

MASAN
RESOURCES



THE ENGINE FOR GLOBAL INDUSTRIAL INNOVATION

ANNUAL REPORT 2017

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THE ENGINE FOR GLOBAL INDUSTRIAL INNOVATION

TIGHT SUPPLY
ENVIRONMENT

STRONG ORDER BOOK
OF NEW CUSTOMERS

GLOBAL POWER BRAND

HIGHER TUNGSTEN
PRICES

THE ENGINE FOR GLOBAL INDUSTRIAL INNOVATION

HIGH QUALITY
AND RELIABLE PRODUCTS
WITH NO SUBSTITUTES

UNIQUE TECHNICAL
KNOWLEDGE ELITES
ACROSS MINING,
METAL AND
CHEMICAL INDUSTRIES

A LOWER
COST PRODUCER
OF SCALE

RESOURCES ALLOCATED
FOR ADDED VALUE PRODUCTS

THE ENGINE FOR GLOBAL INDUSTRIAL INNOVATION

RELIABLE STAKEHOLDER
ENGAGEMENT
AND TRANSPARENCY

PROCESS CRITICAL FOR
TODAY'S TECHNOLOGY
DRIVEN LIFESTYLE

COMPLETE ADHERENCE
TO ENVIRONMENT
COMPLIANCE AND BEYOND

SHOWCASE MODEL
IN ECONOMIC
REHABILITATION AND SOCIAL
RESPONSIBILITIES

MESSAGE FROM MANAGEMENT TEAM

Dear Shareholders and Stakeholders,

I am privileged and proud to present you the third Annual Report of Masan Resources (MSR): a celebration of a successful year in 2017, made possible by all of us working together towards a unified goal.

A few years ago, we started with the Vision to “Grow Masan Resources into An Industry Leader that is able to transform the Global Tungsten Market”. The past twelve months has really seen the culmination of seven years hard work come together and deliver on this vision. Now we moving forward on the strategic roadmap outlined in 2016 to transform Masan Resources into a down-stream processing company.

Global power brand for Vietnam and in the Tungsten Industry

We are now a critical supplier to all leading global companies in the Tungsten (and Fluorspar) industry. Tungsten is where we are a global influencer and have created Vietnam’s first global power brand. Our industrial metal powders – Ammonium Paratungstate, Blue and Yellow Tungsten Oxide, Bismuth Cement, Acid Grade Fluorspar are all critical to Global Industrial Innovation. Each of these have been listed recently by the US Government as critical to industrial development and innovation.

Locally, Masan Resources has been recognized by the Viet Nam Report and VietnamNet. as the fastest growing company in 2017, and yet, we have only just started, we have been laying the foundation of our business, with our full potential still to be achieved.

To be in a position to do this, we need to increasingly move-up the value-added curve, improve our product performance, acquire downstream technology, and innovate to create unique downstream value-added products that cannot be easily replicated. We have transformed over the past seven years, from an exploration company, to a development company, a mining company and now a supplier of critical metals to global industrial companies, the future looks good for 2018 and beyond.

Strong Net Revenue and EBITDA Increase

In 2017, Net Revenues from operations of VND 5,405 billion is up 33.5 % compared to our net revenue in 2016. Our core tungsten

and fluorspar products – Ammonium Paratungstate, Blue and Yellow Tungsten Oxide, and Acid Grade Fluorspar – increased by 7.1% and 6.3%. Other products including Bismuth (22%) and Copper (4.6%) also achieved increased sales.

Our revenues were supported by strong downstream demand across the key end-user sectors of industrial manufacturing, transportation, infrastructure and oil and gas globally. This strong demand helped drive average price for the year up by 30%, 33%, 27% and 12% for Tungsten, Fluorspar, Copper and Bismuth respectively.

The overall revenue performance of these products represents our improved brand recognition and leadership in product quality. We continued to see our order book grow throughout 2017, and we currently have significantly more demand across all products, this exemplifies progress against our initiative to establishing premium pricing for the stronger performance of our products.

Strong stable operating performance at lowest cost of production

Masan reported a record throughput of 3.89 million tonnes, 7.1% greater than our record throughput of the previous year. We continue to focus on investing in sustaining and development capital to ensure our operating performance remains at the lowest cost of production.

Continuously developing an integrated approach to our ecosystem

Our Sustainability report, which we encourage you to read, details our performance across people, community, environment, health, safety and security. While it is disappointing that we started the year with three lost time injuries in the first half of the year, we quickly recovered and had no further lost time injuries in the second half of the year. While this brought an end to our three-year record, we took on the lessons from the injuries and further enhanced our safety systems and processes.

We have also undertaken works to increase transparency of our operations for regulators and the public. In 2018 we will have online water analyzers operational at our discharge points with real time data transmission to the authorities. We will also have online gas analyzers operational in early 2018. These developments will give regulators and the general public certainty as to



Masan Resources’s commitment and performance against environment standards. We see this as a major step forward in ensuring that our communities have confidence in what we do.

At year end our Chemicals business initiated the 3 yearly recertification process under the Responsible Mineral Assurance Process standards (formerly the Conflict Free Smelting Initiative) maintaining our commitment to our values as well as our stakeholders and customers. The process is expected to be completed in Q2 2018.

A year of companionship and sharing

Our charity efforts have reached thousands of flood-hit families and children in the remote mountainous areas of Yen Bai and Son La provinces. The Thai Nguyen blood bank continues to be re-filled by the donation of blood by our employees at our annual blood donation day. In terms of going further during the year, over 300 people from local communities have had their health checked by the company doctors, with some then provided with free medicines to treat ailments. Masan Resources has also undertaken clean water and environmental sanitation programs with various households provided with safe and clean drinking water; and

bespoke rural sanitation works being undertaken under our community development programs.

In the year ahead we intend to continue to grow the business from the strong foundation we have laid in 2017. We expect to consolidate our position in tungsten industrial market and position the company to lead change in the global tungsten industry. As we continuously focus on improving the quality of our products, we aim to increase the criticality of our business for customers that lead the global industrial innovation and growth.

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

GROW MASAN RESOURCES INTO AN INDUSTRY LEADER THAT WILL TRANSFORM THE GLOBAL TUNGSTEN MARKET.



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 DEMONSTRATE TO THE ENTIRE WORLD THAT A VIETNAMESE COMPANY CAN LEAD THE TRANSFORMATION OF THE GLOBAL TUNGSTEN MARKET.





2017 BUSINESS AT A GLANCE

ATTRIBUTABLE NET
PROFIT INCREASED BY
88.0%

FINANCIAL HIGHLIGHTS

Net revenue up 33.5% - The Company recorded a revenue of VND5,405 billion in 2017 compared to VND 4,049 billion for the same period last year. All prices for MSR's primary products increased significantly compared to the same period last year, with tungsten and fluorspar benchmark prices increasing more than 30% year-on-year.

EBITDA of VND 2,784 billion - The Company's EBITDA grew 35.5% year-on-year and the EBITDA margins, excluding one-off adjustments, increased by 4.9% on account of the Company's cost and efficiency initiatives. The focus on efficiency resulted in plant availability and mill throughput reaching levels beyond their intended design, whereas capital upgrades allowed for increased recovery of tungsten and fluorspar with room for further improvement as the upgrades are optimized.

Attributable net profit increased by 88.0% - MSR delivered a record attributable net profit of VND 206 billion in 2017 as a result of higher prices and management's ability to control costs. Excluding shareholder loan waivers received during 2016, the Company's attributable net profit increased by VND281 billion. The management continues to have discussions with financial lenders to reduce borrowing costs and increase cash available for debt service. Such discussions are progressing well and are expected to conclude during the first six months of 2018.

VND Billion	2017	2016	Growth
Masan Resources Consolidated Financial Results ⁽¹⁾			
Net Revenue	5,405	4,049	33.5%
EBITDA ⁽²⁾	2,784	2,055	35.5%
Attributable Net Profit After Tax (VAS)	206	110	88.0%

(1) Financial numbers are based on management figures.

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

**TUNGSTEN RECOVERY
INCREASING
FROM 63% TO 67%**

OPERATIONAL HIGHLIGHTS

Plant efficiency has increased significantly year-on-year. Compared with 2016, mill throughput and plant availability have increased 7% and 1%, respectively which has allowed the company to process 6.8% more ore during 2017.

The upgrades undertaken on the tungsten circuit have resulted in tungsten recovery increasing from 63% to 67% with room for further improvement through optimization measures. In addition, the upgrades made to the fluorspar circuit have resulted in an increase in recovery from 49% to 57%.

The Company successfully completed rigorous government inspections covering environmental and tax compliance. The inspections involved multiple ministries and specialists and resulted in minimal administrative fines and no material violations. The management conducted a review of its internal processes to ensure that such administrative violations are not repeated. In addition, the management continues to work with all relevant regulators to regularly improve its environmental and tax compliance.

**GLOBAL RECOGNIZED
FOR HIGH-VALUE
TUNGSTEN AND
FLUORSPAR PRODUCTS**

RECOGNISED GLOBAL BRAND VALUE

MSR's global brand recognition, underpinned by high quality and reliable products, resulted in an over-subscribed order book with new customers turning to the Company in their quest for industrial chemicals, critical to their production output and without obvious substitutes.

MSR brand is also recognized at regional level in term of social safeguard and corporate responsibility. An APEC Mining Task Force (MTF) delegation visited Nui Phao in May 2017. Upon inspecting the mine and the mining-related activities, the delegation delivered a strong message aimed to appease any concerns about sustainable growth. The delegation has also recognized that the mining value provided by the Nui Phao project has resulted in numerous benefits of the targeted communities in terms of creating socio-economic advantages to boost sustainable community development. The delegates were most impressed by MSR's commitments to the local community and their accomplished community achievements.

Summary production data	Unit	2017	2016	Growth
Ore processed	kt	3,888	3,642	6.8%
Tungsten concentrate (contained)	t	6,483	6,357	2.0%
Tungsten equivalent units (contained) ⁽¹⁾	t	13,669	12,926	15.0%

(1) Nui Phao finished products are converted to a tungsten equivalent units



AWARDS & RECOGNITION

MERIT FOR BEING THE CREATIVE ENTERPRISE IN APPLIANCE OF ENVIRONMENTALLY FRIENDLY TECHNOLOGY FOR THE NATIONAL GOAL OF GREEN GROWTH

Awarded by
The Ministry of Natural Resources and Environment



CERTIFICATE FOR GOLD BRAND FOR ASIA-PACIFIC INTEGRATION 2017

Awarded by
Asia-Pacific Economic Magazine

CERTIFICATE FOR TOP 500 BIGGEST ENTERPRISES OF VIETNAM

Awarded by
Vietnam Assessment Report JSC



CERTIFICATE FOR TOP 500 FASTEST GROWING ENTERPRISES IN VIETNAM.

Awarded by
Vietnam Assessment Report JSC



MERIT FOR PIONEER CORPORATE OF 21ST CENTURY

Awarded by
The Entrepreneur Times

MERIT FOR GOOD PERFORMANCE OF SOCIAL INSURANCE AND HEALTH INSURANCE POLICIES IN 2015 – 2016

Awarded by
The Vietnam Social Insurance



MERIT FOR EXCELLENT ENTERPRISE OF THAI NGUYEN PROVINCE 2016

Awarded by
Thai Nguyen People's Committee



MERIT FOR ACHIEVEMENTS IN STATE BUDGET PERFORMANCE

Awarded by
Thai Nguyen Department of Taxation

MERIT FOR EXCELLENT ACHIEVEMENTS IN THE NATIONAL FIRE PREVENTION AND CONTROL MOVEMENT 2016

Awarded by
Thai Nguyen Police Fire Prevention and Control



MERIT FOR GREAT ACHIEVEMENTS IN CONTRIBUTION TO THE SOCIO-ECONOMIC DEVELOPMENT IN DAI TU DISTRICT IN 2017

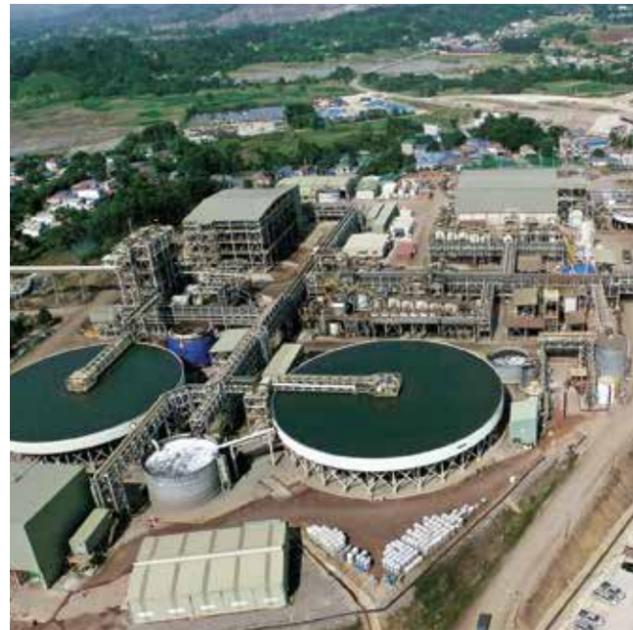
Awarded by
Dai Tu People's Province



MERIT FOR EXCELLENT ACHIEVEMENTS IN BUILDING A STRONG COMPANY-BASED TRADE UNION FOR THE PERIOD OF 2013 – 2018

Awarded by
The Dai Tu district Trade Union

GENERAL INFORMATION



- Business overview
- Company profile
- Steady platform
- Serving global customers
- 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 in the last 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

- **Name of the Company** : 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** : 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 14th time on August 12, 2017
- **Charter Capital** : VND 7,194,473,280,000
- **Stock code HNX** : MSR

STEADY PLATFORM

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 reserves grade conversion.

2012

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

2013

In January, Private Equity New Markets II K/S, an investment vehicle of BankInvest became a shareholder, holding 2.86% of the Company's 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 1st June, and Bismuth Concentrate on September 1.

2015

Record production achieved for all four commodities. The Joint Venture obtained the Certificate of High Tech issued by Ministry of Science and Technology on April 24;

Achieved design capacity and successfully commissioned the JV APT plant. 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;

The Joint Venture has 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.



SERVING GLOBAL CUSTOMERS

NUI PHAO PROJECT



The Nui Phao mine 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.

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 Ammonium Paratungstate (APT) plant that processes tungsten concentrate into higher value-added Ammonium Paratungstate.;
- 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 south-east of the Project site). The port is also used to receive equipment and materials required to run the mine.

NUI PHAO - H.C. STARCK TUNGSTEN CHEMICALS MANUFACTURING

Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing (NHTCM) is a Joint Venture established in 2013 between H.C. Starck, a leading worldwide manufacturer of technological metals and one of the biggest companies in the global tungsten industry and Nui Phao Mining, a subsidiary Masan Resources. The Joint Venture connects the Nui Phao Mining business to the global Tungsten market and turns the tungsten concentrate ore into higher value tungsten products, thus enabling further extraction value from the Vietnamese resources. In this way, NHTCM makes a contribution to the development of the hi-tech metallurgy industry in Vietnam and has been given a "High-Tech" certificate by the Vietnamese Ministry of Science and Technology.

Upon completion of the project design and construction phase in early 2015, NHTCM commenced operations in Q3 of 2015 under the Investment Certificate No 171022000001 (first issued on January 15, 2014), the company has consistently demonstrated its unremitting efforts to utilize the installed facilities and achieved 94% of the design capacity in 2016 and full design capacity in 2017.

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

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

- Secured supply source (NPM) 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. Starck to NHTCM Viet Nam.

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.



INTRODUCTION OF OUR PARTNER- H.C. STARCK

H.C. Starck is a leading international manufacturer of high-tech powders and components made of technology metals, advanced ceramics and thermal spray powders. Their product portfolio is organized into five areas:

- Tungsten Powders
- Tantalum/Niobium Powders
- Surface Technology & Ceramic Powders
- Fabricated Products (FPR)
- Advanced Ceramic Components

The unique material characteristics such as an extremely high melting point, outstanding thermal conductivity, excellent chemical resistance and high density make technology metals indispensable in many of today's cutting-edge applications such as electronics, energy, automotive, aviation, mechanical engineering and tool manufacture. In particular, in cutting tool & wear parts and oil & gas exploitation tools - two of its most important end-markets - H.C. Starck hold the No. 1 position with respect to matrix powders.

H.C. Starck turns tungsten ores and secondary raw materials into high-performance powders and compounds tailored to customer specifications. All customers benefit from the highest and consistent quality, as well as from a comprehensive product portfolio of ultrafine to coarse grain sizes. A highly qualified team of employees from R&D and application engineering realizes most demanding material requirements and properties such as homogeneous microstructures and specific particle. The expertise in metallurgy and process technology is a key success factor for meeting current market needs and developing product solutions for specific customers

H.C. Starck has production sites in Germany, Canada, China and Vietnam – a joint venture with Nui Phao Mining.

With almost 100 years of experience, H.C. Starck is a leading premium supplier of technology metals. With innovativeness, a clear commitment to quality, and extensive technological expertise, worldwide there is hardly any other company that can meet the material needs as competently as H.C. Starck.

DISTRIBUTION NETWORK



Our Sales and Marketing department is based in Hanoi and maintains a strong network of relationships with domestic and international customer bases. MSR sells products to customers in Asia, North America, European Union and Europe. Of our numerous clients, the largest is H.C. Starck in Germany & Canada. Our second largest client is a big global player in the tungsten industry strategically located in Central Europe, while Japan New Metals, a pioneer of advanced technology materials who specializes in the production of, high performance metals (mainly tungsten and molybdenum) is ranked third. The remaining quantity of processed tungsten is sold to traders and manufacturers globally.

end-user segments and, generally, to repeat counterparties under the established long-term contracts. In all cases, international prices are used as the underlying valuation within contract formulae to capture the product quality premiums and delivery and payments terms.

Our customer relationship management strategy follows a partnership approach in which we seek to work with key personnel at all levels within each customer organization thereby allowing us to define the best solutions for all parties. As part of our strategy, we encourage non-proprietary exchanges with customers in an effort to share information on, but not limited to, product development, processing technology, and customer specific requirements.

Our products are sold to customers spread across different



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.



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.



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.



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.



**(The Images for Illustration only)*

SERVING AS KEY ELEMENTS FOR OUR FUTURE

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. Together with its compounds, tungsten is becoming of critical importance to electronics, renewable energy technologies, display technologies and other niche applications.

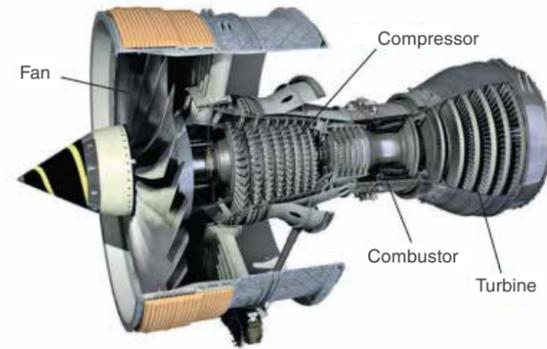
In addition to its minor use as a filament in incandescent light bulbs, it is being increasingly used as a material of choice in the design of field emission guns, in electron microscopes¹, integrated circuits (ICs), and, due to its high molecular density, as a shielding material from high-energy radiation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

Oxides of tungsten have been shown to exhibit the electro-chromic (EC) effect, i.e. have the ability to reversibly change color under the influence of an external field. This effect has been used in display technologies^{4,5} to create smart windows, i.e. windows whose optical transparency can be increased or decreased. For example, the latest aircraft by Boeing 787⁶, 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 2016⁷.

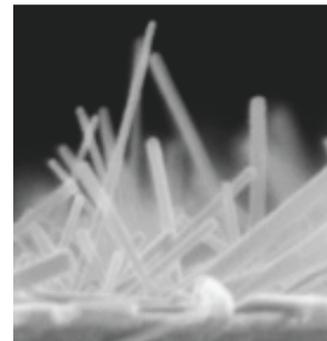
One of the niche applications of tungsten lies with the jewellery industry, where metallic tungsten has drawn a great deal of attention, due to its fashionable appearance.

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.

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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.



Rolls-Royce Trent Engine © Rolls-Royce plc⁸



Scanning electron microscope image of tungsten oxide nanowires³



Smart window used in newest generation of Boeing 787⁶ aircraft

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4. C. M. Lampert, "Smart windows switch on the light," *IEEE Circuits and Devices Magazine*, vol. 8, issue no. 2, pp. 19-26, March 1992.
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8. http://shop.smarttint.com/Aviation-application-for-Smart-Tint_b_518.html
9. ITIA, Newsletter - March 2017, Tungsten in Superalloys

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 striving 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 lead substitute in some applications. However, the 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.

A compromise solution was found in tungsten polymer composites^{2,3}. These are a composition of various resins and tungsten powders, when 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 moldable shapes, thermoplastic tungsten exhibits no harmful effects while handling/processing and can be recycled without any 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 molecular densities of depleted uranium and tungsten composites, however, tungsten composites bear no health risks.

The demand for tungsten is set to continue in 2018⁵. This, coupled with the pressing 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/>



Dental endmill⁶



Advance aerospace disc manufacturing facility⁷

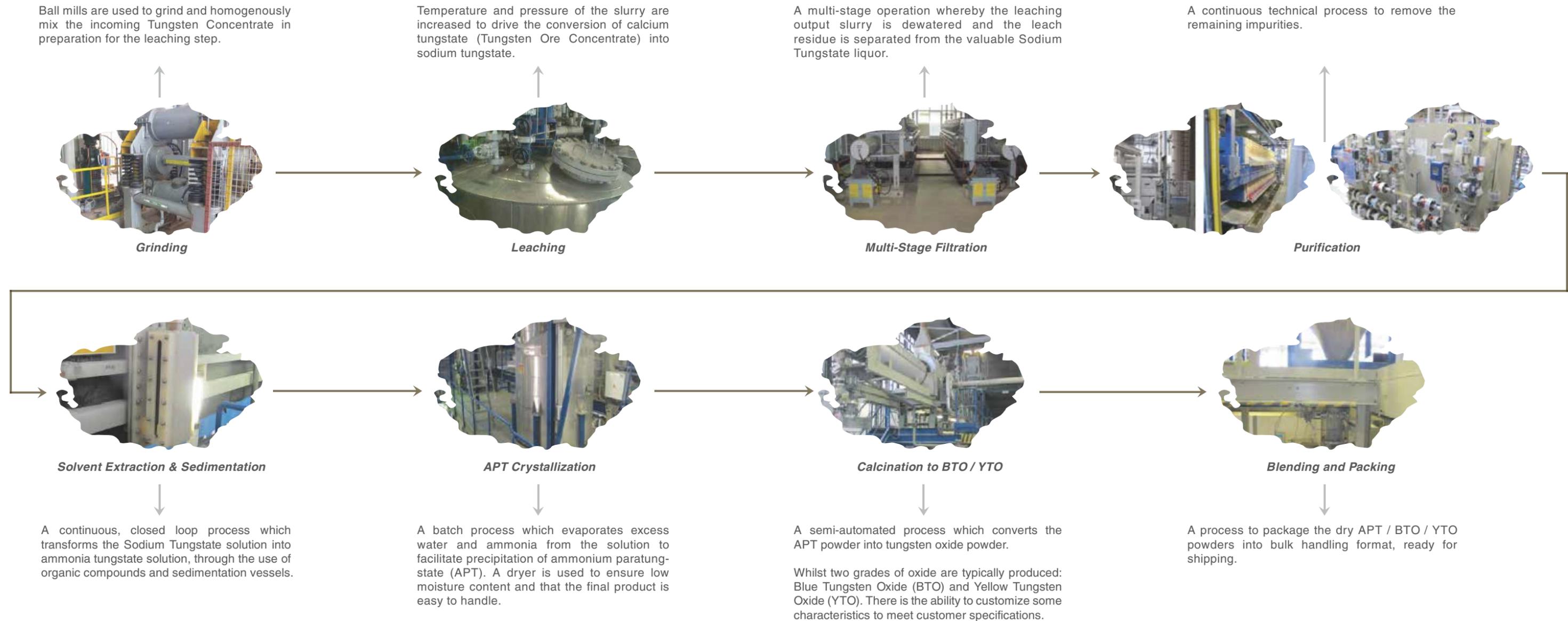


Turbine Aerofoils⁹

3. <http://tdmfginc.com/portfolio-item/tungsten-polymer>
4. <http://www.tungsten-polymer-radiation-shielding.com/tungsten-polymer-industry-radiation-shielding.html>
5. <https://investingnews.com/daily/resource-investing/critical-metals-investing/tungsten-investing/tungsten-outlook/>
6. ITIA, Newsletter - June 2015, Tungsten in Dentistry
7. ITIA, Newsletter - March 2017, Tungsten in Superalloys
8. ITIA, Newsletter - March 2017, Tungsten in Superalloys

TUNGSTEN CHEMICAL PRODUCTION

The following is a brief description of the current chemicals production of Masan Resources. The plant is designed to process all the Masan tungsten concentrate 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.



SHAREHOLDERS INFORMATION

SHAREHOLDERS STRUCTURE

The shareholder structure of the Company as of December 31, 2017 is as follows:

No.	Shareholder Structure	Number of Shareholders	Number of shares held	Value (by par value) (VND)	Shareholding percentage
1	Domestic Shareholder	865	704,775,814	7,047,758,140,000	97.96%
	Institutions	9	691,171,637	6,911,716,370,000	96.07%
	Individuals	856	13,604,177	136,041,770,000	1.89%
2	Foreign Shareholders	17	14,671,514	146,715,140,000	2.04%
	Institutions	1	3,180,486	31,804,860,000	0.44%
	Individuals	16	11,491,028	114,910,280,000	1.60%
Total		882	719,447,328	7,194,473,280,000	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

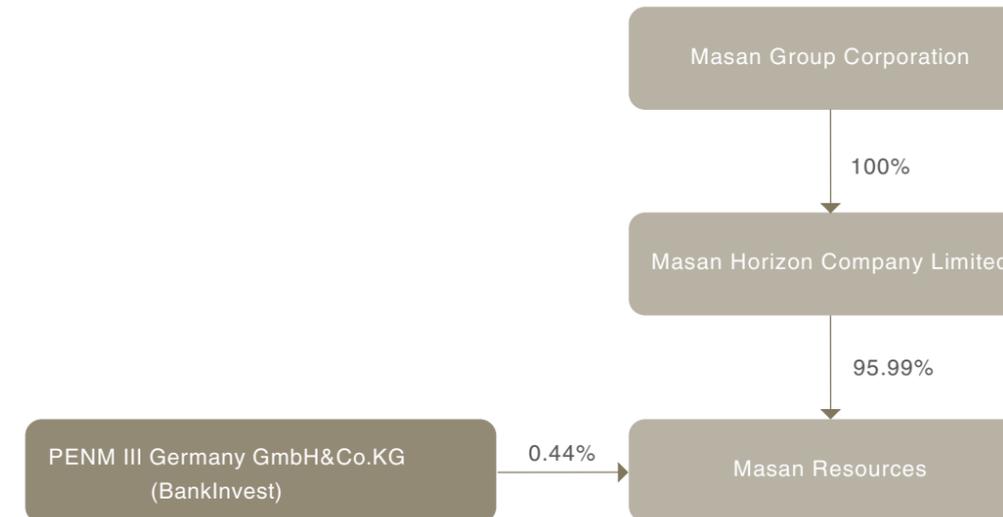
The list of shareholders holding at least 5% of the Charter Capital of the Company as of December 31, 2017 is as follows:

No.	Shareholder Structure	Number of shares held	Value (by par value) (VND)	Shareholding percentage
1	Domestic Shareholder			
	Masan Horizon	690,616,113	6,906,161,130,000	95.99%

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

MAJOR SHAREHOLDERS - INVESTORS

Ownership Structure of Masan Resources as of December 31, 2017:



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 Techcombank, a leading joint-stock commercial bank in Vietnam.

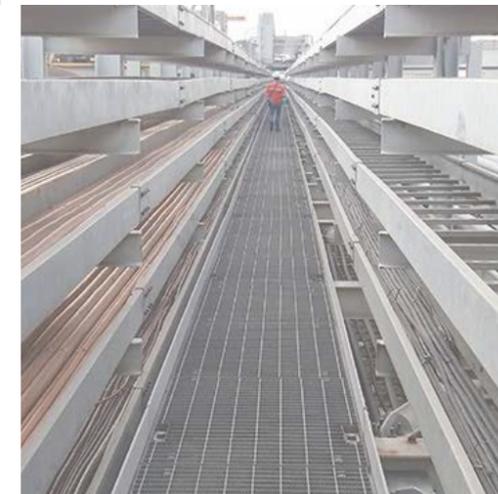
Foreign Shareholders

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 2017, PENM sold all of its preference shares to MH, and now holds only 3,180,480 ordinary shares (equivalent to 0.44% of the entire shareholding percentage).



DEVELOPMENT STRATEGY



- Company development objectives
- Social development objectives
- Execution strategy
- Evaluation of execution strategy

COMPANY DEVELOPMENT OBJECTIVES

MSR aim to provide superior quality industrial tungsten, fluorspar and bismuth powders to our customers in all key global industries;

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



SOCIAL DEVELOPMENT OBJECTIVES

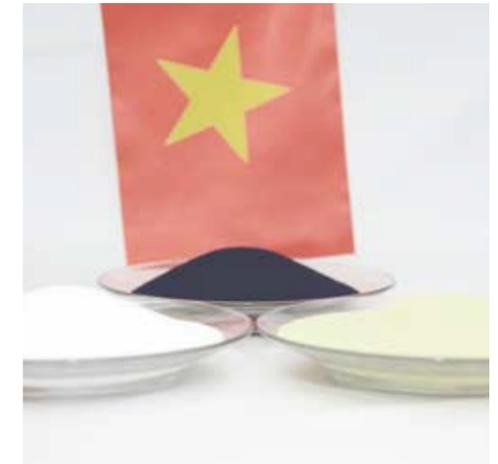
Ensure our industrial powders remain the leading products in the eyes of our customers;

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 on three key areas:

Leverage local relationships to access and execute on opportunities

Masan Resources believes that a strong local understanding of community concerns and local sensitivities is critical for a successful business. We are able to create favorable business environments at Nui Phao by working proactively with our local communities.

Use capital to acquire and develop quality assets

On identification of value accretive scalable assets, in any suitable jurisdiction Masan Resources can access internal and external capital to acquire, develop and stabilize these assets to ensure 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 product. Masan Resources' low operational and financial risk is a result of its management's ability to leverage theirs 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 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.

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.

GROUP STRUCTURE & MANAGEMENT



- Group structure
- Management structure
 - Board of Directors*
 - Management team*
 - Supervisory Board*
 - Sustainability committee*
 - Risk committee*

GROUP STRUCTURE

HOLDING COMPANY

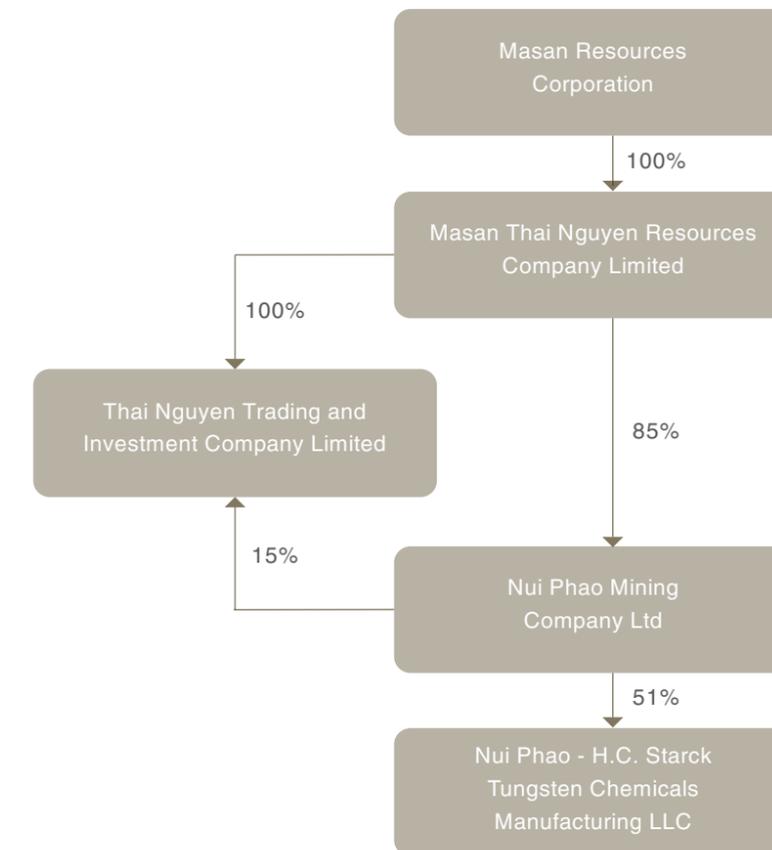
MASAN RESOURCES CORPORATION (MSR)

General information

- Company name : Masan Resources Corporation
- Address : Suite 802, 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
- 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 14th time on August 12, 2017
- Registered charter capital : VND 7,194,473,280,000
- Contributed capital in Company : VND 7,194,473,280,000
- Website : www.masangroup.com/masanresources
- Major business sectors :
 - Market research and public surveys (details: market research); and
 - Management consultancy (details: investment and management consulting services, excluding financial services).

ORGANIZATION 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 Company Limited
- Address : 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
- 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 5th 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 :
 - Market research and public surveys (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, 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
- Enterprise Registration Certificate : No. 0309966889 issued by the Department of Planning and Investment of Ho Chi Minh City on October 15, 2010, and amended for the 6th time on April 17, 2014
- Registered charter capital : VND 1,624,861,500,000
- Contributed capital in Company : VND 1,624,861,500,000
- Capital contribution ratio of the Company : 100% of charter capital
- Major business sectors :
 - 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, Nui Phao Mining and TNTI.

NUI PHAO MINING COMPANY LTD.**General information**

- Company name : Nui Phao Mining Company Limited
- Address : Hamlet 2, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
- Telephone : +84 24 3718 2490
- Fax : +84 24 3718 2491
- 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 9th time on October 24, 2014
- Registered charter capital : VND 4,789,010,000,000
- Contributed capital in Company : VND 4,789,010,000,000
- Capital contribution ratio of the Company : 100% of charter capital
- Major business sectors :
 - 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.

NUI PHAO - H.C. STARCK TUNGSTEN CHEMICALS MANUFACTURING LLC (NUI PHAO - H.C. STARCK)**General information**

- Company name : Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing LLC
- Address : Hamlet 2, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
- Telephone : +84 24 7307 5588
- Fax : +84 24 3718 2491
- Enterprise Registration Certificate : No. 4601163743 issued by the People's Committee of Thai Nguyen province on January 15, 2014, amended for the 4th time on October 7, 2016
- Registered charter capital : VND 789,060,360,000
- Contributed capital in Company : VND 789,060,360,000
- Capital contribution ratio of the Company : 51% of charter capital
- Major business sectors : Manufacture of non-ferrous metals and rare metals (processing tungsten to exporting or domestic trade).

MANAGEMENT STRUCTURE

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 five (5) 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.

Members of the Board of Directors:



Mr. CHETAN PRAKASH BAXI

Chairman of the MSR Board of Directors

Independent BOD member since December 20, 2013



Dr. NGUYEN DANG QUANG

Member of the MSR Board of Directors

Non-Executive BOD member since February 18, 2013



Mr. NGUYEN THIEU NAM

Member of the MSR Board of Directors

Non-Executive BOD member since February 18, 2013



Mr. NGUYEN VAN THANG

Member of the MSR Board of Directors

Independent BOD member since April 22, 2016



Mr. DOMINIC JOHN HEATON

Member of the MSR Board of Directors

*Member since April 22, 2016
Non-Executive BOD member since July 31, 2017*



Mr. JONATHAN DAVID FIORELLO*

Member of the MSR Board of Directors

*Non-Executive BOD member since November 16, 2014
Resigned on April 18, 2017

MANAGEMENT TEAM

Members of the Management Team:



Mr. CRAIG RICHARD BRADSHAW
MSR Chief Executive Officer

Mr. Craig Richard Bradshaw has over 24 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.



Mr. NIKHIL KAMRAN
MSR Chief Financial Officer

Mr. Nikhil Kamran has more than 12 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. During this time, Mr. Kamran was concurrently an Executive Director of an Asia focused Investment holding company that had interests in the natural resources industry and working relationships with various government and private enterprises. Mr. Kamran graduated from the University of Pennsylvania, USA.

Members of the Members' Council of Nui Phao Mining

The rights and obligations of the Members' Council, the Chairman and the General Director are regulated by the charter of Nui Phao Mining. According to the charter of Nui Phao Mining, the Members' Council is the highest decision-making body of Nui Phao Mining and consists of a maximum of four (4) members, of which up to three (3) members are to be appointed by (MRTN) and one (1) 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 Nui Phao Mining. 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 Nui Phao Mining:



Dr. NGUYEN DANG QUANG
Chairman of the Members' Council of NPM

Date of appointment: July 1, 2010



Mr. NGUYEN VAN THANG
Deputy Chairman of the Members' Council of NPM

Date of appointment: November 9, 2010



Mr. NGUYEN THIEU NAM
Member of the Members' Council of NPM

Date of appointment: July 1, 2010



Mr. CHETAN PRAKASH BAXI
Member of the Members' Council of NPM

Date of appointment: June 2, 2014

Management Team of Nui Phao Mining



Mr. CRAIG RICHARD BRADSHAW

NPM General Director

Mr. Craig Richard Bradshaw has over 24 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.



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

NPM Chief Financial Officer

Mr. Nikhil Kamran has more than 12 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. During this time, Mr. Kamran was concurrently an Executive Director of an Asia focused Investment holding company that had interests in the natural resources industry and working relationships with various government and private enterprises. Mr. Kamran graduated from the University of Pennsylvania, USA.



Mr. TONY FITZGERALD

Sales & Marketing Director

Mr. Tony Fitzgerald (Sales & Marketing Director) has more than 25 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.

SUPERVISORY BOARD

List of members of the 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.



Mr. TUNG HOANG NGUYEN

Member

Date of appointment April 22, 2016

Mr. Tung Hoang Nguyen is a member of the Supervisory Board of MSR, and the Chief Financial Officer of Masan Consumer Holdings. He was the Chief Financial Officer of Masan Nutri-Science. Prior to joining Masan Group, he held senior financial positions at various corporations in Canada. He holds an MBA in Strategic Planning and a Masters degree in International Accounting. He is a Chartered Professional Accountant (CPA) of Canada.

SUSTAINABILITY COMMITTEE

List of members of the Sustainability Committee:

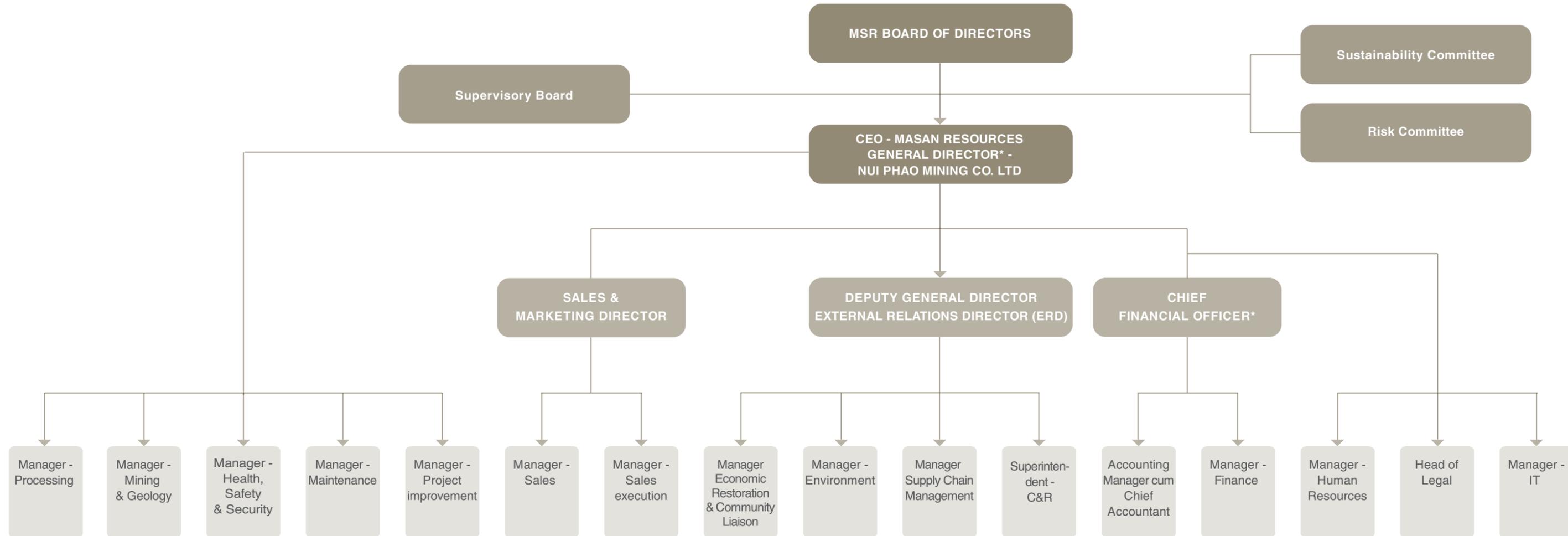
No.	Name	Position	Day becoming/ no longer member of the Sustainability Committee	Number of attendance	Percentage	Reasons for absence
1	Mr. Dominic John Heaton	Chairman	April 22, 2016	2/2	100%	
2	Mr. Chetan Prakash Baxi	Member	June 23, 2017	2/2	100%	
3	Mr. Craig Richard Bradshaw	Member	June 23, 2017	2/2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

RISK COMMITTEE

List of members of the Risk Committee:

No.	Name	Position	Day becoming/ no longer member of the Risk Committee	Number of attendance	Percentage	Reasons for absence
1	Mr. Chetan Prakash Baxi	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%	

Organisation chart of MSR



Note: * Members of MSR Management Team

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

COMPANY'S BALANCE SHEET
HAS BEEN WELL POSITIONED
IN 2017

2017 ECONOMIC LANDSCAPE

All major fears going into 2017 – implosion of the Italian banking system causing a collapse of the Eurozone, Brexit triggered UK recession, slower economic growth in China, or a market crash in the event of a Trump presidency – failed to materialize. Instead the economic story for 2017 has largely been one of positive growth and trade. The year however was not 'incident' free, with events including the Federal Reserve continuing their tightening on rates, the Bank of England raising rates after more than a decade, and the relentless surge of cryptocurrencies, all of which could shape the landscape in the coming years.

A notable aspect of last year's global economic performance was the breadth of economic growth. Not since 2010 has positive growth momentum been noted in over 75% of global economies. More importantly some economies, that had high unemployment for some time, are experiencing a surge in employment growth.

Not so obvious was the expanded fiscal policies of the major economies. Boosted by a recovery in investment from both the private and public sectors, global trade growth rebounded from its slowest pace in 2001. Weak capital spending in the energy sector had been an important contributor to weakness in global investment in 2016, a theme that reversed in 2017.

Concerns at the start of last year on China's ability to manage policy decisions to achieve its growth targets for 2017 were alleviated as policy makers continued to give more priority to macro-prudential measures to reduce corporate debt, particularly debt of State-owned firms. To reduce speculation in the property sector several major cities imposed tighter purchase restrictions, including higher mortgage down payments and a ban on the resale of new homes within a specific time period. These policy reforms, while proving to reduce macroeconomic imbalances and limiting financial risk, have the drawback of limiting future growth. China GDP growth is expected to decelerate overall, however the full effect of policy tightening is offset by rising household incomes and improving external demand.

2017 INDUSTRIAL METAL & CHEMICAL MARKETS

With the global economy showing sustained synchronized growth for the first time in over a decade, industrial metal and chemical prices rose rapidly over the year for everything from crude oil to tungsten. While global supplies, are mostly keeping pace for now, the resurgence of demand is starting to expose the fragilities of over half a decade of severe under-investment across the commodities complex.

While prices have been and continue to be on the rise, analysts are apprehensive to tout this positive price movement to be the start of another 'super cycle' analogous to that of the first decade of this millennium when massive increases in Chinese demand for materials combined with loose monetary policies in the western world sent metal and chemical prices to record highs. With no such singular or combination of events on such scale foreseeable on the horizon, this cycle is expected to be of a relatively shorter duration. However, the defining contrast of this cycle to that of the super cycle are the supply side factors at play. The impetus of emission reduction of carbon and other pollutants coupled with the lack of investment in recent years has caused supply across the value chain to be constrained and costlier to produce.

The environmental crackdown in China has had the single largest price influence. The crackdown has been widespread with Beijing having taken responsibility away from provincial governments and put unprecedented pressure on inspectors to shutdown polluting factories, and processing facilities in over 28 cities across numerous provinces in China. Many metal and chemical related facilities in China are understood to not meet basic emissions

Commodity price	unit	Average 2017	Average 2016	% change	At 31.12.17	At 31.12.16
APT European Low*	\$/mtu	239	183	30.6%	294	187
Bismuth Low*	\$/lb	4.8	4.3	11.6%	5.1	4.6
Copper*	\$/t	6,166	4,863	26.8%	7,157	5,501
Fluorspar Acid Grade**	\$/t	345	260	32.7%	410	260

standards and accordingly have been ordered to either upgrade their pollution controls or shutdown altogether – meaning it could be months or even years before any of them come back online, if at all.

With both demand and supply fundamentals having been favorable in 2017, commodities produced by Masan Resources have seen double digit gains year on year. Specifically, the average tungsten APT European Low benchmark increased 30.6% year on year and finished the year at US\$294/mtu.

2018 ECONOMIC OUTLOOK

Broad based growth witnessed in 2017 is expected to continue into 2018, especially in the most advanced and emerging economies. Tentative signs of a rebound in productivity growth is starting to become apparent as spare capacity that was generated after the financial crises, if not already exhausted, is diminishing quickly as the global environmental drive continues.

As import and metal and chemical prices recover, core inflation is expected to as well. When core inflation does move up, some central banks may be forced to slow growth to prevent overheating – however this is not expected to happen in 2018. For now, the anticipated faster Fed tightening is unlikely to weigh significantly on developed market growth as divergent monetary policies typically have limited spillover effects on other developed markets. Fed tightening may affect emerging economies to a degree, but the improvement in their fundamentals coupled with increasing metal and chemical prices are likely to mitigate such negative externalities.

The biggest risk to 2018 economic outlook is more geo-political in nature. The global political climate remains to be 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.

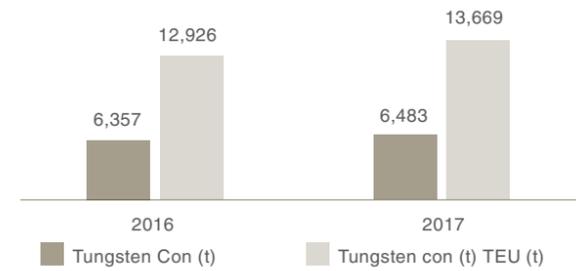
2018 FINANCIAL OUTLOOK

Today the Company stands not as a pure mining business, but an innovative technological platform committed to being a global leader in the critical chemicals and metal industry. Our beginnings as a raw commodity producer, allows the benefit today of having a secured, long-term and low-cost supply chain solution, giving us today a competitive advantage over other industrial product platforms. The robust growth expected in 2018 and the continued global environment drive, is fast expected to result in a structural deficit in the commodity complex which will provide demand stability and growth for those who have the ability to supply into this fresh demand. In addition, as demand outstrips supply, the metal and chemical price environment is expected to be supportive in the coming year.

Cost management and control will continue to be core to the Company's principles. An improved data analytics system is being implemented to continue to enhance the Company's superior cost control and to improve productivity. In 2018, management is also particularly focusing on reducing the debt funding availed over the development and commissioning of the Company's Nui Phao project. The reduction in financial expense associated with the aforementioned debt obligation will create a virtuous cycle which will enable the Company to faster deleverage, strengthen its financial position, and pay dividends to investors.

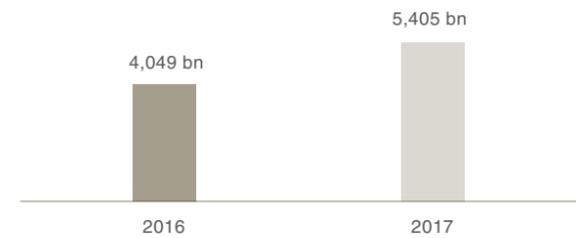
Based on the above, the Company's estimation of 2018 revenue and attributable net profit are expected to be in the range of VND 7,300 – 8,000 billion and VND 600 – 1,000 billion, respectively.

2017 BUSINESS PERFORMANCE



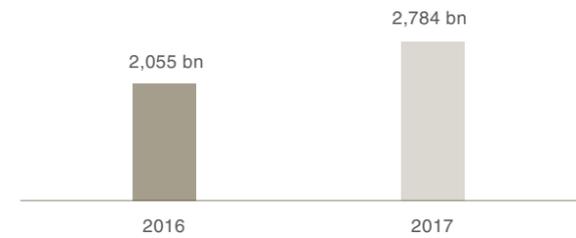
Annual Production

Once again record production was achieved on all of the Company's commodities. Total production on a Tungsten Equivalent Basis (TEU) increased by 5.7% year on year with tungsten, copper and acid grade fluorspar production increasing 13.3%, 8.5% and 7.6%, respectively. 2017 record production was achieved despite mining lower metal/chemical head-grades year on year. The use of lower grades was made possible by capital upgrades and plant efficiency initiatives that resulted in mill throughput, plant availability and processing recoveries increasing in 2017.



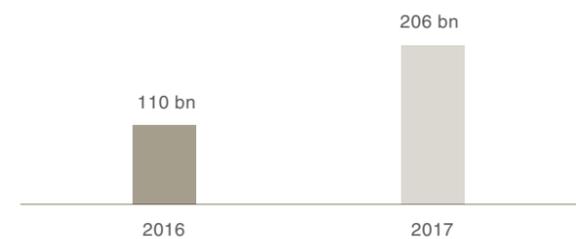
Net Revenue

On account of record production and higher prices, the Company achieved record net revenues of VND5,405 billion, a 33.5% increase over 2016 net revenues of VND 4,049 billion. MSR's global brand recognition, underpinned by high quality and reliable products began to show results as realized pricing on tungsten and fluorspar sales increased year on year, a trend that is expected to continue. The Company's orderbook remains oversubscribed with new customers turning to the Company in their search for industrial chemicals that are critical for growth and have no commercial substitutes.



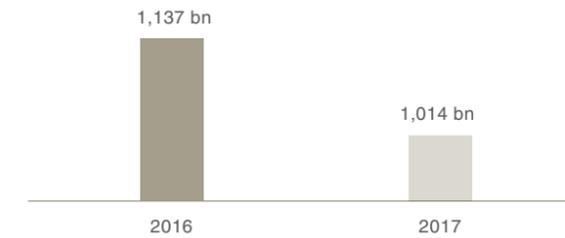
EBITDA

The EBITDA grew 35.5% year on year. Despite a better price environment and increased process efficiency, cost control remains a core principle of the Company. Accordingly, the Company's EBITDA margin, excluding one-off adjustments, increased 4.9%. Innovative capital upgrades undertaken in 2017 to increase tungsten and fluorspar recoveries are expected to show results in 2018. In addition, over the course of 2018, the Company will be implementing stricter cost monitoring systems aimed to identify savings to offset higher commodity linked processing reagent pricing.



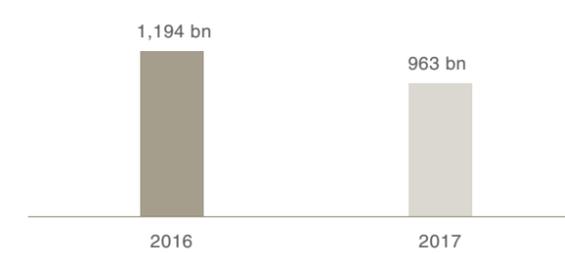
Attributable Net Profit

In 2017, the Company delivered record attributable profit to its shareholders of VND 206 billion as a result of higher market prices, record production on the back of lower natural resource consumption and stronger efficiency and cost control. Excluding loan waivers received during 2016, the Company's attributable net profit increased by VND 281 billion in comparison to the VND 96 billion reported year on year difference. Management is continuing discussions initiated in 2017 with financial lenders to reduce borrowing costs through 2018.



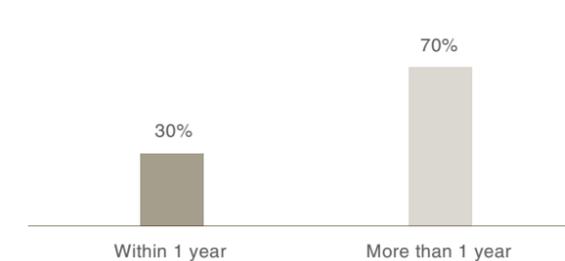
Cash Flows From Operating Activities

The Company reported cash flows from operating activities of VND 1,014 billion, a drop of VND 123 billion year on year. The drop was on account of changes in working capital changes. The Company experienced a significant increase in short-term receivables and inventories year on year. Receivables were higher primarily on account of more sales volume and higher prices. Inventories were approximately VND 400 billion higher as a result of management's ongoing efforts to improve price realization across our products which is now easier to achieve given the Company's stronger cash generation capabilities.



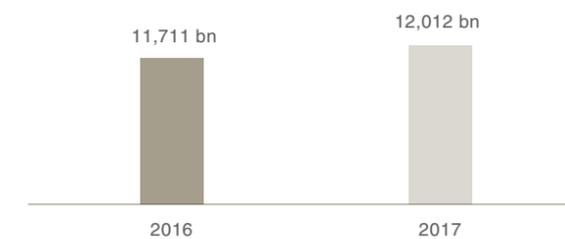
Cash Flows From Investing Activities

In 2017 the company utilized cash flows totaling VND 963bn for investing activities. Adjusted for long-term deposits to banks and interest earned from such deposits, the net spending on fixed assets totaled VND 939 billion, a VND 259 billion decrease year on year. Capital expenditure in 2017 was primarily associated with the 'second phase of capital upgrades' undertaken to further increase plant efficiency and performance, specifically of the tungsten and fluorspar circuits. We expect capital expenditure in 2018 to be in the same range primarily led by spending on land compensation to accommodate mining operations.



Debt Maturity

Of the Company's total debt obligations, 30% is maturing within 1 year. This percentage includes the Company's working capital loans and the shareholder loan provided by our joint venture partner to Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing in which the JV partner's ownership is 49%. Adjusting for the aforementioned debt obligations, the amount of debt maturing within 1 year is a nominal 11%. In addition, the Company's third-party debt to EBITDA ratio at 30 December 2017 was 4.1x which is expected to improve to 2.6x by the end of 2018.



Net Assets & Owner's Equity

The net assets/owner's equity increased 3% year on year to VND 12,012 billion in 2017 from VND 11,711 billion in 2016. The increase was primarily on account of growth in short-term assets, specifically cash on hand, accounts receivables and inventory. These positive movements were marginally offset by an increase in short-term liabilities to suppliers and advances from customers. The stronger price environment, increase in capital efficiency, and strict cost/cash management has resulted in the Company's balance sheet being well positioned to support the Company's future inorganic growth aspirations.

MANAGEMENT TEAM ASSESSMENT REPORT

**RECORD PERFORMANCE SETTING
THE FOUNDATION
FOR FUTURE GROWTH**

Dear Shareholders,

Masan Resources set a record performance in 2017 on the back of strong production growth, improved efficiencies, ongoing cost focus and improving prices for our products. We have been successful in transitioning the company from a commodity business to a downstream chemical tungsten producer recognized for the quality and reliability of its production.

We are proud to highlight the significant outcomes delivered in 2017:

PRODUCTION

Record high production rate was once again achieved for all of the Company's products. On a tungsten equivalent basis, tungsten production increased 5.7% year on year. In comparison to 2016, tungsten chemicals increased 6.3%; acid grade fluorspar increased 7.1%; bismuth increased 22% and copper increased 4.6%. This was a record for each product we produced. The increases in ore processed, recovery rates and other key plant parameters were a result of targeted debottlenecking and capital investment projects undertaken during the year. We expect to see further improvements, particularly in tungsten recovery, as technology installed at the end of 2017 is fully commissioned and optimized through 2018.

WORKFORCE

At the end of 2017 the total number of direct employees was 1,164 with foreign experts accounting for 8% of our workforce. Our Contractors similarly employ about 645 personnel. During 2017 we continued the investment in our Human Capital through our MSR Academy as the prime training and development tool. In 2017 we delivered 91,339 hours of training, a 33% increase on training hours completed year on year. Our focus and commitment remains to employ and train people from the local communities we work with. This ensures we have the right people with the right skills, while enabling the local communities to benefit in our project.

SAFETY

The Total Recordable Injuries Frequency Rate and Lost Time Injury Frequency Rate, per million man-hours worked was 1.92 (2016: 0.00) and 0.58 (2016: 0.00) respectively for 2017. After three years of no lost time injuries everyone was extremely disappointed that we had failed 3 times to keep members of our work family safe in the first half of 2017. It did however get us refocused on what we do and how we do it with all employees and contractors undergoing retraining in Job Safety Analysis and Hazard Awareness and increased attention by all employees on job safety.

CSR & ENVIRONMENT

In 2017 we continued to comply, and deliver on our social and environmental commitments to engage with our communities while continuing to operate in a sustainable and environmental friendly way. During 2017 MONRE handed down its findings from the inspections undertaken across late 2016 and early 2017. Of significance is that fact that the regulator determined there were no breaches of environment law however we had failed to comply with two administrative requirements. Both these administrative oversights have been rectified and the company has paid a fine of VND 510,000,000 for the two administrative breaches. We have since improved our systems to ensure that no such administrative oversights can occur in future. Coming out of the MONRE inspection however we have taken the opportunity to make improvements to the transparency of our Environment reporting systems to give the public greater confidence in our company. By mid 2018 we will have online real time water and air analysis being

transmitted to relevant authorities so they can always see and monitor our performance.

At year end our Chemicals business initiated the 3 yearly recertification process under the Responsible Mineral Assurance Process standards (formerly the Conflict Free Smelting Initiative) maintaining our commitment to our values as well as our stakeholders and customers. The process is expected to be completed in Q2 2018.

COLLABORATION WITH COMMUNITY

MSR continued to demonstrate its commitment sustainable development and social safeguards through a wide range of activities such as exceeding the required development standards of resettlement sites, developing a network of local suppliers to meet our business input needs, expanding the VietGAP models to agriculture and, most importantly, setting up the Economic Restoration Fund to fund economic restoration projects through a micro credit scheme. This year, Green Credit has also been activated to encourage green farming. Notably, green farming was the focus of the 4th Vietnam Corporate Sustainability Forum (VCSF 2017) last October in regards to sustainable agriculture. Masan continued its green efforts with its pilot Energy- tree plantation with onsite workshops with the Institute for Independent Environmental Affairs – Germany (UFU) and the Thai Nguyen Forest and Agriculture University, our community plantation project for neighboring communities, rehabilitation of 8.5 hectare of previously disturbed areas within the Nui Phao Project, the VietGap tea plantation for 75 Hhs and the safe vegetable plantation project for Hung Son.

FINANCE

The year was strong year for Masan Resources with record Revenue and Profits on the back of record 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 overall revenue performance of these products represents our improved brand recognition and leadership in product quality. We continued to see our order book grow throughout 2017, and we currently have significantly more demand across all products than current ability to supply.

PUBLIC RECOGNITION

Masan Resources has been recognized by the Viet Nam Report and VietnamNet as top biggest enterprises of Viet Nam (TOP 500) and

the fastest growing company (FAST 500) in 2017. Especially, MSR has been certified by the MONRE for being the creative enterprise in appliance of environmental-friendly technology and yet, we have only just started, we have been laying the foundation of our business, with our full potential still to be achieved.

DEVELOPMENT OF MASAN RESOURCES BRAND GLOBALLY

Given the strategic nature of MSR's business we continued to focus on developing Masan Resources as a global brand. The Company attended and successfully presented at the Argus Tungsten Summit in London in March, and the Industrial Minerals Fluorspar Conference in Amsterdam in October 2017. In 2017 MSR also had one of its Senior Executives nominated and accepted into the role of Vice President of the International Tungsten Industry Association (ITIA). Masan Resources also hosted the Asia-Pacific Economic Cooperation Forum Vietnam summit attendees to visit its operations in March 2017. Feedback from the visit was extremely positive, focusing on the rehabilitation works that that had been undertaken to date.

2018 AND BEYOND

In the year ahead we intend to continue to grow the business from the strong foundation we have laid in 2017. We expect to consolidate our position in the tungsten industrial market and position the company to lead change in the global tungsten industry. As we continuously focus on improving the quality of our products, we aim to increase the criticality of our business for customers that lead the global industrial innovation and growth.

Finally, we also commit to continue to improve our compliance activities and transparent reporting initiatives.

BOARD OF DIRECTORS ASSESSMENT REPORT

BECOME A FURTHER-INTEGRATED DOWNSTREAM TUNGSTEN BUSINESS OF A GLOBAL SCALE

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 2017.

BOD ASSESSMENT OF THE COMPANY PERFORMANCE

2017 marked the first year that Masan Resources elevated its vision from a local perspective to a global scale. The Company has successfully transformed itself from the flagship mining project of Vietnam into an appreciated player in the international market. 2017 will be remembered as an eventful year, full of challenges and hardships, but also many great achievements and recognitions. We have kept our promise to grow Masan Resources into an industry leader that is able to transform the global tungsten market.

The Company continues to employ best-in-class standards on all issues related to the community, environment and safety. With regards to the environment, the Company successfully completed a rigorous government inspection covering environmental compliance. The inspection involved multiple ministries and specialists, covering all aspects of the Nui Phao project including mineral, water, land and environment management. We are very pleased that it was concluded with no material violations and minimal administrative fines. Management has corrected internal processes to ensure that

such administrative errors will not reoccur and continue to work closely with regulators and policymakers to improve our standing as Vietnam’s largest integrated industrial mineral and chemical producers. As an endorsement of the positive outcome of the inspection, the Company was chosen to host a global delegation of APEC Mining Task Force members. The Company’s environment, rehabilitation works, resettlement and compensation, and hiring practices as well as CSR were well received by the APEC Mining Task Force.

Our community development efforts have always been held in high regard, we have continued to keep our commitment by constructing civil works to stabilize and to improve life quality of project-affected people.

Significant price increase across all commodities coupled with increased operational efficiency allowed the Company to achieve record results despite the volatility risks of the international market. Our Joint Venture continues to offer high quality tungsten chemicals, and we have been deploying our best endeavors to keep pace with increasing order-book and the number of inbound enquiries being received from existing and new customers.

R&D activities have also been taken to a new height. During 2017, Masan Resources has undertaken significant research and development activities which have led to improvements in yield efficiencies, while a number of R&D works were the first of their kinds to be applied worldwide.

The BOD has accomplished its duties in reviewing and approving the resolutions on the operation of the Company and its subsidiaries. In 2017, no members of the BOD received any remuneration for their duties as BOD’s members, nor they incurred any expenses.

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 2017, 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 both fulfilled their obligations in advising and assisting the BOD on matters having remarkable impacts on the Company’s operation and reputation. Masan Resources is clearly on its way to become a company with an effective internal governance model, securing and adding additional value to shareholders’ investment.

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.

Throughout 2017, the Company successfully demonstrated to the world that a Vietnamese company can transform the global tungsten market. The directions set for 2018 further prove that what we have achieved is just the beginning 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 transform the Company into a strategic component of the engine for global industrial innovation.

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 2017

- Supervising and reviewing the management and execution of 2017 business activities by the Board of Directors and the Management Team. Reviewing the legality and reasonableness of our business in 2017 in accordance with resolutions of the General Meetings of Shareholders in 2017.
- 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 2018 Annual General Meetings of Shareholders are a fair reflection of the Company's and its subsidiaries' current financial situation.

Key figures of the financial situation as of December 31, 2017:

Part 1: Balance Sheet	Group		Company	
	31/12/2017 VND'000	1/1/2016 VND'000	31/12/2017 VND'000	1/1/2016 VND'000
ASSETS				
Current assets	3,456,003,440	2,496,130,991	2,782,039	951,931
Cash and cash equivalents	780,414,201	603,345,037	483,619	896,931
Short-term financial investment	32,500,000	-	-	-
Accounts receivable – short-term	860,460,818	583,833,584	2,298,420	55,000
Inventories	1,409,062,969	1,112,385,216	-	-
Other current assets	373,565,452	196,567,154	-	-
Long-term assets	23,688,207,422	24,039,367,458	9,995,844,635	10,024,094,084
Accounts receivable – long-term	1,346,793,937	1,379,457,775	4,855,509,062	4,883,758,511
Fixed assets	18,898,064,279	18,629,319,036	-	-
Long-term work in progress	987,802,403	1,681,618,571	-	-
Long-term financial investments	-	-	5,140,335,573	5,140,335,573
Other long-term assets	2,455,546,803	2,348,972,076	-	-
TOTAL ASSETS	27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015
RESOURCES				
LIABILITIES	15,132,604,815	14,825,018,166	554,834,167	581,264,773
Current liabilities	4,871,844,056	3,518,587,636	13,759,992	40,190,598
Long-term liabilities	10,260,760,759	11,306,430,530	541,074,175	541,074,175
EQUITY	12,011,606,047	11,710,480,283	9,443,792,507	9,443,781,242
TOTAL RESOURCES	27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015

On the Company's business performance

In 2017, 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, 2017:

Part 2: Income statement	Group		Company	
	2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
Net operating profit/(loss)	334,717,770	131,491,833	11,265	82,295,487
Results of other activities	(42,595,318)	(30,927,079)	-	(2,942)
Profit/(loss) before tax	292,122,452	100,564,754	11,265	82,292,545
Income tax expense – current	36,841,033	14,320,441	-	-
Income tax benefits – deferred	(45,844,345)	(29,101,561)	-	-
Net profit/(loss) after tax	301,125,764	115,345,874	11,265	82,292,545
Net profit attributable to:				
Equity holders of the Company	205,914,056	109,841,024	11,265	82,292,545
Non-controlling interest	95,211,708	5,504,850	-	-

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, 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 2017.

The Board of Directors' resolutions were issued in compliance with the legal authorities of the Board of Directors and that 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 2017 were in compliance with the Company's Charter, the Law on Enterprises and other, relevant legal regulations, and based on 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. 167/2017/NQ-ĐHĐCĐ

Date April 17, 2017

Content

- (i) Approve the Board of Directors' assessment report for 2016;
- (ii) Approve the Supervisory Board's assessment report for 2016;
- (iii) Approve the 2016 Financial Statements of the Company as audited by KPMG Limited;
- (iv) Approve the 2016 dividend distribution plan of the Company;
- (v) Approve the appointment of KPMG Limited as the auditing firm of the Company in 2017;
- (vi) Approve the Company's earnings forecast in 2017;
- (vii) Approve the resignation of Mr. Jonathan David Fiorello as a member of the Board of Directors, and approve the Board of Directors for the remainder of the term 2016 – 2021 consisting of 5 (five) members;
- (viii) Approve the remuneration packages for the members of the Board of Directors and the members of the Supervisory Board in 2017 being VND 0.

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	5/5	100%	
2	Dr. Nguyen Dang Quang	Member of the BOD	February 18, 2013	5/5	100%	
3	Mr. Nguyen Thieu Nam	Member of the BOD	February 18, 2013	5/5	100%	
4	Mr. Nguyen Van Thang	Member of the BOD	April 22, 2016	5/5	100%	
5	Mr. Dominic John Heaton	Member of the BOD	April 22, 2016	5/5	100%	
6	Mr. Jonathan David Fiorello	Member of the BOD	April 17, 2017	1/2	50%	Did not attend the 1 st meeting of BOD in 2017 (dated March 23, 2017) due to personal matters. Attended the 2 nd meeting dated March 28, 2017. Did not attend the other meetings of BOD in 2017 due to resignation effective as at April 17, 2017

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 Sustainability Committee**

Assist the BOD and the Management to develop the Company's sustainability strategic plan and to ensure on effective stakeholder engagement;

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

Propose, review and monitor the impact of the Company sustainable initiatives towards community, environment and society;

Review and make recommendations to the Management Team on reporting to shareholders and other communities regarding corporate responsibility activities;

b. Activities of the Risk Committee

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

Discuss with the Management Team on the Company's earnings releases.

Discuss with the Management Team on the Company's policies with respect to 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	128/2017/NQ-HDQT	March 23, 2017	Approval of (i) convention of the 2017 Annual General Meeting of shareholders, and (ii) matters to be submitted for approval at the 2017 Annual General Meeting of shareholders.
2	134/2017/NQ-HDQT	March 28, 2017	Re-appointment of Chief Financial Officer.
3	260/2017/NQ-HDQT	June 23, 2017	Approval of (i) the contents of the Repost on Implementation of Recommendations by the Inspection team of MONRE; (ii) change the English name of the Sustainable Development Committee to Sustainability Committee; and (iii) the members of the Sustainability Committee.
4	320/2017/NQ-HDQT	July 31, 2017	Removal of Chief Executive Officer and appointment of new Chief Executive Officer
5	428/2017/NQ-HDQT	September 21, 2017	Approval of (i) the Charter of Risk Committee under the Board of Directors, (ii) list of members of the Risk Committee, and (iii) withdrawal of the Company's dividend preferential shares

SUPERVISORY BOARD**Information about members of Supervisory Board**

No.	Members of Supervisory Board	Position	Day becoming/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	2/2	100%	

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

(See Report of the Supervisory Board form pages 74 to 77)

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 2017;

Supervising the 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 the financial statements in 2017.

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

TRAINING ON CORPORATE GOVERNANCE

All members of Board of Directors, members of the Supervisory Board, the CEO, and the Company Secretary attended the training course on corporate governance applying to public companies organized by the Securities Research and Training Center under the State Securities Commission of Vietnam, and obtained their certificates on completion of the same on September 2016.

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 person of internal person: None

Transaction between internal person of listed company and company's subsidiaries, or the company in which listed company takes controlling power: None.

Transactions between the company and other entities

Transactions between the Company and companies that members of Board of Directors, members of the Supervisory Board, or the CEO of the Company is or was a founding member, members of 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
2015	Masan Group Corporation	BOD member of the Company is also a BOD member of the related person	Inter-company loan
2016	Masan Group Corporation	BOD member of the Company is also a BOD member of the related person	Financial support

Transactions between the company and the company that related person of members of 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) may be beneficial material or immaterial for members of 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

NUMBER OF EMPLOYEES AND AVERAGE INCOME

Year	2013	2014	2015	2016	2017
Total number of permanent employees	1,281	1,095	1,095	1,027*	1,072*
<i>Of which:</i> - Vietnamese	1,130	976	973	928	976
- Expats	151	119	122	99	96
Average income (VND million per month) of Vietnamese employees	8.7	9.7	10.2	10.7	11.2

* Exclusive of the Joint Venture

WORKFORCE STRUCTURE

In comparison with 2016, workforce structure of Masan Resources in 2017 did not greatly fluctuate; below is the analysis of the composition of our workforce by age, gender, education and diversity.

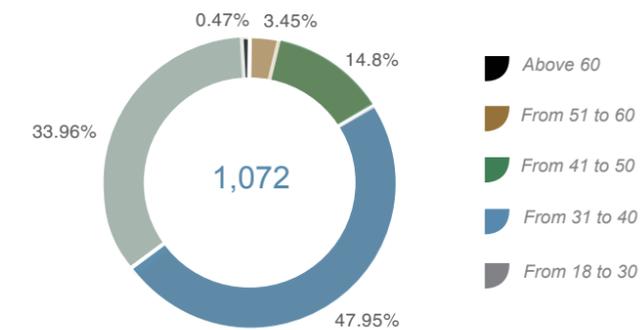


By Age

The average age of the entire workforce is 34. The average age by employee group:

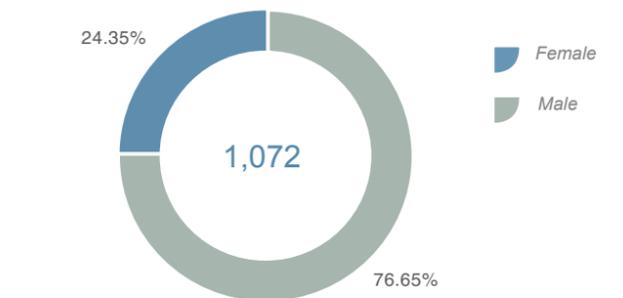
- Directors: 50
- Managers: 42
- Superintendents: 43
- Supervisors: 38
- Technical/clerical staff: 32
- Laborer: 33

The percentage of the individual age group is shown in the pie-chart on the right-hand side.



By gender

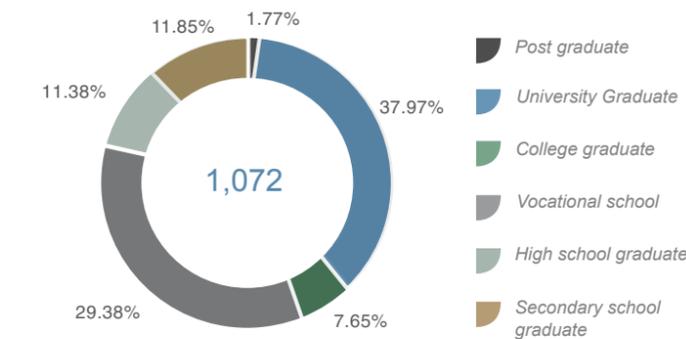
In line with our equal opportunities policy on recruitment and gender equality, women are employed in all activities. The percentage of female employees occupied over 24% of the entire workforce, which ranks Masan Resources very highly in comparison with the average percentage for the mining industry (research shows that female employees occupied 14.7% in the mining industry worldwide).



By education

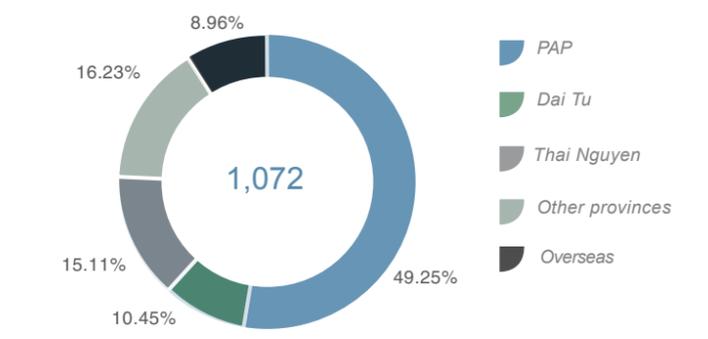
Employee analysis by educational background as percentage of the total number of employees:

- University and higher degrees: 40%
- College and vocational training: 37%
- High school and lower: 23%



By diversity

Nearly 75% of all employees are from within Thai Nguyen, 16% from other provinces and 9% from overseas.



RECRUITMENT

A total of 135 new staff have been employed in 2017. One part of the new hires was to account for the natural attrition rate, while the remainder was employed to work on the new HG circuit, which became operational in the last quarter of 2017. Certain vacancies have been found more challenging to fill than others. In order to counter this difficulty, the focus of employment branding was sharpened and has resulted in over 3,000 company followers on social media networks.

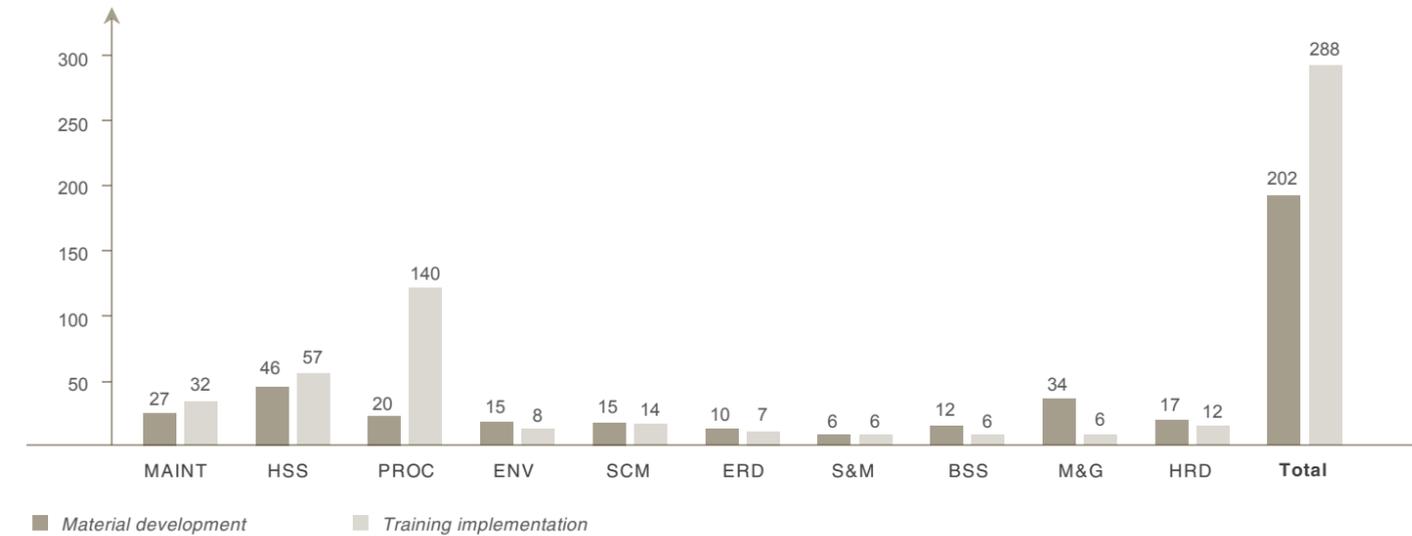
TRAINING AND DEVELOPMENT

Just like in previous years, 2017 has also witnessed a continuation of employee training and development activities, initiated and conducted by human resources and other relevant departments, with a content that is in-line with the targets and strategy of the company. The content of employee training and development activities that the company focused on in 2017 aimed to close the gap of employee skills at the requirements of their current positions. Here a total of 441 employees have been assigned to attend courses organized and run externally, while 2,333 employees attended internal training courses. The total number of training hours amounted to 4,684, which is an increase of 33% compared to 2016. The relevant details are shown below.



Description	2016	2017
Total cost invested in training(VND)	3,462,738,112.00	3,302,919,766.75
Total professional training man-hours	3,531	4,684
<i>Of which: Total number of employees trained in professional centers</i>	528	441
<i>Total number of employees trained by internal trainers</i>	1,570	2,334
Total number of courses trained by internal trainers	208	259
Total number of courses trained in professional centers	23	27
Total number of training materials developed internally	408	203

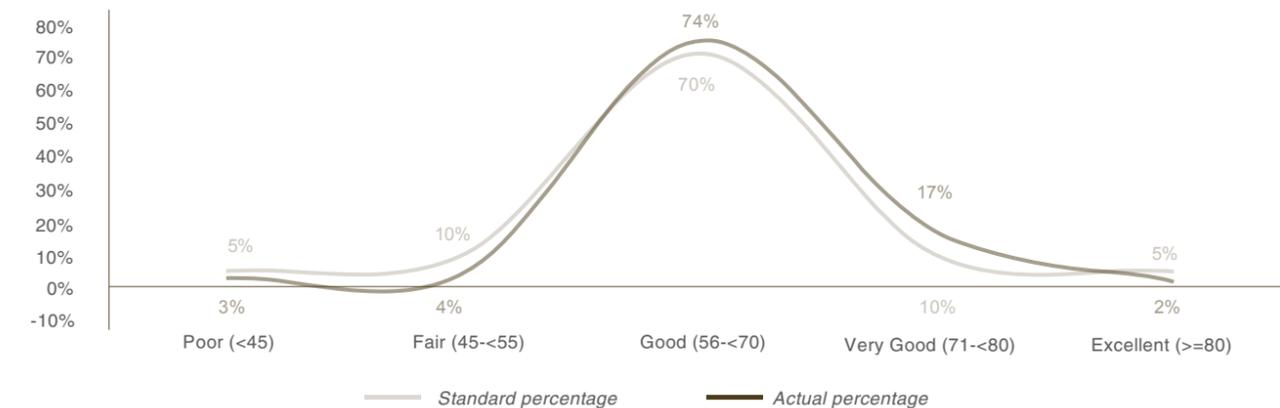
2017 Summary of Training & Development Items



STAFF PERFORMANCE MANAGEMENT

In parallel with the implementation of the employee training and development program, the staff performance management activity ensures that all under-performing employees are provided with a tailor-made performance improvement plan, intended to cover specific areas in need of improvement. Year on year, the employee performance belt curve has experienced a shift to the right-hand side, consistent with increased employee productivity, for the period of the past 3 years.

2017 Employee Performance Belt Curve



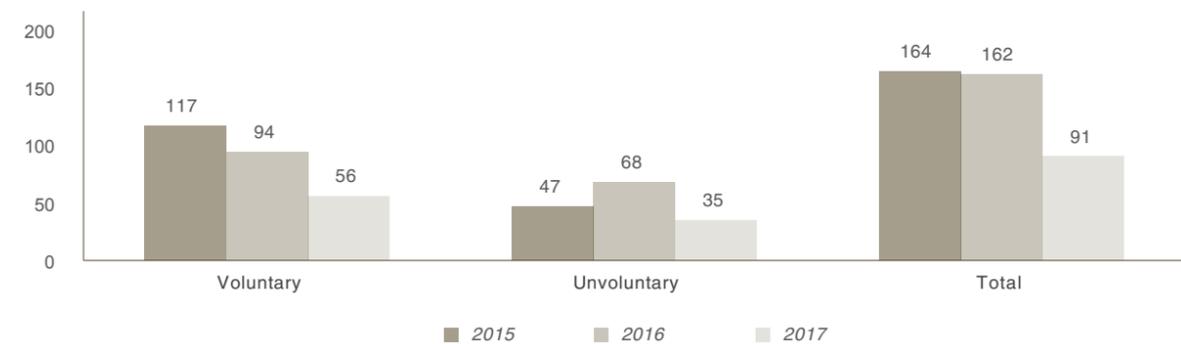
2017 Employment Productivity

Year	Total WO ₃ equivalent (Ton)		No. of Permanent employees (Person)		Productivity per person (Ton)			Compared to previous year
	Budget	Produced	Budget	Actual	Budget	Actual	Budget >< actual	
2014	9,182	6,287	1,010	997	9.09	6.3	(0.31)	
2015	8,689	10,250	1,073	1,066	8.10	9.6	0.19	↑ 0.52
2016	12,743	12,449	1,022	1,017	12.5	12.2	(0.02)	↑ 0.27
2017	12,393	13,119	1,005	1,004	12.3	13.1	0.06	↑ 0.07

EMPLOYEE ENGAGEMENT

Consistent with the Company core values: RESPECT – ACTION – RESULT, the Company has deployed and maintained a number of activities such as: training and development, regular employee meetings, monthly star award, health care program, community assistance, sports and recreation events. Through these activities employees have the opportunity to (1) communicate directly to the senior management of the company, (2) be recognized for their outstanding performance, and (3) have their health and well-being taken care of. These HR activities function to continuously promote a positive work environment, increase employee satisfaction, and reduce conflicts and disputes. As a result 2017 was the third consecutive year with a remarkable drop in the turnover rate. Specifically, the total turnover in 2017 was 40% lower compared to the turnover in 2016. The figure below shows this in greater detail.

2017 Turnover Rate



RISK MANAGEMENT REPORT

Risk	Basis of Risk	Risk Mitigations
Commodity Price 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.	The Company operates at the lower end of the global cost curve for its products, which places it in a preferred position competitor 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 uses financial instruments, such as forward contracts and hedges, to reduce its exposure to pricing risk.
Currency Exchange 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.	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 of Directors, 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.	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.	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 engagement in customer countries or within Vietnam so as to guarantee the long-term viability of the business.

Risk	Basis of Risk	Risk Mitigations
Failure to maintain reserves or develop new operations could negatively affect our future results and financial conditions.	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.	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. Our actual drilling activities and the future drilling budget will depend on the size and quality of our mineral inventory, drilling results, commodity prices, drilling and production costs, availability of drilling equipment and services, lease expirations and regulatory approvals.
Commercial Counterparty 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.	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	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.	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.

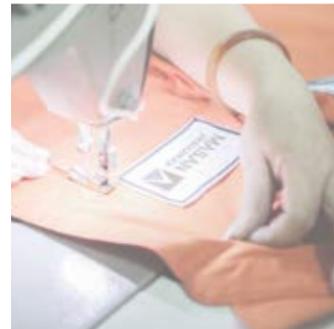
Risk	Basis of Risk	Risk Mitigations
Competition Risk	Ability to defend, maintain and/or increase Masan Resources strategic objectives and market share.	The Company operates the world's largest tungsten mine. It is a key strategic source of non-China sourced tungsten chemicals and other products. The 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.
Unexpected natural and operational catastrophes may adversely impact our operations.	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.	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	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.	The Company regularly reviews its IT security systems, processes and protocols. The Company maintains appropriate firewalls and offsite backups of key data, systems and processes. In 2017 the Company ran a series of system tests and updated protocols.

Risk	Basis of Risk	Risk Mitigations
Sustainability Risk	Health, Safety, Environmental or Community incidents or accidents may adversely affect our people or neighboring communities, operations, reputation and license to operate.	The Company's approach to the sustainability risk is reflected in its Health and Safety Policy, the Environmental Policy and Community Policy. All incidents or accidents are recorded and reported to the Board of Directors. On the occurrence of an incident, the Company works directly with relevant governing bodies and impacted parties to resolve and ensure that the risk of recurrence is minimal.

SUSTAINABILITY REPORT

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

The full content of our sustainability is available within the 2017 Masan Resources Sustainability Report which is published in parallel with this Annual Report.



- Sustainability is critical to our future
- Knowledge platform for our people
- Respecting human right
- Our model of a caring ecosystem
- Promoting good practices of sustainability

SUSTAINABILITY IS CRITICAL TO OUR FUTURE

In today's social climate sustainability of our various ecosystems, be it environmental, social, business or personal is crucial. Notably, Viet Nam is among transition countries which are the world's fast-growing emerging economies but facing the challenges of environmental pollution and climate changes.

At Masan Resources, we truly believe that acting as a responsible business in our environment and society contributes to our long term success. From a Masan perspective, we have always been committed to building a sustainable company which delivers benefits to the community, the Government, Vietnam and our shareholders and other stakeholders. This has not been a short journey, it commenced back on 18 June 2010; it has been difficult with many challenges which needed to be overcome, but with commitment, hard work and the support from various Government agencies we have persevered to build a socially and environmentally responsible company. This summary outlines the last year's (2017) part of our journey. For a full content of our sustainability in 2017, you are invited to review our Sustainability Report, published in parallel of this Annual Report and both are available on our website.

(Craig Richard Bradshaw - Chief Executive Officer)



MSR sustainability objectives in the next 5 years

- Enabling green economy by mapping Viet Nam as a major global supplier of a globally critical element to the future of technology and people's lifestyles;
- Developing a new generation of labor force in the extractive industry – talented and skillful in advocating sustainable and responsible mining;
- Fostering international- standards in working conditions and labor policies including security, safety and occupational health;
- Investing in environmental protection, water supply, rural sanitation and public health for neighboring communities and Dai Tu district;
- Improving local infrastructure and actively supporting new rural development programs;
- Improving income generation through advancing education, local enterprises and sustainable agriculture;
- Promoting inclusive growth, including gender & ethnic minority, and poverty reduction.



MSR Sustainability Committee

At Masan Resources, we embed our sustainability framework into all our operations. Our operations are driven by the directives set out by our Board of Directors, who have the duty to align our policies and strategic goals with our business vision. The Board of Directors and the Management Team meet regularly to review sustainability performance and conduct evaluations against targets and ensure that we are on track in implementing our strategy.

Our Sustainability Committee was established to deliver detailed analyses of key issues. Its duties include but not limited to:

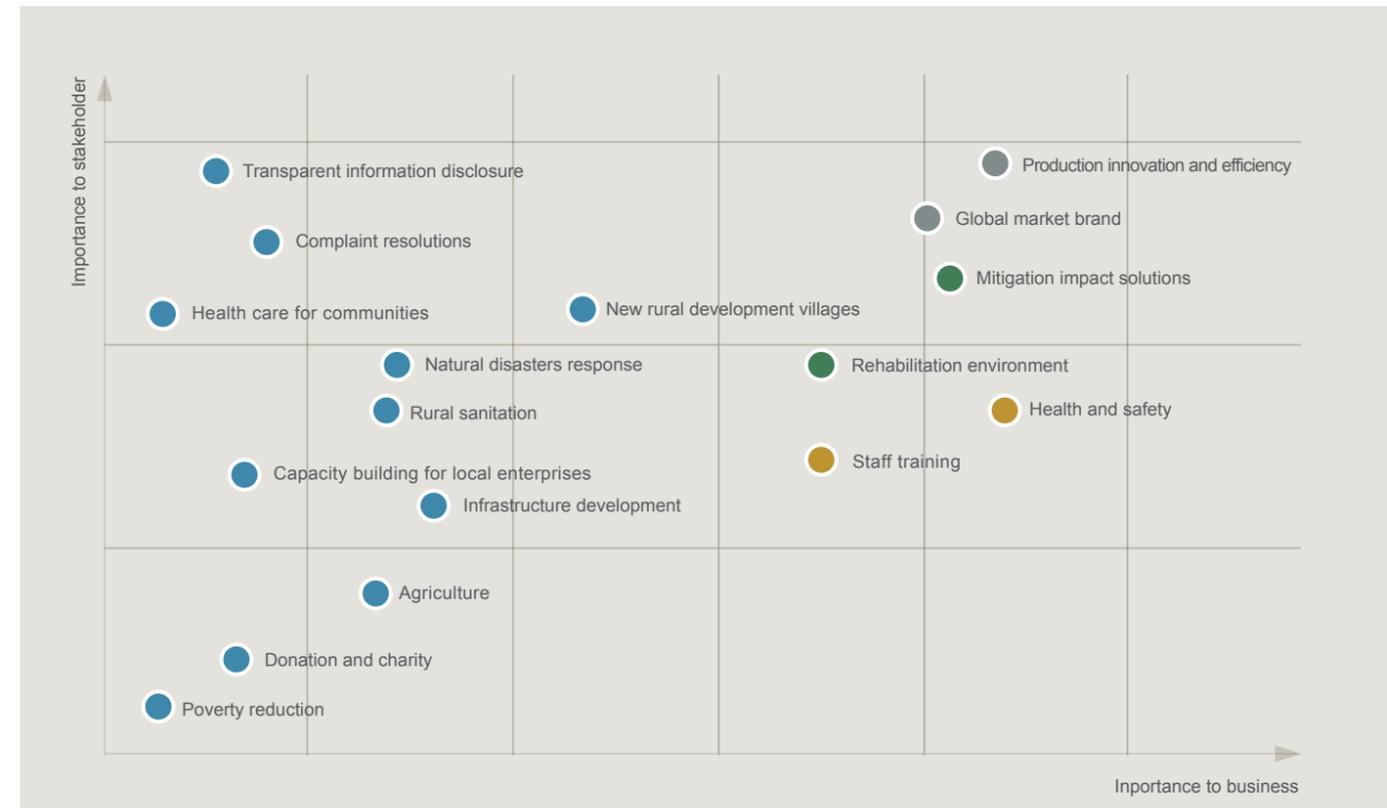
- Giving opinions to the Board of Directors, Management team on the strategic plan for sustainability and ensuring an effective stakeholder engagement;
- Examination of implementation of sustainability policies and monitoring Company sustainability performance through initiatives on the provided indications by the Management team;
- Improvement of the Company's reputation through identification and promotion of best practices that advance environmental and social sustainability, enrichen our customers' experiences, and increase shareholder value.



Our sustainability focus in 2017

The Vietnamese Government has been actively promoting sustainable development in various field including energy, mining, education, health, environment and gender equality to deliver on the 17 Sustainable Development Goals (SDGs). One of the main topics of discussion at the 4th Vietnam Corporate Sustainability Forum (VCSF2017) in October 2017 was on Green Growth and sustainable agriculture.

In 2017, our development objectives, prepared with an input from our stakeholders, focused on innovation and investment for sustainable mining and world-class chemical production models, accompanied by an enforced manpower; environmental compliance and accountability; promotion of Green Growth through not only investments in downstream production, but also in the rehabilitation projects and good practices of sustainable agriculture.



KNOWLEDGE PLATFORM FOR OUR PEOPLE

At Masan we have always maintained that our people are our greatest asset. They have continued to be an indispensable part of our sustainable value chain. Like any assets, our employees need ongoing investment in their development to not ensure they remain current with industry developments but to grow and innovate along with the business.

We are proud to have made significant investments in the education and training of our employees, which benefits not only our company and our employees but also leads to the development and improvement of the entire human capital of Vietnam. In particular, in 2017:

- **441** of the total of 1,072 permanent employees were assigned to attend courses organized and run externally.
- A total of **2,333** people comprised of both MSR employees and contractor employees attended internal MSR training courses, covering various topics such as safety, environment management, fire-fighting and chemical handling, to name but a few.
- The total number of training man-hours amounted to **91,339**, an increase of 20% compared to 2016.



We strongly believe in educating employees with correct safety habits not only to be used at work but also to help them carry this mindset in their daily activities – especially at home. In particular, once employees have received training, they would be able to identify potential safety risks in their daily tasks.

- During the year, we have provided **10,930** hrs safety related training services such as hazardous chemicals management, various site inductions, in-house safety programs such as hazard identification and actions, risk training, management of change and emergency response training for **5,977** attendees.
- The 'Take 5' safety pre-task tool check continues to be well received and utilized by the entire workforce. This safety tool teaches employees and contractors how to identify potential hazards associated with the task they are about to undertake, and how to avoid or minimize these hazards prior to commencing the task. In 2017, a total of **7,553** employees have attended this course, compared to 7,459 in 2016.



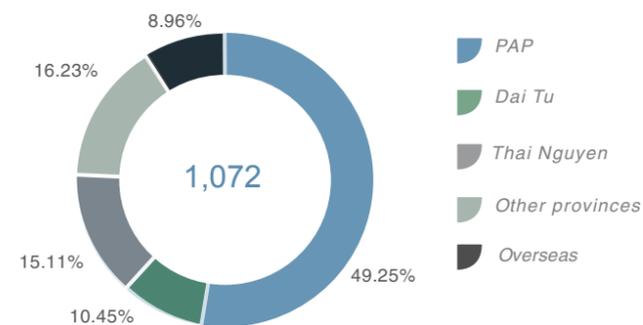
RESPECTING HUMAN RIGHT

Our commitment to the respect of human and workplace rights is fundamental to our business and our ability to operate as a multi-national workforce. However, it is necessary to note that various topics pertaining to human rights are often included in various sections of sustainability reports along with other social, economic, and environmental practices, but they are not always identified as human rights.

While yet still today globally, tens of thousands of child laborers and forced laborers are found in small-scale gold mines and businesses of Africa, Asia and South America, there was no child labor nor forced labor at any point at our company operations.

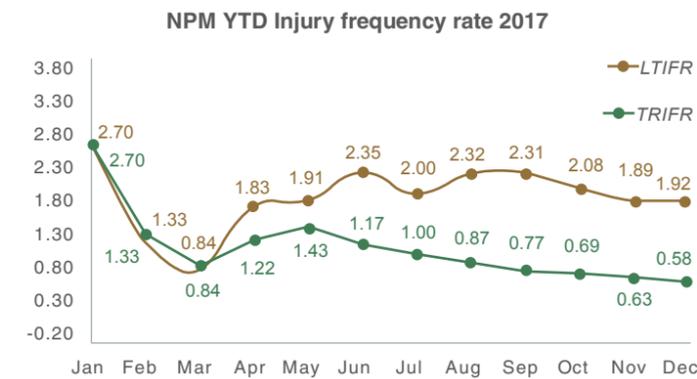
The greatest number of employment opportunities are given to local and indigenous people. Nearly 75% of all employees are from within Thai Nguyen, In particular, 15% of our local workforce comes from 6 different ethnic minorities (Tay, Nung Dao, Cao Lan, San Chi, San Diu).

We remain strongly committed to gender equality. The percentage of female employees occupied over 24% of the entire workforce, which ranks Masan Resources very highly in comparison with the average percentage of the entire mining industry.



In developing the Nui Phao project into a world class asset it is today, the Company has always remained committed to its core vision to ensure that it either meets or exceeds national and international standards, especially in terms of working conditions, health and safety of employees.

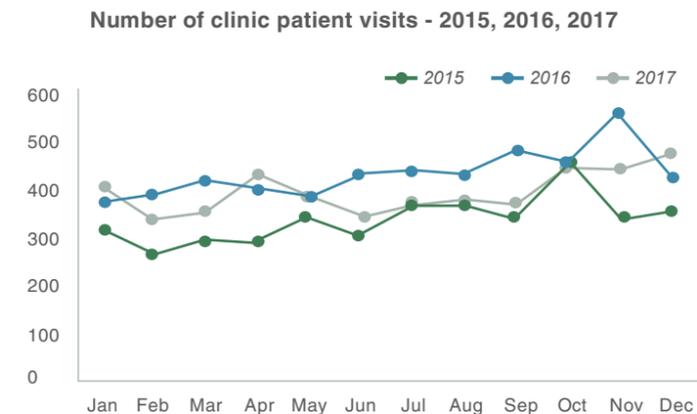
It is disappointing that we started the year with three lost time injuries in the first half of the year, however, it must be recognized that we quickly recovered and had no further lost time injuries in the second half of the year. While this brought an end to our three year record, we took on the lessons from the injuries and further enhanced our safety systems and processes.



In 2017 we had 3 Lost Time Injuries (LTI), 59 First Aid Injuries (FAI) and 7 Medical Treatment Injuries (MTI). There is a slight increase of injuries in 2017 (69 injuries) to that of the previous year, 2016 (48 injuries).



We run a well-equipped and fully staffed medical clinic that provides a 24 hour, 365 days a year support with more than 90 high-tech medical equipment instruments and a well-stocked pharmacy on site.



In 2017, the clinic examined and treated 5,137 patients with medical complaints related to a variety of issues, ranging from preventative consultations to the treatment of minor injuries.

In 2017 our medical screening results have shown that the vast majority of our employees can be classified into top three health categories, ranging from "very good (I)" to "medium (III)" health condition.

OUR MODEL OF A CARING ECOSYSTEM

It is often said that Green Growth discards the traditional convention of "grow first, clean up later" and discourages investment decisions that entrench communities and countries in environmentally damaging, carbon-intensive systems.

At MSR, we are investing in innovative ways that minimize our environmental impact, as well as, give rise to alternatives that can mitigate and compensate for the used natural resources meanwhile bring more "Green" lives on our land wherever possible. The feedback we received from the APEC delegates while undertaking a mid-year site visit to the Nui Phao project was extremely positive. They recognized and highly praised the amount of rehabilitation works undertaken by the Company.



Waste management

Efficient waste management is essential to the achievement of sustainable development. MSR continuously monitors and provides measures to improve waste-water management. For that purpose, MSR deploys state-of-the-art methods of waste minimization, recycling and re-using in order to reduce the pressure on the environment.

- **136** new employees have been trained on waste classification and segregation.
- **15,000** USD was invested on constructing a new standardised HW storage.
- **840.2** tons of scrap have been collected and recycled, which is about 30% higher than in 2016 (683 tons).



Water saved and controlled

In 2017, MSR continued to optimize water resources usage by increased use of recycled water from the water treatment facilities and reservoirs by approximately 5%, compared to 2016.

In 2017, NPM completed the construction of an online groundwater monitoring system for 4 extraction boreholes as suggested by MONRE in order to ensure the objectivity and transparency of the monitoring data. The installation will be carried out in early 2018.



Rehabilitation

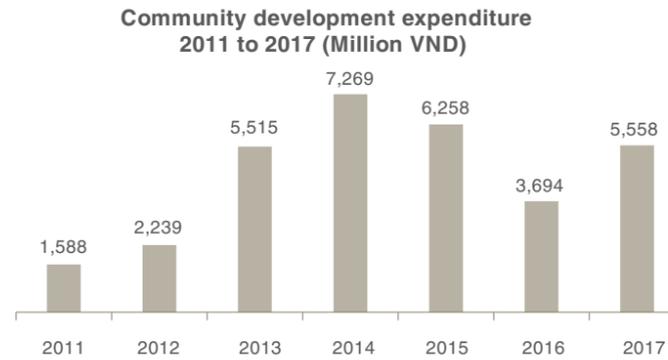
In 2017, Masan Resources succeeded to create an ecosystem with huge plantation amount for not only the project areas but also for the buffer zones and neighboring communities, that is essential to shape and deliver on the Sustainability Goals.

- **1.3** tons of De grass seeds have been collected by MSR for rehabilitation on the angle/bedding slopes, slopes of the waste-dumps and in other areas.
- **8.5** ha of project land have been rehabilitated by VA06 grass, De grass, and Acacia for land renovation, erosion protection and the creation of a green barrier for the minimization of dust and noise.
- A total of **1.5** ha of VA6 grass was put on a cultivation trial on the north waste-dump for the purpose of the stabilization of the angle/bedding slopes, erosion control and a creation of a new breed type, which may be required for future rehabilitation efforts.



PROMOTING GOOD PRACTICES OF SUSTAINABILITY

MSR has continued to demonstrate its capability to deliver on its commitments to sustainable development and social safeguards through a wide range of activities, such as exceeding the required development standards of the resettlement sites, developing a network of local suppliers, expanding the VietGAP models to agriculture and, most importantly, setting up the Economic Restoration Fund to fund economic restoration projects through a micro credit scheme.



Realizing new rural paradigm in Dai Tu

Over the last 5 years, MSR has financially assisted two project-affected communes, Hung Son and Ha Thuong which were the first communes in Thai Nguyen province to be awarded the status of 'new rural development areas' (2014 & 2015). In 2017, Phuc Linh commune - another project affected commune, satisfied 19 criteria for obtaining the status of a new rural development area, due to the persistent community development efforts undertaken by MSR.



New rural paradigm with better infrastructure

A developed infrastructure will ensure a long-term and sustainable growth to meet the requirements of industrialization and modernization in the area. In 2017, MSR continued to build and improve 4 village culture houses in Phuc Linh commune, 950 meters of a road in Tan Linh commune, and 500 meters of two irrigation projects in Ha Thuong commune.



New rural paradigm with better living standards

Ensuring healthy lives and promoting well-being of vulnerable groups is essential to sustainable development. Initiated in 2016, the "sanitation for the poor" project helped 169 poor households in Tan Linh build their hygienic latrines. In 2017, 154 additional households participated in the project, making the total number of beneficiaries 323, to date.



In addition, in 2017 the MSR Clinic and Dai Tu district medical center jointly organized a health examination and medical consultation and fee medicine for 230 people of vulnerable groups (war veterans, family of social policy, elderly & poor people).

Advocating for a green economy

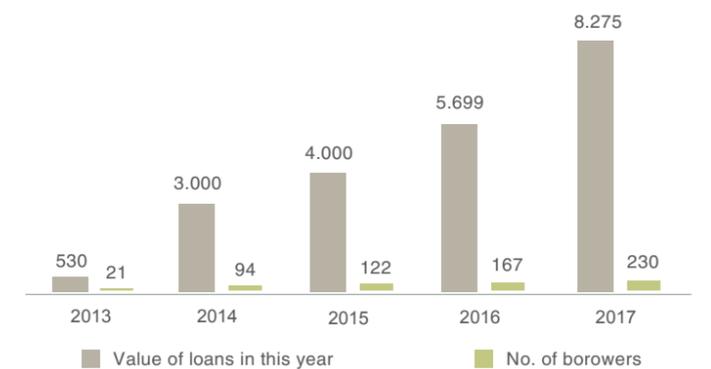
Since the onset of our operations in this area, MSR has focused on strengthening the supply capacity of sustainable agriculture by providing knowledge, new experiences and the provision of adequate agricultural technologies to the project-affected as well as neighboring communities. This was also in-line with the Government's vision to assist agro-based value chains.

Green Credit Fund

Within our economic restoration programs, we are proud that the Economic Restoration Fund proved to be the catalyst for the generation of stable means of living of the local and resettled people. Based on the positive impacts of the Economic Restoration Fund over the past four years, in 2017 the Company entrusted an additional VND 1 billion to Dai Tu bank of Social Policy to initiate the Green credit fund as part of the existing ER Fund.

With the aim to promote safe agriculture practices, this funding gave priority to those who engaged in safe production, like VietGAP tea, VietGAP vegetable, animal husbandry and food processing. As a result, 63 households were able to access the capital in the fund with a low-interest rate to implement different income generation models. Out of these 63 households, 21 households invested in safe agriculture production.

Economic Restoration Fund 2013 to 2017 (Million VND)



FINANCIAL STATEMENTS



- Corporate Information
- Statement of the Board of Directors
- Independent Auditor's Report
- Balance Sheet
- Statement of Income
- Statement of Cash Flow
- Notes to the Financial Statements

CORPORATE INFORMATION

MASAN RESOURCES CORPORATION

Enterprise Registration Certificate No. 0309966889 12 August 2017
The Company's Enterprise Registration Certificate has been amended several times, the most recent of which was dated 12 August 2017. 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. Jonathan David Fiorello	Member (until 17 April 2017)
Mr. Dominic John Heaton	Member
Mr. Nguyen Van Thang	Member

Board of Management

Mr. Craig Richard Bradshaw	General Director (from 31 July 2017)
Mr. Dominic John Heaton	General Director (until 31 July 2017)
Mr. Nikhil Kamran	Chief Financial Officer

Registered Office
Suite 802, 8th Floor, Central Plaza Building
No. 17 Le Duan, Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditor
KPMG Limited
Vietnam

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 2017.

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:

- (a) the consolidated and separate financial statements set out on pages 113 to 158 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, 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
- (b) 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, 8 March 2018

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 2017, 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 8 March 2018 as set out on pages 113 to 158.

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 2017 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.: 17-02-231/KT



Tran Anh Quan
Practicing Auditor Registration
Certificate No.: 0306-2018-007-1
Deputy General Director
Hanoi, 8 March 2018

Phan My Linh
Practicing Auditor Registration
Certificate No.: 3064-2014-007-1

BALANCE SHEETS

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2017

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	
			31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
ASSETS						
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,456,003,440	2,496,130,991	2,782,039	951,931
Cash and cash equivalents	110	5	780,414,201	603,345,037	483,619	896,931
Cash	111		82,470,201	536,715,037	83,619	896,931
Cash equivalents	112		697,944,000	66,630,000	400,000	-
Short-term financial investments	120		32,500,000	-	-	-
Held-to-maturity investments	123		32,500,000	-	-	-
Accounts receivable - short-term	130		860,460,818	583,833,584	2,298,420	55,000
Accounts receivable from customers	131		368,595,772	271,197,824	-	-
Prepayments to suppliers	132		78,568,122	42,094,159	-	-
Other receivables	136	6	420,152,488	277,397,165	2,298,420	55,000
Allowance for doubtful debts	137		(6,855,564)	(6,855,564)	-	-
Inventories	140	7	1,409,062,969	1,112,385,216	-	-
Inventories	141		1,409,062,969	1,112,385,216	-	-
Other current assets	150		373,565,452	196,567,154	-	-
Short-term prepaid expenses	151		47,822,640	61,782,483	-	-
Deductible value added tax	152		325,742,812	134,784,671	-	-

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2017 (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	
			31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Long term assets						
(200 = 210 + 220 + 240 + 250 + 260)	200		23,688,207,422	24,039,367,458	9,995,844,635	10,024,094,084
Accounts receivable – long-term	210		1,346,793,937	1,379,457,775	4,855,509,062	4,883,758,511
Receivables on long-term lending loans	215	8	-	-	3,945,518,100	3,945,518,100
Other long-term receivables	216	6	1,346,793,937	1,379,457,775	909,990,962	938,240,411
Fixed assets	220		18,898,064,279	18,629,319,036	-	-
Tangible fixed assets	221	9	18,351,724,804	18,037,642,308	-	-
Cost	222		21,810,465,885	20,374,332,304	-	-
Accumulated depreciation	223		(3,458,741,081)	(2,336,689,996)	-	-
Finance lease tangible fixed assets	224	10	4,486,667	17,946,667	-	-
Cost	225		67,300,000	67,300,000	-	-
Accumulated depreciation	226		(62,813,333)	(49,353,333)	-	-
Intangible fixed assets	227	11	541,852,808	573,730,061	-	-
Cost	228		688,278,032	677,940,788	137,950	137,950
Accumulated amortisation	229		(146,425,224)	(104,210,727)	(137,950)	(137,950)
Long-term work in progress	240		987,802,403	1,681,618,571	-	-
Construction in progress	242	12	987,802,403	1,681,618,571	-	-
Long-term financial investments	250		-	-	5,140,335,573	5,140,335,573
Investment in a subsidiary	251	13	-	-	5,140,335,573	5,140,335,573
Other long-term assets	260		2,455,546,803	2,348,972,076	-	-
Long-term prepaid expenses	261	14	2,440,860,012	2,348,972,076	-	-
Deferred tax assets	262	19(i)	14,686,791	-	-	-
TOTAL ASSETS (270 = 100 + 200)	270		27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Balance sheets as at 31 December 2017 (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	
			31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		15,132,604,815	14,825,018,166	554,834,167	581,264,773
Current liabilities	310		4,871,844,056	3,518,587,636	13,759,992	40,190,598
Accounts payable to suppliers	311		434,067,033	385,674,737	429,032	33
Advances from customers	312		166,299,167	37,027,125	-	-
Taxes payable to State Treasury	313	15	74,558,198	43,470,903	-	-
Payables to employees	314		-	14,359	-	-
Accrued expenses	315	16	788,206,464	794,222,535	424,490	934,647
Other short-term payables	319	17	3,919,178	31,175,245	12,906,470	39,255,918
Short-term borrowings and financial lease liabilities	320	18(a)	3,404,794,016	2,227,002,732	-	-
Long-term liabilities	330		10,260,760,759	11,306,430,530	541,074,175	541,074,175
Other long-term payables	337	17	1,124,123,839	1,124,123,839	541,074,175	541,074,175
Long-term borrowings, bonds and financial lease liabilities	338	18(b)	7,967,927,242	8,922,889,456	-	-
Deferred tax liabilities	341	19(ii)	643,914,399	675,071,953	-	-
Provisions - long-term	342	20	524,795,279	584,345,282	-	-

The accompanying notes are an integral part of these financial statements

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES FINANCIAL

Balance sheets as at 31 December 2017

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	
			31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
EQUITY (400 = 410)	400		12,011,606,047	11,710,480,283	9,443,792,507	9,443,781,242
Equity	410	21	12,011,606,047	11,710,480,283	9,443,792,507	9,443,781,242
Share capital	411	22	7,194,473,280	7,194,473,280	7,194,473,280	7,194,473,280
- Ordinary shares with voting rights	411a		7,035,448,980	7,035,448,980	7,035,448,980	7,035,448,980
- Preference shares	411b		159,024,300	159,024,300	159,024,300	159,024,300
Share premium	412	22	1,944,327,324	1,944,327,324	1,944,327,324	1,944,327,324
Other capital	414		(295,683,347)	(295,683,347)	-	-
Undistributed profit after tax	421		2,757,718,772	2,551,804,716	304,991,903	304,980,638
- Undistributed profit brought forward	421a		2,551,804,716	2,441,963,692	304,980,638	222,688,093
- Undistributed profit for the current year	421b		205,914,056	109,841,024	11,265	82,292,545
Non-controlling interest	429		410,770,018	315,558,310	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

8 March 2018

Reviewed by:



Nikhil Kamran
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these financial statements

STATEMENTS OF INCOME

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Statements of income for the year ended 31 December 2017

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	
			2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
Revenue from sales of goods	01	24	5,404,645,101	4,048,817,336	-	-
Cost of sales	11		3,713,762,618	2,945,556,012	-	-
Gross profit (20 = 01 - 11)	20		1,690,882,483	1,103,261,324	-	-
Financial income	21	25	41,999,592	221,046,558	14,265	85,002,516
Financial expenses	22	26	1,137,924,018	966,860,622	-	-
Selling expenses	25		135,288,194	132,925,055	-	-
General and administration expenses	26		124,952,093	93,030,372	3,000	2,707,029
Net operating profit (30 = 20 + 21 - 22 - 25 - 26)	30		334,717,770	131,491,833	11,265	82,295,487
Other income	31		2,254,261	2,378,754	-	-
Other expenses	32		44,849,579	33,305,833	-	2,942
Results of other activities (40 = 31 - 32)	40		(42,595,318)	(30,927,079)	-	(2,942)
Accounting profit before tax (50 = 30 + 40) (carried to next page)	50		292,122,452	100,564,754	11,265	82,292,545

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 2017 (continued)

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	
			2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
Accounting profit before tax (50 = 30 + 40) (carried from previous page)	50		292,122,452	100,564,754	11,265	82,292,545
Income tax expense – current	51	27	36,841,033	14,320,441	-	-
Income tax benefit – deferred	52	27	(45,844,345)	(29,101,561)	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		301,125,764	115,345,874	11,265	82,292,545
			VND'000	VND'000		
Net profit attributable to:						
Equity holders of the Company	61		205,914,056	109,841,024		
Non-controlling interest	62		95,211,708	5,504,850		
			VND	VND		
Earnings per share						
Basic earnings per share	70	28	286	153		

8 March 2018

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

Reviewed by:



Nikhil Kamran
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
General Director

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Statements of cash flows for the year ended 31 December 2017 (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	
		2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	01	292,122,452	100,564,754	11,265	82,292,545
Adjustments for					
Depreciation and amortisation	02	1,181,620,078	1,027,293,480	-	-
Allowances and provisions	03	43,347,293	50,080,962	-	-
Exchange (gains)/loss arising from revaluation of monetary items denominated in foreign currencies	04	(5,824,568)	20,027,858	-	-
Profits from investing activities	05	(5,741,539)	(158,760,543)	(14,265)	(85,002,516)
Interest expense and borrowing fees	06	1,012,994,177	844,510,670	-	-
Operating profit/(loss) before changes in working capital	08	2,518,517,893	1,883,717,181	(3,000)	(2,709,971)
Change in receivables and other current assets	09	(454,833,910)	(103,021,421)	(2,242,379)	-
Change in inventories	10	(296,677,753)	(27,986,824)	-	-
Change in payables and other liabilities	11	187,603,914	10,022,219	(181,160)	320,168
Change in prepaid expenses	12	(4,225,567)	31,329,469	-	-
		1,950,384,577	1,794,060,624	(2,426,539)	(2,389,803)
Interest paid	14	(921,866,185)	(656,209,478)	-	-
Income tax paid	15	(14,478,165)	(363,147)	-	-
Net cash flows from operating activities	20	1,014,040,227	1,137,487,999	(2,426,539)	(2,389,803)

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 2017 (Indirect method - continued)

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		
	2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000	
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(940,730,520)	(1,201,145,618)	-	-
Proceeds from disposals of fixed assets and other long-term assets	22	1,056,182	2,922,727	-	-
Placement of term deposits to banks	23	(32,500,000)	-	-	-
Term deposit received	24	-	2,100,000	-	-
Receipt of interest	27	9,502,550	2,314,464	28,262,675	55,002,516
Net cash flows from investing activities	30	(962,671,788)	(1,193,808,427)	28,262,675	55,002,516
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	33	2,638,264,656	4,200,895,851	-	-
Payments to settle loan principals and bond issuance related costs	34	(2,467,586,590)	(3,848,163,366)	-	-
Payments to settle financial lease	35	(16,271,187)	(14,154,850)	-	-
Payments of dividends	36	(26,249,448)	(52,213,577)	(26,249,448)	(52,213,577)
Net cash flows from financing activities	40	128,157,431	286,364,058	(26,249,448)	(52,213,577)

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 2017 (Indirect method - continued)

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		
	2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000	
Net cash flows during the year (50 = 20 + 30 + 40)	50	179,525,870	230,043,630	(413,312)	399,136
Cash and cash equivalents at the beginning of the year	60	603,345,037	372,014,377	896,931	497,795
Effect of exchange rate fluctuation on cash and cash equivalents	61	(2,456,706)	1,287,030	-	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	780,414,201	603,345,037	483,619	896,931

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

8 March 2018

Reviewed by:



Nikhil Kamran
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 2017

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	
		31/12/2017	1/1/2017
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%
Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC (“NPHCS”)	Deep processing of nonferrous metals and precious metals (Tungsten)	51%	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 2017, the Company had 2 employees (1/1/2017: 2 employees) and the Group had 1,363 employees (1/1/2017: 1,343 employees).

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2017 (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.

(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) Investment in a subsidiary

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

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

The Group applies the perpetual method of accounting for inventories.

(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 over are as follows:

	As at 31/12/2017	As at 1/1/2017
ST plant	125,140 tonnes of tungsten	91,000 tonnes of tungsten
APT plant	120,265 tonnes of tungsten	86,215 tonnes of tungsten

In the current year, a subsidiary of the Group conducted review of its tangible fixed assets and identified innovating solutions to further debottleneck production and increase efficiency. Consequently, the production quantity output of the tangible fixed asset was increased above its initial design capacity. This resulted in a change in the estimated total production quantity output for ST and APT plants.

The effect on the depreciation charge for the current year was to decrease the depreciation charge by VND34,443 million.

Others

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

• buildings and structures	5 – 20 years
• machinery and equipment	3 – 15 years
• office equipment	3 – 10 years
• motor vehicles	3 – 6 years
• other mining assets	19 years

(h) Finance lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets which is five (5) years.

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

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*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(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 are stated at an amount equal to the present value of mining rights fee and is capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the period of the economic life of the mineral reserves.

In accordance with Decree 158/2016/ND-CP dated 29 November 2016 (“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”) shall provide guidelines for the conversion method to determine the charge for granting mining rights in accordance with Decree 158/2016. Up to date, MONRE has provided neither guidelines for the new calculation method for prospective changes in estimates to be made nor a basis for reliable estimates to be made.

(j) Construction in progress

Construction in progress represents mineral assets under development and cost of construction and machinery which have not been fully completed, installed and commissioned. It also comprises mineral reserves, mineral resources and related development costs acquired in a business combination and subsequent development expenditure. These assets qualify for capitalisation when the mineral reserves to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair values as part of business combination accounting and subsequent development expenditure are capitalised net of proceeds from the sale of commissioning products during the development phase. On completion of construction defined as the time when the assets are brought into the condition of its intended use, all assets are reclassified to tangible fixed

assets as either “buildings and structures”, “machinery and equipment” or “other mining assets”; or long-term prepaid expenses as “other mining costs”.

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

(k) Long-term prepaid expenses**(i) Pre-operating expenses**

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

(ii) Land compensation costs

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

(iii) Other mining costs

Other mining costs comprise:

- Exploration, evaluation and development expenditure (including development stripping); and
- Production stripping (as described below in ‘Deferred stripping costs’).

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are recorded as part of the cost of construction of the mine. All development stripping expenditure incurred during construction phase are transferred to other mining costs.

The costs of removal of the waste material during a mine’s production phase (production stripping costs) are deferred where they give rise to future benefits:

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- It is probable that the future economic benefits will flow to the Group;
- The component of the ore body for which access has been improved can be identified; and
- 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) 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 and Decree 158/2016 as described in Note 3(i)(ii).

(ii) Mine rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of MONRE and the Group’s environmental policies based on the Environment Impact Report.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the reporting date.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting dates and the cost is charged to the statement of income. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent on the life of the mine. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flow. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

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When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in other mining assets and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated income statement. Changes to the capitalized cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

(n) 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.

(o) Equity**(i) Ordinary shares**

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

(ii) Preference shares

Mandatorily convertible preference shares are classified as equity, because they are entitled to fixed dividends and any discretionary dividends declared to ordinary shareholders and it participate equally in the residual assets on dissolution. The excess of proceeds contributed over the par value

of shares issued is recorded as share premium. Incremental costs directly attributable to the preference shares are recognised as a deduction from share premium.

(iii) Other capital

Equity movements resulting from acquisition or disposal to non-controlling interests and transactions involving equity instruments were recorded in "Other capital".

(p) 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.

(q) 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 possible return of goods. Revenue on sales of goods is recognised at

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the net amount after deducting sales discounts stated on the invoice.

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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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 format for segment reporting is based on business segments.

(w) 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

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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	Fluorspar	Tungsten	Others	Total
From 1 January 2017 to 31 December 2017	VND'000	VND'000	VND'000	VND'000	VND'000
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

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	Copper	Fluorspar	Tungsten	Others	Total
From 1 January 2016 to 31 December 2016	VND'000	VND'000	VND'000	VND'000	VND'000
Segment revenue	619,613,601	833,247,290	2,391,679,574	204,276,871	4,048,817,336
Segment gross profit	371,604,434	476,834,387	229,262,354	25,560,149	1,103,261,324
Unallocated expenses					225,955,427
Financial income					221,046,558
Financial expenses					966,860,622
Results from operating activities					131,491,833
Other income					2,378,754
Other expenses					33,305,833
Income tax benefit					(14,781,120)
Net profit after tax					115,345,874
As at 31 December 2017					
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
As at 1 January 2017					
Segment assets	215,094,844	1,119,798,540	2,216,085,945	1,476,715,921	5,027,695,250
Unallocated assets					21,507,803,199
Total assets					26,535,498,449
Total liabilities					14,825,018,166

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	Copper	Fluorspar	Tungsten	Others	Total
From 1 January 2017 to 31 December 2017	VND'000	VND'000	VND'000	VND'000	VND'000
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
From 1 January 2016 to 31 December 2016					
Capital expenditure	-	-	346,191,642	75,264,692	421,456,334
Unallocated capital expenditure					779,689,284
Depreciation	13,508,048	70,325,266	138,706,396	59,220,901	281,760,611
Unallocated depreciation					709,096,803
Unallocated amortisation					191,920,302

(b) Geographical segments

The Group comprises the following main geographical segments:

	Vietnam	Belgium	Czech Republic	Japan	USA	Singapore	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
From 1 January 2017 to 31 December 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
From 1 January 2016 to 31 December 2016								
External revenue	922,312,287	69,228,604	505,280,358	317,884,797	839,745,144	593,756,121	800,610,025	4,048,817,336
Segment assets	26,535,498,449	-	-	-	-	-	-	26,535,498,449
Capital expenditure	1,201,145,618	-	-	-	-	-	-	1,201,145,618

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5. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Cash on hand	154,080	180,691	-	-
Cash in banks	77,774,081	536,534,346	83,619	896,931
Cash in transit	4,542,040	-	-	-
Cash equivalents	697,944,000	66,630,000	400,000	-
	780,414,201	603,345,037	483,619	896,931

6. Other short-term and long-term receivables

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Short-term receivables				
Sale of claims receivable (a)	10,000,000	10,000,000	-	-
Others (b)	410,152,488	267,397,165	2,298,420	55,000
	420,152,488	277,397,165	2,298,420	55,000

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Long-term receivables

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Borrowing cost – MRTN (c)	-	-	909,990,962	938,240,411
Land compensation receivable from Thai Nguyen People's Committee (d)	1,319,793,389	1,356,982,821	-	-
Others	27,000,548	22,474,954	-	-
	1,346,793,937	1,379,457,775	909,990,962	938,240,411

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

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

(c) Long-term receivables from a subsidiary are unsecured, receivable on maturity and interest free.

(d) 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.

7. Inventories

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Goods in transit	23,743,788	16,836,476	-	-
Raw materials	191,813,054	211,759,203	-	-
Tools and supplies	571,169,311	508,128,264	-	-
Work in progress	76,753,984	85,477,090	-	-
Finished goods	420,995,855	244,848,741	-	-
Goods on consignment	124,586,977	45,335,442	-	-
	1,409,062,969	1,112,385,216	-	-

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8. Receivables on long-term lending loans

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 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, due on 31 December 2020 and bore interest based on agreement between the parties.

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 borrowings.

9. Tangible fixed assets**Group:**

	Buildings and structures 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	3,427,736,017	11,857,410,700	40,610,882	22,283,421	5,026,291,284	20,374,332,304
Additions	-	3,756,660	731,976	-	-	4,488,636
Transfer from construction in progress (Note 12)	815,297,690	624,458,453	603,602	-	-	1,440,359,745
Disposals	-	-	-	(2,496,235)	-	(2,496,235)
Written off	-	(5,467,966)	(750,599)	-	-	(6,218,565)
Closing balance	4,243,033,707	12,480,157,847	41,195,861	19,787,186	5,026,291,284	21,810,465,885
Accumulated depreciation						
Opening balance	350,570,521	1,432,742,415	30,110,570	14,844,371	508,422,119	2,336,689,996
Charge for the year	204,427,896	706,059,875	3,777,621	2,914,550	208,765,639	1,125,945,581
Disposals	-	-	-	(2,091,440)	-	(2,091,440)
Written off	-	(1,079,346)	(723,710)	-	-	(1,803,056)
Closing balance	554,998,417	2,137,722,944	33,164,481	15,667,481	717,187,758	3,458,741,081

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	Buildings and structures VND'000	Machinery and equipment VND'000	Office equipment VND'000	Motor vehicles VND'000	Other mining assets VND'000	Total VND'000
Net book value						
Opening balance	3,077,165,496	10,424,668,285	10,500,312	7,439,050	4,517,869,165	18,037,642,308
Closing balance	3,688,035,290	10,342,434,903	8,031,380	4,119,705	4,309,103,526	18,351,724,804

Included in the cost of tangible fixed assets of the Group were assets costing VND36,480 million which were fully depreciated as at 31 December 2017 (1/1/2017: VND28,494 million), but which are still in active use.

At 31 December 2017, tangible fixed assets with carrying value of VND12,663 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2017: VND12,088 billion) (Note 18(b)(i)).

10. Finance lease tangible fixed assets**Group:**

	Machinery and equipment VND'000
Cost	
Opening and closing balances	67,300,000
Accumulated depreciation	
Opening balance	49,353,333
Charge for the year	13,460,000
Closing balance	62,813,333
Net book value	
Opening balance	17,946,667
Closing balance	4,486,667

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 18(b)(ii)).

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11. Intangible fixed assets**Group:**

	Software VND'000	Mining rights VND'000	Total VND'000
Cost			
Opening balance	89,569,970	588,370,818	677,940,788
Transfer from construction in progress (Note 12)	10,337,244	-	10,337,244
Closing balance	99,907,214	588,370,818	688,278,032
Accumulated amortisation			
Opening balance	37,741,353	66,469,374	104,210,727
Charge for the year	11,664,170	30,550,327	42,214,497
Closing balance	49,405,523	97,019,701	146,425,224
Net book value			
Opening balance	51,828,617	521,901,444	573,730,061
Closing balance	50,501,691	491,351,117	541,852,808

Included in the cost of intangible fixed assets were assets costing VND10,127 million which were fully amortised as at 31 December 2017 (1/1/2017: VND10,127 million), but which are still in use.

At 31 December 2017, intangible fixed assets with carrying value of VND540 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2017: VND571 billion) (Note 18(b)(i)).

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12. Construction in progress**Group:**

	2017 VND'000	2016 VND'000
Cost		
Opening balance	1,681,618,571	3,994,917,610
Additions during the year	802,396,482	986,327,607
Transfer to tangible fixed assets (Note 9)	(1,440,359,745)	(2,745,331,271)
Transfer to intangible fixed assets (Note 11)	(10,337,244)	-
Transfer to long-term prepaid expenses (Note 14)	(45,515,661)	(554,295,375)
Closing balance	987,802,403	1,681,618,571

During the year, borrowing costs capitalised into construction in progress amounted to VND92 billion (2016: VND169 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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13. Long-term investments

	Group		Company	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 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 2017:

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
Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC ("NPHCS")	Thai Nguyen Province, Vietnam

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

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14. Long-term prepaid expenses

	Group:					
	Pre-operating expenses VND'000	Land compensation costs VND'000	Contribution to the People's Committee of Thai Nguyen Province VND'000	Other mining costs VND'000	Others VND'000	Total VND'000
Opening balance	4,885,879	1,120,616,803	20,932,000	1,202,320,437	216,957	2,348,972,076
Additions	-	-	-	164,102,929	25,481,252	189,584,181
Transfer from construction in progress (Note 12)	-	-	-	10,028,653	35,487,008	45,515,661
Transfer from long-term receivables	-	37,189,433	-	-	-	37,189,433
Adjustment of construction cost	-	(9,002,568)	-	-	-	(9,002,568)
Amortisation for the year	(2,791,931)	(67,497,089)	(18,932,000)	(72,555,739)	(9,622,012)	(171,398,771)
Closing balance	2,093,948	1,081,306,579	2,000,000	1,303,896,280	51,563,205	2,440,860,012

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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15. Taxes payable to State Treasury

Group

	1/1/2017 VND'000	Incurred VND'000	Paid/Offset VND'000	31/12/2017 VND'000
Value added tax	-	476,644,496	(476,644,496)	-
Import-export tax	-	162,182,426	(162,182,426)	-
Corporate income tax	13,961,299	36,841,033	(14,478,165)	36,324,167
Environment protection tax	-	5,357,048	(5,357,048)	-
Personal income tax	25,565,985	60,812,490	(51,565,364)	34,813,111
Natural resource tax	-	562,204,005	(562,204,005)	-
Other taxes	3,943,619	40,854,483	(41,377,182)	3,420,920
	43,470,903	1,344,895,981	(1,313,808,686)	74,558,198

16. Accrued expenses

	Group		Company	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Bonus	50,729,204	17,555,938	-	-
Accrued interest payable	314,419,346	313,650,461	-	-
Other financing costs	2,264,974	452,055	-	-
Natural resource taxes and fees	145,839,605	230,260,525	-	-
Accrual for construction work	57,969,060	102,639,226	-	-
Consultant fee	1,126,242	9,032,311	-	-
Operating costs	214,477,204	119,251,190	-	-
Others	1,380,829	1,380,829	424,490	934,647
	788,206,464	794,222,535	424,490	934,647

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17. Other short-term and long-term payables

Other payables included the following amounts:

	Group		Company	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Short-term:				
Amounts due to Masan Horizon Corporation (“MH”) – the intermediate 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 third parties				
Other payables – short-term	1,407,393	28,663,460	100,000	26,449,448
	3,919,178	31,175,245	12,906,470	39,255,918
Long-term:				
Amounts due to Masan Group Corporation (“MSN”) – the ultimate holding company				
Financial expenses – long-term (a)	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.

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18. Borrowings, bonds and finance lease liabilities**(a) Short-term borrowings and finance lease liabilities****Group**

	1/1/2017		Movements during the year				31/12/2017	
	Carrying amount VND'000	Amount within repayment capacity VND'000	Additions VND'000	Payments VND'000	Unrealised foreign exchange gain VND'000	Reclassifications from long term borrowings VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	2,207,792,371	2,207,792,371	2,672,361,808	(2,464,859,317)	(18,163,536)	-	2,397,131,326	2,397,131,326
Current portion of long-term borrowings (Note(b))	19,210,361	19,210,361	-	(16,271,187)	-	1,004,723,516	1,007,662,690	1,007,662,690
	<u>2,227,002,732</u>	<u>2,227,002,732</u>	<u>2,672,361,808</u>	<u>(2,481,130,504)</u>	<u>(18,163,536)</u>	<u>1,004,723,516</u>	<u>3,404,794,016</u>	<u>3,404,794,016</u>

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

	Currency	Group		Company	
		31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Secured bank loan (i)	USD	903,910,500	702,018,134	-	-
Secured bank loan (ii)	USD	321,343,941	129,399,631	-	-
Secured bank loan (ii)	VND	567,938,909	805,693,327	-	-
Loan from an investor in one of the subsidiary (iii)	USD	603,937,976	570,681,279	-	-
		<u>2,397,131,326</u>	<u>2,207,792,371</u>	<u>-</u>	<u>-</u>

(i) The USD denominated loan from a related party bore interest within range from 3.5% to 4.67% per annum. The loan is secured by part of short-term receivables of NPM. As at reporting date, these loans are secured by 100 million shares of the Company held by Masan Horizon Corporation.

(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 8% per annum, respectively.

(iii) The USD denominated loan is from an investor in one of the subsidiary. The loan is unsecured and bore interest of 6% per annum.

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

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Long-term bonds issued (i)	8,966,563,605	8,916,802,303	-	-
Finance lease liabilities (ii)	9,026,327	25,297,514	-	-
	8,975,589,932	8,942,099,817	-	-
Repayable within twelve months (Note (a))	(1,007,662,690)	(19,210,361)	-	-
Repayable after twelve months	7,967,927,242	8,922,889,456	-	-

(i) Long-term bonds

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

	Currency	Interest rate per annum	Year of maturity	<u>Group</u>	
				31/12/2017 VND'000	1/1/2017 VND'000
Secured bond issuance	VND	(*)	2018	998,636,363	1,000,000,000
Secured bond issuance	VND	(**)	2020	7,967,927,242	7,916,802,303
				8,966,563,605	8,916,802,303

(*) The VND denominated non-convertible bonds were 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 Masan Horizon Corporation. This secured bond issuance was reported net of bond arrangement fees.

(**) The VND denominated non-convertible bonds were 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. This secured bond issuance was reported net of bond arrangement fees.

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(ii) Finance lease liabilities

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

	31/12/2017			1/1/2017		
	Payments VND'000	Interest VND'000	Principal VND'000	Payments VND'000	Interest VND'000	Principal VND'000
Within one year	9,398,868	372,541	9,026,327	21,930,692	2,720,331	19,210,361
Within 2 to 5 years	-	-	-	6,265,918	178,765	6,087,153
	9,398,868	372,541	9,026,327	28,196,610	2,899,096	25,297,514

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

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Origination of temporary differences	14,686,791	-	-	-

(ii) Recognised deferred tax liabilities

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
Mineral reserves and mineral resources	643,914,399	675,071,953	-	-

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(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 VND'000	Company VND'000
Accumulated five year tax losses	8,395,654	3,604,121
<i>of which:</i>		
<i>Finalised with tax authorities</i>	4,194,763	-
<i>Outstanding – subject to tax authorities' review (*)</i>	4,200,891	3,604,121
	8,395,654	3,604,121

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

20. 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	22,603,191	561,742,091	584,345,282
Provision made during the year	1,740,446	41,606,847	43,347,293
Provision used during the year	-	(102,897,296)	(102,897,296)
Closing balance	24,343,637	500,451,642	524,795,279

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21. Changes in equity**Group:**

	Share capital VND'000	Share premium VND'000	Other capital VND'000	Undistributed profit after tax VND'000	Equity attributable to equity holders of the Company VND'000	Non- controlling interest VND'000	Total equity VND'000
Balance at 1							
January 2016	7,194,473,280	1,944,327,324	(295,683,347)	2,441,963,692	11,285,080,949	310,053,460	11,595,134,409
Net profit for the year	-	-	-	109,841,024	109,841,024	5,504,850	115,345,874
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 31							
December 2017	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

Company:

	Share capital VND'000	Share premium VND'000	Undistributed profit after tax VND'000	Total VND'000
Balance at 1 January 2016	7,194,473,280	1,944,327,324	222,688,093	9,361,488,697
Net profit for the year	-	-	82,292,545	82,292,545
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 31 December 2017	7,194,473,280	1,944,327,324	304,991,903	9,443,792,507

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22. Share capital

The Company's authorised and issued share capital comprised:

	1/1/2017	31/12/2017
	Number of shares	VND'000
Authorised share capital	719,447,328	7,194,473,280
Issued share capital		
Ordinary shares	703,544,898	7,035,448,980
Preference shares	15,902,430	159,024,300
	719,447,328	7,194,473,280
Shares in circulation		
Ordinary shares	703,544,898	7,035,448,980
Preference shares	15,902,430	159,024,300
	719,447,328	7,194,473,280
Share premium	-	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.

As of the date of issuance of these financial statements, reclassification of the shares has yet to be recorded and preference shares holder does not have voting rights .

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

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23. Off balance sheet items**(a) Foreign currencies**

<u>Group:</u>	31/12/2017		1/1/2017	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	2,767,589	62,713,581	22,288,147	506,386,696

(b) Bad debts written off

<u>Group:</u>	31/12/2017	1/1/2017
	VND'000	VND'000
Bad debts written off	9,577,438	9,577,438

(c) Capital expenditure commitments

As at 31 December 2017 the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

<u>Group:</u>	31/12/2017	1/1/2017
	VND'000	VND'000
Approved but not contracted	4,676,153	135,029,650
Approved and contracted	267,822,247	52,252,650
	272,498,400	187,282,300

(d) Final sales pricing adjustment

As disclosed in Note 3(q), the Group had the following 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 at the date of transaction. Revenue will be adjusted at the final pricing date subsequent to this period end. Such adjustments are treated as changes in estimates due to the absence of a mechanism to reliably estimate future LMB quoted prices at the date of transaction.

Total revenue as at 31 December 2017 that have been recognised on a provisional basis is VND65 billion (2016: VND112 billion).

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24. Revenue from sales of goods

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

25. Financial income

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	VND'000	VND'000	VND'000	VND'000
Interest income	9,505,661	2,314,252	14,265	2,516
Foreign exchange gains	31,244,195	33,633,062	-	-
Offsetting of amounts due to a related party	-	185,000,000	-	85,000,000
Others	1,249,736	99,244	-	-
	41,999,592	221,046,558	14,265	85,002,516

26. Financial expenses

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	VND'000	VND'000	VND'000	VND'000
Interest expense and borrowing fees	1,012,994,177	844,510,670	-	-
Foreign exchange losses	29,937,581	45,920,881	-	-
Others	94,992,260	76,429,071	-	-
	1,137,924,018	966,860,622	-	-

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27. Income tax**(a) Recognised in the statement of income**

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	VND'000	VND'000	VND'000	VND'000
Current tax expense				
Current year	36,841,033	14,320,441	-	-
Deferred tax benefit				
Reversal of temporary differences	(45,844,345)	(29,101,561)	-	-
Income tax benefit	(9,003,312)	(14,781,120)	-	-

(b) Reconciliation of effective tax rate

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	VND'000	VND'000	VND'000	VND'000
Profit before tax	292,122,452	100,564,754	11,265	82,292,545
Tax at the Company tax rate	58,424,490	20,112,951	2,253	16,458,509
Non-deductible expenses	9,351,549	6,123,679	-	588
Tax incentives	(48,822,813)	(18,800,157)	-	-
Effect of different tax rate in subsidiaries	(33,625,258)	(6,776,723)	-	-
Tax losses utilised	(9,151,359)	(26,788,428)	(2,253)	(16,459,097)
Deferred tax assets not recognized	37,589	54,755	-	-
Change in temporary differences	14,782,490	11,292,803	-	-
	(9,003,312)	(14,781,120)	-	-

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

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 rate of 28% 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%.

(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.

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2017 (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)***28. Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2017 was based on the profit attributable to ordinary shareholders of VND201,363 million (2016: VND107,413 million) and a weighted average number of ordinary shares outstanding of 703,544,898 shares (2016: 703,544,898 shares), calculated as follows:

(a) Net profit attributable to shareholders

	2017 VND'000	2016 VND'000
Net profit attributable to:		
Mandatorily convertible preference shareholders	4,551,457	2,427,890
Ordinary shareholders	201,362,599	107,413,134
	205,914,056	109,841,024

(b) Weighted average number of shares

	2017	2016
Issued shares at the beginning and closing of the year	719,447,328	719,447,328
Of which:		
Mandatorily convertible preference shares	15,902,430	15,902,430
Ordinary shares	703,544,898	703,544,898

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2017 (continued)

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dated 22 December 2014 of the Ministry of Finance)

29. 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 transactions with related parties during the year:

Group:

Related Party	Nature of transactions	2017	2016
		VND'000	VND'000
Ultimate holding company			
Masan Group Corporation	Offsetting of debts due from NPM	-	324,000,000
	Offsetting of debts due from MSR	-	85,000,000
	Interest expense and borrowing fees paid	-	22,200,000
Intermediary holding company			
Masan Horizon Corporation	Sales of claim settled via offsetting of debts with NPM	-	224,000,000
	Sales of claim settled by cash to NPM	-	22,200,000
Ultimate holding company's associate			
Vietnam Technological and Commercial Joint Stock Bank(*)	Interest expense and borrowing fees	93,871,473	127,732,924
	Loan received	1,194,606,629	1,602,550,679
	Loan paid	977,695,578	3,027,719,261
	Bond proceeds received	-	1,000,000,000
Key management personnel			
	Salary, bonus and other benefits (**)	23,444,644	18,727,458

(*) As at and for the year ended 31 December 2017, the Company and its subsidiaries have current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries at normal trading terms.

(**) No board fees were paid to Board of Directors members for the year ended 31 December 2017 and 31 December 2016.

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2017 (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)

Company:

Related Party	Nature of transactions	2017	2016
		VND'000	VND'000
Ultimate holding company			
Masan Group Corporation	Offsetting of debts	-	85,000,000
Subsidiaries			
Masan Thai Nguyen Resources Co., Ltd	Financial income received	-	36,711,320
Nui Phao Mining Co., Ltd	Financial income received	28,249,448	18,288,680

30. Contingent liabilities

During the year, the Ministry of Natural Resources and Environment has finalised its inspection on a subsidiary's compliance with laws and regulations regarding environmental, mineral, land and water resource and issued an Inspection Conclusion as the result. The Inspection Conclusion identified certain areas for improvement related to the subject matters mentioned above and required certain amendments to the subsidiary's environment protection activities. Other than the immaterial administrative penalties, no penalties for environmental violations have been levied on the subsidiary.

Up to the date of issuance of these financial statements, the subsidiary has been having positive discussions with the Ministry of Natural Resources and Environment on the agreed implementation process and method and feasibility of such amendments as they have been agreed. Since final amendments are subject to continued discussion and approval from competent authorities, the Group is unable to reliably quantify financial impact of the possible amendments. Accordingly, no provision has been recognised in these financial statements.

MASAN RESOURCES CORPORATION AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2017 (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)

31. Non-cash investing and financing activities

	Group		Company	
	2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
Conversion of interest payable into loan principal	34,097,152	32,967,256	-	-
Depreciation and amortisation capitalised into construction in progress	-	4,716,241	-	-

32. Corresponding figures

Corresponding figures as at 1 January 2017 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 2016.

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

8 March 2018

Reviewed by:



Nikhil Kamran
Chief Financial Officer

Approved by:



Craig Richard Bradshaw
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

APT	Ammonium Paratungstate
AGM	Annual General Meeting
AGME	The Association of Geology and Minerals of Vietnam
APEC	Asia-Pacific Economic Cooperation
BOD	Board of Directors
Bn	Billion
BSS	
BTO	Blue Tungsten oxide
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Charter	The charter of the Company dated May 26, 2015 and its amendments
Charter Capital	The Charter capital of the Company
Company	Masan Resources Corporation and its subsidiaries
CSR	Corporate social responsibility
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ENV	Environment
EPS	Earning per share
ER	Economic Restoration
ERD	Economic Restoration Development
FAST 500	The fastest growing company
FPR	Fabricated Products
GDP	Gross Domestic Product
GHG	Greenhouse gasses
LTI	Lost-Time-Injuries
H.C. Starck	H.C. Starck GmbH
HNX	The Hanoi Stock Exchange
HR	Human Resources
HRD	Human Resources Department

HSS	Health, Security and Safety Department	PTP	Pit Transfer Pond
IMF	International Monetary Fund	R&D	Research & Development
IT	Information technology	SCM	Supply chain management
ITIA	The International Tungsten Industry Association	SDSs	Sustainable Development Goals
JORC Code	Joint Ore Reserves Committee is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves	Shares	Issued and outstanding shares of the Company from time to time
JV	Joint Venture between Nui Phao Mining and H.C. Starck	STC	Sulfur Tailing Cell
Law on Enterprises	Law on Enterprises No. 68/2014/QH13 dated November 26, 2014 of the National Assembly of the Socialist Republic of Vietnam	TEU	Tungsten equivalent basis
LCD	Liquid Crystal Display	TNTI	Thai Nguyen Trading and Investment Company Limited
MAINT	Maintainace	TRIF	Total Recordable Injury Frequency
Masan Group	MSN and its subsidiaries	TSF	Taillings Storage Facility
Masan Horizon or MH	Masan Horizon Corporation	UPCOM	Unlisted Public Company Market
MOIT	Ministry of Industry and Trade of Vietnam (Vietnam)	US or USA	The United States of America
MONRE	Ministry of Natural Resources and Environment (Vietnam)	USD or US\$ or \$	The lawful currency of the United States of America
MRTN	Masan Thai Nguyen Resources Company Limited	VAS	Vietnam Accounting Standards
MTF	APEC Mining Task Force	VCCI	Vietnam Chamber of Commerce and Industry
mtu	Metric tonne unit	VietGAP	Vietnamese Good Agricultural Practices
MSN	Masan Group Corporation	VND or “Vietnamese Dong”	The lawful currency of the Socialist Republic of Vietnam
MSC	Masan Consumer Corporation	VSD	Vietnam Securities Depository
MSR or Masan Resources	Masan Resources Corporation	YTO	Yellow Tungsten oxide
M&G	Mining & Geology		
NHTCM	Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing		
Nui Phao Mining or NPM	Nui Phao Mining Company Ltd		
Nui Phao Project	The project named “Nui Phao project for exploitation and processing of mineral” under Investment Certificate No. 17121000026 dated July 21, 2010 (and its amendments, supplements) granted by the People’s Committee of Thai Nguyen Province		
PAP	The project-affected people		
PCDP	Public consultation and information disclosure program		
PROC	Processing		

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