

MASAN
RESOURCES



VIETNAM STRATEGIC RESOURCES



TO HIGH-TECH GLOBAL MATERIALS

ANNUAL REPORT 2018



APT

Muối Ammonium Paratungstate

BTO

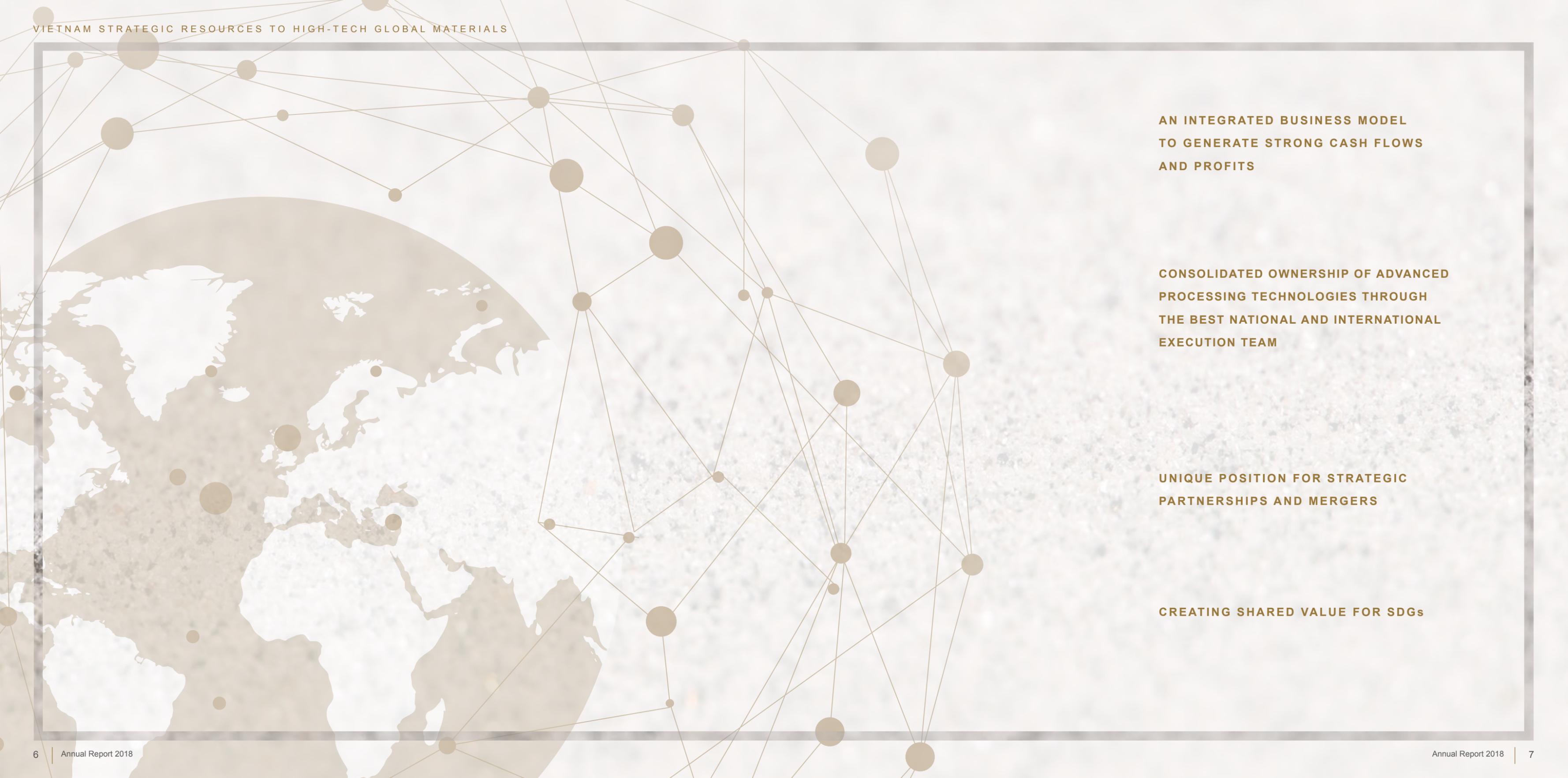
Vonfram Trioxit tinh chế thể màu xanh

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Vonfram Trioxit tinh chế thể màu vàng

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**AN INTEGRATED BUSINESS MODEL
TO GENERATE STRONG CASH FLOWS
AND PROFITS**

**CONSOLIDATED OWNERSHIP OF ADVANCED
PROCESSING TECHNOLOGIES THROUGH
THE BEST NATIONAL AND INTERNATIONAL
EXECUTION TEAM**

**UNIQUE POSITION FOR STRATEGIC
PARTNERSHIPS AND MERGERS**

CREATING SHARED VALUE FOR SDGs



Message from CEO

Dear Shareholders and Stakeholders,

I am privileged and proud to present you the 2018 Annual Report of Masan Resources (MSR): yet another celebration of ongoing success made possible by the commitment and dedication of our people and stakeholders working together towards the same goal.

When Masan Resources became operational some eight years ago, we commenced with a vision to “Grow Masan Resources into an industry leader that is able to transform the Global Tungsten Market”. The year 2018 was the culmination of us delivering on this initial vision and in 2019 it will be revised to reflect the exciting future that lays ahead for the company.

As you would be aware, in August 2018 we consolidated our ownership of the Nui Phao HC Stark Tungsten Chemicals Manufacturing Company by purchasing the 49% equity of our joint venture partner, HC Stark GmbH. I would like to thank HC Stark for their contribution and assistance in building a successful Tungsten Chemicals processing facility in Vietnam and wish them every success in the future. With the acquisition of 100% of the Tungsten Chemicals Processing facility, we have changed the company name to Masan Tungsten LLC and rebranded the product as Masan Tungsten. This change has been well received by the market. Since acquisition we have worked towards delivering synergy benefits which we expect to be fully delivered throughout 2019. Significantly, we have increased the processing of external raw tungsten materials by 350%, equivalent to to 937 tonnes of WO_3 in 2018. The ability to expand our raw material feed sources beyond just the Nui Phao mine is an important element of our future growth ambitions and to have successfully implemented such a significant increase in 2018 is a real testament to the quality and capability of the Masan team. This opens up a variety of growth options for MSR.

In the main Nui Phao Mine and Processing facility further upgrades to the tungsten circuit have increased tungsten recovery from the processed ore by 3.7% on a full year basis. Ongoing optimization of the circuit is expected to deliver further incremental improvements throughout 2019. However, despite the improvements to tungsten recoveries, the overall tungsten production at Nui Phao was 15% lower compared to the previous year due to lower mine feed grades from the open pit mine and, also due to the lower total throughput of the Nui Phao processing plant in 2018. The overall tungsten chemical production was 5% lower on a year-on-year basis, with the reduction from Nui Phao offset by external raw tungsten material purchases.

Across the other main Masan Resources products, a record production was achieved with fluorspar, which was increased by 2%, copper by 10% and bismuth by 10%, on a year-on-year basis. It is worth noting that the performance of the fluorspar circuit in the final quarter of 2018 was an exceptional quarter, yielding a 13.7% increase in recoveries compared to the same period of the previous year. On a full year basis, recovery improved by 4.0%. The focus of the team is now on maintaining these higher recoveries in fluorspar throughout 2019.

Record Net Revenue, EBITDA and NPAT

Our net revenue has increased by 27% - MSR posted a revenue of VND6,865 billion in 2018, a 27% increase over the VND5,405 billion recorded in 2017. Stronger prices for MSR's main products in 2018 delivered significantly higher revenues in comparison to the same period of last year. Our focus on delivering improvements to price realization continued to be successful with a price realization on a tungsten equivalent unit basis being 7.2% higher in 2018 over the same period of last year.

EBITDA of VND3,331 billion – MSR's EBITDA in 2018 grew by 20% compared to the same period last year. Due to lower margins on the processing of third party purchased raw tungsten materials, the EBITDA margins reduced from 51.5% in 2017 to 48.5% in 2018.

The attributable net profit increased by 222% - MSR delivered a record attributable net profit of VND 664 billion for 2018, representing a 222% increase over the same period last year on a profit margin of 9.7%.

Community Social Responsibility – KEEP GOING

Our Sustainability report, which we encourage you to read, details our performance across people, community, health, environment, safety and security. The year of 2018 continues our journey towards transparency and accountability in all our activities. In the environment space we went live with our four online continuous real time discharge water analysis monitoring stations. This equipment samples all water discharged from the Masan Resources facilities, analyses them in real time and transmits the data directly to the regulator. We have also implemented an online air analysis station, which measures air quality in real time and, again, transmits the data to the regulator. These initiatives give the regulator and the general public certainty and clarity with regards to the quality of water and air at the Masan Resources factories.

While the reduction from three lost time injuries in 2017 to two in 2018 can be seen as an improvement from a workforce perspective it, nevertheless, remained a disappointing outcome. Unfortunately, and despite our best efforts, two employees of our onsite contractors were injured at the Masan Resources work site in Thai Nguyen. Both injuries were related to equipment and manual job tasks and were avoidable if the employees had followed the correct handling procedures. We carefully reviewed the cases and identified a gap between the employee training provided by Masan Resources and the training provided to the employees of our contractors. An intensive safety campaign was launched to address the training and procedural gaps amongst our contractors and Masan Resources. This program continues in 2019 as we focus on risk avoidance training activities to reinforce positive safety practices and seek a return to a zero harm working environment.

In the community space we continued our community development initiatives with more than five billion VND contributed towards environmental, economic and social issues. Our programs continue to yield positive results and positively enrich and improve the lives of people. In recognition of our efforts, Nui Phao Mining Company Ltd – a subsidiary of Masan Resources has been recognized in 2018 as one of the Top 100 Most Sustainable Businesses in Vietnam and was also recognized as one of the Top 100 Vietnam Gold Star Enterprises. While the awards are a great recognition for the company, the real reward is seeing the positive impact we are having on people. That's the gold star.

Beyond 2020

Masan Resources has come a long way in eight years, transitioning from a mining project to a supplier of Vietnamese strategic resources to high-tech global material consumers. Our products are critical elements in the supply chains of these global enterprises and they are integral to ongoing advances in semi-conductors, 3-D printing, robotics, electric cars, renewables, medical sciences and aerospace travel. While our strategy and development goals remain unchanged, our current vision statement does not truly reflect our future vision for the company.

At this point, we believe that it is adequate to adopt a new vision for Masan Resources that fully reflects on our aspirations. From 2019 and onwards, our vision will read "From Vietnam Strategic Resources to High-Tech Global Materials".

We acknowledge that we cannot do this on our own, however as the world's largest primary APT producer outside China, the second largest fluor spar producer and the largest bismuth producer we are uniquely positioned for strategic partnerships and mergers.

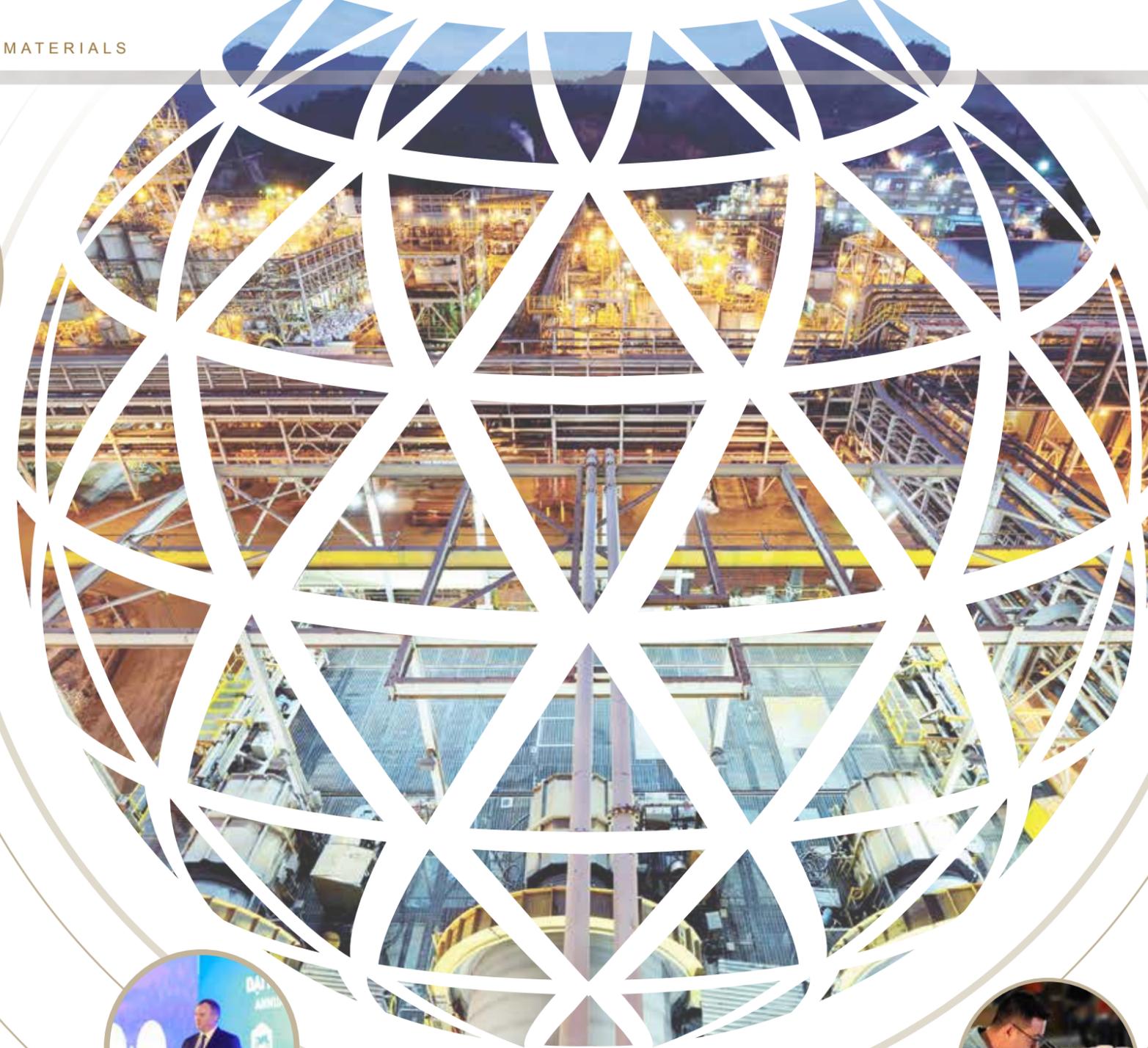
We have a road map to enhance our competitiveness and market position in coming years through:

- Consolidation of our APT tungsten market share from 36% to 50%+ by increasing our tungsten Chemical Plant capacity to 12,000 metric tons by 2021.
- Consolidation of the raw tungsten material feedstocks and tungsten recycling capabilities to ensure sustainable supply.
- Becoming a global industrial materials player by 2020.

Once again, I would like to close by thanking our stakeholders for their trust, and you our shareholders, for investing in Masan Resources.



Craig Richard Bradshaw
Chief Executive Officer



Vision

FROM VIETNAM STRATEGIC RESOURCES TO HIGH-TECH GLOBAL MATERIALS

Mission

MASAN RESOURCES IS WORKING, WITHIN BEST-IN-CLASS PARAMETERS, TO DEVELOP AND EXPAND OUR BUSINESS WITH THE AIM OF INCREASING SHAREHOLDER VALUE. WE HAVE ASSEMBLED A TEAM OF WORLD-CLASS PROFESSIONALS WITH EXTENSIVE INTERNATIONAL AND REGIONAL EXPERIENCE WHO ARE PASSIONATE TO SHOW THE WORLD THAT A VIETNAMESE COMPANY CAN LEAD THE TRANSFORMATION OF THE GLOBAL TUNGSTEN MARKET.



2018 Business Records

Financial



Net revenue is up by 27% - MSR posted revenue of VND6,865 billion in 2018, which is a 27% increase compared to the VND5,405 billion recorded in 2017. The revenue increase was enabled by the higher prices of the Company's main products in 2018, compared to 2017. Management's initiative to increase prices proved to be successful with a price realization on a tungsten equivalent unit basis being 7.2% higher in 2018 compared to the same period in 2017.

EBITDA stand at VND3,331 billion - despite lower tungsten head grades resulting in a 9.4% reduction in the production of tungsten equivalent units, the Company's EBITDA in 2018 grew by 20% compared to the same period last year. Due to lower margins on processing of third party purchased materials, the Company recorded an EBITDA margin of 48.5% for 2018, down from 51.5% in 2017.

Attributable net profit is increased by 222% - the Company delivered a record attributable net profit of VND664 billion for 2018, representing a 222% increase over the same period last year on a profit margin of 9.7%. In line with the refinancing initiatives discussed in the first half of 2018, the Company has successfully issued a bond with a face value of VND1,500 billion on attractive terms to partially refinance the Company's existing debt with the aim of extending the maturity of the Company's debt profile to optimally utilize the cashflows generated in the shorter term.

VND Billion	2018	2017	Growth
Masan Resources Consolidated Financial Results ⁽¹⁾			
Net Revenue	6,865	5,405	27%
EBITDA ⁽²⁾	3,331	2,784	20%
Attributable Net Profit/(Loss) After Tax (VAS)	664	206	222%

⁽¹⁾ Financial numbers are based on audited consolidated financial statements.

⁽²⁾ Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.

Production



The upgrades to the tungsten circuit have increased tungsten recovery from the processed ore by 2.6% compared to the same period of last year and 3.7% on a full year basis. The ongoing optimization activities of the circuit are expected to deliver further incremental improvements throughout 2019. Despite the improvements to tungsten recoveries and increased third party purchases, the overall tungsten production was lower compared to 2017, due to lower feed grades.

The performance of the fluor spar circuit for the quarter was exceptional, with a 13.7% improvement in recoveries compared to the same period last year. On a full year basis, recovery improved by 4.0%. Our focus is now on maintaining the higher recovery rates throughout 2019.

The management is diligently monitoring cost and accelerating the commissioning of its capital upgrade projects, specifically the tungsten and fluor spar circuits of the NPMC. These activities, in combination with the delivery of synergy benefits from the integration of the MTC business enabled the Company to maintain its position as one of the lowest cost global producers.

Market Development



MSR aims to procure more TC from outside sources in order to satisfy the growing demand for tungsten chemical products. Owing to the recent acquisition, MSR now owns the largest tungsten downstream processing plant in the world by capacity and has become the Number 1 primary TC producer outside of China, with a 36 % of the non-China market.

By regularly participating at the world's largest forums of Mining and Resources, MSR represented one of the rare Vietnamese companies' which are "coming of age" and which began to expand beyond the national borders to become global players. In particular, MSR participated in the 31st Annual General Meeting of ITIA at Chengdu, China and the common theme amongst the end use customers was one of continued and robust demand with strong ongoing order books.

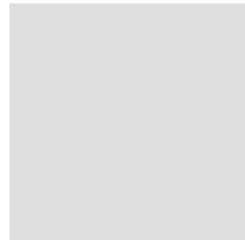
In October, 2018, MSR was one of the few Vietnamese producers, who presented their activities at the International Mining and Resources Conference & Exhibition in Melbourne, Australia. This event brought together over 3,000 decision makers, mining leaders, policy makers, investors, commodity buyers, technical experts, innovators and educators from over 60 countries for four days of learning, deal-making and unparalleled networking.

AVERAGE COMMODITY PRICES	Unit	Average 2018	Average 2017	% change	At 31.12.18	At 31.12.17
APT European Low*	USD/mtu	308	239	28.7%	270	294
Bismuth Low*	USD/lb	4.4	4.8	-8.5%	3.4	5.1
Copper*	USD/t	6,514	6,166	5.6%	6,018	7,157
Fluorspar Acid Grade**	USD/t	493	345	43.0%	565	410

* Metals Bulletin, ** Industrial Minerals



Awards and recognition



THE EMULATION FLAG OF THE GOVERNMENT FOR NUI PHAO MINING COMPANY – THE EXCELLENT ENTERPRISE IN THE PATRIOTIC EMULATION MOVEMENT IN 2018

Awarded by
The Government of the Socialist Republic of Vietnam

CERTIFICATE OF MERIT OF EXCELLENT ACHIEVEMENTS IN THE EMULATION MOVEMENT “THAI NGUYEN JOINTLY WORKED ON NEW-STYLE RURAL AREA” IN 2017

Awarded by
Thai Nguyen Provincial People’s Committee



CERTIFICATE ON MEETING THE CRITERIA OF INTERNATIONAL COMPETITIVENESS CAPABILITY, VIETNAM GOLD STAR AWARD 2018 AND TOP 100 VIETNAM BRANDS OF INTERNATIONAL INTEGRATION, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Vietnam Youth Enterprises Association

CERTIFICATE OF MERIT OF ACHIEVEMENT IN STATE BUDGET PERFORMANCE IN 2017, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Thai Nguyen Department of Taxation



CERTIFICATE FOR TOP 100 SUSTAINABLE ENTERPRISES OF VIETNAM IN 2018, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Vietnam Chamber of Commerce and Industry

CERTIFICATE OF MERIT OF EXCELLENT ACHIEVEMENTS IN THE WORK OF ENSURING SAFETY AND SECURITY OF RADIATION SOURCE AND INCIDENT RESPONSES IN 2016 - 2017, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Ministry of Science and Technology



CERTIFICATE FOR TOP 500 FASTEST GROWING ENTERPRISES IN VIETNAM, GIVEN TO MASAN RESOURCES CORPORATION

Awarded by
Vietnam Report JSC

CERTIFICATE FOR TOP 50 BRANDS IN VIET NAM, GIVEN TO MASAN RESOURCES CORPORATION

Awarded by
National Office of Intellectual Property of Vietnam

CERTIFICATE FOR TOP 500 BIGGEST ENTERPRISES OF VIETNAM, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Vietnam Report JSC

MERIT FOR EXCELLENT ENTERPRISE OF THAI NGUYEN PROVINCE 2018, GIVEN TO NUI PHAO MINING COMPANY

Awarded by
Thai Nguyen Provincial People’s Committee

CERTIFICATE OF MERIT OF OUTSTANDING ENTREPRENEUR IN 2018 FOR MR. VU HONG - DEPUTY GENERAL DIRECTOR OF NUI PHAO MINING COMPANY

Awarded by
Thai Nguyen Provincial People’s Committee



GENERAL INFORMATION

- Business overview
- Company Profile
- A journey to be a leading tungsten producer
- MSR Flagship Assets
- Distribution network
- Our Products
- Tungsten chemical production
- Shareholders information



Business overview

Masan Resources is the largest producer of mid-stream tungsten products outside of China. Its flagship asset, Nui Phao polymetallic mine, located in Thai Nguyen province in Northern Vietnam, is the first tungsten mine successfully developed into production over 15 years. Nui Phao has been identified by leading industry analysts, including Roskill and Argus Media Ltd, as one of the world's largest tungsten mines, with a JORC compliant proven and with probable ore reserves of 66 million tonnes (Government license allows for 83.22 million tonnes of tungsten-polymetallic ore of grades B and C1, divided in the following way: (i) open pit mining: 55,192,000 tonnes and (ii) underground mining 28,028,000 tonnes).

Masan Resources, with its experienced management team, local access, strong execution capabilities, international partners and capital raising abilities, has developed the right platform to grow into a leading global tungsten company.

Company profile

Masan Resources Corporation

Công ty Cổ Phần Tài Nguyên Masan

English name

Masan Resources Corporation

Abbreviated name

Masan Resources

Head office

Suite 802, 8th Floor, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

Telephone: +84 28 6256 3862

Fax: +84 28 3827 4115

Website: <https://masangroup.com/masanresources/>

Enterprise Registration Certificate

No. 0309966889 issued by the Department of Planning and Investment of Ho Chi Minh City on April 27, 2010, as amended for the 15th time on October 3, 2018

Charter Capital

VND8,993,091,220,000

Stock code on Unlisted Public Company Market (UPCoM) of HNX: MSR

A journey to be a leading tungsten producer

The Company was established on April 27, 2010 with a view to undertake mining and resources extraction activities as part of the Masan Group. Significant events in the Company's business are set out below:



2011

Acceleration of project development for the Nui Phao Project.

In March, MRC Ltd., an investment vehicle of Mount Kellett Capital Management L.P., became a shareholder, holding 20% of the Company's charter capital.

In December, the National Mineral Reserves Assessment Council acknowledged the results of the Nui Phao Project's resources and reserve grade conversion.

2012

In February, MOIT's official approval of the Nui Phao Project's basic mine design was obtained.

2013

In January, Private Equity New Markets II K/S, an investment vehicle of BankInvest became a shareholder, holding 2.86% of the Company' Charter Capital.

In June, MRC Ltd. increased its stake in the Company to 21% of the Company's Charter Capital.

In August, the Company received Investment Certificate No. 41122000131 from the People's Committee of Ho Chi Minh City.

2014

The Nui Phao Project started commercial production of Tungsten Concentrate and Copper Concentrate on March 1, Fluorspar Acid Grade on June 1, and Bismuth Concentrate on September 1.

Established Nui Phao – H.C.Starck Tungsten Manufacturing LLC ("NHTCM"), a joint venture with HC Stark GmbH of Germany to construct and operate an advanced tungsten chemical factory in Vietnam.

2015

Record production achieved for all four commodities. NHTCM applied for and obtained the Certificate of High Tech issued by Ministry of Science and Technology on April 24.

Achieved design capacity and successfully commissioned the NHTCM Tungsten Chemical factory. Initiatives undertaken to further ramp up production and increase operational efficiencies.

In September, Masan Resources successfully completed its listing on Hanoi's UPCOM exchange.

In September, MSR hosted the 28th International Tungsten Association (ITIA) annual meeting, attended by over 120 global delegates.

2016

Successfully held the first AGM after listing on April 22; ranked as premium on the UPCOM Board of the Hanoi Stock Exchange.

Commercial Production of Bismuth Cement started from July 1.

Continued innovating and investing in upgrades with an introduction of new processes and technology, cost savings measures, changes in business processes and development of new ways of engagement

NHTCM significantly advanced the production volume and revenue of the value added tungsten chemical processing business.

In December, Masan Group, through its wholly owned subsidiaries, successfully completed the tender offer for shares of Masan Resources, thereby providing an exit to Mount Kellett and increasing its ownership in MSR to 93.78%, paving the way for the next round of strategic capital and growth.

2017

Upgrades undertaken on the tungsten circuit have resulted in tungsten recovery increase to 67% with room for further improvement through optimization measures.

A significant price increase across all commodities coupled with an increased operational efficiency allowed MSR to achieve record results in all aspects of production, revenue and net profit.

MSR's global brand recognition, underpinned by high quality and reliable products resulted in over- subscribed order book with new customers.

Commenced procuring third party tungsten raw materials for processing in the NHTCM factory.

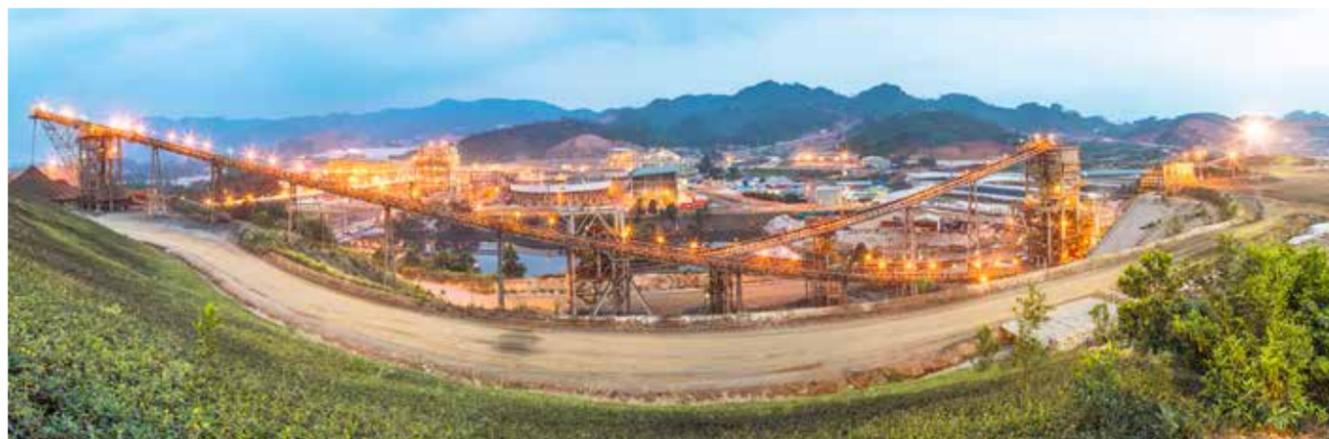
2018

2018 Acquired H.C. Starck GmbH's 49% stake in NHTCM for total cash consideration of USD29.1 million. Subsequent to acquisition, the name of NHTCM has been changed to Masan Tungsten Limited Liability Company ("MTC");

Increased third party raw material procurement by 350% in order to maximize utilization at the MTC as well as to satisfy the growing demand for tungsten chemical products;

MSR Flagship Assets

Nui Phao Mining Company Ltd (NPMC)



The Nui Phao mine, which is operated by Nui Phao Mining Company Ltd (“NPMC”), a wholly owned subsidiary of Masan Resources, is a polymetallic mine situated within three communes (Hung Son, Ha Thuong, and Tan Linh) of Dai Tu District in Thai Nguyen province. The mine is approximately 80 km from Hanoi and is accessible via highway. Road and rail links connect the mine to the nearest ports of Hai Phong and Quang Ninh, from which the products can be shipped to international customers.

As of 2014, the Nui Phao mine’s proven and probable ore reserves are estimated at 66 million tonnes, with an estimated mine life of 20 years.

The major project components are:

- Open pit mine;
- Waste rock disposal facilities;
- Modern mine plant and facilities, including a crushing plant, grinding, thickening, flotation, and gravity recovery facilities;
- An Tungsten Chemicals Factory that processes tungsten concentrate and other tungsten bearing raw materials into higher value-added Sodium Tungstate, Ammonium Paratungstate, Blue Tungsten Oxide and Yellow Tungsten Oxide;
- A Tailings Storage Facility (TSF) with water and tailings management ponds;
- Buffer zones, relocation sites, haul roads, and mine services.

Products from Nui Phao are shipped to worldwide markets from Quang Ninh Port (in Ha Long City, 197 km to the southeast of the Project site). The port is also used to receive equipment and materials required to run the mine.

NPMC operates at the cutting edge of production of its particular product suite. Investment in research and development continues to deliver processing, equipment and chemical improvements. Processing operations are supported by advanced mining and processing management software to maximize recovery and minimize costs and resource loss.

Masan Tungsten Limited Liability Company (MTC)



Masan Tungsten Limited Liability Company, formerly Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing, was established in 2014 as a Joint Venture between HC Starck GmbH, a leading worldwide manufacturer of technological metals and one of the biggest companies in the global tungsten industry, and Nui Phao Mining Company Ltd, a wholly-owned subsidiary of Masan Resources. The objective of the company is to connect NPMC’s business to the global Tungsten market and enable deep processing of Vietnam’s strategic resources into higher value tungsten chemicals, thus enabling further extraction of value from the Vietnamese strategic resources. In August 2018, NPMC acquired the 49% capital contribution by H.C.Starck GmbH in the Joint Venture. The Joint Venture then changed its name to Masan Tungsten Limited Liability Company (“MTC”).

The four main products of the factory used in production of Tungsten and Tungsten Carbides include: APT (Ammonium Paratungstate); BTO (Blue Tungsten Oxide); YTO (Yellow Tungsten Oxide) and ST (Sodium Tungstate).

MTC produces high purity, world-competitive products while operating in Vietnam. This places it among the few tungsten suppliers outside of China who are directly connected to a resource base. The MTC factory has the advantages of:

- secured long term supply source (NPMC) with modern production facilities able to produce high quality products tailored to specific requirements of customers;
- low conversion costs and preferential tax policies;
- positive market reputation by affiliation with a technology and skills provider – H.C. Starck has almost 100 years of experience and is a leading premium supplier of technology metals.
- Technology transfer from H.C. Stark Germany.

These factors have accelerated the acceptance of a Vietnamese business to the world’s tungsten producer map as well as contributed to improved sales performance.

Distribution network

Tungsten Chemicals

Our Hanoi based Sales and Marketing team maintains strong relationships with domestic and international customers. MSR sells the tungsten chemicals products to customers in Asia, North America and Europe. Of our numerous clients, the largest is H.C. Starck (HCS), which has manufacturing operations in Germany and Canada. HCS is globally recognized as having advanced technological processes and capabilities and being a producer of high-quality downstream products

Other significant customers include major industry participants located in Central Europe, USA and Japan. They have a long history and are recognized as producers of advanced materials used in the production of high-performance metals. These valued customers provide a strong consumption base for our expanding production. As our production grows, so does our list of customers. These include manufacturers and traders of varying sizes located around the world.

Our tungsten chemicals are sold for consumption to many different end-user segments. Generally, these are repeat counterparties, many with established long-term contracts. In all cases, sales prices are based upon international prices, which enhances commercial transparency.

Our customer relationship management strategy follows a partnership approach. We work with key personnel at all levels of the customer's organization, thereby allowing the parties to shape and structure the best solutions. As part of our strategy, we encourage non-proprietary exchanges with customers. This sharing of information includes product development, processing technology, and addressing customer specific requirements.

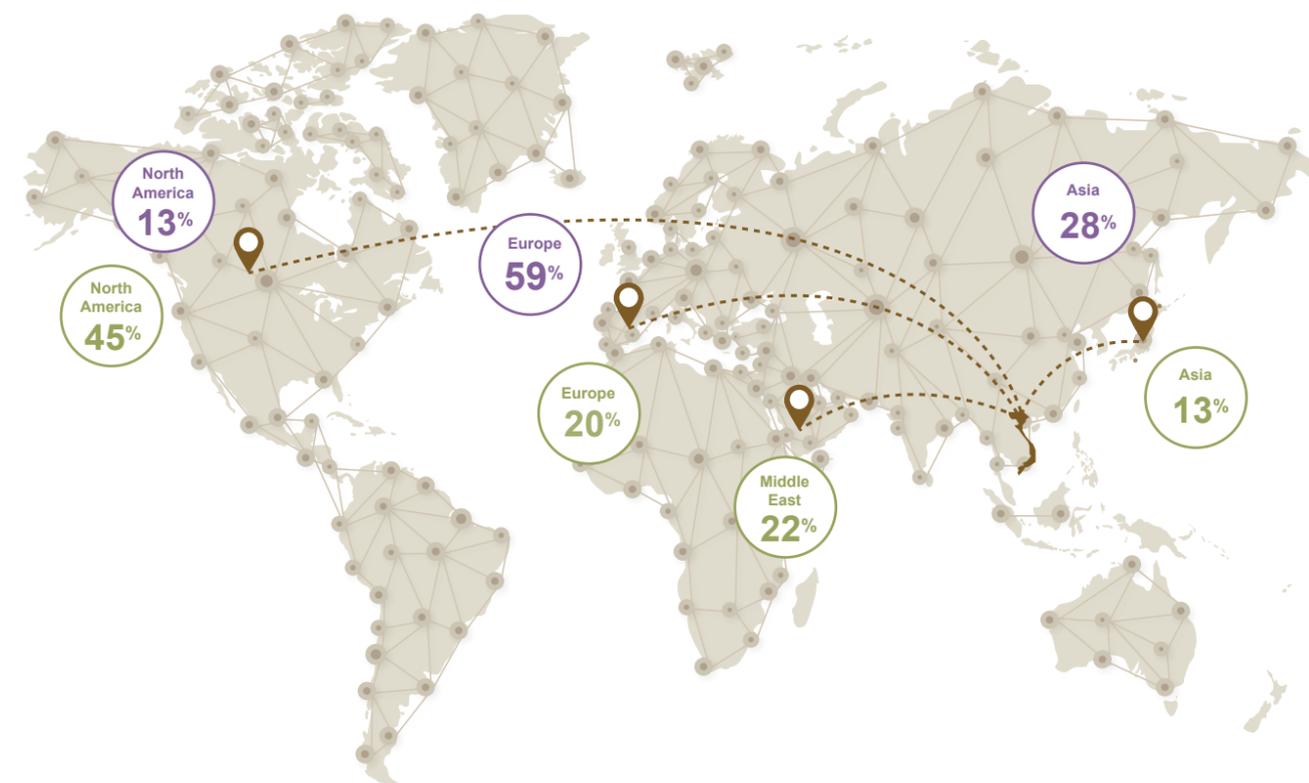
Fluorspar

The marketing, sales and distribution of our fluorspar production is done in cooperation with a major international trading group. This cooperation has resulted in a continuous expansion of the customer list for our high-quality acid grade products. Our Acid Grade Fluorspar is recognized in the market as of superb quality with low impurities and low organic content delivering flexibility and lower cost of processing for many customers.

Our customers are predominantly either producers of hydrofluoric acid or aluminum fluoride. Hydrofluoric acid is used in a broad range of applications including the production of refrigerant gases, glass etching and in the electronics and semiconductor industries. It is also used in the pharmaceutical and medical industries. Aluminum fluoride is a fluxing agent used in the production of aluminum.

Our customer base is spread around the world. This was an intentional part of our strategy, and we now service most major countries where large quantities of fluorspar are consumed. This geographic diversity helps de-risk our business and positions us well for the future. By sensing potential weaknesses in the market of a particular geographical area, we can easily pivot to the remaining markets in different geographical areas.

As with tungsten, our driving philosophy focuses on building enduring relationships with our customers. We offer technical marketing assistance to new and existing customers. This important service helps the customer understand the benefits gained from the unique qualities of our products as well as assisting them with any technical challenges they may face with converting to Masan Fluorspar. With this approach we endeavor to help the customer's business flourish and strengthen and we remain a valued part of their supply chain.



■ Tungsten chemicals
■ Fluorspar



Our products

Tungsten, Fluorspar, Copper and Bismuth produced at the Nui Phao mine are strategic metals that are important for many industries in the world today.

Tungsten (WO₃)

Tungsten is an extremely hard metal with the highest melting point of all metals and good resistance to corrosion.

Our tungsten chemicals end up in a wide variety of applications. Our customers further process the chemicals into carbides and powders, which in turn are further processed into a range of downstream products.

Due to its unique intrinsic properties, tungsten is ideally suited to the needs of all major heavy industries, such as oil & gas, construction, hard metal tooling, energy, automotive and aviation. Tungsten is also an essential element in the steel industry, where its usage ranges from the production of stainless steel, steel alloys to super alloys.

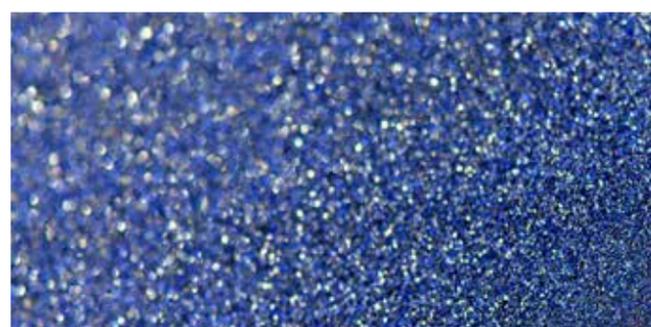
ST

%WO₃ : > 70



BTO

%WO₃ : > 99.8



YTO

%WO₃ : > 99.8



APT

%WO₃ : > 88,5



Fluorspar (CaF₂)

Fluorspar is an industrial mineral with a number of downstream uses. Its most notable uses are in the production of hydrogen fluoride (HF), various steel and aluminum products, glass and ceramic manufacture and in the growing nitrogen trifluoride (NF₃) sector. As examples of products, air conditioners, Teflon products and fluoxetine medicines all use downstream processed fluorspar.

HF is primarily used in the production of refrigerants, fluoropolymer coating and many other pharmaceutical and research purposes. In the steel and aluminum industry, smelting fluorspar is used to enhance the quality of end products. In the manufacture of glass and ceramics, fluorspar is used to make translucent glass and opaque enamels. Nitrogen fluoride is a cleaning gas used in the manufacture of semi-conductors and LCD screens.



Copper (Cu)

Copper is a soft and malleable metal, and is, after silver, the best natural conductor of heat and electricity.

The largest use of copper is in the manufacture of electrical cables and wiring. The construction industry is the major consumer of copper through electrical systems as well as in plumbing. Its corrosion resistance as well as its aesthetic appeal have made it popular in roofing, and it is commonly found in the construction of domes, spires and doors. Copper has nutrient qualities and is used as a fungicide in the protection of crops and plants as well as enriching the soil. When copper is mixed with zinc it produces brass, which is also used in a variety of industrial applications.



Bismuth (Bi)

Bismuth is a base metal with consumer and industrial applications.

For the consumer, bismuth-based chemicals are used in the health and pharmaceutical sector through radiation protection and medicines for treatment of nausea, indigestion and ulcer diseases. Due to its non-toxicity, it has also found use in cosmetics. Industrially, Bismuth is used as a non-toxic pigment in the production of certain paints and in the manufacture of electrical components. Bismuth is also used as a catalyst for vehicular emissions control, as well as in the production of reliable work holding devices for heavy machinery such as turbines.





Clean Technica

Tungsten applications

Tungsten is a rare, earth transition metal. Its use in heavy industries is well-documented and is attributed to its superior physical properties, such as high melting temperatures and hardness. However, tungsten together with its compounds is becoming of growing importance to electronics and display technologies and certain niche applications.

Scanning electron microscope image of tungsten oxide nanowires

In addition to its use as a filament in incandescent light bulbs, it is being increasingly used as a material of choice in the design of field emission guns, used in electron microscopes¹, integrated circuits (ICs), and, due to its high molecular density, as a shielding material from high-energy radiation sources. Tungsten is also used in the nanoelectronics technology for fabrication of nanowires², due to its high surface to volume ratio, with the expected applications as ph (potential of hydrogen) probes and gas sensors.

Smart window used in newest generation of Boeing 787 aircraft

Oxides of tungsten have been shown to exhibit the electro-chromic (EC) effect, i.e. have the ability to reversibly change colour under the influence of an external field. This effect has been used in display technologies^{3,4} to create smart windows, i.e. windows whose optical transparency can be increased or decreased. For example, the latest aircraft by Boeing 787⁵, instead of plastic window shades uses smart glass in order to allow the passengers to electrically adjust the level of sunlight and visibility. It is expected that the production of smart windows will increase and by 2021 its contribution to the construction market will increase to \$1.3 billion, compared to \$280 million in 2016⁶.

One of the niche applications of tungsten lies with the jewellery industry, where metallic tungsten has drawn a great deal of attention, due to its fashionable appearance. The above mentioned use of tungsten for future applications is, by no means, exhaustive. Rather, it is meant to show that tungsten is finding increasing use for different applications, in addition to its traditional use in heavy industries.

1. Schey, John A. (1987). *Introduction to Manufacturing Processes* (2nd ed.), McGraw-Hill, Inc.

2. Li Yadong. "From Surfactant-Inorganic Mesostructures to Tungsten Nanowires". *Angewandte Chemie International Edition*, Volume 41, Issue 2, pages 333–335, January 18, 2002, doi:

10.1002/1521-3773(20020118)41:2<333::AID-ANIE333>3.0.CO;2-5.

3. C. M. Lampert, "Smart windows switch on the light," *IEEE Circuits and Devices Magazine*, vol. 8, issue no. 2, pp. 19-26, March 1992.

4. Dane T. Gillaspie, Robert C. Tenent and Anne C. Dillon, "Metal-oxide films for electrochromic applications: present technology and future directions", *Journal of Materials Chemistry*, doi: DOI: 10.1039/c0jm00604a, June 2010.

5. https://en.wikipedia.org/wiki/Boeing_787_Dreamliner

6. https://www.researchandmarkets.com/research/5ngw3r/smart_windows

7. http://shop.smarttint.com/Aviation-application-for-Smart-Tint_b_5



Engine



Smart window used in newest generation of Boeing 787 aircraft⁷

Tungsten for a cleaner environment

Tungsten is the heaviest chemical element known to be biologically active. Its toxicity is rather low, especially when compared to other metals, however, this is the subject of ongoing studies. In the strive for a cleaner environment, lead has been identified as one of the metals that needs urgent replacement. According to the US Government's Top 100 Hazardous Substances Priority list¹, lead is ranked second. Furthermore, the US Environmental Protection Agency has listed lead as a toxic chemical and have set threshold limits for its concentrations in the air, soil, water and vegetation.

Due to the molecular density similarities between lead and tungsten, tungsten has been proposed as a possible substitution of lead. However, a higher cost and a greater level of machining difficulty of tungsten have often been cited as big obstacles to its introduction, despite its greater level of recycling compared to lead.

An alternative lies with tungsten polymer composites^{2,3}. It is a composition of various resins and tungsten powders, which are mixed together to create thermoplastic tungsten, with the final material density matching that of lead². Such a material is easily malleable, has no toxic constituents and it is resistant to corrosion by weather elements. In addition to its easily mouldable shapes, thermoplastic tungsten exhibits no harmful effects while handling/processing and can be recycled without any without detrimental effects to the environment, making it a viable alternative to lead. In addition to being a good substitute for lead, tungsten polymers have also been proposed to replace depleted uranium in certain applications. The main reasons for this lay in the similarities in the similar densities of depleted uranium and tungsten composites, however, tungsten composites bear no health risks.

The demand for tungsten is set to continue in future. This, coupled with the dire need for an alternative for lead, is also predicted to increase the cost of tungsten composites, which makes it an attractive investment opportunity.

1. <https://www.atsdr.cdc.gov/SPL/index.html>

2. <https://www.tungstenheavypowder.com/lead-replacement-sustainability/>

3. <http://tdmfginc.com/portfolio-item/tungsten-polymer>

4. <http://www.tungsten-polymer-radiation-shielding.com/tungsten-polymer-industry-radiation-shielding.html>



Advance aerospace disc manufacturing facility



Turbine Aerofoils

Fluorspar applications

Fluorspar is the commercial name for the mineral fluorite, CaF_2 . In its pure form it consists of 51.1% calcium (Ca) and 48.9% fluorine (F). In nature however, small amounts of silicon, aluminium and magnesium are usually present due to impurities. Fluorspar is found in a wide range of geological environments; however, it most commonly occurs as vein fillings in rocks that have been subjected to hydrothermal activity¹. These veins often contain metallic ores which can include sulphides of tin, silver, zinc, copper and other metals.

Commercial fluorspar is graded in accordance to its quality. The grades depend on the content of fluorspar and the associated amounts of impurities (calcite, quartz, sulphur, arsenic and lead). The grades are:

- Acid grade - contains a minimum of 97 % of fluorspar, with the remaining 3 % being various impurities
- Ceramic grade – contains 85 % - 96 % fluorspar, with the remaining 4 % - 15 % being various impurities
- Metallurgical grade – contains between 60 % and 84 % of fluorspar, with the remaining 16 % to 40 % being various impurities

The grade of fluorspar determines its end-use. According to¹, almost two thirds of all fluorspar is of acid grade and is predominantly used in the production of hydrofluoric acid (HF), while approximately one third of fluorspar is of metallurgical grade and primarily used as a flux in steelmaking and in the production of aluminium. A small amount of fluorspar is of ceramic grade, where it is used in the manufacture of specialty glass, ceramics and enamelware.

HF is a highly corrosive acid, capable of dissolving glass and many other materials, primarily oxides. Due to its highly corrosive characteristic, it is used in many industries, such as chemical, mining, refining, glass finishing, silicon chip manufacturing and cleaning. Approximately 60 % of global HF production is used in various fluorochemical applications, such as refrigerants, non-stick coatings, medical propellants and anaesthetics, whereas smaller amounts of HF are used in petroleum alkylation², and as a pickling agent for metal etching in the electronics industry. Furthermore, HF is also used for cleaning of silicon wafers, glass etching and in the production of polished and frosted glass².

In addition to the above specifications of fluorspar, fluorspar can be further differentiated in accordance to its optical characteristics. Two grades can be distinguished here:

- Optical grade fluorspar. Specimens of fluorspar with exceptional optical clarity are used as lenses, used in microscopes, telescopes and cameras.
- Lapidary grade fluorspar. Samples of fluorspar with attractive colour properties and clarity are used to cut gemstones and makes ornamental objects. Some high quality specimens have an ornamental use and can be carved into figurines and vases.

1. T. Bide, G. Gunn, T. Brown and D. Rayner, "Fluorspar, ", *British Geological Survey (2011)*, available online at: www.MineralsUK.com.

2. *Hydrofluoric acid*, available online: https://en.wikipedia.org/wiki/Hydrofluoric_acid



Bismuth applications

Bismuth is a diverse product used in a variety of applications. Pharmaceuticals and chemicals producers as well as consumers of bismuth metal alloys absorb the majority of production.

Known for its good antibacterial properties, it is used widely in medical applications. It is used to treat diseases like gastritis, peptic ulcers and even gastric cancers. Many over-the-counter stomach settling remedies also include bismuth as the active ingredient, with some bismuth medicinal compounds also used to treat burns, intestinal disorders, and stomach ulcers in humans and animals. Historically, it was also used in the treatment of syphilis.

The use of bismuth in cosmetics dates back to ancient Egypt and is today used increasingly as a pigment in paint for eye shadows, hair sprays and nail polishes. Its luster makes it ideal for cosmetics. Pigments produced from bismuth are also used in the manufacture of paints and ceramics.

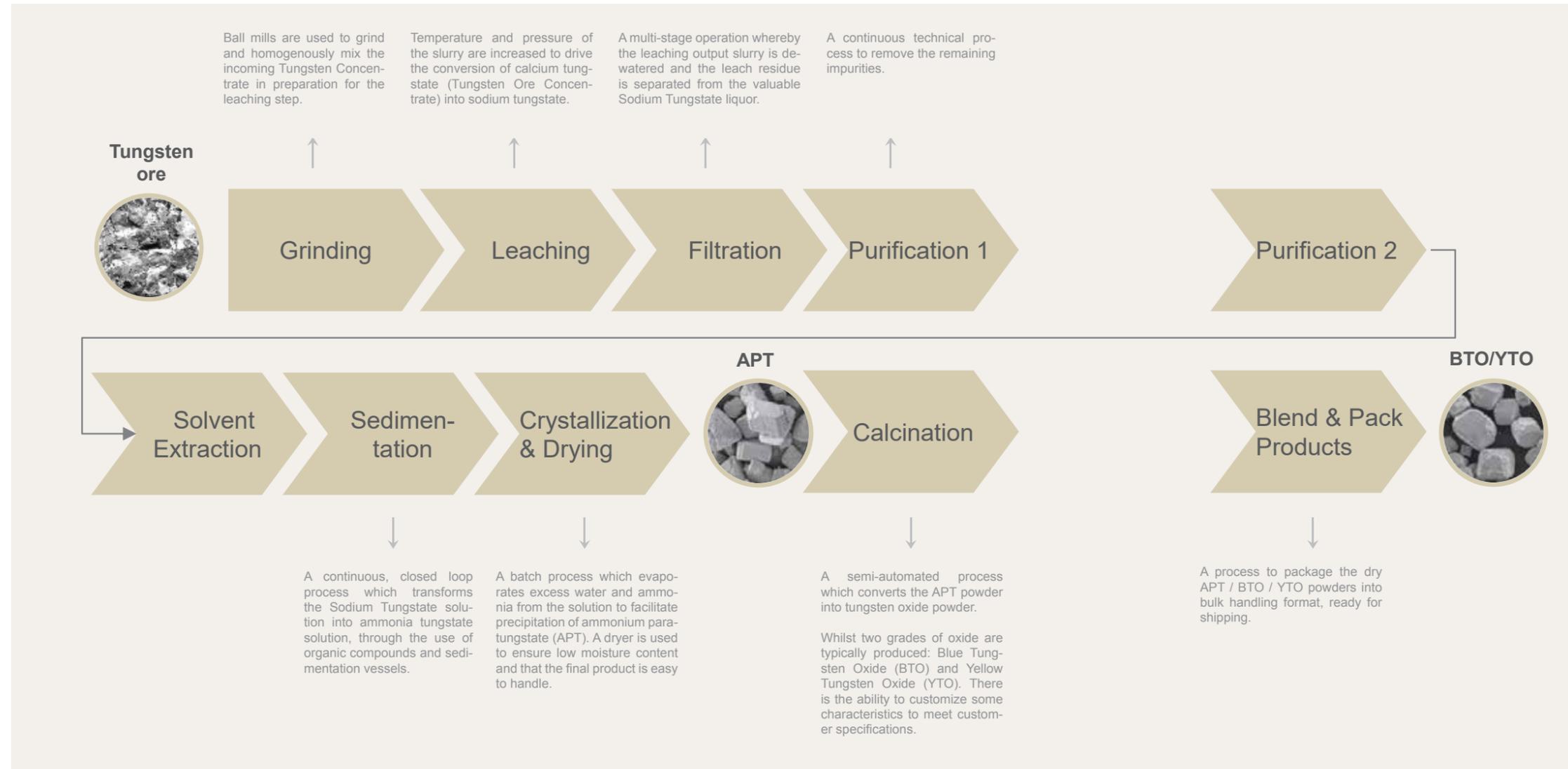
With an increasing focus on reducing the consumption of lead globally, bismuth alloys have found roles as efficient substitutes. Its low melting point has increased its use in electronics and its low toxicity makes it ideal for use in food processing equipment and copper water pipes. The medical industry has also found it to be a highly effective in X-ray shielding.

In some jurisdictions it is has even been legislated as a replacement for lead shot used in hunting and as sinkers for fishing.



Tungsten chemical production

The following is a brief description of the current chemicals production of Masan Resources. The plant is designed to process total amount of tungsten concentrate supplied by NPMC, and tungsten concentrate and tungsten bearing materials purchased from third party into high grade Ammonium Paratungstate (APT) via chemical digestion followed by physical and chemical purification and, finally, crystallization. APT which is then packaged for sale, or undergoes calcination to produce tungsten oxides for sale.



No.	Name of product	Content (WO ₃)	Design Capacity (tpa)	Current Capacity (tpa)
1	Ammonium Paratungstate ("APT")	>88.5%	2,000	2,500
2	Blue Tungsten Oxide ("BTO")	>99.62%	2,200	3,600
3	Yellow Tungsten Oxide ("YTO")	>99.62%	1,100	1,900
4	Sodium Tungstate (ST)	>71%	0	1,350
	Tungsten concentrate feed (TC)	50+%	11,000	19,000



Shareholders information

Shareholders structure

The shareholder structure of the Company as of December 28, 2018 is as follows:

No.	Shareholder Structure	28/12/2018			Shareholding percentage
		Number of Shareholders	Number of shares held	Value (by par value) (VND)	
1	Domestic Shareholder	953	881,045,327	8,810,453,270,000	97.97%
	Institutions	10	863,477,420	8,634,774,200,000	96.02%
	Individuals	943	17,567,907	175,679,070,000	1.95%
2	Foreign Shareholders	29	18,263,795	182,637,950,000	2.03%
	Institutions	1	3,975,607	39,756,070,000	0.44%
	Individuals	28	14,288,188	142,881,880,000	1.59%
Total		982	899,309,122	8,993,091,220,000	100.00%

Source: List of shareholders of the Company provided by VSD.

List of shareholders holding at least 5% of the charter capital of the Company

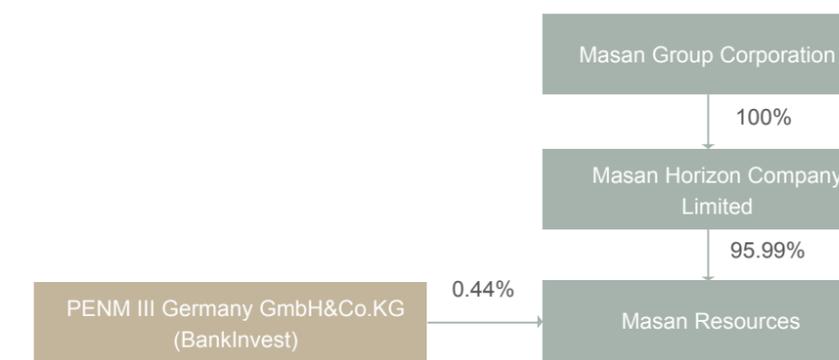
The list of shareholders holding at least 5% of the Charter Capital of the Company as of December 28, 2018 is as follows:

No.	Shareholder Structure	Number of shares held	Value (by par value) (VND)	Shareholding percentage
1	Domestic Shareholder			
	Masan Horizon	863,270,140	8,632,701,400,000	95.99%

Source: List of shareholders of the Company provided by VSD.

Major shareholders - Investors

Ownership Structure of Masan Resources as of December 28, 2018:



Institutional shareholders

Domestic Shareholder Masan Group Corporation

Masan Group Corporation (the controlling shareholder through its wholly-owned subsidiary, via Masan Horizon).

Masan Group Corporation's businesses include Masan Consumer Holdings, the producer of some of Vietnam's most trusted and loved brands across many food and beverage categories (such as Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Vinacafe, Wake-up, Vinh Hao and Su Tu Trang), and Masan Nutri-Science, Vietnam's largest local animal feed nutrition company (with brands such as Proconco and ANCO). Masan Group Corporation's other businesses include Masan Resources, one of the world's largest producers of tungsten and strategic industrial minerals, and an associate, Techcombank, a leading joint stock commercial bank in Vietnam.

Foreign Shareholders PENM Partners

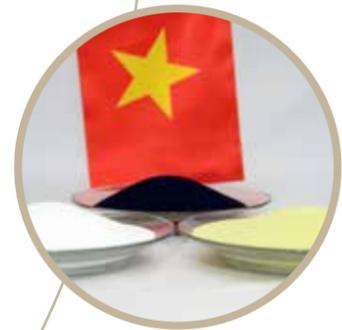
In 2013, Private Equity New Markets II K/S (currently PENM III), an investment entity managed by BankInvest, invested VND 578 billion in Masan Resources by subscribing to mandatory convertible preference and ordinary shares. By December 2018, PENM sold all of its preference shares to MH, and now holds only 3,975,607 ordinary shares (equivalent to 0.44% of the total shares in circulation).



D

VELOPMENT STRATEGIES

- Company development objectives
- Social development objectives
- Masan Resources' execution strategy
- Evaluation of Masan Resources's execution strategy
- Masan Resources midterm strategies



Company development objectives

MSR aim to provide industrial chemical products from tungsten, fluor-spar and bismuth with superior quality to our customers in all key global industries focusing more towards strategic and high-tech customers;

We pride ourselves on working together with our customers to continuously support developing specific products and product efficiencies and emergent industry initiatives.

Social development objectives

Ensure our industrial chemical products remain the leading products in the eyes of our customers;

Maintain the most efficient manufacturing facilities to maintain strong cost effectiveness in the market;

Continuous work to enhance our processes and systems, to support the changing needs of industrial customers;

Safeguard the ecosystems of our people, our environment, our stakeholders; and,

Ensure superior financial results on a long-term sustainable basis.

Masan Resources' execution strategy

Our execution strategy for building our business is focused around three key areas:

Local knowledge and understanding to facilitate project execution and asset optimization

Masan Resources believes that a strong local understanding of community concerns and local sensitivities is critical for successful project development. We have been able to create a favorable business environment to develop operate and optimize the Nui Phao mine and processing facility and the Masan Tungsten Chemicals Factory by working proactively with our local communities.

Use our ability to access to capital and cash flows to acquire and develop quality assets

On identification of value accretive scalable assets, Masan Resources has the ability to access internal and external capital to acquire, develop and stabilize these assets to insure the realization of sustainable long-term shareholder value.

De-risking projects through the Masan platform

Masan Resources is hedged against commodity price fluctuations through the diversification of its portfolio of metals and minerals. Masan Resources' low operational and financial risk is a result of its management's ability to leverage their and Masan Group's vast investor and partner network.

Evaluation of Masan Resources' execution strategy in the context of industry strategy, state policies and the global trends

Masan Resources commits to deliver shareholder value by leveraging its four development pillars:

Organic and inorganic growth

As part of Masan Resources' approach to operations, we are constantly seeking to grow organically by optimizing our existing businesses to maximize productivity and efficiency. Through both research and development, and margin-led improvement plans we aim to continuously reduce our unit cost of production.

Masan Resources is seeking to acquire value accretive, strategically positioned, sustainable, low cost complimentary assets.

Consistent focus on cost discipline and improving productivity

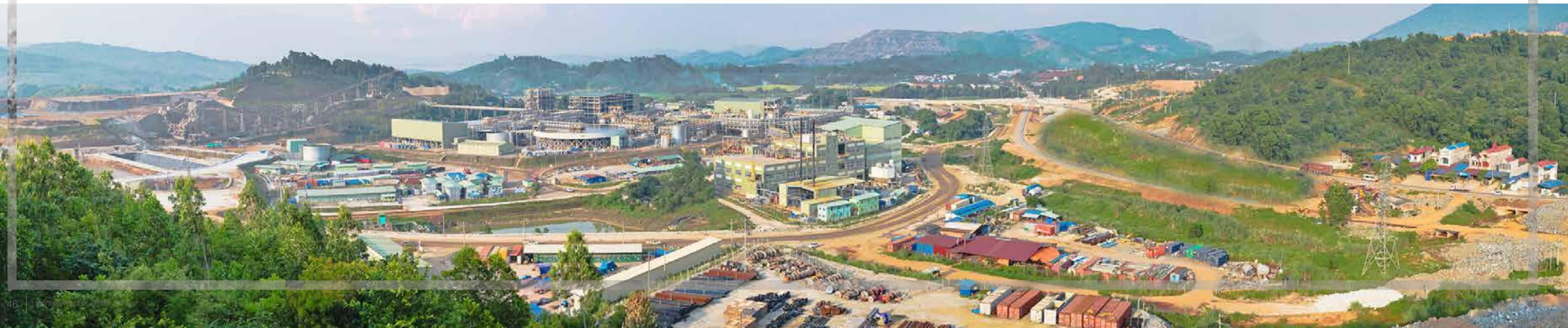
Tungsten as an industry is a long-term play. Masan Resources' consistent focus on cost discipline combined with relentless efforts to improve productivity and customer experiences, enhances its ability to make long-term investment decisions and enables it to withstand pricing and market volatility.

Long-term capital

Masan Resources tailors its capitalization structure to that of the operational profile of its assets. Our listing on UPCOM allows us to minimize our cost of funds going forward as it provides lenders and strategic long-term investors a 'liquid currency' to better manage their risk appetite. Masan Resources through direct investment in research and development activities is also looking to ensure the long-term sustainability of its business.

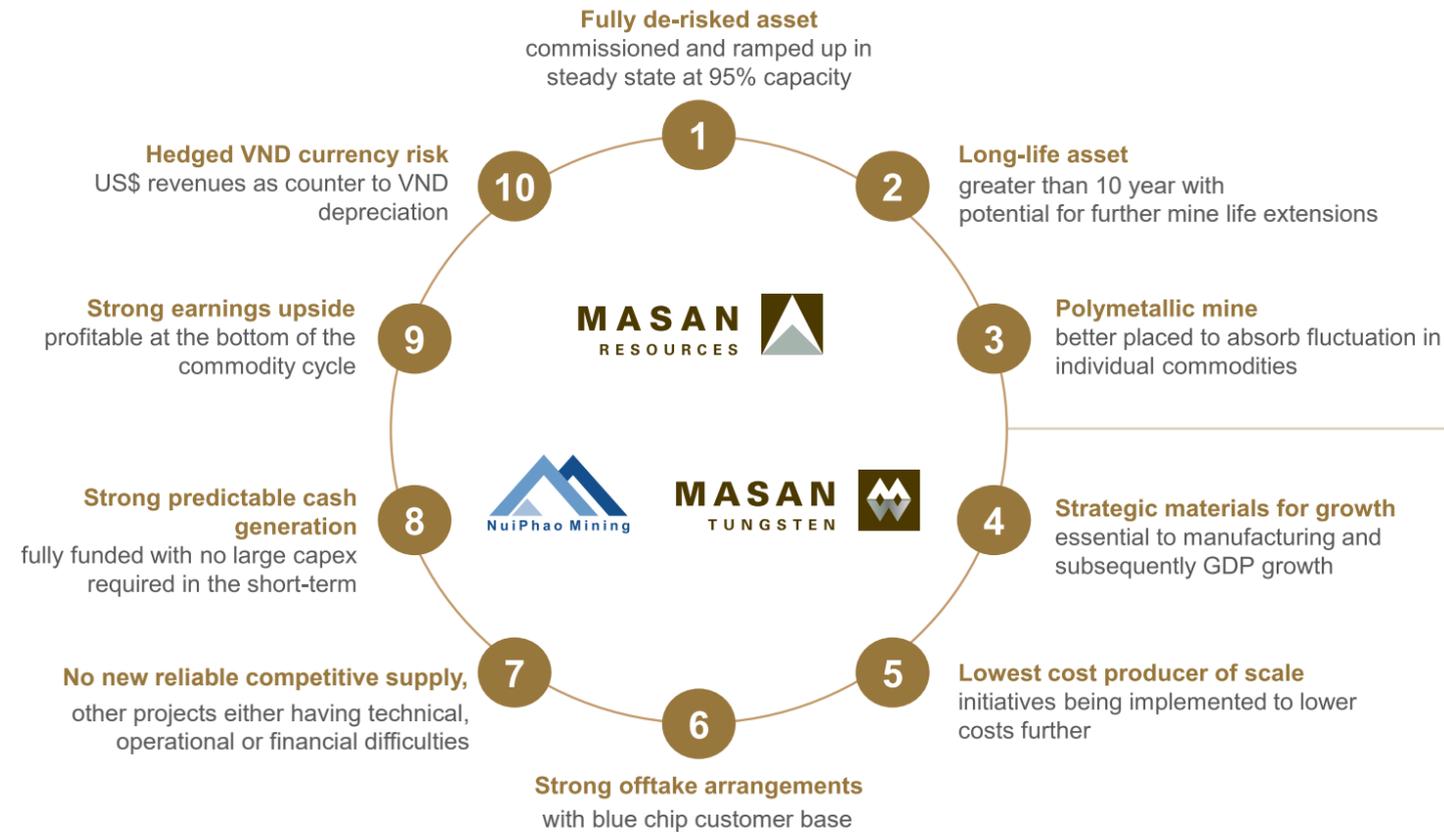
Leadership

Masan Resources, as a strategically important enterprise in Vietnam and in the global tungsten market, will continue to leverage its leading market position to set new industry standards, both domestically and internationally, for operational efficiency, social and corporate governance, and safety. Our industry leadership position allows us the 'first-look' at accretive opportunities on which we intend to selectively capitalize and grow shareholder value. Masan Resources will also seek to positively influence the development of supportive government policy and industry practices by taking leadership roles in local and international industry advocacy groups.



Masan Resources midterm strategies

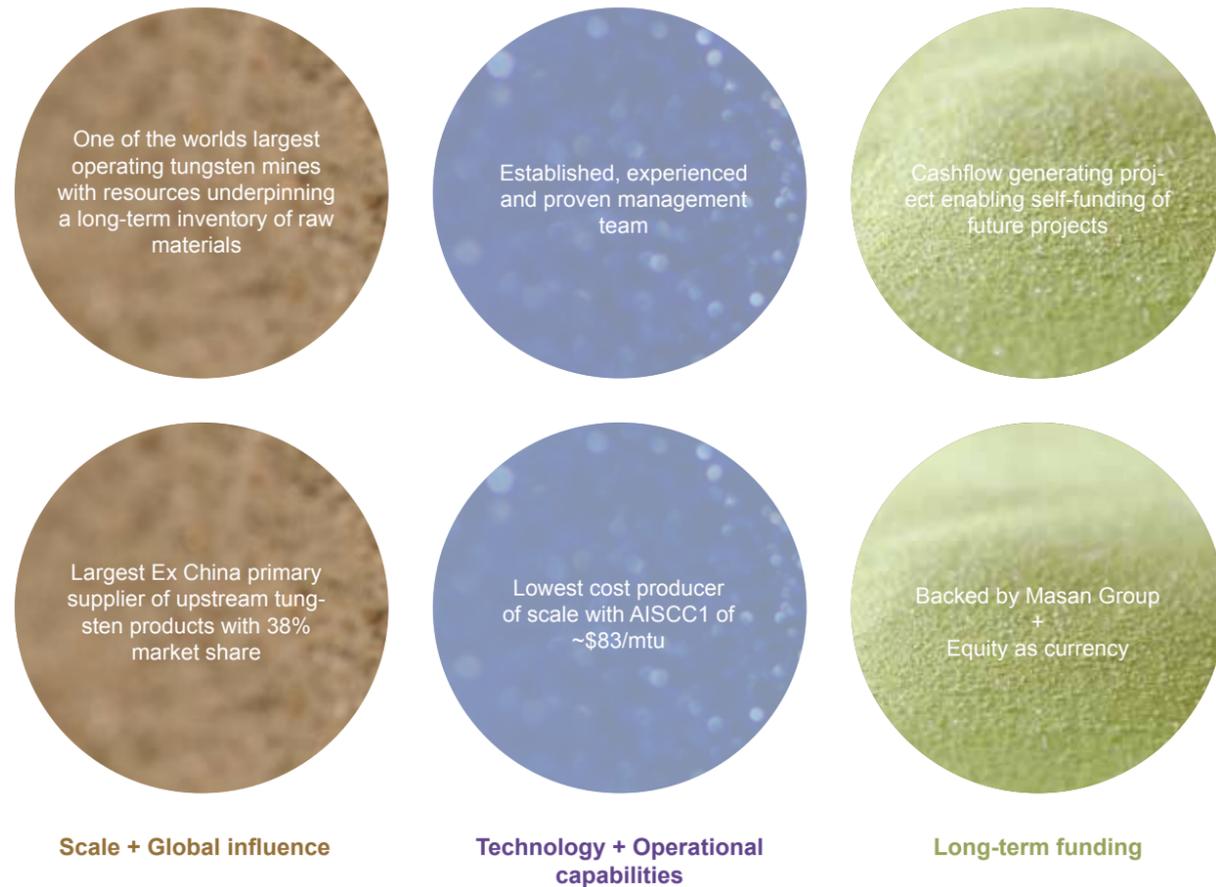
Building on the first tungsten success story over 15 years as a steady platform



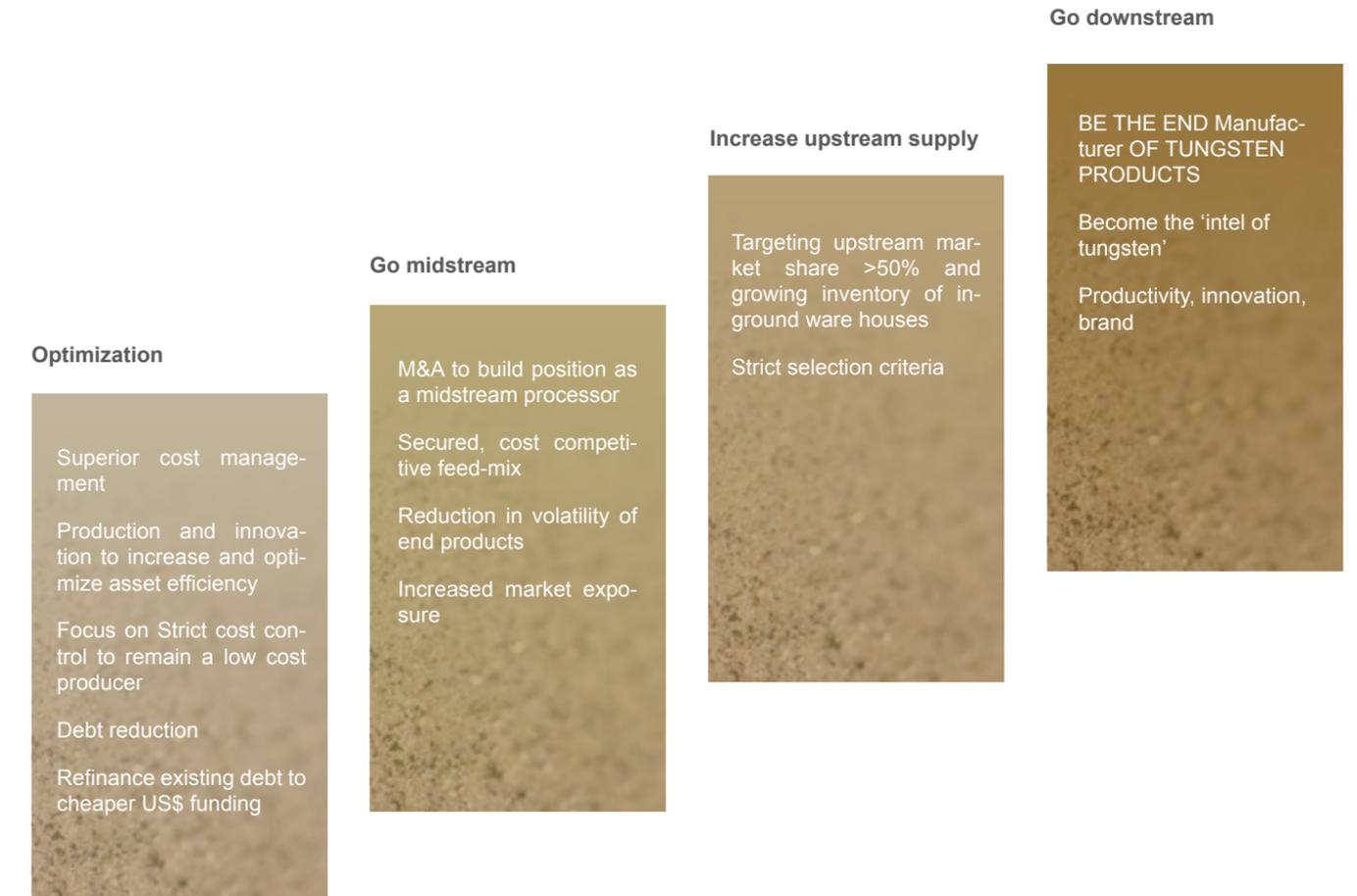
To Masan Resources mid-term objectives



To act on market opportunities...



To transform the market and become a consumer focused company





G

ROUP STRUCTURE & MANAGEMENT

Group Structure

Management Structure

- *General Meeting of Shareholders*
- *MSR Board of Directors*
- *MSR Management Team*
- *Supervisory Board*
- *Sustainability Committee*
- *Risk Committee*

Group structure

Holding company

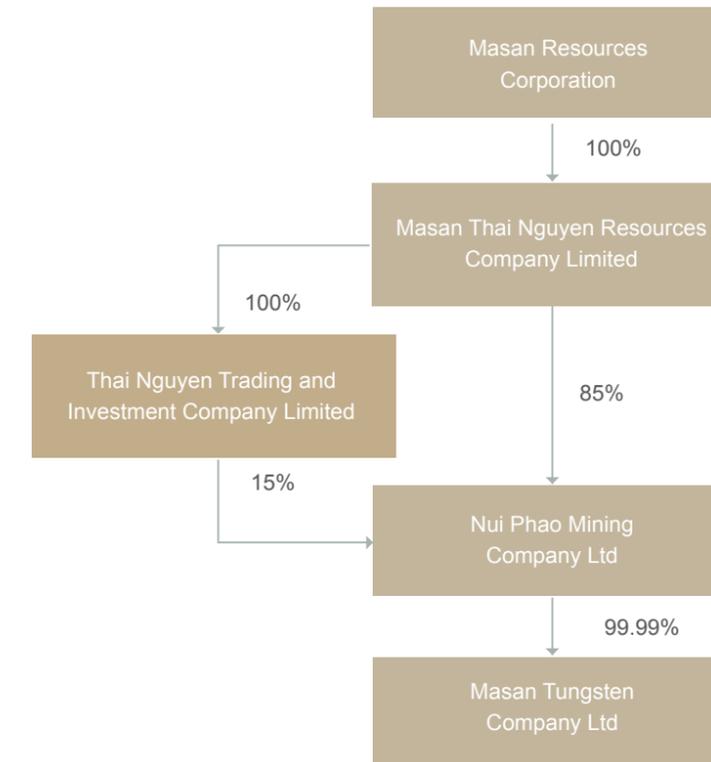
Masan Resources Corporation (MSR)

General information

Company name	: Masan Resources Corporation
Address	: Suite 802, 8 th Floor, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	: +84 8 6256 3862
Fax	: +84 8 3827 4115
Enterprise Registration Certificate	: No. 0309966889 issued by the Department of Planning and Investment of Ho Chi Minh City on April 27, 2010, as amended for the 15th time on October 3, 2018
Registered charter capital	: VND8,993,091,220,000
Contributed capital in Company	: VND8,993,091,220,000
Website	: www.masangroup.com/masanresources
Major business sectors	: <ul style="list-style-type: none"> • Market research and public survey (details: market research); and • Management consultancy (details: investment and management consulting services, excluding financial services).

Organizational structure of Masan Resources

The corporate structure of Masan Resources is set out in the diagram below:



Consolidated subsidiaries**Masan Thai Nguyen Resources Company Limited (MRTN)****General information**

Company name	: Masan Thai Nguyen Resources
Address	: Suite 802, 8 th Floor, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	: +84 8 6256 3862
Fax	: +84 8 3827 4115
Enterprise Registration Certificate	: No. 0309960069 issued by the Department of Planning and Investment of Ho Chi Minh City on May 7, 2010, and amended for the 5 th time on June 17, 2016
Registered charter capital	: VND 5,140,335,573,000
Contributed capital in Company	: VND 5,140,335,573,000
Capital contribution ratio of the Company	: 100% of charter capital
Major business sectors	: <ul style="list-style-type: none"> • Market research and public survey (details: market research); and • Management consultancy (details: investment and management consulting services, excluding financial services).

Thai Nguyen Trading and Investment Company Limited (TNTI)**General information**

Company name	: Thai Nguyen Trading and Investment Company Limited
Address	: Suite 802, 8 th Floor, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	: +84 8 6256 3862
Fax	: +84 8 3827 4115
Enterprise Registration Certificate	: No. 0310352925 issued by the Department of Planning and Investment of Ho Chi Minh City on October 15, 2010, as amended for the 6 th time on April 17, 2014
Registered charter capital	: VND1,624,861,500,000
Contributed capital in Company	: VND1,624,861,500,000
Capital contribution ratio of the Company	: 100% of charter capital
Major business sectors	: <ul style="list-style-type: none"> • Management consultancy (details: investment and management consulting services, excluding financial and accounting consulting services); • Advertising; • Market research and public survey (details: market research); • Extraction of precious and rare minerals (not operating at the head office); • Extraction of non-ferrous metals (not operating at the head office); • Trade promotion; and • Financial support services, not classified (details: investment consulting services, excluding legal, financial and accounting consulting services).

TNTI was incorporated on October 15, 2010 as a one-member limited liability company to carry out the business of consultancy (excluding financial and accounting consultancy), advertising, market research and trading promotion. Among the group of companies established to develop the Nui Phao Project were MRTN, NPMC and TNTI.

Nui Phao Mining Company Ltd. (NPMC)**General information**

Company name	:	Nui Phao Mining Company Limited
Address	:	Hamlet 2, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
Telephone	:	+84 4 37182490
Fax	:	+84 4 37182491
Enterprise Registration Certificate	:	No. 4600864513 issued by the Department of Planning and Investment of Thai Nguyen Province on July 5, 2010, as amended for the 9 th time on October 24, 2014
Registered charter capital	:	VND4,789,010,000,000
Contributed capital in Company	:	VND4,789,010,000,000
Capital contribution ratio of the Company	:	100% of charter capital
Major business sectors	:	<ul style="list-style-type: none"> • Extraction of precious metal ores (exploitation, processing of tungsten, fluorspar, copper, bismuth and gold); • Extraction of other non-ferrous containing ores; • Architecture and related technical consulting (geological and water resource exploration (mineral exploration)); • Assistance service activities for mining of other, not mentioned above, ores; • Production of precious metal ores; • Sale of the metals and metal ores (excluding sale and purchase of gold bars); • Management consultancy; • Other special office assistance; and • Import and export of the products traded by the Company.

Masan Tungsten Limited Liability Company (MTC)**General information**

Company name	:	Masan Tungsten Limited Liability Company
Address	:	Hamlet 2, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
Telephone	:	+84 4 73075588
Fax	:	+84 4 37182491
Enterprise Registration Certificate	:	No. 4601163743 issued by the People's Committee of Thai Nguyen province on January 15, 2014, amended for the 7 th time on October 16, 2018
Registered charter capital	:	VND 1,250,000,000,000
Contributed capital in Company	:	VND 1,250,000,000,000
Capital contribution ratio of the Company	:	100% of charter capital
Major business sector	:	Manufacture of non-ferrous metals and rare metals (processing tungsten for export or domestic trade).

Management structure

General Meeting of Shareholders

The General Meeting of Shareholders is the supreme authoritative body of the Company. The annual General Meeting of Shareholders shall be organized once a year. The annual General Meeting of Shareholders shall be convened within 4 months from the end of the financial year, or as may be extended, but not beyond 6 months as from the end of the fiscal year, to the extent permitted by the business registration authority and at the request of the Board of Directors.

MSR Board of Directors

The Board of Directors is responsible for the overall management and direction of the Company. The Board of Directors typically meets when required, but at least every quarter, to review and monitor the Company's financial position and operations.

The current Board of Directors comprises four (4) members. The term of the Board of Directors is five years. The term of each member of the Board of Directors shall not exceed five years, with a possibility of re-election at the end of the term. The Board of Directors may elect, dismiss or remove the Chairman of the Board of Directors.

List of members of the Board of Directors



Mr. Chetan Prakash Baxi
Chairman of the Board of Directors

Independent BOD member since
December 20, 2013



Dr. Nguyen Dang Quang
Member of the Board of Directors

Non-Executive BOD member since
February 18, 2013



Mr. Nguyen Thieu Nam
Member of the Board of Directors

Non-Executive BOD member since
February 18, 2013



Mr. Nguyen Van Thang
Member of the Board of Directors

Independent BOD member since
April 22, 2016



Mr. Dominic John Heaton*
Member of the Board of Directors

Non-Executive member*
April 22, 2016

* Mr Dominic John Heaton: submitted his resignation letter dated July 26, 2018

MSR Management Team

List of members of the Management Team



Mr. Craig Richard Bradshaw
Chief Executive Officer

Mr. Craig Richard Bradshaw (Chief Executive Officer) has over 25 years' experience in the mining business, spanning mining and processing operations, logistics, and sales and marketing in Australia, Thailand and Lao PDR. Mr. Bradshaw was previously Senior Commercial Manager for Lang Xang Minerals Ltd Sepon Mine. He has also previously served as the Country General Manager for Thailand for Toll, Australia's largest fully integrated logistics service provider. Prior to this Mr Bradshaw worked in management roles for Mount Isa Mines Limited ("MIM") and Xstrata.



Mr. Nikhil Kamran
Chief Financial Officer
(resigned on August 23, 2018)

Mr. Nikhil Kamran (Chief Financial Officer) Mr. Nikhil Kamran has more than 13 years of financial experience across a range of sector including real estate, gaming, lodging, agriculture and media. Prior to joining Masan Resources, Mr. Kamran was the Director of Finance at a private equity company where he originated and managed mandates that ranged from corporate finance, corporate restructuring, M&A and IPOs. Mr. Kamran graduated from the University of Pennsylvania, USA.

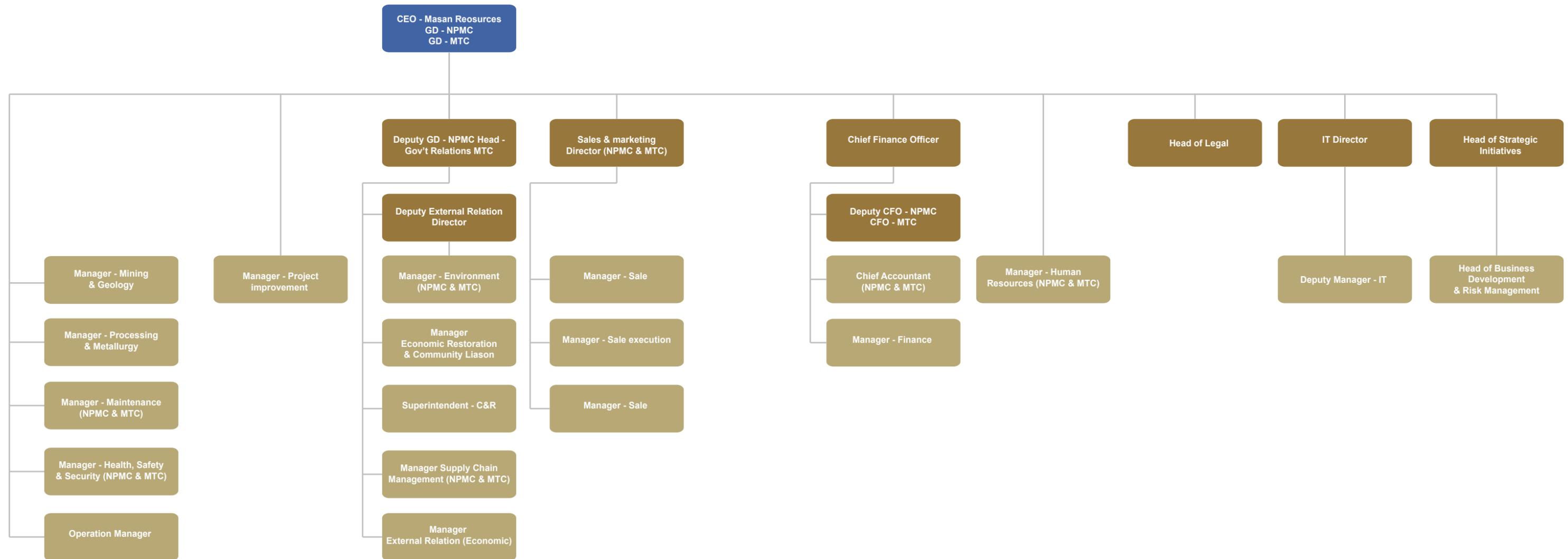
On August 23, 2018, due to personal reason, Mr. Kamran submitted his resignation letter from the position of Chief Financial Officer of MSR which was approved by the Board of Directors.



Ms. Nguyen Thi Thanh Mai
Chief Accountant

Ms. Nguyen Thi Thanh Mai is a Bachelor of Accounting at National Economics University and holds an Auditor Certificate issued by the Ministry of Finance. She has more than 10 years of experience in auditing at Arthur Andersen Vietnam Limited Company and KPMG Limited. Prior to joining MSR, she was the Chief Accountant in charge of accounting, finance and tax at Ban Phuc Nickel Mines Limited Liability Company for 12 years.

The Organization chart of MSR



Management structure of NPMC

Members of the Members' Council of NPMC

The rights and obligations of the Members' Council, the Chairman and the General Director are regulated by the charter of NPMC. According to the charter of NPMC, the Members' Council is the highest decision-making body of NPMC and consists of a maximum of four (04) members, of which up to three (03) members are to be appointed by MRTN and one (01) member is to be appointed by TNTI.

The Members' Council is responsible for the management of the businesses and for the appointment of principal senior management of NPMC. Chairman of the Members' Council is nominated by MRTN and elected by the Members' Council. The term of office of the Chairman is five years, and can be re-elected without any limit.

List of the members of the Members' Council of NPMC



Dr. Nguyen Dang Quang

Chairman of the Members' Council

Non-Executive MC member since July 1, 2010



Mr. Nguyen Van Thang

Deputy Chairman of the Members' Council

Independent MC member since November 9, 2010



Mr. Nguyen Thieu Nam

Member of the Members' Council

Non-Executive MC member since July 01, 2010



Mr. Chetan Prakash Baxi

Member of the Members' Council

Independent MC member since June 02, 2014

Management Team of NPMC



Mr. Craig Richard Bradshaw
General Director

Mr. Craig Richard Bradshaw (General Director) has over 25 years' experience in the mining business, spanning mining and processing operations, logistics, and sales and marketing in Australia, Thailand and Lao PDR. Mr. Bradshaw

was previously Senior Commercial Manager for Lang Xang Minerals Ltd Sepon Mine. He has also previously served as the Country General Manager for Thailand for Toll, Australia's largest fully integrated logistics service provider. Prior to this Mr Bradshaw worked in management roles for Mount Isa Mines Limited ("MIM") and Xstrata.



Mr. Vu Hong
Deputy General Director

Mr. Vu Hong has more than 30 years of experience in project development including six years at the World Bank, which took him from Vietnam to Lao PDR, East Timor, China and the Philippines. Mr. Vu Hong graduated from Hanoi Water

Resources University and has a Master's degree in Hydrology from the University of Roorkee, India. Mr. Vu Hong is a member of the executive committee of the Business Association of Geology and Minerals of Vietnam (VAGME).



Mr. Nikhil Kamran
Chief Financial Officer

Mr. Nikhil Kamran has more than 13 years of financial experience across a range of sector including real estate, gaming, lodging, agriculture and media.

Prior to joining Masan Resources, Mr. Kamran was the Director of Finance at a private equity company where he originated and managed mandates that ranged from corporate finance, corporate restructuring, M&A and IPOs. Mr. Kamran graduated from the University of Pennsylvania, USA.

Mr. Kamran resigned from his position as Chief Financial Officer of NPMC and ceased to be in this position as from August 23, 2018.



Mr. Tony Fitzgerald
Sales & Marketing Director

Mr. Tony Fitzgerald has more than 26 years of experience in the metals industry across a range of commodities and products including refined copper, zinc, lead and mineral concentrates. Mr. Fitzgerald has worked with Pasminco,

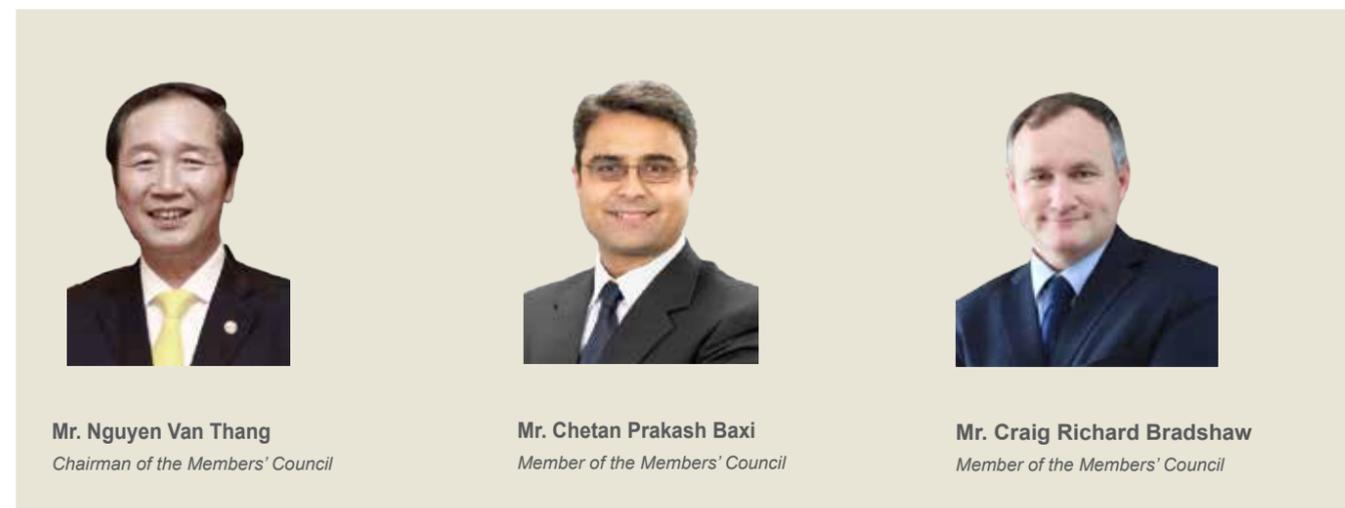
MIM, Xstrata, Transamine and Louis Dreyfus in marketing, international sales, metals trading, business development and mine to market logistics. He holds a BA in multi-disciplinary from Victoria College, Australia.

Management structure of MTC

Members of the members' Council of MTC

According to the Charter of MTC, the organizational structure of MTC consists of the Members' Council and the General Director. The Members' Council is the supreme decision-making body of MTC and consists of a maximum of four (04) representatives appointed by NPMC and TNTI, of which up to three (03) representatives are to be appointed by NPMC and one (01) representative is to be appointed by TNTI.

The Members' Council is responsible for the management of the businesses and for the appointment of principal senior management of MTC. The Members' Council has one Chairman who is nominated by NPMC and elected by the Members' Council. The term of office of the Chairman is five years, and can be re-elected without any limit.





Mr. Nguyen Van Thang
Chairman of the Members' Council



Mr. Chetan Prakash Baxi
Member of the Members' Council



Mr. Craig Richard Bradshaw
Member of the Members' Council

Management Team of MTC





Mr. Craig Richard Bradshaw
General Director

Mr. Craig Richard Bradshaw (General Director) has over 25 years' experience in the mining business, spanning mining and processing operations, logistics, and sales and marketing in Australia, Thailand and Lao PDR. Mr. Bradshaw was previously Senior Commercial Manager for Lang Xang Minerals Ltd Sepon Mine. He has also previously served as the Country General Manager for Thailand for Toll, Australia's largest fully integrated logistics service provider. Prior to this Mr Bradshaw worked in management roles for Mount Isa Mines Limited ("MIM") and Xstrata.



Mr. Rajul Bagrodia
Chief Financial Officer

Mr. Rajul Bagrodia (Chief Financial Officer - MTC) has more than 12 years of experience in finance and control function across a range of sector including mining, automobile, real estate and consultancy services in India, Africa and Europe. Prior to joining Masan Resources, Mr. Bagrodia was previously Internal Auditor for Auto components manufacturing company in Europe where he originated and managed mandates that ranged from setting up finance system for green field projects, turnaround stressed assets, due diligence and operation process reviews. Mr. Bagrodia is Chartered Accountant from the Institute of Chartered Accountants of India, India.



Miroslaw Banaczowski
Operations Manager

Mr. Miroslaw Banaczowski has more than 30 years' experience in the mining and processing business including commissioning, design and construction, operations, metallurgy, Technical and Engineering in Australia, Laos, New Caledonia. Prior to joining to Masan Resources, Mr Miroslaw has worked with MMG, Vale, Scott Dalley Francks, Minara Resources (Glencore International), Energy Resources of Australia - Ranger Mine (North Limited), and Pasminco Metals EZ – Hobart (North Limited). He holds a Bachelor's degree of Applied Science in Metallurgy from South Australian Institute of Technology.

MSR Supervisory board



Ms. Doan Thi My Duyen
Head of the Supervisory Board

Date of appointment May 5, 2015

Ms. Doan Thi My Duyen is the Head of the Supervisory Board of MSR, and the Chief Accountant of MSN. At MSN, she is in charge of reporting on financial conditions and announcement and management of the financial matters. Prior to joining Masan Group, she was with KPMG Limited, Vietnam. She holds an MBA in Accounting from the University of Economics of Ho Chi Minh City, Vietnam and is a member of the Association of Chartered Certified Accountants (ACCA).



Mr. Nguyen Quynh Lam
Member

Date of appointment April 22, 2016

Mr. Nguyen Quynh Lam is a member of the Supervisory Board of MSR, and the Head of the Supervisory Board of both MSN and MSC. He joined Masan Group in 2001 and has held various senior financial positions in Masan Group companies. He holds a BSc in Mining Economics.

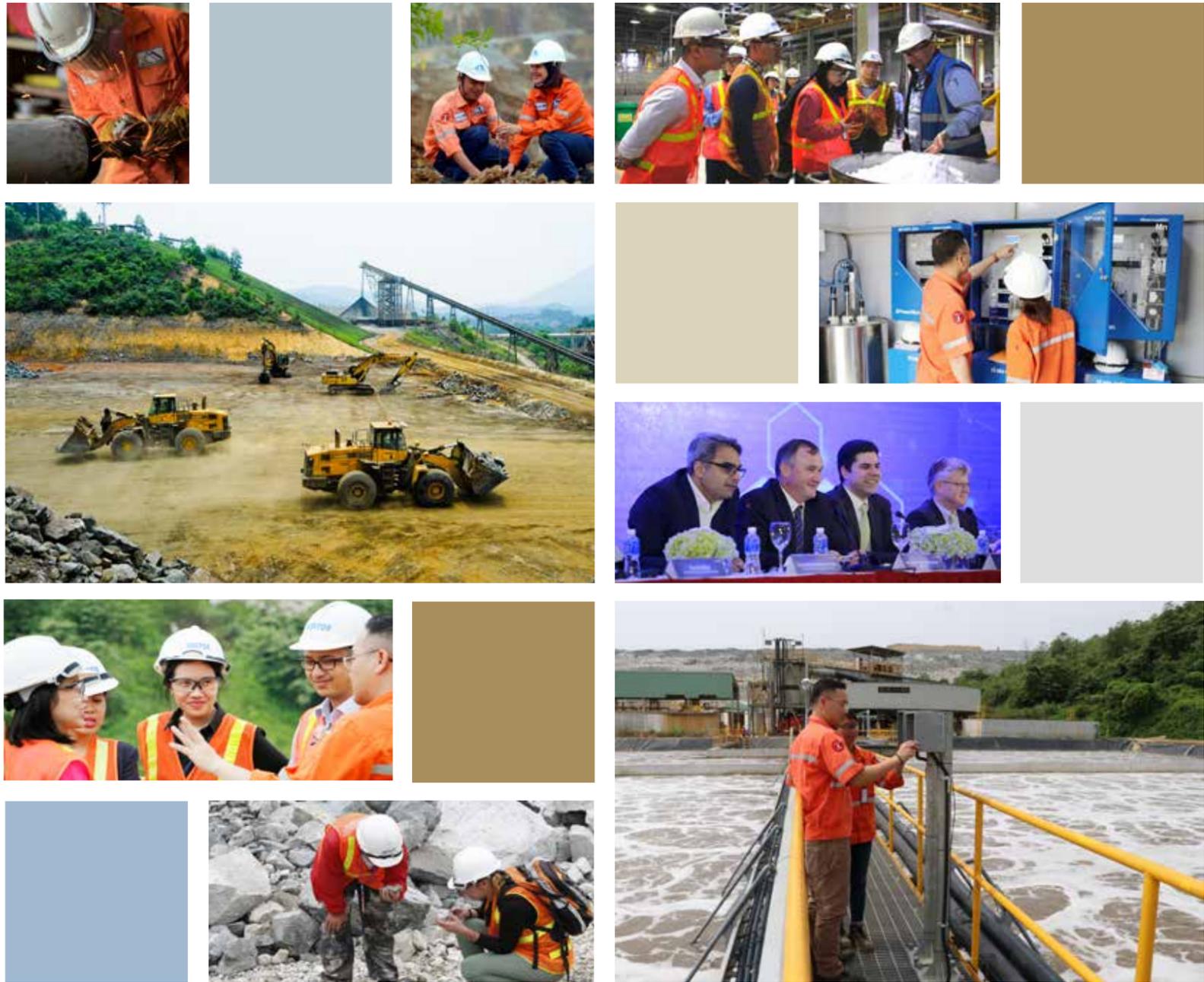


Ms. Pham Quynh Nga
Member

Date of appointment April 22, 2016

Ms. Pham Quynh Nga is a member of the Supervisory Board of MSR, MNS and ANCO. She joined Masan Group in 2015 and is holding the Senior Accountant position. Prior to joining Masan Group, she worked for KPMG Limited (Vietnam). She is a Certified Public Accountant (CPA) of Australia.





MSR Sustainability committee

List of members of the Sustainability Committee:

No.	Members of Sustainability Committee	Position	Day becoming member of the Sustainability Committee	Number of attendance	Percentage	Reasons for absence
1	Mr. Dominic John Heaton	Committee Chairman	April 22, 2016	1/1	100%	
2	Mr. Chetan Prakash Baxi	Member	June 23, 2017	1/1	100%	
3	Mr. Craig Richard Bradshaw	Member	June 23, 2017	1/1	100%	
4	Mr. Vu Hong	Member	June 23, 2017	1/1	100%	
5	Mr. Nguyen Van Thang	Member	June 23, 2017	1/1	100%	
6	Mr. Tran Phuong Bac	Member	June 23, 2017	1/1	100%	

MSR Risk committee

List of members of the Risk Committee:

No.	Members of Risk Committee	Position	Day becoming member of the Risk Committee	Number of attendance	Percentage	Reasons for absence
1	Mr. Chetan Prakash Baxi	Committee Chairman	April 22, 2016	1/1	100%	
2	Mr. Dominic John Heaton	Member	September 21, 2017	1/1	100%	
3	Mr. Craig Richard Bradshaw	Member	September 21, 2017	1/1	100%	
4	Mr. Nikhil Kamran	Member	September 21, 2017	1/1	100%	
5	Mr. Morgan Carroll	Member	September 21, 2017	1/1	100%	
6	Mr. Tran Phuong Bac	Member	September 21, 2017	1/1	100%	
7	Mr. Pham Nguyen Hai	Member	September 21, 2017	1/1	100%	

** Note: Mr. Nikhil Kamran ceased to be a member of the Risk Committee as from August 23, 2018.*



B BUSINESS OPERATION REPORTS

- Business Overview Report
- Management Team Assessment Report
- Board of Directors Assessment Report
- Report of the Supervisory Board
- Corporate Governance Report
- Human Resources Management Report
- Risk Management Report

Business Overview Report

2018 Economic landscape

2018 has been a year of sustaining growth momentum of 2017 that was largely driven by the accelerated investment growth in developed economies, a steady performance in East Asia, and recovery from slow or recessionary growth in several developing and CIS economies.

The global growth momentum in 2018 has been underpinned by a strong fiscal expansion in the USA and robust private consumption in Asian economies like Japan, China, India and Vietnam and has largely offset the slower growth in other large economies in Central Europe and Africa.

Eurozone, the largest ex-China tungsten consumer, slowed slightly in 2018 due to contraction in the net export driven by looming uncertainties in global trade but this was somewhat mitigated by robust growth in private consumption and investment. Private sector confidence remained high, borrowing costs low and the labor markets continued improving. Eurozone GDP is expected to grow in the order of 2.0-2.3% in 2018 and on the back of an overall positive outlook, the European Central Bank has announced to further tighten up the monetary policy and end its quantitative easing program after December 2018.

Economic confidence and sentiment indicators in the USA, the second largest ex-China tungsten consumer, reached historical highs in 2018, reflecting buoyant economic activities and business tax cuts leading to strong job growth and private consumption with the USA ultimately being the fastest growing economy within the G7 nations.

Japan, the third largest ex-China tungsten consumer, had a roller coaster ride in terms of GDP growth and the economy continued to witness the positive and negative growth in the alternate quarters. Private consumption and capital expenditures remained the bright spots in Japan's economy but the overall growth in these GDP components was set off by contraction in export partly due to extreme weather events disrupting the country's supply chains and the export terminals. The GDP is estimated to grow at the annualized rate of 0.9-1.0% in 2018.

The economy remained on a soft footing for world's second largest economy and the largest global tungsten consumer, China. While the country's trade issues with the United States put pressure on growth, the People's Bank of China loosened the monetary policy by cutting the reserves requirements multiple times in the year to prop up liquidity and growth amid the trade tension with Washington. The retail sales and fixed asset investment remained robust for the year and the economy is estimated to grow around 6.5% in 2018.

2018 Industrial metal & chemical markets

The year started strongly for our products, with prices continuing their positive run from the previous year. For tungsten, demand from the hard-metal cutting tool, oil & gas, aviation and aerospace sectors was particularly strong. In fluorspar the hydrofluoric acid and aluminum fluoride markets both showed robust buying interest.

The USA market in particular saw strong demand growth for our tungsten and fluorspar and this was sustained for the full year. Demand from Japan was also strong. China and Europe also started the year solidly, though by the second half of the year market unease related to US-China trade tensions started to erode the positive sentiment in those markets. Demand, while remaining sound, could not maintain the momentum of the earlier months.

On the supply side, we continued to see China impose greater environmental discipline and regulation across its industrial base. A consequence of this was a series of production interruptions of varying durations. This reduced the quantities readily available for the market. Both tungsten and fluorspar production were impacted. Many non-compliant producers left the market permanently. Outside of China, we saw the Hemerdon tungsten mine in the UK cease operation in Q42018. This mine which commenced production in 2015 was expected to help mitigate the looming structural deficit in tungsten mine production in the rest of the world. Removal of this production will only heighten tensions over the future shortfall. In fluorspar we continued to see new production in Canada struggle with production ramp-up issues. Again, this resulted in less raw materials being available to a hungry market.

Tungsten and Fluorspar saw double digit gains year on year. Specifically, the average tungsten APT European Low benchmark increased 29% year on year and finished the year at US\$270/mtu and Fluorspar increased 43% year on year and finished the year at US\$565/mtu.

For 2019 the market for Masan Resources's products look well-positioned. The quality of our products is recognized globally, and we are a preferred supplier to many major international consumers of scale. This recognition helps underpin our business across the economic cycle.

AVERAGE COMMODITY PRICES	Unit	Average 2018	Average 2017	% change	At 31.12.18	At 31.12.17
APT European Low*	USD/mtu	308	239	28.7%	270	294
Bismuth Low*	USD/lb	4.4	4.8	-8.5%	3.4	5.1
Copper*	USD/t	6,514	6,166	5.6%	6,018	7,157
Fluorspar Acid Grade**	USD/t	493	345	43.0%	565	410

* Metals Bulletin, ** Industrial Minerals

2019 Economic outlook

“Economists create their own worlds. We are like little gods with our artificial economics, wanting to see what happens.”

Edward C. Prescott

A single Google search of the string “Global Economic Outlook 2019” has the potential of providing hundreds of weblinks justifying how the stormy clouds are brewing for the global economy and how bumpier the 2019 economic ride might be.

Since 3Q 2018, market confidence and sentiment has been dampened due to macro indicators such as moderate growth in global trade and manufacturing activities, elevated trade tensions among major economies, rising borrowing costs, fluctuating energy and other commodity prices along with the pessimism which is dominating the business media. but the positive light however comes from the reformative measures being undertaken by political and business leaders to stabilize global economy and prop-up growth which should be given due recognition and taken into account to understand and analyze the holistic picture.

We are quite positive in our outlook for the US economy and though the growth might moderate slightly in 2019 vis-à-vis 2018, the growth drivers are still in place and the report from USA Labor Department showing the highest average hourly earnings rise in February 2019 is a testament to this. Consumer spending is still booming with high level of confidence and a further fall off in unemployment would be supportive of its ensuing real wage gains. With suspension of the US long-term sustainability. expect 1Q 2019 growth fears government shutdown, we would be supportive of its to be abated and the actual prevailing estimates.

For China, we see enough tools in monetary and fiscal policy space to counter the impact of unfavorable trade policies, stimulate growth and keep it up above the critical level of 6%. To quote, extension of local government bond issuance, reduction in reserve requirement ratio, and a slew of tax cuts are a few such measures to boost governmental, commercial and personal expenditure and should start delivering 2019 onwards. We also expect with respective vested interests in resolving the trade dispute, that parties will reach a commercially reasonable outcome which will be supportive of economic development in 2019.

Though the emerging markets at large are bearing the risk of growth slowdown due to strengthening dollar, uncertainties caused by US-China trade war and rising borrowing costs, India is consistently outshining and after growing at an attractive rate of more than 7% in 2018, is expected to sustain the growth momentum and retain the title of world’s fastest growing economy in 2019 on the back of rising consumer spends and increased governmental expenditure on the heels of impending parliamentary elections. Masan Resources is continuing to explore ways in which this market can be further penetrated in future.



Outlook for the Eurozone remains uncertain with continued political risk factors in some countries and uncertainties associated with Brexit, and therefore we expect further slowdown of economic growth in 2019.

A succession of earthquakes and typhoons over the summer of 2018 led to decline of Japan’s economy in real terms in the July-September 2018 quarter but based on December Tankan, Short term economic survey of enterprises by Bank of Japan (BOJ), the GDP is estimated to grow in the October-December 2018 quarter. We expect economy of Japan to grow in 2019, although at a gradual pace but the inflation to be far below BOJ’s target of 2% and therefore ensuring no further monetary tightening. There is a small risk of slowdown of Japan’s economy in the October-December 2019 quarter due to proposed increase in the consumption tax rate by 2% but we believe the impact to be not significant as Government of Japan has planned a number of mitigating measures such as reduced tax rates on specific purchases and a reward points program.

Over-all we consider 2019 to be a year full of volatility due to ongoing trade tensions and the conclusion of Brexit; but fundamentally strengthening the global economy and creating a platform for sustainable and inclusive growth in the near future.

2019 Financial outlook

The Company’s evolution from a pure mining business to an innovative technological platform will continue into 2019. The HC Starck JV acquisition during 2018 helped to consolidate our downstream processing capability and benefits of this acquisition will continue to be realized in 2019. Our beginnings as a raw commodity producer, continues to allow the benefit of having a secured, long-term and low-cost supply chain solution, giving us a competitive advantage over other industrial product platforms. The Company remains on the look-out for further value accretive upstream and downstream opportunities at the right price.

On the back of the Company’s 2018 results the company expects to continue to grow both revenue and profit to shareholders from the solid base delivered in 2018 and expects to see increased pricing again in 2019 for its two major products Tungsten and Flourspar. Additionally, the ongoing debottlenecking works at the Masan Tungsten Chemical processing facility has unlocked latent processing capacity. During 2019 the Company will increase purchases of third party concentrates and tungsten raw materials to fully utilize this excess capacity.

Cost management and control will continue to be core to the Company’s principles. In 2019, management is also focused on reducing working capital and further improving cash flows. Any available excess cash is expected to be used to pay down debt.

Based on the above and of no worsening of global economic performance, management is confident in being able to deliver net revenue and attributable profit to shareholders in the ranges of VND7,700 – 8,500 billion and VND700 – 1,000 billion, respectively.

2018 Business performance

Annual Production

Tungsten – Ammonium Paratungstate (APT)

Total production of APT decreased by 5.2% year on year from 6,530 tons WO3 contained to 6,188 tons. Internal purchases from NPMC reduced by 14% to 5,593 tons on the back of lower production as outlined further below whilst third party purchases increased by 348% to 937 tons to partially offset the lower NPMC production.

NPMC production was down 15% to 5,486 tons on the back of 2% lower milled tons, 16% lower feed grades and was partially offset by 4% higher recoveries due to impact of 2017 capital improvement projects on the circuit.

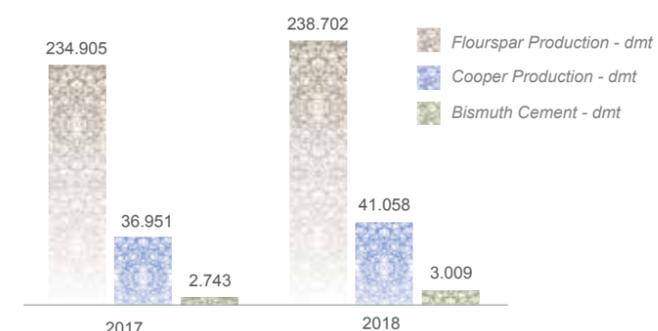


Flourspar/Copper and Bismuth Cement

Flourspar production was 2% higher at 238,702 tons. Lower tons milled of and lower feed grades of 2% were offset by higher recoveries of 4%. Higher recoveries were due to improved efficiencies resulting from completion of capital projects during 2017 and into 2018.

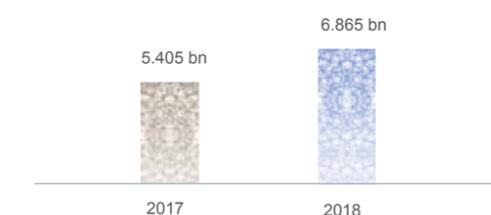
Copper production was significantly higher by 11% at 41,058 tons despite lower tons milled. Improved feed grades accounted for most of the improvement and increased by 11% over the previous year whilst recoveries also improved by 1% due to production efficiencies.

Bismuth cement production increased by 13% to 3,099 tons. Again, feed grades accounted for most of the increase improving by 16% year on year over 2017. These improvements were partially offset by a reduction in recoveries with some reliability issues being encountered in the circuit at times during the year.



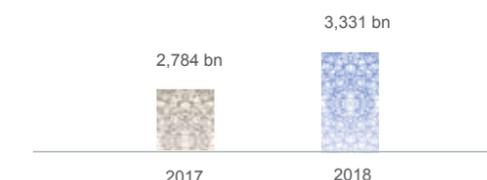
Net Revenue

Except for APT, all products achieved higher volumes in 2018 as compared to 2017. These volumes combined with higher average selling prices for all products except Bismuth, the Company achieved record net revenues of VND 6,865 billion, a 27.0% increase over 2017 net revenues of VND 5,405 billion. MSR's global brand recognition, underpinned by high quality and reliable products continues to generate results as realized pricing on tungsten and flourspar sales increased year on year by 35% and 29% respectively. Despite some softening in the Tungsten price in the second half of 2018 due to increased global uncertainty caused by the US-China trade tensions, underlying global economic growth drivers remain robust and supply-side structural shift continues to take place in China supporting a continuing upward trend of pricing into 2019.



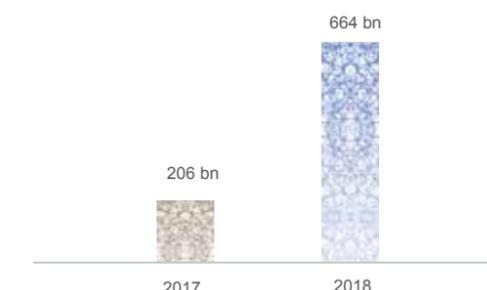
EBITDA

EBITDA grew 20% year on year predominantly on the back of higher realized sales price partially offset by lower production. The Company's EBITDA margin, excluding one-off adjustments, decreased over 2017 but remained at a very healthy 49%. Innovative capital upgrades undertaken in 2017 delivered increased tungsten and flourspar recoveries of 4% respectively, partially offsetting lower feed grades of 16% and 2% respectively. Further improvements to recoveries and increase in Tungsten feed grades will positively impact EBITDA margin in 2019, however the overall margin will reduce because of increased purchase of third party tungsten concentrate (TC), and reductions in feed grade for Flourspar and Copper.



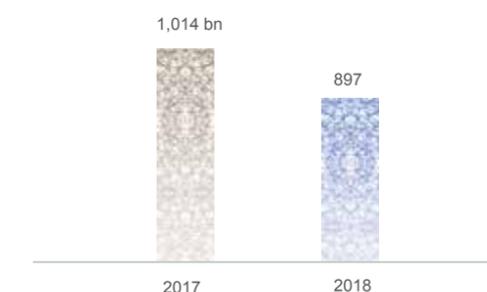
Attributable Net Profit

In 2018, the Company again delivered record attributable profit to its shareholders of VND 664 billion on the back of higher market prices, efficiencies and cost control, improvements in borrowing terms and conditions, and the buy-out of MTC process facility. During 2019 management is expecting a further increase in attributable net profit on the back of further increases in pricing, increased production and further realization of benefits from the integration of MTC into the overall business.



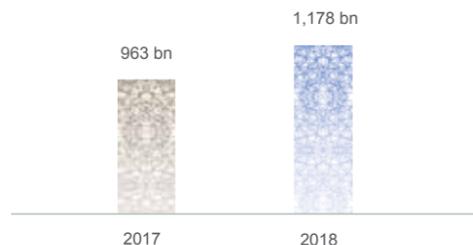
Cash Flows From Operating Activities

The Company reported cash flows from operating activities of VND 897 billion, a decrease of VND 117 billion year on year. Despite the increase in net profit, cash flows were impacted by higher working capital, primarily short-term receivables. The Company experienced an increase in short-term receivables on account of higher sales volumes in Q4 and higher realized prices achieved during 2018. The Q4 sales volumes will be converted to cash in 2019. Other working capital increases were also evident for inventories which related to increases in finished goods, primarily Bismuth Leach Residue. These have continued to increase as there is no suitable processing facility in Vietnam that can process the gold and copper contained in this product. The company is currently exploring options to build its own facility, with production expected to commence in 2020.



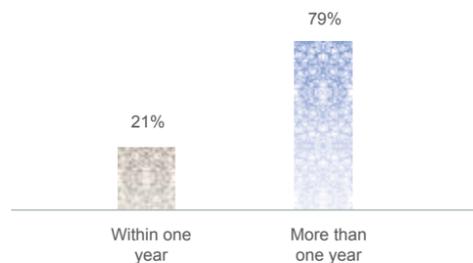
Cash Flows From Investing Activities

In 2018 the company utilized cash flows totaling VND 1,718 billion for investing activities. Adjusted for long-term deposits to banks and interest earned from such deposits, the net spending on fixed assets totaled VND 1,771 billion (2017 VND 939 billion), a VND 832 billion increase year on year. Capital expenditure in 2018 included VND 696 billion for the HC Starck JV purchase. Other capital expenditure was for ongoing land compensation, expansionary capital projects focused on improving efficiencies and plant performance and sustaining capital projects primarily related to the tailings facility and water waste management. In 2019, expansionary capital expenditure excluding acquisitions is expected to increase as the company looks to construct its own copper and gold smelter whilst sustaining capital and land compensation activities will be broadly in line with 2018.



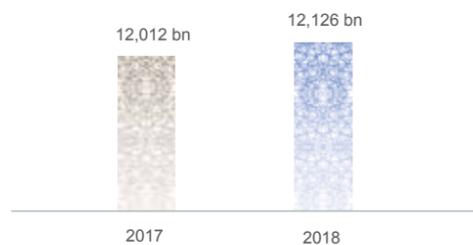
Debt Maturity

Of the Company's total debt obligations, 21% is maturing within 1 year. The Company's third-party debt to EBITDA ratio reduced from 4.1 last year to 3.5 as at 31 December 2018. Additionally, the current ratio improved to 1.06 from 0.71, reflecting the Company's focus on improvements to lending terms and conditions throughout 2018.



Net Assets & Owner's Equity

The net assets/owner's equity increased 1% year on year to VND 12,126 billion in 2018 from VND 12,012 billion in 2017. Increases in assets were primarily noted for accounts receivables, inventory, VAT and prepaid mining expenses. These increases were partially offset by reductions in cash and cash equivalents and creditors as well as increases to total borrowings. The balance sheet focus over 2019 will be to improve the working capital position of the company and convert into cash.



Management Team Assessment Report

Dear Shareholders,

Masan Resources set a further record financial performance in 2018, continuing with its year-on-year financial improvement. Production records in copper, fluorspar and bismuth were achieved, and while the production of tungsten concentrate from the Nui Phao mine was lower compared to previous years, due to lower mined head grades, this was largely offset with increased sourcing of raw tungsten materials from third party suppliers. Production efficiencies of tungsten, copper and fluorspar continued to improve, while reliability issues in the bismuth circuit negatively impacted its production efficiency. This has now been rectified and bismuth performance is expected to return to normal levels in 2019.

We are proud to highlight the following significant outcomes of 2018:

Production

Total throughput in 2018 was 3,804,390 tonnes, slightly lower compared to 2017 with a total throughput of 3,888,483 tonnes. The reduced throughput was due to a combination of lower per operating hour compared in 2017 and a lower a factory contrasted with the record in 2017. The reduced availability of planned maintenance shut downs activities. From a production perspective, tungsten concentrates recovery improved by 7.7% and copper production improved by 1.2%. This was a record and fluorspar. It is expected products will be maintained in 2019, while bismuth is predicted to return to the level of previous years as the grinding issues resolved in late 2018.



**ANOTHER YEAR OF RECORD
FINANCIAL PERFORMANCE**

tonnes, slightly lower compared to 2017 with a total throughput of 3,888,483 tonnes. The reduced throughput was due to a combination of lower per operating hour compared in 2017 and a lower a factory contrasted with the record in 2017. The reduced availability of planned maintenance shut downs activities. From a production perspective, tungsten concentrates recovery improved by 7.7% and copper production improved by 1.2%. This was a record and fluorspar. It is expected products will be maintained in 2019, while bismuth is predicted to return to the level of previous years as the grinding issues resolved in late 2018.

Workforce

At the end of 2018 the total number of direct employees was 1,403 with foreign experts accounting for 7% of our workforce. Our contractors employ 928 personnel. During 2018 we continued the investment in our Human Capital through our MSR Academy as the prime training and development tool. In 2018 we delivered 93,880 hours of training, a 3% increase on training hours completed year-on-year. Our focus and commitment remains to employ and train people from the local communities. This ensures we have the right people with the right skills, while enabling the local communities to benefit from our project.

Safety

The Total Recordable Injury Frequency Rate and Lost Time Injury Frequency Rate, per million man-hours worked was 2.36 (2017: 1.92) and 0.34, (2017: 0.58) respectively for 2018. While the Lost Time Injuries were an improvement in comparison with 2017 with only two injuries rather than three, the fact that we continued to have our workforce injured was disappointing. The injured persons were employees of contractors working at the site with contractor equipment. Frustratingly, in both cases the injuries were avoidable had the employees followed the correct isolation procedures prior to commencing the activities. The incident investigation highlighted training gaps between Masan Resources employee training and onsite contractor training. This was addressed through a direct intervention and action by the Masan Resources Health and Safety department personnel working directly with contractor employees to upskill them, but also to entrench improved processes. The total number of recorded incidents was 14 in 2018, which is up from 10 in 2017. While the number of direct Nui Phao incidents remained constant at 7 (year-on-year), the number of recorded incidents among the onsite contractors increased from 3 to 7. We see this as a positive outcome of our improved safety measures focused on our contractors, with more incidents identified and reported.

CSR & Environment

During 2018 we implemented a variety of environmental measures in order to improve transparency and further reduce the potential for environmental harm. During 2018 all four online real time water discharge analysis stations were commissioned. These stations transmit water analysis data to the regulator in real time, thus providing ongoing and real time transparency of the quality of the discharged water. Additionally, a real time online air quality monitoring station was installed at the point closest to the local housing. The station has recorded no air quality incidents to date. Masan Resources also continued with its compliance regime of external technical audits on the Nui Phao waste facilities, in accordance with local statutory as well as international guidelines and standards. All facilities were determined to be operating in accordance with the approved and accredited world standards and best global practices.

Collaboration with community

In keeping with MSR's involvement pledge to the community, in 2018 MSR contributed more than 5,454 million VND towards community development initiatives and the CSR activities in Thai Nguyen Province. Our efforts target to address environmental, economic, and social issues in an integrated manner and have already yielded positive results. Especially in the context where a variety of initiatives such as Advancing Circular Economy in Vietnam and the activities of the P4G Vietnam Forum for green and sustainable growth have been actively promoted throughout the year.

On the one hand, in 2018, Masan Resources rehabilitated an area of 11.1 ha at the slopes of waste dumps, buffer zones and other disturbed areas in the progress of mining and operations. The Company used a variation of plants and materials to increase the efficiency of environmental rehabilitation and restoration works. Since the commencement of the project to the end of 2018, Masan Resources rehabilitated a total of 49.8 ha, making an important contribution to environmental protection works in the mining activities.

On the other hand, we continued to pursue and expand our support of the agricultural extension services with a constant focus on local competitive advantages including tea, vegetable cultivation, and, at the same time husbandry- farm models as a new agricultural advantage for the community. In particular, under the VietGAP tea program, in 2018 two more groups with 54 households were able to obtain a VietGAP certificate. We also organized study tours for 100 tea plantation households to well-known safe tea producers in Tan Cuong and an organic tea producer in La Bang. The micro-finance fund continues to be an effective and innovative economic

restoration model. In 2018, the fund provided favorable loans for 26 additional households. Currently, 256 households are utilizing the fund for a great variety of income generation activities. To date, the total accumulated funds amounts to 9.358 million VND.

During 2018, Masan Resources conducted 16 training workshops and campaigns for 600 participants from our neighboring communities about domestic waste classification, use of biological products to treat decomposable garbage and minimization of plastic bags in daily activities; supported the establishment and operation of 7 clubs of "women with environment protection"; assisted the collection and treatment of harmful chemical waste; provided communication materials (sign boards, brochures, posters, etc) and promoted monthly action programs to clean up public places in every village.

We believe that such community development initiatives can ultimately integrate the role of mining into the broader context of sustainable development and national plans to achieve the Sustainable Development Goals (SDGs).

Finance

2018 was a strong year for Masan Resources with a record revenue and profits, achieved as a result of solid production and improved prices. The strategy of moving into value added products, particularly in tungsten, has enhanced the value that Masan Resources can extract from its products. The attributable net profit to the MSR shareholders of VND 664 billion was another annual record on the back of higher market prices, improved efficiencies and cost control, improvements in borrowing terms and conditions, and the buy-out of Nui Phao – H.C.Starck Tungsten Manufacturing LLC. During the course of 2019, the management is expecting a further increase in the attributable net profit on the back of the anticipated increases in pricing, increased production and further realization of benefits from the integration of MTC into the overall business.

The record financial results were additionally enhanced by improvements in the debt financial ratios. The Company's third-party debt to EBITDA ratio reduced from 4.1 in 2017 to 3.5 as of 31st December 2018, whilst the current ratio improved to 1.06 from 0.71 over the same period.

Public recognition

Masan Resources and its subsidiaries have continued to receive public recognition for various aspects of their performance. A number of great awards and recognitions that the Company and its subsidiaries were awarded in 2018 include the Emulation Flag of the Government for outstanding units in the emulation movement in 2018; Vietnam Gold Star Award 2018 and Top 100 Vietnamese brands in international integration awarded by Vietnam Young Business Association; Top 100 Sustainable Businesses in Vietnam in 2018 awarded by Vietnam Chamber of Commerce and Industry (VCCI); The excellent enterprise of Thai Nguyen province in 2018 awarded by Thai Nguyen Provincial People's Committee; Top 500 Fastest Growing Enterprises in Vietnam voted and awarded by Vietnam Assessment Report Joint Stock Company; and other prestigious awards, recognitions awarded to the Company in 2018.

In addition to the above awards, various members of the management team were invited to present at accredited venues and events during 2018, including:

- Mr Vu Hong – Deputy General Director of NPMC – addressed the APEC Summit in Papua New Guinea on Sustainable Development
- Mr Quang Nguyen – Tailings Storage Facilities Superintendent – addressed the WESSEX Institute Conference in Spain on Waste Management on Tailings Storage Management at the Nui Phao Mine

- Mr Dominic Heaton – Head of Strategic Initiatives of NPMC – addressed the Argus Tungsten and Tin Conference in England on Responsible Sourcing of Raw Tungsten Materials

These activities demonstrate the level of recognition and reputation that Masan Resources have achieved both nationally and globally.

In the year ahead, we intend to continue to grow the business as we transition from Vietnam’s strategic resources to high-tech global materials.

Board of Directors Assessment Report

Dear Shareholders,
The Board of Directors (the “BOD”) of Masan Resources is honored to submit the BOD’s performance assessment report of the Company in 2018.

1. BOD Assessment of the Company performance

2018 marked a significant milestone in the ongoing transformation for Masan Resources from a mining and processing company to a significant influencer in the global materials industry. The two largest revenue contributors to the company performance - Tungsten and Fluorspar – are deemed strategic resources by many governments globally due to their unique properties and the high tech materials that are derived from downstream processing of them. In 2018

MSR successfully consolidated ownership of the Tungsten Chemicals Processing facility (“APT Plant”) of Nui Phao – H.C.Starck Tungsten Manufacturing LLC and rebranded the company as Masan Tungsten LLC. Our Tungsten Chemicals products are now exported with this branding on the packaging, finally getting Masan full recognition for the quality of the products developed here in Vietnam. With this achievement it is time to move our aspirations and outlook beyond seeking to influence the global market to become a central or core element of the global high tech materials industry. This is an audacious goal, but it is one which will inspire the leadership of the business to continue to seek to build and transform the company to be a leading global materials company. This will create value for you, the shareholder.

MSR continues to employ all issues related to the community, environment and safety. With regards to the environment, the Company implemented a number of significant environment improvements which enable clear transparency with communities and regulators. It is no longer acceptable to simply say “believe us”, companies must demonstrate continuously their environmental credibility and the real-time online analysis for water discharge and air quality are a large leap forward in this area of transparency. The company also shared its best practice with many other global companies and renowned learners in particular the “Investigation, Monitoring And Management of Downstream Groundwater in the Tailings Storage Facilities of Nui Phao Mine”. This was published in press released of Wessex Institute of UK.

**FROM VIETNAM STRATEGIC
RESOURCES TO GLOBAL
HIGH-TECH MATERIALS**

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In recognition of our relentless efforts, Nui Phao Mining Company Ltd – a wholly owned subsidiary of Masan Resources has been recently recognized as one of the Top 100 Most Sustainable Businesses in Viet Nam and one of the Top 100 Viet Nam Gold Star, being the most reputable Brands and Rewards for Companies in Vietnam.

In Thai Nguyen province, together with Samsung, Masan Resources become the biggest exporter with 256 million USD of net export revenue. In 2018, the Company paid 1,086 billion VND to the stage budget by paying taxes & fees.

In 2018 the MSR has contributed VND 5,545 billion towards community development initiatives and the CSR activities in Thai Nguyen Province, our crucial contribution has been recognized in the fields of sustainable agriculture, household’s economic development, the community sanitation, health-care and, children’s well- being.

Report of the Supervisory Board

Dear Shareholders,

Pursuant to the rights and responsibilities of the Supervisory Board provided in the Company's Charter, the Supervisory Board would like to report our activities in 2017 as follows:

Operations of the Supervisory Board in 2018

- Supervising and reviewing the management and execution of 2018 business activities by the Board of Directors and the Management Team.
- Reviewing the legality and reasonableness of our business in 2018 in accordance with resolutions of the General Meetings of Shareholders in 2018.
- Reviewing and supervising the issuing of resolutions and decisions of the Board of Directors and the Management Team.
- Reviewing the reasonableness, legality, honesty and diligence in implementing accounting operations and forming financial statements.

Members of the Supervisory Board were not compensated in their capacity as members of the Supervisory Board, and the Supervisory Board did not incur any operational expenses.

Supervisory Board's review of the Company's operations

On the accounting and financial operations of the Company:

The Supervisory Board confirms that the financial figures presented in the report of the Board of Directors submitted to the 2019 Annual General Meetings of Shareholders are a fair reflection of the Company's and its subsidiaries' current financial situation.

According to the statistics of the Thai Nguyen Centre for Agriculture Commodity Quality Inspections, MSR contributed 21% of Viet GAP tea area in Dai Tu district and 10% in Thai Nguyen province. The micro-finance fund continues to be an effective and innovative economic restoration model. In 2018, the fund provided favorable loans for 26 additional households. Currently, 256 households are utilizing the fund for a great variety of income generation activities. To date, the total accumulated funds amounts to 9.358.000.000 VND.

Significant price increase across all commodities coupled with increased operational efficiency allowed the Company to achieve a record financial result despite lower tungsten feed grades coming from the Nui Phao mine resulting in lower Nui Phao Tungsten Concentrate production. With the acquisition of the APT Plant and the debottlenecking that has been undertaken at the APT Plant through 2018 this reduced production from Nui Phao was offset by increased processing of third party tungsten raw materials. As a result of the ongoing research and development undertaken at Masan Resources a variety of improvements had been identified at the APT Plant enabling increased throughput with minimal additional investment. With the High Tech status of the Masan Tungsten APT plant Masan Resources is committed to continuing to spend 1% of revenue at the Masan Tungsten in ongoing research and Development to further enhance the technological advantage of the business. This High Tech status also provides tax incentives which offset the investment in R&D aside from the benefits that are derived.

The BOD has accomplished its duties in reviewing and approving the resolutions on the operation of the Company and its subsidiaries. In 2018, no members of the BOD received any remuneration for their duties as BOD's members, nor have they incurred any expenses.

2. BOD assessment of the Company Management Team performance

The Management Team continues to manage the Company in a manner deserving the BOD's and shareholders on-going trust and support. The Chief Executive Officer and other managers fulfilled their duties and functions in 2018, and properly implemented all resolutions from the General Meetings of Shareholders.

The appropriate sub-committees that were established in 2016, including the Sustainability Committee and the Risk Committee, have continued to fulfill their obligations in advising and assisting the BOD on matters having remarkable impacts on the Company's operation and reputation. In 2018 the Management Team also implemented a CHES (Community, Health, Environment, Safety and Sustainability) committee at the Masan Resources operations. This committee draws members from all areas of the Masan Resources business and has representatives from all onsite contractors. This is a significant initiative by the Management Team which further entrenches ownership of CHES with the workforce. The initiative has been well received by employees and contractors.

3. BOD Plans and directions

Strategically, Masan Resources will continue to explore opportunities and aims to become a further-integrated downstream tungsten business of a global scale. This will enable the Company to deliver a consistent and strong financial profile across the commodity cycles. We will also establish a master plan targeting the development of a unique, technical knowledge elite across the mining, metal and chemical industries.

With the consolidation of ownership of the Tungsten Chemicals factory under Masan Tungsten, the Company has successfully entrenched its position as a leading producer in the Tungsten Chemicals industry. The direction set for 2019 and beyond with the newly announced Vision to take the Company "From Vietnam Resources to Global High Tech Materials" is a natural progression of an ambitious and realizable plan for sustainable growth and for an increased worldwide recognition.

Given the foregoing, the BOD fully supports the Management Team's efforts to continue to grow the company and deliver on the newly announced Vision.

Key figures of the financial situation as of December 31, 2018:

Part 1: Balance Sheet

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
ASSETS				
Current assets	4,333,718,245	3,456,003,440	47,959,283	2,782,039
Cash and cash equivalents	467,220,260	780,414,201	3,288,566	483,619
Short-term financial investment	-	32,500,000	-	-
Accounts receivable – short-term	1,612,852,955	860,460,818	44,670,717	2,298,420
Inventories	1,646,014,138	1,409,062,969	-	-
Other current assets	607,630,892	373,565,452	-	-
Long-term assets	23,615,407,322	23,688,207,422	12,495,844,635	9,995,844,635
Accounts receivable – long-term	1,335,307,630	1,346,793,937	7,355,509,062	4,855,509,062
Fixed assets	18,267,296,514	18,898,064,279	-	-
Long-term work in progress	1,429,178,901	987,802,403	-	-
Long-term financial investments	5,900,000	-	5,140,335,573	5,140,335,573
Other long-term assets	2,577,724,277	2,455,546,803	-	-
TOTAL ASSETS	27,949,125,567	27,144,210,862	12,543,803,918	9,998,626,674
RESOURCES				
LIABILITIES	15,823,171,322	15,132,604,815	3,098,253,712	554,834,167
Current liabilities	4,101,944,806	4,871,844,056	57,179,537	13,759,992
Long-term liabilities	11,721,226,516	10,260,760,759	3,041,074,175	541,074,175
EQUITY	12,125,954,245	12,011,606,047	9,445,550,206	9,443,792,507
TOTAL RESOURCES	27,949,125,567	27,144,210,862	12,543,803,918	9,998,626,674

On the Company's business performance

In 2018, the Supervisory Board did not find any abnormal signs in the Company's business operations. All of business activities were conducted in compliance with the Company's Charter, the Law on Enterprises and other relevant legal regulations.

Business performance results and accounting figures have been carefully checked to ensure the accuracy and legality of accounting books.

The Company fully observed all current legal regulations required for information disclosure to the stock market.

Figures of business results as of December 31, 2018:

Part 2: Income statement

	Group		Company	
	2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000
Revenue from sales of goods	6,865,010,875	5,404,645,101	-	-
Cost of sales	4,703,549,284	3,713,762,618	-	-
Gross profit (20=01-11)	2,161,461,591	1,690,882,483	-	-
Financial income	126,790,749	41,999,592	44,669,471	14,265
Financial expenses	1,204,829,996	1,137,924,018	40,756,034	-
Selling expenses	104,331,557	135,288,194	-	-
General and administration expenses	127,022,646	124,952,093	2,165,738	3,000
Net operating profit	852,068,141	334,717,770	1,747,699	11,265
Results of other activities	(23,955,597)	(42,595,318)	10,000	-
Profit before tax	828,112,544	292,122,452	1,757,699	11,265
Income tax expense – current	35,190,165	36,841,033	-	-
Income tax benefits – deferred	(17,079,300)	(45,844,345)	-	-
Net profit after tax	810,001,679	301,125,764	1,757,699	11,265
Net profit attributable to:				
Equity holders of the Company	663,756,323	205,914,056	-	-
Non-controlling interest	146,245,356	95,211,708	-	-

On the governance and management**a. The Board of Directors**

The Supervisory Board opines that the Board of Directors has fulfilled their management responsibilities in compliance with the Company's Charter, the Resolutions of the General Meetings of Shareholders, the Law on Enterprises and other relevant legal regulations.

The Board of Directors has duly executed all resolutions of the General Meetings of Shareholders in 2018.

The Board of Directors' resolutions were issued in compliance with the legal authority of the Board of Directors and the contents of the resolutions were in compliance with the Company's Charter, the resolutions of the General Meetings of Shareholders, the Law on Enterprises and other relevant legal regulations.

b. The Management Team

The Supervisory Board opines that the Management Team has executed the Company's business operations efficiently and in compliance with the Board of Directors' resolutions.

Conclusions

The Company's operations during the 2018 were in compliance with the Company's Charter, the Law on Enterprises and other, relevant legal regulations, and were based on the Resolutions of the General Meetings of Shareholders and of the Board of Directors.

Corporate Governance Report

Activities of the general meeting of shareholders

Information on meetings and resolutions of the General Meeting of Shareholders (including the resolutions of the General Meeting of Shareholders adopted in the form of written comments):

Resolution No. 138/2018/NQ-ĐHĐCĐ

Date 20/4/2018

Content

- (i) Approve the Board of Directors assessment report 2017;
- (ii) Approve the Supervisory Board assessment report 2017;
- (iii) Approve the 2017 Financial Statements of the Company audited by KPMG Limited;
- (iv) Approve the 2017 dividend distribution plan of the Company;
- (v) Approve the appointment of KPMG Limited as the auditing firm of the Company for 2018;
- (vi) Approve the Company's 2018 earning forecast;
- (vii) Approve the remuneration packages for the members of the Board of Directors and the members of the Supervisory Board in 2018 being VND 0;
- (viii) Approve the conversion of all dividend preferential shares issued by the Company (equivalent to 15,902,430 shares) into ordinary shares based on the conversion ratio of 1:1;
- (ix) Approve the amendment of the Company's Charter as proposed by the BOD. The amendment of the Company's Charter shall be effective upon approval by the 2018 Annual General Meeting of Shareholders;
- (x) Approve the issuance plan of shares to increase the share capital from the owners' equity on the issuance ratio of 100:25 (25%);
- (xi) Approve the transactions between the Company and its related parties;
- (xii) Approve the resignation of Mr. Tung Hoang Nguyen as a member of the Supervisory Board for the term 2016 – 2021, and approve the election of Ms. Pham Quynh Nga as a member of the Supervisory Board for the remainder of the term 2016 – 2021 replacing Mr. Tung Hoang Nguyen.

Board of Directors

Information about the members of the Board of Directors:

No.	BOD's member	Position	Day becoming/no longer member of the Board of Directors	Number of attendance	Percentage	Reasons for absence
1	Mr. Chetan Prakash Baxi	Chairman of the BOD	December 20, 2013	6/6	100%	
2	Dr. Nguyen Dang Quang	Member of the BOD	February 18, 2013	6/6	100%	
3	Mr. Nguyen Thieu Nam	Member of the BOD	February 18, 2013	6/6	100%	
4	Mr. Nguyen Van Thang	Member of the BOD	April 22, 2016	6/6	100%	
5	Mr. Dominic John Heaton	Member of the BOD	April 22, 2016	3/3	100%	Resigned from his position as a member of the BOD as from July 26, 2018

Supervision by the BOD over the Management Team

At the meetings of the BOD, the CEO reported the operations of the Company and the key operations of the Company's subsidiaries;

Supervising and directing the implementation of the investment plans of the Company and its subsidiaries;

Implementing the tasks as delegated under the resolutions of the BOD.

Activities of the Board of Directors' committees

a. Activities of the Sustainable Committee

Review and monitor the performance of the Company and the ways it affects matters related to sustainability, the environment, communities and other key stakeholders;

Review and provide guidance to management on sustainability issues and the integration of sustainability into Company's business, including innovation, manufacturing and sourcing and operations;

Review the activities of the Company's community impact initiatives;

Review and provide recommendations to management on the ways to report to shareholders and the relevant communities matters regarding corporate responsibility activities;

Review and provide guidance to management, and report to the Board matters regarding corporate responsibility violations in major business decisions, in order to protect the Company's valuable goodwill, and human and intellectual capital;

Review and provide recommendations to the Board on any shareholder proposal that relates to the matters overseen by the committee;

Oversee the management of risks related to sustainability, the environment and the Company's interactions with communities,

b. Activities of the Risk Committee

Review and discuss with management and the Company's independent auditor Company's quarterly financial statements;

Assess compliance with the Company's code of business practices and its code of conduct, and consider and (if appropriate) approve any waiver provided in the codes;

Review periodically with management and the legal counsel the Company's compliance with laws and regulations, including corporate securities trading policies, legal matters, litigation or any other contingency that could have a significant impact on Company's financial statements.

Discuss with the Management Team the Company's policies regarding risk assessment and risk management, and the steps the Management Team has undertaken to monitor and control them.

Resolutions of the Board of Directors

No.	Resolution No.	Date	Content
1	117/2018/NQ-HĐQT	April 10, 2018	Approval of (i) convention of the 2018 Annual General Meeting of shareholders, and (ii) matters to be submitted for approval at the 2018 Annual General Meeting of shareholders.
2	267/2018/ NQ-HĐQT	July 12, 2018	Approving the implementation of the issuance plan of shares to increase the share capital from the owner's equity.
3	282/2018/ NQ-HĐQT	July 23, 2018	Approve the removal of Ms. Nguyen Thi Hai Yen from the position of Chief Accountant, and the appointment of Ms. Nguyen Thi Thanh Mai to such position.
4	344/2018/NQ-HĐQT	September 19, 2018	Approval of (i) the issuance of bonds with total value of VND 1,000 billion by the Company; (ii) repayment obligation of the Company in relation to the Bonds shall be secured by a guarantee of NPMC, a number of ordinary shares issued by the Company and owned by MH, and other assets of the Company or of the other third party(ies) as the case may be decided by the authorized representatives; and (iii) the investment in/ business cooperation with Nui Phao Mining Company Ltd
5	359/2018/NQ-HĐQT	September 28, 2018	Approval of (i) the increase of the Company's charter capital from VND 7,194,473,280,000 to VND 8,993,091,220,000, and (ii) amendment of Article 5 of the Company's Charter accordingly.
6	390/2018/NQ-HĐQT	November 15, 2018	Approval of (i) the issuance of bonds with total value of VND 1,500 billion by the Company, and (ii) repayment obligation of the Company in relation to the Bonds to be secured by a guarantee of NPMC, a number of ordinary shares issued by the Company and owned by MH, and other assets of the Company or of the other third party(ies) as the case may be decided by the authorized representatives; and (iii) the investment in/ business cooperation with Masan Tungsten Limited Liability Company.

Supervisory board**Information about members of Supervisory Board**

No.	Members of Supervisory Board	Position	Day becoming/no longer member of the Supervisory Board	Number of attendance	Percentage	Reasons for absence
1	Ms. Doan Thi My Duyen	Head of Supervisory Board	September 30, 2013	2/2	100%	
2	Mr. Nguyen Quynh Lam	Member of Supervisory Board	April 22, 2016	2/2	100%	
3	Mr. Tung Hoang Nguyen	Member of Supervisory Board	April 22, 2016	0/2	0%	Resigned as from April 20, 2018 and was replaced by Ms. Pham Quynh Nga
4	Ms. Pham Quynh Nga	Member of Supervisory Board	April 20, 2018	1/2	100%	Assumed the position from April 20, 2018.

Surveillance activities of the Supervisory Board toward the Board of Directors, Management Team and shareholders:

(See Report of Supervisory Board from pages 87)

The coordination among the Supervisory Board with the Board of Directors, Management Team and other managers:

Attending and providing comments at meetings of the BOD;

Supervising the implementation of the resolutions of the General Meeting of Shareholders and the BOD passed in 2018;

Supervising compliance with regulations of the Law on Enterprises, the Law on Securities, the Company Charter, the resolutions of the General Meeting of Shareholders regarding the administration and management of the Company's business activities;

Reviewing financial statements of 2018.

Other activities of the Supervisory Board (if any): None

Training on corporate governance

None

Transactions of affiliated persons of the company with the company**Transactions between the company and the affiliated persons or between the company and major shareholders, internal persons and related persons of internal persons:**

- Business cooperation with Nui Phao Mining Company Ltd in accordance with the Business Cooperation Agreement dated September 21, 2018
- Business cooperation with Masan Tungsten Limited Liability Company in accordance with Business Cooperation Agreement dated November 16, 2018

Transactions between internal persons of listed company and company's subsidiaries, or the company in which the listed company takes controlling power: None.**Transactions between the Company and other objects**

Transactions between the Company and companies that members of the Board of Directors, members of the Supervisory Board, or the CEO of the Company is or was a founding member, members of the Board of Directors, or the CEO of those companies (the "Related persons") in the last three (03) years (as at the time of reporting).

Year	Related person (having transactions with the Company)	Relationship with the Company	Description of transaction
2016	Masan Group Corporation	BOD member of the Company is also a BOD member of the related person	Financial support
2018	Nui Phao Mining Company Ltd	BOD member of the Company is also an MC member of the related person.	Business cooperation agreement
2018	Masan Tungsten Limited Liability Company	BOD member of the Company is also an MC member of the related person.	Business cooperation agreement

Transactions between the Company and the company that the related persons of members of the Board of Directors, members of the Supervisory Board, Director (CEO) as a member of Board of Directors, Director (CEO): None.

Other transactions of the Company (if any) that may be beneficial material or immaterial for members of the Board of Directors, members of the Supervisory Board, Director (CEO): None.

Transactions of internal persons and related person of internal person

Transactions of internal persons and affiliated persons on shares of the listed company: None

Other significant issues

None

Human Resources Management Report

Overall employee headcount increased slightly in 2018 due to the addition of new processing areas in the Nui Phao processing circuit to improve overall tungsten recovery. This additional circuit was commissioned in September 2018. In addition with the successful acquisition of the HC Stark GmbH 49% stake in the NHTCM Joint Venture services departments were merged to optimize service delivery and cost. There is a reduction therefore in headcount at MTC and an increase in NPMC in the services support area by a similar number.

Number of employees and average income

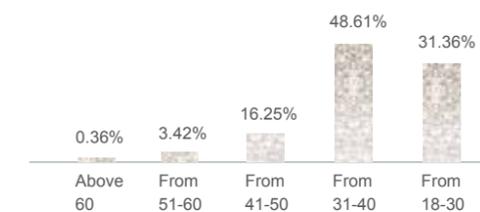
	2014	2015	2016	2017	2018
Employee number in totality	1,356	1,477	1,343	1,363	1,403*
• NPMC	1,095	1,095	1,027	1,072	1,150
• MTC	261	382	316	291	253
In which					
• Vietnamese	1,213	1,336	1,236	1,261	1,303
• Expats	143	141	107	102	100
Average income (VND million per month) for Vietnamese employees	9.4	9.6	10.3	11.1	11.4

Workforce structure

The workforce is comprised of a good mix of youth and experience. The average age of the entire workforce is 35, with the average age of directors being 50, managers, 43, superintendents 43, supervisors 38, technical/clerical staff 33, and of laborers 34.

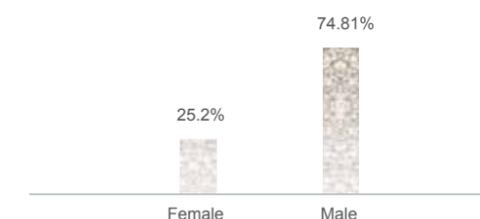
By age

Pictorially the age demographic is as per the below graph.



By gender

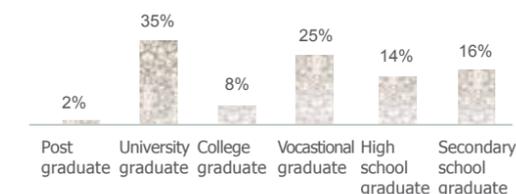
In line with our equal opportunities policy on recruitment and gender equality, women have been employed in all activities. The percentage of female employees occupied over 25% of the entire workforce.



By education

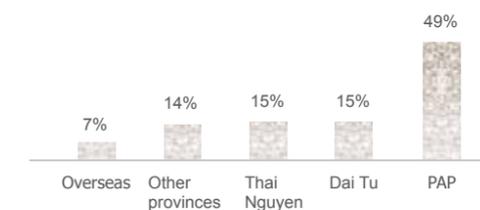
Employee analysis by educational background:

- University and higher: 37%
- College and vocational: 33%
- High school and lower: 30%



By Origins

Nearly 79% of all employees are from within Thai Nguyen, 14% from other provinces and 7% from overseas.



Recruitment

In addition to routine replacement recruitment, a number of positions pertaining to the directorial and managerial levels have been created and filled in 2018. Particularly, we recruited a Deputy External Relations Director (Technical), Director of Information Technology, Chief Finance Officer, Accounting Manager, External Relations Manager (Economic) and General manager – Thai Nguyen Operations. These new personnel have shown, as expected, good performance and will form a nucleus of the team to take the business forward in the future.

Training and development

In line with our well-established employee training strategy, the Human Resources Department has continued its focus on internal training, with the aim of continuing to develop Masan Resource human capital.

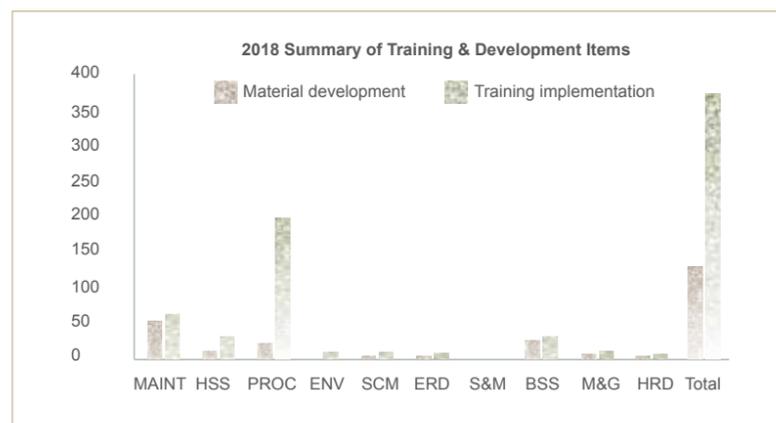
By the end of 2018, a total of 93,880 training man-hours have been completed, which is equal to 87 man-hours, per permanent employee.

Description	2016	2017	2018
Total cost invested in training (VND)	3.462.738.112,00	3.302.919.766,75	2.167.156.300,00
Total trainer hours	3.531	4.684	4.917
Total training man-hours	75.903	91.339	93.880

In which:

• Total number of employee rounds trained in professional centers	528	441	1.903
• Total number of employee rounds trained by internal trainers	1.570	2.334	6.781
Total number of contents trained by internal trainers	208	259	347
Total number of contents trained in professional centers	23	27	30
Total training materials developed internally	408	203	131

Dept	Material development	Training implementation
MAINT	56	68
HSS	12	28
PROC	19	200
ENV	0	9
SCM	2	10
ERD	1	8
S&M	0	0
BSS	29	33
M&G	9	12
HRD	3	9
Total	131	377



In parallel with technical training opportunities available to the employees, the company also implements training courses tailored to developing and enhancing their ability to resolve challenging situations, by adapting new behavioral models, with the aim of increasing labor productivity. One of the training courses implemented in 2018 was Kaizen-5S. The Human Resources Department, in collaboration with the Hanoi National University, has organized this training course for 108 nominated employees from Processing & Maintenance as the 1st phase of this program.

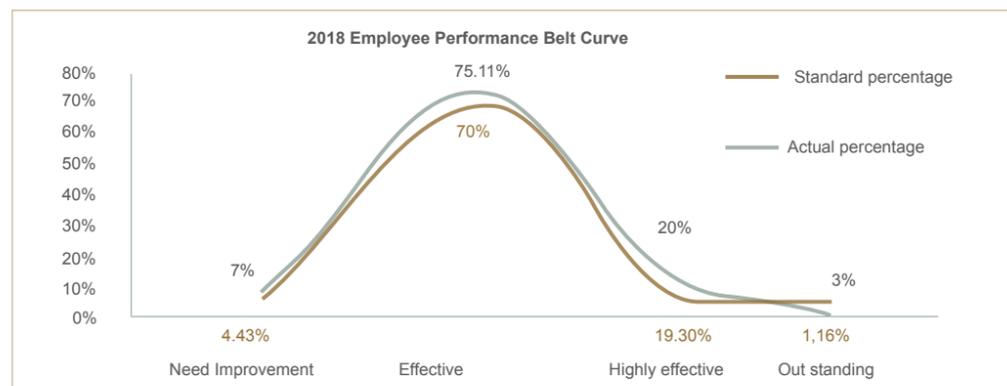
Outcomes of the course include:

- To change the mindset from Kaizen -5S is an cleaning activity to an efficient tool of enhancing labour productivity and minimizing production costs;
- Identification and elimination of waste and recognition of 7 waste types in their daily activities and how this waste impacts labor productivity;
- Post traing , in each work area, a detailed plan for implementing Kaizen-5S has been deployed.



Staff performance management

Performance management remains a critical element of the Masan Resources business practices. Employees are assessed each half year and mapped against requirements and performance indicators for their role. Outcomes from these assessments are used to develop development plans, succession planning, training requirements and for determine those employees who are not suitable for the culture at Masan Resources. The below graph shows the bell curve of performance for 2018.

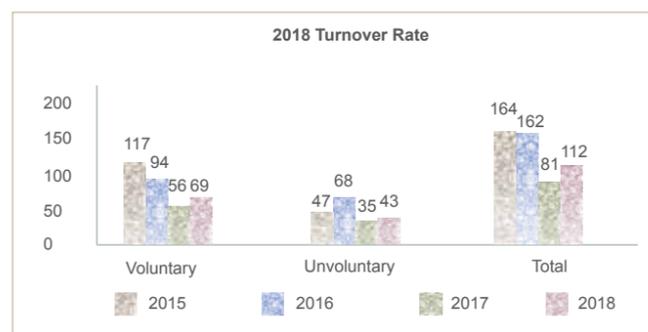
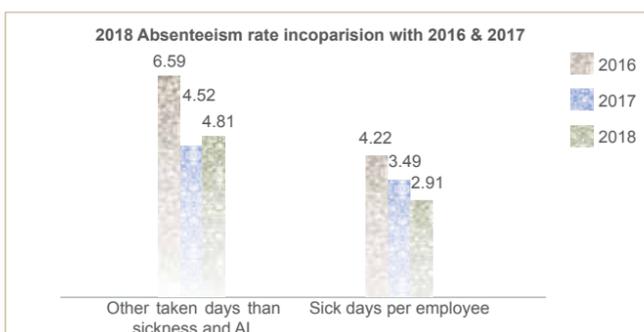


Employee Engagement

In addition to the training activities, intended to enhance the skills and knowledge of our employees, the maintenance of a positive and improved work environment continues to be promoted. All activities which were performed well in 2017 have been continued including regular employee meetings, monthly star award, health care program, community assistance, sport and recreation events. In addition further initiatives in 2018 include :

- Re-evaluating work place conditions and giving feedback to each relevant department for fixing.
- Conducting employee opinion surveys as the baseline for the company to understand its employee's beliefs of how the company is performing and where they expect the company could do more in the future.
- Vaccination program made available to MTC employees

Various Human Capital Statistical Measures for 2018 relative to prior years are shown below:



Risk Management Report

Commodity Price Risk

Basis of Risk The prices we obtain for our tungsten, copper, fluorspar and bismuth are determined by, or linked to, prices in world's markets, which have historically been subject to substantial volatility. Fluctuations in commodity prices can occur due to price shifts reflecting underlying global economic and geopolitical factors, industry demand (i.e. Energy, Defense, Infrastructure), increased supply due to the development of new productive resources, technological change, product substitution and national tariffs. The volatility in global economic growth has the potential to adversely impact future demand and prices of commodities. This can negatively impact future cash flows and asset values.

Risk Mitigations The Company operates at the lower end of the global cost curve for its products, which places it in a preferred position in low price environments. The Company has a diversified portfolio of products, which are sold to a diverse customer base across multiple geographic markets and different end-use applications. This insulates the Company from large swings or exposures to any commodity in isolation and also protects the Company from a poor performance in a single customer geography or end-use application. For commodities that are exchange traded, such as copper, the Company can use financial instruments, such as forward contracts and hedges, to reduce its exposure to pricing risk.

Currency Exchange Risk

Basis of Risk Majority of the Company's sales are exported and priced in US dollars. Fluctuations in the VND/USD exchange rate can therefore have a significant impact on the Company's financial result.

Risk Mitigations Various expenditures for materials and spares which are not available in Vietnam are imported and paid for in USD which results in a natural offset for a portion of the Company's costs. The remaining expenditures of the Company and the Company's debt are measured in VND. This exposes the Company to exchange rate variations between VND and USD. Currency risk is regularly monitored by the Chief Financial Officer and appropriate recommendations are made to the Board, so that the adequate risk mitigating actions are undertaken in a timely manner.

Unexpected or sudden unfavorable changes in the regulatory and political environment in Vietnam or in customer countries, possibly effecting our operations, sales, or business decision making.

Basis of Risk Regulatory changes in Vietnam or customer countries have the potential to increase costs, lower margins or restrict the Company from selling its products in customer countries.

Risk Mitigations The Company regularly monitors the regulatory environment within Vietnam as well as in customer countries to assess their likely impact on product sales. This is done in order to ensure the Company and its customers can be proactive in appropriate proactive engagement in customer countries or within Vietnam so as to guarantee the long-term viability of the business.

Failure to maintain reserves or develop new operations could negatively affect our future results and financial conditions.

Basis of Risk The demand for our products results in the depletion of our existing reserves over time. As our revenues and profits are derived from our mineral operations, our future results and financial conditions are directly related to our future exploration and acquisition efforts and our ability to generate reserves to meet our future production requirements at a competitive cost.

Risk Mitigations The Company has already identified reserves which underpin a long-term mine life. The reserves have been prepared and determined in accordance with international standards and reviewed by independent third parties. This gives the Company a strategic ability for future exploration undertakings and examinations of acquisition opportunities. Existing reserves will be further drilled, as required, in order to extend mine life in places where geological modeling and market conditions support such works. With the MTC acquisition and debottlenecking delivering additional tungsten chemical processing capacity, MSR is increasing its third party tungsten raw material procurement which reduces the reliance on NPMC Resources and Reserves. MSR is also exploring opportunities to develop recycling process in Vietnam which will further mitigate this risk through the development of a sustainable, renewable raw material source.

Commercial Counterparty Risk

Basis of Risk The Company has contracts with a large number of commercial and financial counterparties, including end-customers, suppliers and financial institutions. Global economic volatility continues to strain global financial markets, resulting in generally uncertain business conditions. In addition, customers, suppliers and contractors and joint venture partners may fail to perform in accordance with existing contracts and obligations.

Risk Mitigations The Company has counterparty credit controls which limit the exposure to any single customer, geographic region, end-use application or Commercial and Trading counterparty.

The Company periodically reviews the financial and market performance of its respective counterparties to proactively manage risks and/or potential issues.

Key Person Risk

Basis of Risk Loss of key management positions may result in a disruption of on-going operations and/or loss of shareholder confidence, leading to a fall of share prices.

Risk Mitigations Human Resources Management is an important platform for the success of the Company. To control this risk, the Company has implemented succession planning and comprehensive training and development programs to ensure that capable people are available internally. The Company periodically offers attractive employee share ownership programs to ensure employee alignment with shareholders and employee retention.

Competition Risk

Basis of Risk Ability to defend, maintain and/or increase Masan Resources strategic objectives and market share.

Risk Mitigations The Company operates one of the world's largest tungsten mines. It is a key strategic source of non-China sourced tungsten chemicals, acid grade fluor spar and other products. The Company has entered long-term sales agreements with a number of top global companies thus insulating itself from a potential loss of market share through the possible introduction of future suppliers. MTC manufacturing facilities are certified ISO 9001 (Product Quality Control) compliant and MSR and its subsidiaries is compliant with the Responsible Minerals Initiative (RMI) and iTSCI.

Unexpected natural and operational catastrophes may adversely impact our operations.

Basis of Risk Unexpected natural and operational catastrophes may adversely impact our mining operations, route to market or customers' facilities. At the Company's main operational facility, the key natural catastrophes include flooding and earthquakes. They can impact the open cut mine, tailings dam facilities or the processing plant. Potential operational catastrophes include operational accidents, processing plant fires and explosions, open-cut pit wall failures, loss of power supply or critical mechanical equipment failures.

Risk Mitigations Business continuity and contingency plans are in place to mitigate the consequences of operational catastrophes. Potential unexpected natural catastrophes have been identified and contingency plans are in place to mitigate the consequences. The Company's facilities, including its tailings dam facilities, have been constructed to international best standards. They were constructed to World Bank Standards and are subject of regular inspections by an independent international review panel.

As part of the risk management process, the Company has comprehensive insurances in place to mitigate any losses incurred due to business interruption as a result of unexpected natural and operational catastrophes.

Breaches of information - technology security processes which may adversely impact our business activities

Basis of Risk The Company maintains information technology (IT) systems, consisting of infrastructure, business applications and communications to support our business activities. These systems may be subject to security breaches (e.g. cyber-crimes) that can result in disruption of our operations, loss of intellectual property or disclosure of commercially sensitive information and reputational damage.

Risk Mitigations The Company regularly reviews its IT security systems, processes and protocols. The Company maintains perimeter firewalls and offsite backups of key data, systems and processes. In FY18 an improved endpoint security solution has been implemented, and in FY19 Q1 a security strengthening activity is underway. Concurrently, in FY19 Q1 an IT risk assessment will be performed at both a technical level (Security strengthening engagement) and business risk and governance (IT Strategy engagement) which will deliver a security improvements roadmap to be actioned in FY19.

Sustainability Risk

Basis of Risk Health, Safety, Environmental or Community incidents or accidents may adversely affect our people or neighboring communities, operations, reputation and license to operate.

Risk Mitigations The Company's approach to the sustainability risk is reflected in its CHES (Community, Health, Safety, Sustainability) Policies. Further to the adopted preventative approach, all significant CHES incidents or accidents are recorded and reported to the Board of Directors. On the occurrence of a significant incident, the Company works directly with relevant governing bodies and impacted parties to resolve and ensure that the risk of recurrence is minimal.

Global Economic volatility

Basis of Risk Global economic outlook is more geo-political in nature. The global political climate remains uncertain which will cause some degree of volatility, positive or negative, that may test fundamentals which thus far have proven to be more than resilient.

Risk Mitigations We maintain a positive outlook for the US economy and though the growth might moderate in 2019 vis-à-vis 2018, the underlying growth drivers remain in place, and the more than 300,000 job creation in December 2018 is testimonial to it. Consumer spending is booming with high levels of confidence and a further fall off in unemployment ensuing real wage gains would be supportive of its short-term sustainability.

For China, we see enough tools in monetary and fiscal space to counter the impact of unfavorable trade policies, stimulate growth and keep it up above the critical level of 6%. Vietnam & India continue to outshine and after growing at an attractive rate of more than 7% in 2018, are expected to sustain the growth momentum and retain the title of world's fastest growing economies in 2019. While our outlook for Eurozone is less optimistic, with the economic foundations having the correct architecture, we believe that sufficient caution is in place to manage global economic volatility.





KEEP GOING OUR SUSTAINABILITY JOURNEY

- Improving Sustainable Governance
- A Circular Approach to Sustainability
- Children well - fair as our initiatives for SDGs

This summary of our Sustainability Report does not repeat several aspects which were already presented separately in different sections of this Annual Report; instead it focuses on the key aspects of people, social and environmental, as well as CSR issues.

The full content of our sustainability report is available within the 2018 Masan Resources Sustainability Report which is published in parallel with this Annual Report.

The Global Responsible Business Forum held in Singapore in October 2018 has delivered real solutions across the areas critical to the attainment of the Sustainable Development Goals (SDGs). The key message from the forum was a call to action, especially to the private sector. Business leaders are encouraged “to be bold and take it personally” and to use the SDGs as a framework to come together to address issues.

In Viet Nam, under the leadership of the VBCSD-VCCI, the member-networking and capacity building activities concerning sustainable development have been expanded nationwide. In particular, a variety of initiatives such as Advancing Circular Economy in Vietnam and the activities of the P4G Vietnam Forum for green and sustainable growth have been actively promoted throughout the year. Most recently, “Fostering Economic Growth and Inclusive Society for Sustainable Development” has been the theme of the first 2019 Sustainability Forum in Viet Nam held on 17-18 January 2019 in Ha Noi.

The Corporate Sustainability Index (CSI) was designed to match the practical requirements and further introduced to the business community through training courses on sustainability reporting and CSI applications. In light of the message from the chairman of VBCSD-VCCI, in 2019 companies will be continuously encouraged, promoted and supported to gradually bring sustainable development to the heart of business strategies, and to become the “breath of life” of every company⁽¹⁾.

Masan Resources, who is delivering Strategic Resources from Vietnam into High-Tech Global Materials markets, is currently operating a world-class polymetallic mineral resources and chemical processing plant in northern Vietnam. MSR has embraced the Sustainable Development Goals (SDGs) as the framework for our own development impact, and as a way of articulating the wider benefits of investing in development. Such a ‘smart way’ of investing is not only granting Masan Resources a ‘social license’ for our operations but also our sense of ‘good corporate citizenship’. In other words, we feel that as part of the business community we should also be deeply aware that legal compliance, creation of employment opportunities and contribution to sustainable development are fundamental to being a good corporate citizen.



Craig Richard Bradshaw
Chief Executive Officer

Our Material Topics of the year



Improving Sustainable Governance

A consolidated governance structure

MSR is aware that a successful integration and effective management of sustainability at a company level requires committed leadership, clear directions, and strategic influence—a robust governance structure. In order to better reflect on the sustainability needs, MSR periodically reviews and consolidates its Sustainability Governance Structure.

In 2018, CHES (Community, Health, Environment, Safety and Sustainability) has been established as a Cross-Functional Executive Sustainability Sub-Committee, which sits below the Sustainability Committee.

CHES is entitled to engage with various departments and divisions in the Company and its subsidiaries in order to implement the sustainability initiatives, as well as to provide further oversight and strategic guidance. It also mobilizes employees to implement strategies and conduct regular meetings (monthly and quarterly) to review their performance. The functions involved can vary, but may include risk management, operations and facilities, communities and communications, human resources and environmental health and safety, to name but a few.



The inauguration of the CHES Committee was held in August 2018. The Committee's functions, missions and charter as well as the appointment of the Chairman and Secretary were presented and approved at the ceremony.



Making transparency key approach to oversight sustainability

It needs to be stated that mining and its contributions to society, the ecosystem and sustainability in the neighbouring communities, such as the benefit sharing, health and safety priorities, environmental protection & caring, economic rehabilitation and community developments over the long term, are often not well understood. Sometimes this has led to mis-conceptions and distrust among various stakeholders, especially the community people, local authorities and other, relevant, social institutions. Simply stated, without openness and transparency, an enhanced decision-making process is severely impeded.

The benefits of a transparent information flow have been recognised by MSR since the commencement of the Nui Phao operations. The major aspects of transparency in our operations pertain to the resettlement & compensation activities, the environmental impact and its mitigation, the production and business operations.

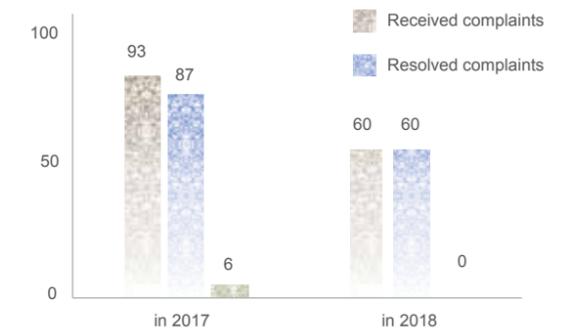


2018 witnessed an extraordinary amount of information disclosed in the form of site visits, community meetings, workshops, consultations as well as open dialogues between the company and internal and external stakeholders. Moreover, our transparency procedures dictate a focus on reliable & convincing input data, formal reporting, and being responsive to any concerns of our stakeholders. We found the latter to be of high importance for trust – based relationships with our stakeholders.

» Information accessible to all

In 2018, around **1,800** of Company information items were disclosed and there were more than **350 visits** to our information centre located at the project site; **80 meetings** were organized for community people with more than **1,100 participants**.

» On going efforts to address the community concerns



The status of complaints & grievance in 2017 and 2018

Environment transparency: Beyond compliance

» Sampling

In 2018, a total of 8,322 environmental samples have been taken (including internal and external samples taken by independent labs), out of which 7,194 were water samples, 12 were soil and tailings samples, 89 solid waste samples and the remaining were 120 ambient air and emission samples.



» Reporting

In 2018, NPMC submitted a total of 18 reports including 12 waste-water discharge reports, 2 annual environmental reports, 1 annual hazardous waste report and a variety of different reports at the request of the regulators.

Since September 2018, the monitoring data from automatic waste-water monitoring stations at DP2 & DP3 have been transmitted online to DoNRE to ensure the transparency and objective data monitoring.



» Observing

In order to increase the level of transparency, in 2018 Nui Phao began providing organized site visits for the local people, authorities and other stakeholders, which allowed them not only to witness the company's operations, its investments in production technologies and environment protection, but also provided them with an opportunity to share their ideas and concerns about company's operations with company's representatives.

In 2018, the company received **41 delegations** to its Nui Phao site with more than **640 visitors** from the local communities, authorities at different levels, specialists/experts from academic research institutes and universities, investors and other stakeholders from Viet Nam and other countries.



» Responding

In 2018, NPMC continued to implement the environmental recommendations according to MoNRE's resolutions. In this regard, most of the environmental recommendations have been already completed, while the remaining ones expected to be completed in the near future. To date, a total of **4 million US\$** have been invested in the implementation of environmental recommendations.

2018

Legal

- New Cong River water extraction license
- New hazardous waste logbook (amended)
- Completed the study of TSF seepage assessment – stage 1
- Completed the additional environmental rehabilitation plan
- Submitted the certified dossier of TSF (2013 -2018)

Protection Works

- Completed the upgrade of WWTP
- Completed the lining of PSRP, ROM-SP1; ROM-SP3
- Completed the installation of 4 automatic waste-water monitoring stations
- Completed the installation of 1 automatic gas monitoring station
- Completed Hamlet 6 cut-off drainage trench

A Circular Approach to Sustainability



In recent years, the concept of a circular economy was devised to overcome the limitations caused by the exhaustion of natural resources. An economy which relies on the use of commodities which are not renewable and will be exhausted at some point in the future, is considered to be unsustainable.

A mind set of circular economy

» Environmentally responsible

In 2018, all operators of the Processing team and the contractors directly engaged in waste classification and segregation were made to attend a training on waste classification. A total of 437 people took this course in 2018.

The training program in implementation of the EIA Report was expanded to expats in 2018 in order to synchronize the responsibilities for environmental protection of all management levels.

In addition, a number of environmental events, including the World Environment Day, the Campaign for Cleaner World and the Earth Hour is usually well-attended by MSR, however, the opportunity to attend these events has now been expanded to include the local communities around the mine-site through various workshops and media outlets. Some of the practical items discussed at these events include the minimization of the usage of plastic bags, the induction of waste classification courses and other environmental sanitation issues for women's union and pupils. The intention of these programs is to increase the effectiveness of waste management and improve rural environment protection. The events were attended by nearly 700 participants.



As the unique properties of our mine operations are metals and mineral resources, the traditional mining process is limited in scope and, effectively, non-productive. On the one hand, the Company has to apply advanced scientific knowledge and techniques in order not only to maximize the recovery rate of our minerals but also to improve the quality of our products so as to maximize the value of the natural resources. On the other hand, we set the targets and implement the '3R Approach' in all aspects of our operations, with a particular focus on environment protection in mining and mining related activities.

"3R" refers to Reduce – Reuse - Recycle

» Kaizen – 5S

The KAIZEN program is a tool used for eliminating waste and optimizing labor productivity. The campaign has helped employees to change their long-term mind-set with regards to how they approach challenging situations. The Kaizen training course has helped employees to recognize 7 waste types in their daily activities and how this waste impacts labor productivity. After the course, in each work area, a detailed plan for implementing Kaizen-5S has been deployed. Since then, the Kaizen 5S program has been implemented in all divisions with the active participation of all employees of both NPMC and MTC. The program has, so far, yielded positive changes in the behavior of the workforce, however, thorough integration of 5S Kaizen into the employee culture is a long way ahead, requiring relentless efforts of all employees to act as one.



Resources recovery through plantation projects

» **Extending areas**

In 2018, MSR rehabilitated an area of 11.1 hectare at the slopes of waste dumps, buffer zones and other disturbed areas in the progress of mining and mining-related operations. NPMC used a variation of plants and materials to increase the efficiency of environmental rehabilitation and restoration works. A total of **23,876 Acacia** trees have been planted, **2,729 kg of grass seeds** sowed and 4,451 kg of fertilizer used. Since the commencement of the project until the end of 2018, NPMC rehabilitated a an area of about **49.8 ha**, thus making an important contribution to environmental protection works.

» **Vegetation in waste water treatment**

Since 2015, NPMC commenced the construction of a wetland in order to improve waste-water quality prior to its discharge into the environment. The NPMC’s solution is an environmentally friendly waste-water treatment model based on the ability of some plants to absorb and metabolize BOD, COD and other heavy metals in waste-water, so as to reduce their released concentration into the environment.

“Artificial bio-filtration plant”

MSR has been researching the ways to improve waste-water quality by using the tried and tested wetland model. Initially, planting was done by vetiver planting directly on the ground, which was then improved by planting on floating rafts.

After completion of the research on the optimal planting methods, both methods have been fully replaced by umbrella planting (propagating from leaves), which was shown to be the most efficient method. The plants on umbrella rafts have been shown to grow well, have strong stems, trunks, leaves and strong roots and look like “an artificial bio-filtration plant” that purifies and improves waste-water quality. The waste-water in constructed wetlands is relatively clean, clear, while the well-grown umbrella rafts facilitate the development of natural aquatic life.



Environmental sanitation programs for neighboring communities

Tan Linh is among the most disadvantaged communes in Dai Tu district with the largest tea cultivation area in Thai Nguyen province. With over 700 ha of land dedicated to tea cultivation and over 98% of the population living of tea, the commune is at high risk of soil degradation and water and environmental pollution caused by the abuse of plant protection drugs and chemical fertilizers. Moreover, the rural waste management program is not in place and there is a great tolerance to illegal dumping, resulting in dozens of public places like bridges, streams, roadsides, village gates being contaminated.

During 2018, MSR conducted 16 training workshops and promotion campaigns for 600 participants about domestic waste classification, use of biological products to treat decomposable garbage and minimization of plastic bags in daily activities; supported the establishment and operation of 7 clubs of “women with environment protection”; assisted the collection and treatment of harmful chemical waste; provided communication material (sign boards, brochures, posters, etc) and promoted monthly action programs to clean up public places in every village.

By the end of 2018, there have been some positive environmental developments. For example, there is a waste collecting group in place and 50% of the population is using the waste collecting service. Illegal dumping has diminished and a great deal of roads has been decorated with flowers.



Children well - fair as our initiatives for SDGs

The well-being of children is an important marker of progress towards the attainment of the SDGs. Since they are not always visible in data and policies, dedicated efforts are required to make sure that no child is left behind in the implementation, monitoring and reporting of the SDG agenda.

Contributing to the Children's fund by supplying studying facilities, bicycles, improving housing conditions, and through scholarships for disadvantaged children



Environmental protection and waste management awareness raising course to more than **300** students of Tan Linh secondary school



Promotion of traffic safety to over **400** students in Ha Thuong secondary school with 50 helmets donated to the students.



A nice, friendly reading space for nearly **500** students of Phuc Linh secondary school.



Tet Gifts for disadvantaged students from My Yen Ban Ngoai and Phuc Linh communes, Dai Tu district



Facilities (mattresses, wardrobes and fridges) to Lung Luong secondary school with **200** H'Mong ethnic students



Helping orphans to generate income through husbandry



FINANCIAL STATEMENTS

- Corporate Information
- Statement of the Board of Management
- Independent Auditor's Report
- Balance Sheets
- Statements of Income
- Statements of Cash Flows
- Notes to the Financial Statements

Corporate information

Masan Resources Corporation

Enterprise Registration Certificate No.	0309966889	3 October 2018
	The Company's Enterprise Registration Certificate has been amended several times, the most recent of which was dated 3 October 2018. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The first Business Registration Certificate No. 0309966889 was issued on 27 April 2010.	
Investment Certificate No.	41122000131	2 August 2013
	The Investment Certificate was issued by the People's Committee of Ho Chi Minh City to the Company to implement the investment of "Ma San Resources Corporation" which has a term of 10 years from the date of the Investment Certificate.	
Board of Directors	Mr. Chetan Prakash Baxi	Chairman
	Dr. Nguyen Dang Quang	Member
	Mr. Nguyen Thieu Nam	Member
	Mr. Dominic John Heaton	Member (<i>resigned on 26 July 2018</i>)
	Mr. Nguyen Van Thang	Member
Board of Management	Mr. Craig Richard Bradshaw	General Director
	Mr. Nikhil Kamran	Chief Financial Officer (<i>resigned on 23 August 2018</i>)
	Ms. Nguyen Thi Thanh Mai	Chief Accountant (<i>from 23 July 2018</i>)
Registered Office	Suite 802, 8 th Floor, Central Plaza Building No. 17 Le Duan, Ben Nghe Ward, District 1 Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	

Statement of the Board of Management

Masan Resources Corporation

The Board of Management of Masan Resources Corporation ("the Company") presents this statement and the accompanying consolidated and separate financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as of and for the year ended 31 December 2018.

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

- the consolidated and separate financial statements set out on pages 127 to 176 give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2018, and of the results of operations and the cash flows of the Group and of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised these consolidated and separate financial statements for issue.

On behalf of the Board of Management



Craig Richard Bradshaw
General Director

Ho Chi Minh City, 7 March 2019

Independent Auditor's Report

To the Shareholders Masan Resources Corporation

We have audited the accompanying consolidated and separate financial statements of Masan Resources Corporation ("the Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated and separate balance sheets as at 31 December 2018, the related consolidated and separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 7 March 2019, as set out on pages 127 to 176.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view, in all material respects, of the financial positions of the Group and the Company as at 31 December 2018 and of their consolidated and separate results of operations and their consolidated and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam
Audit Report No.: 18-02-00177-19-2



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

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

Balance Sheets

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Balance sheets as at 31 December 2018

Form B 01 – DN/HH
(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	Group		Company	
		31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
ASSETS					
Current assets					
(100 = 110 + 120 + 130 + 140 + 150)		4,333,718,245	3,456,003,440	47,959,283	2,782,039
Cash and cash equivalents					
	110	6	467,220,260	780,414,201	3,288,566
	Cash	111	263,449,041	82,470,201	234,588
	Cash equivalents	112	203,771,219	697,944,000	3,053,978
Short-term financial investments					
	120		-	32,500,000	-
	Held-to-maturity investments	123	-	32,500,000	-
Accounts receivable - short-term					
	130		1,612,852,955	860,460,818	44,670,717
	Accounts receivable from customers	131	960,321,689	368,595,772	-
	Prepayments to suppliers	132	175,750,070	78,568,122	-
	Other receivables	136	476,781,196	420,152,488	44,670,717
	Allowance for doubtful debts	137	-	(6,855,564)	-
Inventories					
	140	8	1,646,014,138	1,409,062,969	-
	Inventories	141	1,646,014,138	1,409,062,969	-
Other current assets					
	150		607,630,892	373,565,452	-
	Short-term prepaid expenses	151	45,996,377	47,822,640	-
	Deductible value added tax	152	561,634,515	325,742,812	-

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2018 (continued)

Form B 01 – DN/HH
(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	Group		Company	
			31/12/2018	1/1/2018	31/12/2018	1/1/2018
			VND'000	VND'000	VND'000	VND'000
Long term assets (200 = 210 + 220 + 240 + 250 + 260)	200		23,615,407,322	23,688,207,422	12,495,844,635	9,995,844,635
Accounts receivable – long-term	210		1,335,307,630	1,346,793,937	7,355,509,062	4,855,509,062
Receivables on long-term lending loans	215	9	-	-	3,945,518,100	3,945,518,100
Other long-term receivables	216	10	1,335,307,630	1,346,793,937	3,409,990,962	909,990,962
Fixed assets	220		18,267,296,514	18,898,064,279	-	-
Tangible fixed assets	221	10	17,767,943,281	18,351,724,804	-	-
Cost	222		22,411,038,516	21,810,465,885	-	-
Accumulated depreciation	223		(4,643,095,235)	(3,458,741,081)	-	-
Finance lease tangible fixed assets	224	11	-	4,486,667	-	-
Cost	225		67,300,000	67,300,000	-	-
Accumulated depreciation	226		(67,300,000)	(62,813,333)	-	-
Intangible fixed assets	227	12	499,353,233	541,852,808	-	-
Cost	228		688,278,032	688,278,032	137,950	137,950
Accumulated amortisation	229		(188,924,799)	(146,425,224)	(137,950)	(137,950)
Long-term work in progress	240		1,429,178,901	987,802,403	-	-
Construction in progress	242	13	1,429,178,901	987,802,403	-	-
Long-term financial investments	250		5,900,000	-	5,140,335,573	5,140,335,573
Investment in a subsidiary	251	14	-	-	5,140,335,573	5,140,335,573
Held-to-maturity investments	255		5,900,000	-	-	-
Other long-term assets	260		2,577,724,277	2,455,546,803	-	-
Long-term prepaid expenses	261	15	2,576,441,928	2,440,860,012	-	-
Deferred tax assets	262	20(i)	1,282,349	14,686,791	-	-
TOTAL ASSETS (270 = 100 + 200)	270		27,949,125,567	27,144,210,862	12,543,803,918	9,998,626,674

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2018 (continued)

Form B 01 – DN/HH
(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	Group		Company	
			31/12/2018	1/1/2018	31/12/2018	1/1/2018
			VND'000	VND'000	VND'000	VND'000
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		15,823,171,322	15,132,604,815	3,098,253,712	554,834,167
Current liabilities	310		4,101,944,806	4,871,844,056	57,179,537	13,759,992
Accounts payable to suppliers	311		526,342,610	434,067,033	-	429,032
Advances from customers	312		238,767,158	166,299,167	-	-
Taxes payable to State Treasury	313	16	66,770,503	74,558,198	136,840	-
Accrued expenses	315	17	734,808,645	788,206,464	41,014,278	424,490
Other short-term payables	319	18	67,894,855	3,919,178	16,028,419	12,906,470
Short-term borrowings and financial lease liabilities	320	19(a)	2,467,361,035	3,404,794,016	-	-
Long-term liabilities	330		11,721,226,516	10,260,760,759	3,041,074,175	541,074,175
Other long-term payables	337	18	1,124,123,839	1,124,123,839	541,074,175	541,074,175
Long-term borrowings, bonds and financial lease liabilities	338	19(b)	9,491,007,736	7,967,927,242	2,500,000,000	-
Deferred tax liabilities	341	20(ii)	613,430,657	643,914,399	-	-
Provisions – long-term	342	21	492,664,284	524,795,279	-	-

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2018 (continued)

Form B 01 – 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	Group		Company	
		31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
EQUITY (400 = 410)	400	12,125,954,245	12,011,606,047	9,445,550,206	9,443,792,507
Equity	410	12,125,954,245	12,011,606,047	9,445,550,206	9,443,792,507
Share capital	411	8,993,091,220	7,194,473,280	8,993,091,220	7,194,473,280
- Ordinary shares with voting rights	411a	8,993,091,220	7,035,448,980	8,993,091,220	7,035,448,980
- Preference shares	411b	-	159,024,300	-	159,024,300
Share premium	412	145,709,384	1,944,327,324	145,709,384	1,944,327,324
Other capital	414	(295,683,347)	(295,683,347)	-	-
Undistributed profit after tax	421	3,282,836,988	2,757,718,772	306,749,602	304,991,903
- Undistributed profit brought forward	421a	2,757,718,772	2,551,804,716	304,991,903	304,980,638
- Undistributed profit/(losses) for the current year	421b	525,118,216	205,914,056	1,757,699	11,265
Non-controlling interest	429	-	410,770,018	-	-
TOTAL RESOURCES (440 = 300 + 400)	440	27,949,125,567	27,144,210,862	12,543,803,918	9,998,626,674

7 March 2019

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Rajul Bagrodia
Deputy Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

Statements of Income

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Statements of income for the year ended 31 December 2018

Form B 02 – 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	Group		Company		
		2018 VND'000	2015 VND'000	2018 VND'000	2017 VND'000	
Revenue from sales of goods	01	25	6,865,010,875	5,404,645,101	-	-
Cost of sales	11		4,703,549,284	3,713,762,618	-	-
Gross profit (20 = 01 - 11)	20		2,161,461,591	1,690,882,483	-	-
Financial income	21	26	126,790,749	41,999,592	44,669,471	14,265
Financial expenses	22	27	1,204,829,996	1,137,924,018	40,756,034	-
Selling expenses	25		104,331,557	135,288,194	-	-
General and administration expenses	26		127,022,646	124,952,093	2,165,738	3,000
Net operating profit (30 = 20 + 21 - 22 - 25 - 26)	30		852,068,141	334,717,770	1,747,699	11,265
Other income	31		2,098,777	2,254,261	10,000	-
Other expenses	32		26,054,374	44,849,579	-	-
Results of other activities (40 = 31 - 32)	40		(23,955,597)	(42,595,318)	10,000	-

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Statements of income for the year ended 31 December 2018Form B 02 – 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	Group		Company	
			2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000
Accounting profit before tax (50 = 30 + 40)	50		828,112,544	292,122,452	1,757,699	11,265
Income tax expense – current	51	28	35,190,165	36,841,033	-	-
Income tax benefits – deferred	52	28	(17,079,300)	(45,844,345)	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		810,001,679	301,125,764	1,757,699	11,265
			VND'000	VND'000		
Net profit attributable to:						
Equity holders of the Company	61		663,756,323	205,914,056		
Non-controlling interest	62		146,245,356	95,211,708		
			VND	VND (Restated)		
Earnings per share						
Basic earnings per share	70	29	738	229		

7 March 2019

Prepared by:

Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:

Rajul Bagrodia
Deputy Chief Financial Officer

Approved by:

Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these financial statements

Statements of Cash FlowsMASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Statements of cash flows for the year ended 31 December 2018 (Indirect method)Form B 03 – 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	Group		Company	
		2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	01	828,112,544	292,122,452	1,757,699	11,265
Adjustments for					
Depreciation and amortisation	02	1,235,908,778	1,181,620,078	-	-
Allowances and provisions	03	41,014,656	43,347,293	-	-
Exchange loss/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	6,989,532	(5,824,568)	-	-
Profits from investing activities	05	(27,848,288)	(5,741,539)	(44,669,471)	(14,265)
Interest expense and borrowing fees	06	1,079,797,011	1,012,994,177	40,619,178	-
Operating profit/(loss) before changes in working capital	08	3,163,974,233	2,518,517,893	(2,292,594)	(3,000)
Change in receivables and other current assets	09	(982,999,214)	(454,833,910)	2,242,378	(2,242,379)
Change in inventories	10	(236,951,168)	(296,677,753)	-	-
Change in payables and other liabilities	11	131,197,383	187,603,914	2,800,367	(181,160)
Change in prepaid expenses	12	(93,222,743)	(4,225,567)	-	-
		1,981,998,491	1,950,384,577	2,750,151	(2,426,539)
Interest and borrowing fees paid	14	(1,048,441,244)	(921,866,185)	-	-
Income tax paid	15	(36,533,036)	(14,478,165)	-	-
Net cash flows from operating activities	20	897,024,211	1,014,040,227	2,750,151	(2,426,539)

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Statements of cash flows for the year ended 31 December 2018 (Indirect method)

Form B 03 – 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	Group		Company		
	2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000	
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(1,076,471,346)	(940,730,520)	-	-
Proceeds from disposals of fixed assets and other long-term assets	22	1,452,381	1,056,182	-	-
Placement of term deposits to banks	23	(5,900,000)	(32,500,000)	-	-
Contribution for Business Cooperation Contract ("BCC")	23	-	-	(2,500,000,000)	-
Receipts of term deposits from banks	24	32,500,000	-	-	-
Payments for acquisition of non-controlling interest	25	(695,653,481)	-	-	-
Receipt of interest	27	25,871,532	9,502,550	54,796	28,262,675
Net cash flows from investing activities	30	(1,718,200,914)	(962,671,788)	(2,499,945,204)	28,262,675
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	33	7,517,713,852	2,638,264,656	2,500,000,000	-
Payments to settle loan principals, bond and bond issuance related costs	34	(6,999,320,201)	(2,467,586,590)	-	-
Payments to settle financial lease	35	(9,026,327)	(16,271,187)	-	-
Payments of dividends	36	-	(26,249,448)	-	(26,249,448)
Net cash flows from financing activities	40	509,367,324	128,157,431	2,500,000,000	(26,249,448)

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Statements of cash flows for the year ended 31 December 2018 (Indirect method)

Form B 03 – 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	Group		Company		
	2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000	
Net cash flows during the year (50 = 20 + 30 + 40)	50	(311,809,379)	179,525,870	2,804,947	(413,312)
Cash and cash equivalents at the beginning of the year	60	780,414,201	603,345,037	483,619	896,931
Effect of exchange rate fluctuation on cash and cash equivalents	61	(1,384,562)	(2,456,706)	-	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 6)	70	467,220,260	780,414,201	3,288,566	483,619

7 March 2019

Prepared by:


Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:


Rajul Bagrodia
Deputy Chief Financial Officer

Approved by:


Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Notes to the financial statements for the year ended 31 December 2018

Form B 09 – 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

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

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		31/12/2018	1/1/2018
Masan Thai Nguyen Resources Company Limited (“MRTN”)	Investment holding	100%	100%
Thai Nguyen Trading and Investment Company Ltd (“TNTI”)	Investment holding	100%	100%
Nui Phao Mining Company Limited (“NPM”)	Exploring and processing mineral	100%	100%
Masan Tungsten Limited Liability Company (“MTC”) (formerly known as Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC, changed from 11 September 2018) (Note 5)	Deep processing of nonferrous metals and precious metals (Tungsten)	100%	51%

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

All the subsidiaries are incorporated in Vietnam.

As at 31 December 2018, the Company had 2 employees (1/1/2018: 2 employees) and the Group had 1,403 employees (1/1/2018: 1,363 employees).

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES
Notes to the financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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)

2. Basis of preparation

(a) Statement of compliance

The consolidated and 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.

(b) Basis of measurement

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

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) 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

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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)

with Circular No. 202/2014/TT-BTC issued by the Ministry of Finance providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”) which was applied prospectively from 1 January 2015, the difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) 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

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

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

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

(c) Cash and cash equivalents

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

(d) Investments**(i) 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.

(ii) Investments in subsidiaries

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.

(e) Accounts receivable

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

(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

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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)

goods and work in progress includes raw materials, direct labour and attributable mining and manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets**(i) Cost**

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

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 units of production basis. The estimated total production quantity output which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

	<u>As at 31/12/2018 and 1/1/2018</u>
• ST plant	125,140 tonnes of tungsten
• APT plant	120,265 tonnes of tungsten

Others

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

• buildings and structures	5 – 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.

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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)

(i) Intangible fixed assets**(i) 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.

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

(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 expenditure. These assets qualify for capitalisation when the mineral reserves to which they relate is proven to be commercially and technically viable. They are capitalised net of proceeds from the sale of commissioning products during the development phase. On completion of construction defined as the time when the assets are brought into the condition of its intended use, all assets are reclassified to tangible fixed assets as either “buildings and structures”, “machinery and equipment” or “other mining assets”; or long-term prepaid expenses as “other mining costs”.

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

(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.

(ii) Land compensation costs

Land compensation costs comprise prepaid land lease rentals, compensation, resettlement and other costs incurred in conjunction with securing the use of leased land for its mining activities. These costs are recognised in the 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;

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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) 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.

(l) Accounts payable

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

(m) Business cooperation contract

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

by contracting parties. Distributions which are contingent on the ultimate operating results of the BCC are recognised as income only as when the ultimate operating results of the BCC can be determined reliably.

(n) 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, Decree 158/2016/ND-CP dated 29 November 2016 (“Decree 158/2016”) and Circular 38/2017/TT-BTN-MT dated 16 October 2017 (“Circular 38”).

In accordance with Decree 158/2016 which became effective from 15 January 2017, 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 Ministry of Natural Resources and Environment (“MONRE”) has provided guidelines under Circular 38 for the conversion method based on various parameters to determine the conversion coefficient for the charge for granting mining rights in accordance with Decree 158/2016.

(ii) Mine rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation.

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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 flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset if

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

Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated income statement. Changes to the 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.

(o) 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.

(p) Equity**(i) Ordinary shares**

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

(ii) Preference shares

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

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utable to the preference shares are recognised as a deduction from share premium.

(iii) Other capital

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

(q) 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 period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at end of the annual accounting period.

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.

(r) Revenue from the sale of goods

Revenue from the sale of goods is recognised in the 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 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.

(s) 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.

(t) 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.

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(u) 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 period of construction are capitalised as part of the cost of the fixed assets concerned.

(v) 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 year. To determine the profit or loss attributable to ordinary equity holders, profit or loss for the year is allocated to the ordinary shares and participating equity instruments. This allocation is made in accordance with the rights of the other class of shares to participate in distributions if the entire profit or loss were distributed.

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares. Dilutive potential ordinary shares does not include convertible instruments that are mandatorily convertible.

(w) Segment reporting

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

(x) 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.

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4. Segment reporting

(a) Business segments

The Group comprises the following main business segments:

	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
From 1/1/2018 to 31/12/2018					
Segment revenue	942,301,136	1,381,223,555	4,215,790,172	325,696,012	6,865,010,875
Segment gross profit	530,675,974	876,394,721	673,358,748	81,032,148	2,161,461,591
Unallocated expenses					231,354,203
Financial income					126,790,749
Financial expenses					1,204,829,996
Results from operating activities					852,068,141
Other income					2,098,777
Other expenses					26,054,374
Income tax expenses					18,110,865
Net profit after tax					810,001,679

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	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
From 1/1/2017 to 31/12/2017					
Segment revenue	734,678,468	1,086,632,503	3,220,111,419	363,222,711	5,404,645,101
Segment gross profit	452,041,373	658,824,479	468,982,641	111,033,990	1,690,882,483
Unallocated expenses					260,240,287
Financial income					41,999,592
Financial expenses					1,137,924,018
Results from operating activities					334,717,770
Other income					2,254,261
Other expenses					44,849,579
Income tax benefit					(9,003,312)
Net profit after tax					301,125,764
As at 31 December 2018					
Segment assets	186,484,856	972,966,046	2,004,682,073	1,270,847,365	4,434,980,340
Unallocated assets					23,514,145,227
Total assets					27,949,125,567
Total liabilities					15,823,171,322
As at 1 January 2018					
Segment assets	200,633,583	1,044,504,878	2,116,034,761	1,367,325,434	4,728,498,656
Unallocated assets					22,415,712,206
Total assets					27,144,210,862
Total liabilities					15,132,604,815

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	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000			
From 1/1/2018 to 31/12/2018								
Capital expenditure	12,582,007	40,755,435	141,991,766	858,003	196,187,211			
Unallocated capital expenditure					880,284,135			
Depreciation	14,148,728	73,665,368	145,814,184	96,478,087	330,106,367			
Unallocated depreciation					863,302,836			
Unallocated amortisation					209,398,773			
From 1/1/2017 to 31/12/2017								
Capital expenditure	-	24,189,965	263,377,029	4,295,613	291,862,607			
Unallocated capital expenditure					648,867,913			
Depreciation	14,461,260	75,293,663	144,252,892	98,633,905	332,641,720			
Unallocated depreciation					806,763,861			
Unallocated amortisation					213,613,268			
(b) Geographical segments								
The Group comprises the following main geographical segments:								
	Vietnam VND'000	Belgium VND'000	Czech Republic VND'000	Japan VND'000	USA VND'000	Singapore VND'000	Others VND'000	Total VND'000
From 1/1/2018 to 31/12/2018								
External revenue	991,899,199	1,262,874,650	813,509,380	995,738,741	655,357,744	1,404,428,741	741,202,420	6,865,010,875
Segment assets	27,949,125,567	-	-	-	-	-	-	27,949,125,567
Capital expenditure	1,076,471,346	-	-	-	-	-	-	1,076,471,346
From 1/1/2017 to 31/12/2017								
External revenue	773,289,698	633,523,148	634,725,734	584,399,940	808,668,959	1,029,182,050	940,855,572	5,404,645,101
Segment assets	27,144,210,862	-	-	-	-	-	-	27,144,210,862
Capital expenditure	940,730,520	-	-	-	-	-	-	940,730,520

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5. Acquisition of NCI

On 13 August 2018, NPM acquired the 49% of minority ownership interest of H.C. Starck GmbH (“HCS”) in Masan Tungsten Limited Liability Company (“MTC”) (formerly known as Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC). Such acquisition resulted in MSR having effective 100% ownership in MTC as at 31 December 2018.

The acquisition has the following effects:

	VND'000
Cost of acquisition	695,653,481
Net assets acquired	(557,015,374)
Differences recorded in undistributed profit after tax	138,638,107
	VND'000
Cost of acquisition comprised:	
Acquisition of capital	677,959,875
Directly attributable costs to the acquisition	17,693,606
	695,653,481

6. Cash and cash equivalents

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Cash on hand	138,199	154,080	-	-
Cash in banks	263,310,842	77,774,081	234,588	83,619
Cash in transit	-	4,542,040	-	-
Cash equivalents	203,771,219	697,944,000	3,053,978	400,000
	467,220,260	780,414,201	3,288,566	483,619

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7. Other short-term and long-term receivables

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Short-term receivables				
Sale of claims receivable (a)	10,000,000	10,000,000	-	-
Distribution of profit receivable from BCC (b)	-	-	44,598,599	-
Others (c)	466,781,196	410,152,488	72,118	2,298,420
	476,781,196	420,152,488	44,670,717	2,298,420
Long-term receivables				
Borrowing cost – NPM (d)	-	-	909,990,962	909,990,962
Land compensation receivable from Thai Nguyen People's Committee (e)	1,303,754,210	1,319,793,389	-	-
Receivables under BCC (f)	-	-	2,500,000,000	-
Others	31,553,420	27,000,548	-	-
	1,335,307,630	1,346,793,937	3,409,990,962	909,990,962

(a) Sales of claims receivable were due from the immediate holding company, unsecured and receivable based on agreed terms and interest free.

(b) The short-term 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, NPM and MTC (Note 7(f)).

(c) A portion of other receivables pertained to amounts paid on behalf of an immediate holding company which were unsecured, receivable based on agreed terms and interest free.

(d) Long-term receivables from a subsidiary are unsecured, receivable in December 2020 and interest free.

(e) 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.

(f) The other long-term receivables represents contribution to Nui Phao Mining Company Ltd (“NPM”) under Business Cooperation Contracts (“BCCs”) dated 21 September 2018 and amended thrice thereafter according to which the Company use the bond proceeds of VND1,000 billion and VND500 billion respectively for business cooperation activities with NPM. The BCCs has terms of thirty-six (36) 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 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.

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8. Inventories

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Goods in transit	25,063,836	23,743,788	-	-
Raw materials	166,017,804	191,813,054	-	-
Tools and supplies	556,865,086	571,169,311	-	-
Work in progress	139,900,326	76,753,984	-	-
Finished goods	746,927,733	420,995,855	-	-
Goods on consignment	11,239,353	124,586,977	-	-
	1,646,014,138	1,409,062,969	-	-

9. Receivables on long-term lending loans

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Long-term lending loans receivables from a related party	-	-	3,945,518,100	3,945,518,100

The loan receivables from a related party were unsecured, interest free and due on 31 December 2020. As defined in the convertible contract, the Company has the rights to convert the loans into contributed capital prior to or on maturity date of the loans.

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10. Tangible fixed assets

Group:

	Buildings and struc- tures VND'000	Machinery and equipment VND'000	Office equipment VND'000	Motor vehicles VND'000	Other mining assets VND'000	Total VND'000
Cost						
Opening balance	4,243,033,707	12,480,157,847	41,195,861	19,787,186	5,026,291,284	21,810,465,885
Additions	-	2,622,544	742,913	-	-	3,365,457
Transfer from construction in progress (Note 13)	455,150,296	141,885,779	-	4,786,840	-	601,822,915
Disposals	-	-	-	(4,615,741)	-	(4,615,741)
Closing balance	4,698,184,003	12,624,666,170	41,938,774	19,958,285	5,026,291,284	22,411,038,516
Accumulated depreciation						
Opening balance	554,998,417	2,137,722,944	33,164,481	15,667,481	717,187,758	3,458,741,081
Charge for the year	251,305,392	728,039,111	3,454,242	1,850,236	204,273,555	1,188,922,536
Disposals	-	-	-	(4,568,382)	-	(4,568,382)
Closing balance	806,303,809	2,865,762,055	36,618,723	12,949,335	921,461,313	4,643,095,235
Net book value						
Opening balance	3,688,035,290	10,342,434,903	8,031,380	4,119,705	4,309,103,526	18,351,724,804
Closing balance	3,891,880,194	9,758,904,115	5,320,051	7,008,950	4,104,829,971	17,767,943,281

Included in the cost of tangible fixed assets of the Group were assets costing VND36,275 million which were fully depreciated as at 31 December 2018 (1/1/2018: VND36,480), but which are still in active use.

At 31 December 2018, tangible fixed assets with carrying value of VND12,361 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2018: VND12,663 billion) (Note 19(b)(i)).

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11. Finance lease tangible fixed assets

Group:

	Machinery and equipment VND'000
Cost	
Opening and closing balances	67,300,000
Accumulated depreciation	
Opening balance	62,813,333
Charge for the year	4,486,667
Closing balance	67,300,000
Net book value	
Opening balance	4,486,667
Closing balance	-

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 (Note 19(b)(ii)).

Included in the cost of finance lease tangible fixed assets of the Group were assets costing VND67,300 million which were fully depreciated as at 31 December 2018 (1/1/2018: Nil), but which are still in active use.

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12. Intangible fixed assets

Group:

	Software VND'000	Mining rights VND'000	Total VND'000
Cost			
Opening and closing balances	99,907,214	588,370,818	688,278,032
Accumulated amortisation			
Opening balance	49,405,523	97,019,701	146,425,224
Charge for the year	11,949,246	30,550,329	42,499,575
Closing balance	61,354,769	127,570,030	188,924,799
Net book value			
Opening balance	50,501,691	491,351,117	541,852,808
Closing balance	38,552,445	460,800,788	499,353,233

Included in the cost of intangible fixed assets were assets costing VND12,145 million which were fully amortised as at 31 December 2018 (1/1/2018: VND10,127 million), but which are still in use.

At 31 December 2018, intangible fixed assets with a carrying value of VND498 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2018: VND540 billion) (Note 19(b)(i)).

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13. Construction in progress

Group:	2018	2017
	VND'000	VND'000
Opening balance	987,802,403	1,681,618,571
Additions during the year	1,064,767,221	802,396,482
Transfer to tangible fixed assets (Note 10)	(601,822,915)	(1,440,359,745)
Transfer to intangible fixed assets	-	(10,337,244)
Transfer to long-term prepaid expenses (Note 15)	(4,693,269)	(45,515,661)
Transfer to short-term prepaid expenses	(16,874,539)	-
Closing balance	1,429,178,901	987,802,403

During the year, borrowing costs capitalised into construction in progress amounted to VND41 billion (2017: VND92 billion).

As at the reporting date, construction in progress of NPM, which mainly represented 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.

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14. Long-term investments

	Group		Company	
	31/12/2018	1/1/2018	31/12/2018	1/1/2018
	VND'000	VND'000	VND'000	VND'000
Investment in a subsidiary				
Investment in MRTN	-	-	5,140,335,573	5,140,335,573

The following are the details of the consolidated subsidiaries (see Note 1) as at 31 December 2018:

Name	Address
Masan Thai Nguyen Resources Company Limited ("MRTN")	Ho Chi Minh City, Vietnam
Thai Nguyen Trading and Investment Company Limited ("TNTI")	Ho Chi Minh City, Vietnam
Nui Phao Mining Company Limited ("NPM")	Thai Nguyen Province, Vietnam
Masan Tungsten Limited Liability Company ("MTC") (formerly known as Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC)	Thai Nguyen Province, Vietnam

MTC is a subsidiary of NPM. TNTI and NPM are subsidiaries of MRTN. MRTN is a subsidiary of the Company.

The Company has not determine the fair value of the investment for disclosure in the financial statements because there was no quoted market prices for the investment. 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 value of the investment may differ from its costs.

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15. Long-term prepaid expenses

Group:

	Pre-operating expenses	Land compensation costs	Contribution to the People's Committee of Thai Nguyen Province	Other mining costs	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
Opening balance	2,093,948	1,081,306,579	2,000,000	1,303,896,280	51,563,205	2,440,860,012
Additions	-	-	-	270,210,959	13,157,599	283,368,558
Transfer from construction in progress (Note 13)	-	4,693,269	-	-	-	4,693,269
Transfer from long-term receivables	-	14,419,287	-	-	-	14,419,287
Amortisation for the year	(2,093,948)	(68,796,442)	(2,000,000)	(84,300,275)	(9,708,533)	(166,899,198)
Closing balance	-	1,031,622,693	-	1,489,806,964	55,012,271	2,576,441,928

Contribution to the People's Committee of Thai Nguyen Province

On 20 July 2010, NPM entered into an agreement with the People's Committee of Thai Nguyen Province, starting from 2015, whereby it committed to contribute USD1 million annually to the Provincial Treasury of Thai Nguyen throughout the life of the Nui Phao Mining Project. The amount of contribution would be reviewed and revised every 5 years but not subject to an increase of more than 15%.

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16. Taxes payable to State Treasury

Group:

	1/1/2018	Incurred	Paid/Offset	31/12/2018
	VND'000	VND'000	VND'000	VND'000
Value added tax	-	611,025,866	(611,025,866)	-
Import-export tax	-	186,761,323	(186,761,323)	-
Corporate income tax	36,324,167	35,190,165	(36,533,036)	34,981,296
Environment protection tax	-	6,549,018	(6,549,018)	-
Personal income tax	34,813,111	149,895,326	(154,925,476)	29,782,961
Natural resource tax	-	555,686,881	(555,686,881)	-
Other taxes	3,420,920	23,308,636	(24,723,310)	2,006,246
	74,558,198	1,568,417,215	(1,576,204,910)	66,770,503

17. Accrued expenses

	Group		Company	
	31/12/2018	1/1/2018	31/12/2018	1/1/2018
	VND'000	VND'000	VND'000	VND'000
Bonus	83,288,151	50,729,204	-	-
Accrued interest payable	280,911,923	314,419,346	40,619,178	-
Other financing costs	6,486,066	2,264,974	-	-
Natural resource taxes and fees	10,034,090	145,839,605	-	-
Accrual for construction work	80,589,745	57,969,060	-	-
Consultant fee	2,238,200	1,126,242	-	-
Operating costs	271,254,527	214,477,204	-	-
Others	5,943	1,380,829	395,100	424,490
	734,808,645	788,206,464	41,014,278	424,490

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18. Other short-term and long-term payables

Other payables included the following amounts:

	Group		Company	
	31/12/2018	1/1/2018	31/12/2018	1/1/2018
	VND'000	VND'000	VND'000	VND'000
Short-term:				
Amounts due to Masan Horizon Company Limited (“MH”) – the immediate holding company				
Non-trade – short-term (a)	2,511,785	2,511,785	2,511,785	2,511,785
Amount due to NPM – the subsidiary				
Non-trade – short-term (a)	-	-	10,294,685	10,294,685
Other payable to other parties				
Other payables – short-term	65,383,070	1,407,393	3,221,949	100,000
	67,894,855	3,919,178	16,028,419	12,906,470
Long-term:				
Amounts due to Masan Group Corporation (“MSN”) – the ultimate holding company				
Financial expenses – long-term (b)	1,124,123,839	1,124,123,839	541,074,175	541,074,175

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

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

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19. Borrowings, bonds and finance lease liabilities

(a) Short-term borrowings and finance lease liabilities

Group:	1/1/2018	Movement during the year					31/12/2018	
	Carrying amount VND'000	Amount within repayment capacity VND'000	Additions VND'000	Payments VND'000	Unrealised foreign exchange differences VND'000	Reclassifi- cations from long-term borrowings VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	2,397,131,326	2,397,131,326	3,517,713,852	(3,456,320,201)	8,836,058	-	2,467,361,035	2,467,361,035
Current portion of long-term borrowings (Note(b))	1,007,662,690	1,007,662,690	-	(1,009,026,327)	-	1,363,637	-	-
	3,404,794,016	3,404,794,016	3,517,713,852	(4,465,346,528)	8,836,058	1,363,637	2,467,361,035	2,467,361,035

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

	Currency	Group		Company	
		31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Secured bank loan (i)	USD	1,160,156,910	903,910,500	-	-
Secured bank loan (ii)	VND	808,600,820	567,938,909	-	-
Secured bank loan (ii)	USD	201,929,965	321,343,941	-	-
Loan from a former investor in one of the subsidiary (iii)	USD	-	603,937,976	-	-
Secured bank loan (iv)	USD	296,673,340	-	-	-
		2,467,361,035	2,397,131,326	-	-

- (i) The USD denominated loan from a related party bore interest within range from 4.01% to 4.78% per annum. The loan is secured by part of short-term receivables of NPM. As at reporting date, these loans are secured by 11.12% of the issued shares of the Company held by Masan Horizon Company Limited ("MH").
- (ii) The loan from a local bank is secured by inventories and part of short-term receivables of NPM. Specific loans drawdown in USD and VND bore interest ranging from 4.5% to 5.5% per annum and from 6.8% to 10.3% per annum, respectively.
- (iii) The USD denominated loan is from a former investor in one of the subsidiaries. The loan is unsecured and bore interest of 6% per annum.
- (iv) The USD denominated loan from a local bank is secured by 11.12% of the issued shares of the Company held by MH. Specific loans drawdown in USD bore interest ranging from 5% to 5.2% per annum.

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(b) Long-term borrowings, bonds and finance lease liabilities

	Group		Company	
	31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Long-term bonds issued (i)	9,491,007,736	8,966,563,605	2,500,000,000	-
Finance lease liabilities (ii)	-	9,026,327	-	-
	9,491,007,736	8,975,589,932	2,500,000,000	-
Repayable within twelve months (Note (a))	-	(1,007,662,690)	-	-
Repayable after twelve months	9,491,007,736	7,967,927,242	2,500,000,000	-

(i) Long-term bonds

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

	Year of maturity	Group		Company	
		31/12/2018 VND'000	1/1/2018 VND'000	31/12/2018 VND'000	1/1/2018 VND'000
Secured bond issued (a)	2018	-	998,636,363	-	-
Secured bond issued (b)	2020	5,519,052,180	7,967,927,242	-	-
Secured bond issued (c)	2020	994,333,333	-	-	-
Secured bond issued (d)	2023	496,333,333	-	-	-
Secured bond issued (e)	2021	992,888,890	-	1,000,000,000	-
Secured bond issued (f)	2023	1,488,400,000	-	1,500,000,000	-
		9,491,007,736	8,966,563,605	2,500,000,000	-

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

- (a) The VND denominated non-convertible bonds issued by TNTI with a two-year term and 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 six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 2.0%. The bond proceeds were used by NPM under a business cooperation agreement with TNTI and secured by 21.64% of the issued shares of the Company held by MH. This secured bond was fully repaid in June 2018.
- (b) 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.
- (c) The VND denominated non-convertible bonds issued by NPM with a two-year term bore interest rate of 9.5% per annum. The bond proceeds were used by NPM and secured by 10.44% of the issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd.
- (d) 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. The representatives of the bondholders is Techcom Securities Company Ltd.
- (e) The VND denominated non-convertible bonds issued by the Company with a three-year term bore interest rate of 9.8% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.2%. The bond was secured by 10.58% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd. The bond proceeds were used for the business cooperation activities with NPM (Note 7(f)).
- (f) The VND denominated non-convertible bonds issued by the Company with a five-year term bore interest rate of 10% per annum for the first twelve months. After the first twelve months, the applicable interest rate per annum will be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus 3.25%. The bond was secured by 15.65% of issued shares of the Company held by MH. The representatives of the bondholders is Techcom Securities Company Ltd. The bond proceeds were used for the business cooperation activities with NPM and MTC (Note 7(f)).

(ii) Finance lease liabilities

The future minimum lease payments under non-cancellable finance leases in the prior year was:

	1/1/2018		
	Payments	Interest	Principal
	VND'000	VND'000	VND'000
Within one year	9,398,868	372,541	9,026,327

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20. Deferred tax assets, liabilities and unrecognised deferred tax assets**(i) Recognised deferred tax assets**

	Group		Company	
	31/12/2018	1/1/2018	31/12/2018	1/1/2018
	VND'000	VND'000	VND'000	VND'000
Unrealised profit	1,282,349	14,686,791	-	-

(ii) Recognised deferred tax liabilities

	Group		Company	
	31/12/2018	1/1/2018	31/12/2018	1/1/2018
	VND'000	VND'000	VND'000	VND'000
Mineral reserves and mineral resources	613,430,657	643,914,399	-	-

(iii) Unrecognised deferred tax assets

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

	Tax losses available	
	Group	Company
	VND'000	VND'000
Accumulated five year tax losses	6,501,066	1,846,420
of which:		
Finalised with tax authorities	4,194,764	-
Outstanding – subject to tax authorities' review (*)	2,306,302	1,846,420
	6,501,066	1,846,420

(*) This amount may change subsequent to the tax authorities' review

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21. Provisions - long-term

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

Group:	Mine rehabilitation VND'000	Mining rights VND'000	Total VND'000
Opening balance	24,343,637	500,451,642	524,795,279
Provision made during the year	1,874,460	39,140,197	41,014,657
Provision used during the year	-	(73,145,652)	(73,145,652)
Closing balance	26,218,097	466,446,187	492,664,284

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22. Changes in equity

Group:

	Share capital VND'000	Share premium VND'000	Other capital VND'000	Undistributed profit after tax VND'000	Equity attribut- able to equity holders of the Company VND'000	Non-con- trolling interest VND'000	Total equity VND'000
Balance at 1 January 2017	7,194,473,280	1,944,327,324	(295,683,347)	2,551,804,716	11,394,921,973	315,558,310	11,710,480,283
Net profit for the year	-	-	-	205,914,056	205,914,056	95,211,708	301,125,764
Balance at 1 January 2018	7,194,473,280	1,944,327,324	(295,683,347)	2,757,718,772	11,600,836,029	410,770,018	12,011,606,047
Net profit for the year	-	-	-	663,756,323	663,756,323	146,245,356	810,001,679
Bonus share issuance	1,798,617,940	(1,798,617,940)	-	-	-	-	-
Acquisition of NCI	-	-	-	(138,638,107)	(138,638,107)	(557,015,374)	(695,653,481)
Balance at 31 December 2018	8,993,091,220	145,709,384	(295,683,347)	3,282,836,988	12,125,954,245	-	12,125,954,245

Company:

	Share capital VND'000	Share premium VND'000	Undistributed profit after tax VND'000	Total VND'000
Balance at 1 January 2017	7,194,473,280	1,944,327,324	304,980,638	9,443,781,242
Net profit for the year	-	-	11,265	11,265
Balance at 1 January 2018	7,194,473,280	1,944,327,324	304,991,903	9,443,792,507
Net profit for the year	-	-	1,757,699	1,757,699
Bonus share issuance	1,798,617,940	(1,798,617,940)	-	-
Balance at 31 December 2018	8,993,091,220	145,709,384	306,749,602	9,445,550,206

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23. Share capital

The Company's authorised and issued share capital comprised:

	31/12/2018		1/1/2018	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	899,309,122	8,993,091,220	719,447,328	7,194,473,280
Issued share capital				
Ordinary shares	899,309,122	8,993,091,220	703,544,898	7,035,448,980
Preference shares	-	-	15,902,430	159,024,300
	899,309,122	8,993,091,220	719,447,328	7,194,473,280
Shares in circulation				
Ordinary shares	899,309,122	8,993,091,220	703,544,898	7,035,448,980
Preference shares	-	-	15,902,430	159,024,300
	899,309,122	8,993,091,220	719,447,328	7,194,473,280
Share premium	-	145,709,384	-	1,944,327,324

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.

The preference shares have a par value of VND10,000, being mandatorily converted into a fixed number of ordinary shares either at the end of the preference shares agreement or on the occurrence of triggering events as stipulated in the agreement. The preference shares also confer onto the holder the right to receive dividends declared to ordinary shareholders in proportion to their shareholding in addition to its fixed cash dividends which is 3% per annum on the subscription price for the first year and 10% per annum on the subscription price for the remaining period until 25 January 2017. On 16 May 2018, Vietnam Securities Depository – Ho Chi Minh City Branch has approved the conversion of 15,902,430 dividend preferential shares issued by the Company into ordinary shares based on the conversion ratio of 1 to 1.

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

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Movements in share capital and share premium during the year were as follows:

	2018	
	Number of shares	VND'000
Issued share capital		
Balance at the beginning of the year	719,447,328	7,194,473,280
Bonus shares issuance	179,861,794	1,798,617,940
Balance at the end of the year	899,309,122	8,993,091,220
Share premium		
Balance at the beginning of the year	-	1,944,327,324
Bonus shares issuance	-	(1,798,617,940)
Balance at the end of the year	-	145,709,384

On 01 August 2018, the Company announced its plan for the issuance of bonus shares by increasing share capital from capital surplus as approved by AGM Resolution No. 138/2018/NQ-DHDCD. On the shareholder book closing date, 31 August 2018, a current ordinary shareholder whom holds 100 shares received 25 bonus shares. On 28 September 2018, the Company's Board of Directors issued Resolution to approve bonus share issuance for increasing share capital from the owner's equity by VND1,798,617,940,000 for 179,861,794 shares. On 8 October 2018, Hanoi Stock Exchange issued Decision No.638/QD-SGDHN which approved the increasing share capital from owner equity for 179,861,794 shares.

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24. Off balance sheet items**(a) Lease**

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

Group:	31/12/2018		1/1/2018	
	VND'000		VND'000	
Within one year	2,460,000		2,806,500	
Within two to five years	5,740,000		9,791,000	
More than five years	-		2,079,000	
	8,200,000		14,676,500	

(b) Foreign currencies

Group:

	31/12/2018		1/1/2018	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	9,766,512	227,402,336	2,767,589	62,713,581

(c) Bad debts written off

Group:

	31/12/2018		1/1/2018	
	VND'000		VND'000	
Bad debts written off	16,433,002		9,577,438	

(d) Capital expenditure commitments

As at 31 December 2018 the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

Group:	31/12/2018		1/1/2018	
	VND'000		VND'000	
Approved but not contracted	24,397,849		4,676,153	
Approved and contracted	57,111,513		267,822,247	
	81,509,362		272,498,400	

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(e) Final sales pricing adjustment

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

Total revenue as at 31 December 2018 that have been recognised on a provisional basis is VND384 billion (31/12/2017: VND65 billion).

25. Revenue from sales of goods

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

26. Financial income

	Group		Company	
	2018	2017	2018	2017
	VND'000	VND'000	VND'000	VND'000
Interest income	26,443,265	9,505,661	70,872	14,265
Foreign exchange gains	59,710,104	31,244,195	-	-
Others	40,637,380	1,249,736	-	-
Distribution of profit from BCC	-	-	44,598,599	-
	126,790,749	41,999,592	44,669,471	14,265

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27. Financial expenses

	Group		Company	
	2018	2017	2018	2017
	VND'000	VND'000	VND'000	VND'000
Interest expense	997,110,422	924,623,381	40,619,178	-
Borrowing fees	82,686,589	88,370,796	-	-
Foreign exchange losses	62,956,445	29,937,581	-	-
Others	62,076,540	94,992,260	136,856	-
	1,204,829,996	1,137,924,018	40,756,034	-

28. Income tax

(a) Recognised in the statement of income

	Group		Company	
	2018	2017	2018	2017
	VND'000	VND'000	VND'000	VND'000
Current tax expense				
Current year	35,190,165	36,841,033	-	-
Deferred tax benefit				
Reversal of temporary differences	(17,079,300)	(45,844,345)	-	-
Income tax benefit	18,110,865	(9,003,312)	-	-

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(b) Reconciliation of effective tax rate

	Group		Company	
	2018	2017	2018	2017
	VND'000	VND'000	VND'000	VND'000
Accounting profit before tax	828,112,544	292,122,452	1,757,699	11,265
Tax at the Company tax rate	165,622,509	58,424,490	351,540	2,253
Non-deductible expenses	1,924,546	9,351,549	-	-
Tax incentives	(81,283,126)	(48,822,813)	-	-
Effect of different tax rate in subsidiaries	(75,159,542)	(33,625,258)	-	-
Tax losses utilised	(351,540)	(9,151,359)	(351,540)	(2,253)
Deferred tax asset not recognised	-	37,589	-	-
Changes in temporary differences	7,358,018	14,782,490	-	-
	18,110,865	(9,003,312)	-	-

(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax at the rate of 20% of taxable profits. The Company's subsidiaries have obligation to pay the government income tax in accordance with the prevailing regulations. Some of the Company's subsidiaries are entitled to significant tax incentives as follows.

- On 25 March 2015, the investment project of a subsidiary was recognised as a high-tech project by Ministry of Science and Technology. Consequently, the subsidiary has an obligation to pay the government income tax rate the rate of 10% of taxable profits for the first 15 years starting from the year in which it was granted with the Certificate of high-tech project (2015-2029). The current tax regulations allow the subsidiary to be exempt from income tax for 4 years starting from the year in which it was granted the certificate of high-tech project (2015-2018) and entitled to a 50% reduction in income tax for the 9 succeeding years (2019-2027).
- Under the terms of its Investment Certificate and the applicable tax regulations another subsidiary has an obligation to pay the government income tax rate at the rate of 15% of taxable profits from mining and processing activities for mineral products other than gold for 12 years from the date of commencement of commercial production (2014-2025) and at the standard income tax rate in line with the Investment Certificate and prevailing tax regulations thereafter. The applicable tax regulations allow the subsidiary to be exempt from income tax for 3 years starting from the first year it generates a taxable profit (2014-2016) and entitled to a 50% reduction in income tax for the 8 succeeding years (2017-2024).

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

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(d) Tax contingencies

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

29. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2018 was based on the profit attributable to ordinary shareholders of VND658,330 million (2017: VND201,363 million) and a weighted average number of ordinary shares outstanding of 891,956,971 shares (restated for the year ended 31 December 2017: 879,431,085 shares), calculated as follows:

(a) Net profit attributable to shareholders

	2018	2017
	VND'000	VND'000
Net profit attributable to:		
Mandatorily convertible preference shareholders	5,426,428	4,551,457
Ordinary shareholders	658,329,895	201,362,599
	663,756,323	205,914,056

(b) Weighted average number of shares

	2018	2017
		(Restated)
Issued shares at the beginning of the year	703,544,898	703,544,898
Effect of preference shares conversion to ordinary shares on 16 May 2018	10,020,709	-
Effect of bonus shares issued on 31 August 2018	178,391,364	175,886,187
Weighted average number of ordinary shares for the year ended 31 December 2018	891,956,971	879,431,085

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As a result of the bonus share issuance during the year (Note 23), where ordinary shares are issued to existing shareholders for no additional consideration, in accordance with Vietnamese Accounting Standards, the weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. Accordingly, the Company's management has restated the weighted average number of ordinary shares for the year 2017.

A reconciliation of the amounts as previously reported is as follows:

	2017
	(Restated)
Issued shares at the beginning and closing of the year – as previously reported	703,544,898
Effect of bonus shares issued on 31 August 2018	175,886,187
Weighted average number of issued ordinary shares for the year ended 31 December - restated	879,431,085

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30. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these financial statements, the Group and the Company had the following significant balances and transactions with related parties as at reporting dates and during the year respectively.

(a) Related party balances

As at and for the year ended 31 December 2018, the Group and the Company have current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank (“TCB”) at normal commercial terms.

As at 31 December 2018, associates of the ultimate holding company and the ultimate holding company held VND829,388 million (1/1/2018: Nil) and VND1,499,990 million (1/1/2018: Nil) of the issued bonds of the Group respectively.

As at 31 December 2018, an associate of the ultimate holding company and the ultimate holding company held VND282,090 million (1/1/2018: Nil) and VND1,499,990 million (1/1/2018: Nil) of the issued bonds of the Company respectively.

(b) Related party transactions

Group:

Related Parties	Nature of transactions	2018 VND'000	2017 VND'000
Ultimate holding company			
Masan Group Corporation	Bond interest	17,260,159	-
Ultimate holding company's associate			
TCB and its subsidiaries	Interest expense and borrowing fees	109,606,407	93,871,473
	Loan received	1,651,044,370	1,194,606,629
	Loan paid	1,406,718,782	977,695,578
	Bond proceeds received (*)	3,800,000,000	-
Key management personnel			
	Salary, bonus and other benefits (**)	29,448,024	23,444,644
Board of Directors (“BOD”)			
Member of BOD	Sales to a related company of a member	720,924,481	-

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Company:

Related Parties	Nature of transactions	2018 VND'000	2017 VND'000
Ultimate holding company			
Masan Group Corporation	Bond interest	17,260,159	-
Ultimate holding company's associate			
TCB and its subsidiaries	Bond proceeds received (*)	2,500,000,000	-
Subsidiaries			
Nui Phao Mining Co., Ltd	Financial income received	-	28,249,448
	Distribution of profit from BCC	32,922,901	-
	BCC contribution	1,500,000,000	-
Masan Tungsten LLC	Distribution of profit from BCC	11,675,698	-
	BCC contribution	1,000,000,000	-

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

(**) No board fees were paid to Board of Directors members for the year ended 31 December 2018 and 31 December 2017.

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31. Non-cash investing and financing activities

	Group		Company	
	2018 VND'000	2017 VND'000	2018 VND'000	2017 VND'000
Conversion of interest payable into loan principal	-	34,097,152	-	-

32. Corresponding figures

Corresponding figures as at 1 January 2018 were derived from the balances and amounts reported in the Company's and Group's separate and consolidated financial statements as at and for the year ended 31 December 2017.

7 March 2019

Prepared by:



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General Director

**Cautionary note regarding forward looking statements**

This communication contains information that may constitute “forward-looking statements”. Generally, the words “believe”, “expect”, “intend”, “aim”, “estimate”, “anticipate”, “project”, “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future – including statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results – are forward-looking statements.

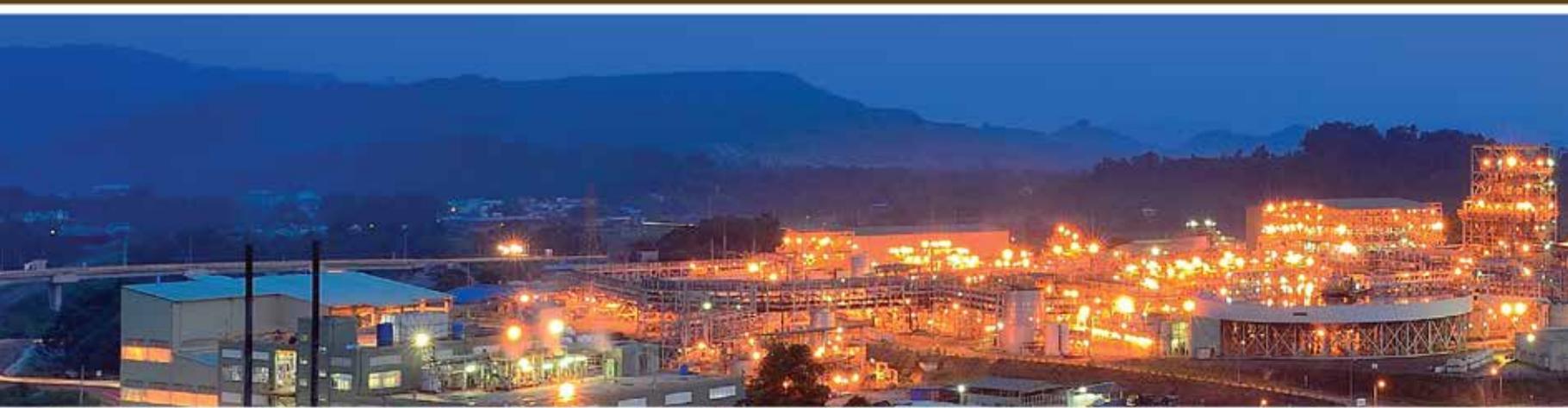
Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Masan Resources Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause audited results to differ materially from our company's historical experience and our present expectations or projections. These risks include commodity pricing risks and the prices we obtain for our Tungsten, Copper, Fluorspar and Bismuth are determined by, or linked to, prices in world markets, which have historically been subject to substantial volatility. Fluctuations in commodity prices can occur due to price shifts reflecting underlying global economic and geopolitical factors, industry demand, increased supply due to the development of new productive resources, technological change, product substitution and national tariffs. Volatility in global economic growth has the potential to adversely impact future demand and prices for commodities. This has the potential to negatively impact future earnings and cash flows. These risks and uncertainties include, but are not limited to, those described elsewhere in this report and those described from time to time in our future reports filed with the Hanoi Stock Exchange.

This communication is not for distribution in the United States. This communication and the information contained herein is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration pursuant to the U.S. Securities Act of 1933, as amended, or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the company and management, as well as financial statements.

Abbreviations/ Definitions

ACCA	Association of Chartered Certified Accountants	IT	Information technology
AGM	Annual General Meeting	ITIA	The International Tungsten Industry Association
ANCO	Argo Nutrition International Joint Stock Company	Law on Enterprises	Law on Enterprises No. 68/2014/QH13 dated November 26, 2014 of the National Assembly of the Socialist Republic of Vietnam
APEC	Asia-Pacific Economic Cooperation	LCD	Liquid Crystal Display
APT	Ammonium Paratungstate	LTI	Lost-Time-Injury
APT Plant	Tungsten Chemicals Processing Plant of Masan Tungsten LLC	LTIFR	Lost Time Injury Frequency Rate
BOD	The Board of Directors of the Company	M&A	Mergers and Acquisitions
BOJ	Bank of Japan	M&G	Mining & Geology
BTO	Blue Tungsten oxide	MAINT	Maintenance
C&R	Compensation and Resettlement	Masan Group	MSN and its subsidiaries
CEO	Chief Executive Officer	Masan Horizon or MH	Masan Horizon Company Limited
CFO	Chief Financial Officer	Masan Resources or MSR	Masan Resources Corporation
CHES	Community, Health, Environment, Safety and Sustainability committee	MNS	Masan Nutri-Science Corporation
Company	Masan Resources Corporation and its subsidiaries	MRTN	Masan Thai Nguyen Resources Company Limited
CSI	Corporate Sustainability Index	MSN	Masan Group Corporation
CSR	Corporate social responsibility	MTC	Masan Tungsten Company
DP2	Discharge Point 2	NHTCM	Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing
DP3	Discharge Point 3	NPAT	Net Profit After Tax
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization	NPMC	Nui Phao Mining Company Ltd
EC	Electro-chromic	Nui Phao Project	The project named "Nui Phao project for exploitation and processing of mineral" under Investment Certificate No. 1712100026 dated July 21, 2010 (and its amendments, supplements) granted by the People's Committee of Thai Nguyen Province
ENV	Environment	PCDP	Public consultation and information disclosure program
ERD	Economic Restoration Development	PROC	Processing
FY	Financial Year	R&D	Research & Development
GDP	Gross Domestic Product	RMI	Responsible Minerals Initiative
H.C.Starck or HCS	H.C. Starck GmbH	S&M	Sales and Marketing
HNX	The Hanoi Stock Exchange	SCM	Supply chain management
HR	Human Resources		
HRD	Human Resources Department		
HSS	Health, Safety and Security Department		

SDGs	Sustainable Development Goals
Shares	Issued and outstanding shares of the Company from time to time
ST	Sodium Tungsten
STC	Sulfur Tailing Cell
TC	Tungsten concentrate
TNTI	Thai Nguyen Trading and Investment Company Limited
TRIF	Total Recordable Injury Frequency
TRIFR	Total Recordable Injury Frequency Rate
TSF	Taillings Storage Facility
UPCOM	Unlisted Public Company Market
US or USA	The United States of America
USD or US\$ or \$	The lawful currency of the United States of America
VAS	Vietnam Accounting Standards
VAT	Value Added Tax
VBCSD	Vietnam Business Council for Sustainable Development
VCCI	Vietnam Chamber of Commerce and Industry
VietGap	Vietnamese Good Agricultural Practices
VND or "Vietnamese Dong"	The lawful currency of the Socialist Republic of Vietnam
VSD	Vietnam Securities Depository
YTO	Yellow Tungsten oxide



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