
| | VND'000 | VND'000 |
| Short-term: | | |
| Amounts due to Masan Horizon Company Limited (“MH”) – an immediate holding company | | |
| Non-trade – short-term (a) | 2,511,785 | 2,511,785 |
| Amount due to NPM – a subsidiary | | |
| Non-trade – short-term (a) | 10,294,685 | 10,294,685 |
| | 12,806,470 | 12,806,470 |

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

Masan Resources Corporation
Notes to the standalone 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. Long-term borrowings and bonds

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

| | Currency | Interest rate per annum | Year of maturity | 30/6/2020 VND'000 | 1/1/2020 VND'000 |
|-----------------------|----------|----------------------------|---------------------|----------------------|---------------------|
| Secured bond issuance | VND | (i) | 2021 | 1,000,000,000 | 1,000,000,000 |
| Secured bond issuance | VND | (ii) | 2023 | 1,500,000,000 | 1,500,000,000 |
| Secured bond issuance | VND | (iii) | 2024 | 500,000,000 | 500,000,000 |
| | | | | 3,000,000,000 | 3,000,000,000 |

- (i) 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.
- (ii) 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.
- (iii) 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
Notes to the standalone 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)

10. Changes in equity

| | Share capital VND'000 | Share premium VND'000 | Undistributed profit after tax VND'000 | Total VND'000 |
|----------------------------------|--------------------------|--------------------------|--|------------------|
| Balance at 1 January 2019 | 8,993,091,220 | 145,709,384 | 306,749,602 | 9,445,550,206 |
| Net profit for the year | - | - | 764,468 | 764,468 |
| Balance at 30 June 2019 | 8,993,091,220 | 145,709,384 | 307,514,070 | 9,446,314,674 |
| Balance at 1 January 2020 | 9,892,398,780 | 145,709,384 | 59,385,554 | 10,097,493,718 |
| Net profit for the year | - | - | 5,510,367 | 5,510,367 |
| Balance at 30 June 2020 | 9,892,398,780 | 145,709,384 | 64,895,921 | 10,103,004,085 |

11. 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
Notes to the standalone 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)*

12. Financial income

| | From 1/1/2020 to 30/6/2020 VND'000 | From 1/4/2019 to 30/6/2019 VND'000 |
|---------------------------------|---|---|
| Interest income | 68,628 | 67,127 |
| Distribution of profit from BCC | 152,319,176 | 129,816,005 |
| | <hr/> | <hr/> |
| | 152,387,804 | 129,883,132 |
| | <hr/> | <hr/> |

13. Financial expenses

| | From 1/1/2020 to 30/6/2020 VND'000 | From 1/4/2019 to 30/6/2019 VND'000 |
|------------------|---|---|
| Interest expense | 151,502,740 | 127,731,507 |
| Others | 573,786 | 288,499 |
| | <hr/> | <hr/> |
| | 152,076,526 | 128,020,006 |
| | <hr/> | <hr/> |

Masan Resources Corporation
Notes to the standalone 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)

14. Significant transactions with related parties

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

| Related Party | Nature of transactions | From 1/1/2020 to 30/6/2020 VND'000 | From 1/4/2019 to 30/6/2019 VND'000 |
|--|---------------------------------|---|---|
| Ultimate holding company | | | |
| Masan Group Corporation | Bond interest | - | 66,361,148 |
| Ultimate holding company's associate | | | |
| Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries | | | |
| | Bond interest | 14,017,682 | 693,119 |
| Subsidiaries | | | |
| Nui Phao Mining Company Ltd | Distribution of profit from BCC | 101,724,483 | 79,499,305 |
| Masan Tungsten Company Ltd | Distribution of profit from BCC | 50,954,693 | 50,316,700 |

30 July 2020

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Stuart James Wells
Chief Financial Officer

Approved by:



CÔNG TY
 CỔ PHẦN
 TÀI NGUYÊN
MASAN
 QUẬN 1 - TP. HỒ CHÍ MINH

Craig Richard Bradshaw
General Director