



Ma San Resources Corporation and its subsidiaries

Financial Statements
for the year ended 31 December 2015



Ma San Resources Corporation Corporate Information

Business Registration

Certificate No.

0309966889

4 February 2015

The Company's Business Registration Certificate has been amended several times, the most recent of which was dated 4 February 2015. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The first Business Registration Certificate No. 0309966889 was issued on 27 April 2010.

Investment Certificate No.

41122000131

2 August 2013

The investment certificate was issued by the People's Committee of Ho Chi Minh City to the Company to implement the investment of "Ma San Resources Corporation". The project has a term of 10 years from the date of the investment certificate.

Board of Directors

Dr. Nguyen Dang Quang

Chairman

Mr. Nguyen Thieu Nam

Member

Mr. Chetan Prakash Baxi

Member

Mr. Jonathan David Fiorello

Member

Board of Management

Mr. Dominic John Heaton

General Director

Registered Office

Suite 802, 8th Floor, Central Plaza

17 Le Duan Street, District 1

Ho Chi Minh City

Vietnam

Auditors

KPMG Limited

Vietnam

Ma San Resources Corporation Statement of the Board of Directors

The Board of Directors of Ma San Resources Corporation (“the Company”) presents this statement and the accompanying separate and consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) as of and for the year ended 31 December 2015.

The Board of Directors is responsible for the preparation and presentation of the separate and consolidated 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 Directors:

- (a) the separate and consolidated financial statements set out on pages 5 to 63 give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015, and of the results of operations and the cash flows of the Company and of the Group for the year then ended in accordance with the 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 Directors has, on the date of this statement, authorized these separate and consolidated financial statements for issue.



On behalf of the Board of Directors

Dr. Nguyen Dang Quang
Chairman of the Board of Directors

Ho Chi Minh City, 7 March 2016

**KPMG Limited**

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The Socialist Republic of Vietnam

INDEPENDENT AUDITOR'S REPORT**To the Shareholders
Ma San Resources Corporation**

We have audited the accompanying separate and consolidated financial statements of Ma San Resources Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the separate and consolidated balance sheet as at 31 December 2015, the separate and consolidated 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 Board of Directors on 7 March 2016, as set out on pages 5 to 63.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these 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 Board of Directors determines necessary to enable the preparation of separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 Board of Directors, 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 separate and consolidated financial statements give a true and fair view, in all material respects, of the financial position of the Company and the Group as at 31 December 2015 and of their results of operations and their 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.: 15-02-523



Dam Xuan Lam

Practicing Auditor Registration

Certificate No.: 0861-2013-007-1

Deputy General Director

Hanoi, 7 March 2016

Lai Thuy Linh

Practicing Auditor Registration

Certificate No.: 2040-2013-007-1

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 December 2015

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000
ASSETS						
Current assets (100 = 110 + 120+ 130 + 140 + 150)	100		2,490,177,582	2,040,557,416	552,795	54,563,508
Cash and cash equivalents	110	6	372,014,377	136,442,647	497,795	54,478,808
Cash	111		370,384,377	81,442,647	497,795	478,808
Cash equivalents	112		1,630,000	55,000,000	-	54,000,000
Short-term financial investments	120		2,100,000	-	-	-
Held-to-maturity investments	123		2,100,000	-	-	-
Accounts receivable – short-term	130		747,080,504	982,814,499	55,000	84,700
Accounts receivable from customers	131		241,247,245	594,764,354	-	-
Prepayments to suppliers	132		75,767,652	107,716,633	-	-
Other receivables	136	7	432,350,795	280,333,512	55,000	84,700
Allowance for doubtful debts	137		(2,285,188)	-	-	-
Inventories	140	8	1,084,398,392	653,671,833	-	-
Inventories	141		1,084,398,392	653,671,833	-	-
Other current assets	150		284,584,309	267,628,437	-	-
Short-term prepaid expenses	151		42,783,827	42,907,396	-	-
Deductible value added tax	152		241,800,482	224,721,041	-	-

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 December 2015 (continued)

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000
Long term assets (200 = 210 + 220 + 240 + 250 + 260)	200		24,117,529,315	23,065,736,511	10,079,094,084	11,087,179,134
Accounts receivable – long-term	210		1,401,308,413	1,421,346,690	4,938,758,511	5,946,843,561
Receivables on long-term lending loans	215	9	-	-	3,945,518,100	4,941,518,100
Other long-term receivables	216	7	1,401,308,413	1,421,346,690	993,240,411	1,005,325,461
Fixed assets	220		16,902,122,433	17,347,633,391	-	-
Tangible fixed assets	221	10	16,256,577,694	16,648,908,324	-	-
Cost	222		17,617,933,108	17,288,013,900	-	-
Accumulated depreciation	223		(1,361,355,414)	(639,105,576)	-	-
Finance lease tangible fixed assets	224	11	31,406,667	44,866,667	-	-
Cost	225		67,300,000	67,300,000	-	-
Accumulated depreciation	226		(35,893,333)	(22,433,333)	-	-
Intangible fixed assets	227	12	614,138,072	653,858,400	-	-
Cost	228		677,181,458	675,161,792	137,950	137,950
Accumulated amortisation	229		(63,043,386)	(21,303,392)	(137,950)	(137,950)
Long-term work in progress	240		3,994,917,610	3,185,593,593	-	-
Construction in progress	242	13	3,994,917,610	3,185,593,593	-	-
Long-term financial investments	250		-	-	5,140,335,573	5,140,335,573
Investment in a subsidiary	251	14	-	-	5,140,335,573	5,140,335,573
Other long-term assets	260		1,819,180,859	1,111,162,837	-	-
Long-term prepaid expenses	261	15	1,819,180,859	1,111,162,837	-	-
TOTAL ASSETS (270 = 100 + 200)	270		26,607,706,897	25,106,293,927	10,079,646,879	11,141,742,642

The accompanying notes are an integral part of these financial statements

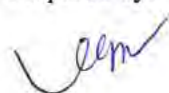
Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 December 2015 (continued)

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

	Code	Note	Group		Company	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000
RESOURCES						
LIABILITIES						
(300 = 310 + 330)	300		15,012,572,488	13,595,481,547	718,158,182	1,740,370,825
Current liabilities	310		3,971,178,995	2,653,866,107	65,834,559	381,818,469
Accounts payable to suppliers	311		527,850,896	419,650,935	36,416	366,107
Advances from customers	312		5,011,136	11,016,118	-	-
Taxes payable to State Treasury	313	16	29,966,819	106,059,649	-	-
Payables to employees	314		11,626	-	-	-
Accrued expenses	315	17	798,272,246	683,665,697	778,096	504,530
Other short-term payables	319	18	79,848,379	91,429,382	65,020,047	127,193,202
Short-term borrowings	320	19	2,530,217,893	1,342,044,326	-	253,754,630
Long-term liabilities	330		11,041,393,493	10,941,615,440	652,323,623	1,358,552,356
Other long-term payables	337	18	1,581,573,288	2,251,402,102	652,323,623	1,053,474,188
Long-term borrowings and liabilities	338	19	8,173,417,989	7,352,306,206	-	305,078,168
Deferred tax liabilities	341	21	704,173,514	730,049,612	-	-
Provisions – long-term	342	20	582,228,702	607,857,520	-	-
EQUITY (400 = 410)	400		11,595,134,409	11,510,812,380	9,361,488,697	9,401,371,817
Equity	410	22	11,595,134,409	11,510,812,380	9,361,488,697	9,401,371,817
Share capital	411	23	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	23	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		2,441,963,692	2,289,827,945	222,688,093	262,571,213
- Undistributed profit brought forward	421a		2,289,827,945	2,243,151,737	262,571,213	299,922,284
- Undistributed profit/(losses) for the current year	421b		152,135,747	46,676,208	(39,883,120)	(37,351,071)
Non-controlling interest	429		310,053,460	377,867,178	-	-
TOTAL RESOURCES	440		26,607,706,897	25,106,293,927	10,079,646,879	11,141,742,642
(440 = 300 + 400)						

7 March 2016

Prepared by:



Nguyen Thi Hai Yen
 Chief Accountant

Reviewed by:



Wayne Apted
 Chief Financial Officer



Dr. Nguyễn Đăng Quang
 Chairman of the Board of Directors

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Statements of income for the year ended 31 December 2015

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code Note		<u>Group</u>		<u>Company</u>	
			2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000
Revenue from sales of goods	01	25	2,665,267,495	2,853,656,655	-	-
Revenue deductions	02		7,392,789	27,924,847	-	-
Net revenue (10 = 01 - 02)	10		2,657,874,706	2,825,731,808	-	-
Cost of sales	11		1,894,376,161	2,086,313,265	-	-
Gross profit (20 = 10 - 11)	20		763,498,545	739,418,543	-	-
Financial income	21	26	556,078,851	28,075,634	18,095,979	96,906,522
Financial expenses	22	27	834,759,478	614,292,329	52,914,399	141,526,121
Selling expenses	25		160,179,519	91,853,389	-	-
General and administration expenses	26		247,909,321	280,525,013	5,064,700	735,109
Net operating profit/(loss) {30 = 20 + (21 - 22) - (25 + 26)}	30		76,729,078	(219,176,554)	(39,883,120)	(45,354,708)
Other income	31		11,769,734	268,333,674	-	-
Other expenses	32		29,939,356	41,435,209	-	498,348
Results of other activities (40 = 31 - 32)	40		(18,169,622)	226,898,465	-	(498,348)

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Statements of income for the year ended 31 December 2015 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	<u>Group</u>		<u>Company</u>	
			2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000
Accounting profit/(loss) before tax (50 = 30 + 40)	50		58,559,456	7,721,911	(39,883,120)	(45,853,056)
Income tax expense – current	51	28	113,525	(6,953,138)	-	(8,501,985)
Income tax benefits – deferred	52	28	(25,876,098)	(20,978,465)	-	-
Net profit/(loss) after tax (60 = 50 – 51 - 52)	60		84,322,029	35,653,514	(39,883,120)	(37,351,071)
			VND'000	VND'000		
Net profit attributable to:						
Equity holders of the Company	61		152,135,747	46,676,208		
Non-controlling interest	62		(67,813,718)	(11,022,694)		
			VND	VND		
Earnings per share						
Basic and diluted earnings per share	29		211	65		

7 March 2016

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

Reviewed by:



Wayne Apted
Chief Financial Officer

Approved by:



Đ. Nguyễn Đăng Quang
Chairman of the Board of Directors

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Statements of cash flows for the year ended 31 December 2015 (Indirect method)

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

	Code	<u>Group</u>		<u>Company</u>	
		2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	01	58,559,456	7,721,911	(39,883,120)	(45,853,056)
Adjustments for					
Depreciation and amortisation	02	808,013,379	597,005,484	-	42,151
Allowances and provisions	03	49,802,020	-	-	-
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	23,164,104	-	-	-
Profits from investing activities	05	(508,467,181)	(3,644,215)	(18,095,979)	(96,906,522)
Interest expense and borrowing fees	06	706,154,441	589,036,786	52,914,399	141,526,121
Operating profit/(loss) before changes in working capital	08	1,137,226,219	1,190,119,966	(5,064,700)	(1,191,306)
Change in receivables and other current assets	09	207,127,762	(854,397,624)	-	32,428,519
Change in inventories	10	(428,357,269)	(177,418,124)	-	-
Change in payables and other liabilities	11	227,307,687	(155,196,023)	(27,056,124)	(26,363,309)
Change in prepaid expenses	12	(90,851,565)	147,836,215	-	-
		1,052,452,834	150,944,410	(32,120,824)	4,873,904
Interest paid	14	(1,010,638,167)	(651,146,434)	(384,946,188)	-
Income tax paid	15	(108,583)	(1,579,340)	-	-
Other receipts from operating activities	16	-	66,917	-	-
Other payments for operating activities	17	-	(36,773,092)	-	-
Net cash flows from operating activities	20	41,706,084	(538,487,539)	(417,067,012)	4,873,904
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(2,000,266,615)	(1,932,755,579)	-	-
Proceeds from disposals of fixed assets and other long-term assets	22	227,273	-	-	-
Loans provided to a subsidiary	23	-	-	-	(23,408,000)
Placement of term deposits to banks	23	(2,100,000)	-	-	-
Receipts from collecting loans of other entities	24	-	-	996,000,000	-
Receipt of interest	27	4,661,873	4,502,683	30,210,729	711,156
Net cash flows from investing activities	30	(1,997,477,469)	(1,928,252,896)	1,026,210,729	(22,696,844)

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries

Statements of cash flows for the year ended 31 December 2015 (Indirect method - continued)

Form B 03 – DN/HN

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

	Code	<u>Group</u>		<u>Company</u>	
		2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from equity issued	31	-	61,472,500	-	61,472,500
Proceeds from non-controlling interest capital contribution to a subsidiary	31	-	388,889,872	-	-
Proceeds from borrowings	33	11,247,836,312	8,257,995,390	-	-
Payments of transaction costs related to borrowings	34	(122,500,000)	(232,767,449)	-	-
Payments to settle loan principals	34	(8,874,377,630)	(5,979,493,537)	(611,053,812)	-
Payments to settle financial lease	35	(11,351,889)	(10,837,282)	-	-
Payments of dividends	36	(52,070,918)	(33,696,303)	(52,070,918)	(33,696,303)
Net cash flows from financing activities	40	2,187,535,875	2,451,563,191	(663,124,730)	27,776,197
Net cash flows during the year (50 = 20 + 30 + 40)	50	231,764,490	(15,177,244)	(53,981,013)	9,953,257
Cash and cash equivalents at the beginning of the year	60	136,442,647	150,739,223	54,478,808	44,525,551
Effect of exchange rate fluctuation on cash and cash equivalents	61	3,807,240	880,668	-	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 6)	70	372,014,377	136,442,647	497,795	54,478,808

7 March 2016

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

Reviewed by:



Wayne Apted
Chief Financial Officer

Approved by:



Dr. Nguyen Dang Quang
Chairman of the Board of Directors

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the year ended 31 December 2015

Form B 09 – DN/HN
*(Issued under Circular 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

Ma San 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	
		31/12/2015	1/1/2015
Ma San 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 Co., Ltd (“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 2015, the Company had 2 employees (1/1/2015: 2 employees) and the Group had 1,475 employees (1/1/2015: 1,349 employees).

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the year ended 31 December 2015 (continued)

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December.

(d) Accounting and presentation currency

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

3. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises ("Circular 200"). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is also effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

The Group and the Company have adopted the applicable requirements of Circular 200 and Circular 202 effective from 1 January 2015. The significant changes to the Group and the Company's accounting policies and the effects on the financial statements are disclosed in the Note 4(b) regarding the recognition of foreign exchange differences.

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the year ended 31 December 2015 (continued)

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

4. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration the potential voting rights that currently are exercisable.

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

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 recognized 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.

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(b) Foreign currency

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiaries and the bank.
- Exchange rate applied to capital contribution transaction is the foreign currency buying rate at the transaction date quoted by the bank through which the investor transfers funds for the capital contribution.
- Exchange rate applied to recognize trade and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries receive money from the customer or counterparty.
- Exchange rate applied to recognize trade and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Company or its subsidiaries intend to make payment for the liability.
- For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries make payment.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company or its subsidiaries deposit the money or maintain those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

Prior to 1 January 2015, all foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the subsidiary's pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the subsidiary commences operations. Once the subsidiary commences operations and the tangible fixed assets are put into use, the net related foreign exchange gain or loss is transferred to Unearned Revenue Account or Long-term Prepaid expenses Account respectively. The net gain or loss is then amortised on a straight line basis over five (5) years.

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Effective from 1 January 2015, as a result of Circular 200 adoption, all foreign exchange differences including those incurred during pre-operating stage are recorded in the consolidated statement of income. The unamortized balance of foreign exchange differences previously recorded in Long-term Prepaid expenses Account as at 31 December 2014 has been transferred to the consolidated statement of income for the year ended 31 December 2015.

(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, bonds and receivables on lending loans held to maturity. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in subsidiaries

For the purpose of separate financial statements, investments in subsidiaries are 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.

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(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.

In accordance with the letter No 12727/BTC-TCDN dated 14 September 2015 from the Ministry of Finance which provides guidance that mining related costs could be recognized as long-term prepaid expenses under non-current assets, NPM - a subsidiary of the Group has reclassified certain mining related costs to long-term prepaid expenses.

(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:

- | | |
|-------------|---------------------------|
| ▪ ST plant | 91,000 tonnes of tungsten |
| ▪ APT plant | 86,215 tonnes of tungsten |

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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	5 – 15 years
▪ office equipment	3 – 10 years
▪ motor vehicles	3 – 6 years
▪ other mining assets	15 – 20 years

During the year, NPHCS - a subsidiary of the Group has revised the estimated useful lives of some of its tangible fixed assets. The depreciation method has been changed from straight line basis to unit-of-production basis in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed.

(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 3 to 8 years.

(ii) Mining rights

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 203/2013/ND/CP dated 28 November 2013 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.

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(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 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 of 20 years.

(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.

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

- a) It is probable that the future economic benefits will flow to the Group;
- b) The component of the ore body for which access has been improved can be identified; and
- c) The costs incurred can be measured reliably.

Production stripping costs are allocated between inventory and long-term prepaid expenses in accordance with the life of mine strip ratio.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping costs are amortized 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.

(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 fees 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 which became effective from 20 January 2014. Mining rights fees are recognised as intangible fixed assets.

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(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 the Ministry of Natural Resources and Environment (“MONRE”) and the Group’s environmental policies based on the Environment Impact Report.

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

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

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

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

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

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(n) Bonds issued

At initial recognition, bonds are measured at cost which comprises proceed from issuance net of issuance costs. Any discount, premium or issuance costs are amortized 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 previously recorded in "Other reserves" in equity. This other reserves has been reclassified to "Other capital".

(p) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group's and the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group and the Company classify their financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by the management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group and the Company as at fair value through profit or loss.

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Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity, other than:

- those that the Group and the Company upon initial recognition designate as at fair value through profit or loss;
- those that the Group and the Company designate as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Group and the Company intend to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Group and the Company upon initial recognition designates as available-for-sale; or
- for which the Group and the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) *Financial liabilities*

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group and the Company as at fair value through profit or loss.

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Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(q) Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, 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 the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Revenue from the sale of goods

Revenue from the sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

For sales of minerals, the sales price is usually determined on a provisional basis at the date 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.

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In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sales recognition is based on the most recently determined product specifications agreed by parties.

(s) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits and loans and foreign exchange gains. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, facility fees, financing costs, transaction costs and foreign exchange losses.

(t) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(u) Borrowing costs

Borrowings costs comprise interest expenses on borrowings, facility fees, financing costs and transaction costs. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(v) Earnings per share

The Group presents basic and diluted, if any, earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. To determine the profit or loss attributable to ordinary equity holders, profit or loss for the year is allocated to the ordinary shares and participating equity instruments. This allocation is made in accordance with the rights of the other class of shares to participate in distributions if the entire profit or loss were distributed.

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

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(w) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment, 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.

(x) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party. Related parties that are individuals refer to key management personnel who have authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers of the Company. Related companies refer to the investors and their ultimate holding companies and their subsidiaries and associates.

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5. Segment reporting

Business segments

The Group comprises the following main business segments:

For the year ended 31 December 2015

	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment revenue	672,611,077	776,156,464	1,140,434,864	76,065,090	2,665,267,495
Segment revenue deductions	-	-	(7,392,789)	-	(7,392,789)
Total segment revenue	672,611,077	776,156,464	1,133,042,075	76,065,090	2,657,874,706
Segment gross profit	122,582,447	404,095,452	225,592,823	11,227,823	763,498,545
Unallocated expenses					408,088,840
Financial income					556,078,851
Financial expenses					834,759,478
Results from operating activities					76,729,078
Other income					11,769,734
Other expenses					29,939,356
Income tax					(25,762,573)
Net profit after tax					84,322,029

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	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
For the year ended 31 December 2014					
Segment revenue	343,339,743	402,628,255	2,035,774,221	71,914,436	2,853,656,655
Segment revenue deductions	-	-	(27,924,847)	-	(27,924,847)
Total segment revenue	343,339,743	402,628,255	2,007,849,374	71,914,436	2,825,731,808
Segment gross profit	78,222,343	104,633,945	556,753,213	(190,958)	739,418,543
Unallocated expenses					372,378,402
Financial income					28,075,634
Financial expenses					614,292,329
Results from operating activities					(219,176,554)
Other income					268,333,674
Other expenses					41,435,209
Income tax					(27,931,603)
Net profit after tax					35,653,514

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As at 31 December 2015	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
Segment assets	228,602,892	1,190,123,806	1,926,105,078	374,493,881	3,719,325,657
Unallocated assets					22,888,381,240
Total assets					26,607,706,897
Total liabilities					15,012,572,488
As at 31 December 2014					
Segment assets	240,614,106	1,209,354,984	918,976,946	394,233,151	2,763,179,187
Unallocated assets					22,343,114,740
Total assets					25,106,293,927
Total liabilities					13,595,481,547

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	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
Capital expenditure	-	-	565,635,939	-	565,635,939
Unallocated capital expenditure					1,434,630,676
Depreciation	12,011,214	62,165,939	62,974,002	19,273,104	156,424,259
Unallocated depreciation					613,725,509
Unallocated amortisation					115,779,983

For the year ended 31 December 2014

	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
Capital expenditure	-	-	655,146,475	-	655,146,475
Unallocated capital expenditure					1,277,609,104
Depreciation	9,728,510	34,791,410	43,196,181	6,521,646	94,237,747
Unallocated depreciation					536,835,289
Unallocated amortisation					172,304,125

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6. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Cash on hand	120,699	205,175	-	-
Cash in banks	370,263,678	81,237,472	497,795	478,808
Cash equivalents	1,630,000	55,000,000	-	54,000,000
	372,014,377	136,442,647	497,795	54,478,808

7. Other short-term and long-term receivables

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000
Short-term receivables				
Sale of claims receivable	256,200,000	256,200,000	-	-
Others	176,150,795	24,133,512	55,000	84,700
	432,350,795	280,333,512	55,000	84,700
Long-term receivables				
Borrowing cost – MRTN (a)	-	-	993,240,411	1,005,325,461
Land compensation receivable from Thai Nguyen People's Committee (b)	1,383,085,565	1,383,085,565	-	-
Others	18,222,848	38,261,125	-	-
	1,401,308,413	1,421,346,690	993,240,411	1,005,325,461

- (a) Long-term receivables from a subsidiary are unsecured and receivable on maturity.
- (b) Long-term receivables represent 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.

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8. Inventories

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Goods in transit	65,652,476	18,406,161	-	-
Raw materials	152,374,069	25,030,031	-	-
Tools and supplies	548,806,632	452,518,607	-	-
Work in progress	104,308,694	16,176,270	-	-
Finished goods	213,256,521	141,540,764	-	-
	1,084,398,392	653,671,833	-	-

9. Receivables on long-term lending loans

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Long-term lending loans receivables from a related party	-	-	3,945,518,100	4,941,518,100

The loan receivables from a related party were unsecured, due on 31 December 2017 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.

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10. 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	2,014,688,557	9,363,681,452	32,199,893	23,866,764	5,853,577,234	17,288,013,900
Additions	1,307,828	46,504,975	3,306,001	-	-	51,118,804
Transfer from construction in progress (Note 13)	243,879,433	862,457,972	346,696	-	-	1,106,684,101
Reclassification to long-term prepaid expenses (Note 15)	-	-	-	-	(827,285,950)	(827,285,950)
Reclassification	29,144,846	(29,144,846)	-	-	-	-
Disposals	-	-	-	(597,747)	-	(597,747)
Closing balance	2,289,020,664	10,243,499,553	35,852,590	23,269,017	5,026,291,284	17,617,933,108
Accumulated depreciation						
Opening balance	82,586,749	350,951,950	20,113,441	11,804,082	173,649,354	639,105,576
Charge for the year	108,251,587	466,598,140	4,655,780	3,628,334	173,555,927	756,689,768
Reclassification to long-term prepaid expenses (Note 15)	-	-	-	-	(33,842,183)	(33,842,183)
Reclassification	2,317,318	(2,317,318)	-	-	-	-
Disposals	-	-	-	(597,747)	-	(597,747)
Closing balance	193,155,654	815,232,772	24,769,221	14,834,669	313,363,098	1,361,355,414
Net book value						
Opening balance	1,932,101,808	9,012,729,502	12,086,452	12,062,682	5,679,927,880	16,648,908,324
Closing balance	2,095,865,010	9,428,266,781	11,083,369	8,434,348	4,712,928,186	16,256,577,694

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Following the guidance of the Ministry of Finance, NPM has reclassified certain mining related costs to long-term prepaid expenses (Note 15)

Included in the cost of tangible fixed assets of the Group were assets costing VND30,283 million which were fully depreciated as at 31 December 2015 (1/1/2015: VND18,750 million), but which are still in active-use.

At 31 December 2015, tangible fixed assets with a carrying value of VND10,440 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2015: VND11,698 billion) (Note 19(b)(ii)).

11. Finance lease tangible fixed assets

Group:

	Machinery and equipment VND'000
Cost	
Opening and closing balances	67,300,000
Accumulated depreciation	
Opening balance	22,433,333
Charge for the year	13,460,000
	35,893,333
Net book value	
Opening balance	44,866,667
Closing balance	31,406,667

The Company's subsidiary - NPM leases laboratory equipment for assay testing. This laboratory equipment is considered to be a financial lease as lease obligations are secured (Note 19(b)(iii)).

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	Software VND'000	Mining rights VND'000	Total VND'000
Cost			
Opening balance	86,790,974	588,370,818	675,161,792
Additions	231,536	-	231,536
Transfer from construction in progress (Note 13)	1,788,130	-	1,788,130
Closing balance	88,810,640	588,370,818	677,181,458
Accumulated amortisation			
Opening balance	15,934,675	5,368,717	21,303,392
Charge for the year	11,189,666	30,550,328	41,739,994
Closing balance	27,124,341	35,919,045	63,043,386
Net book value			
Opening balance	70,856,299	583,002,101	653,858,400
Closing balance	61,686,299	552,451,773	614,138,072

Included in the cost of intangible fixed assets were assets costing VND9,765 million which were fully amortised as at 31 December 2015 (1/1/2015: VND4,934 million), but which are still in use.

At 31 December 2015, intangible fixed assets with a carrying value of VND611 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2015: VND652 billion) (Note 19(b)(ii)).

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13. Construction in progress

<u>Group:</u>	2015 VND'000	2014 VND'000
Opening balance	3,185,593,593	20,158,594,314
Additions during the year	1,904,441,432	2,585,094,922
Transfer to tangible fixed assets (Note 10)	(1,106,684,101)	(17,129,559,382)
Transfer to intangible fixed assets (Note 12)	(1,788,130)	(71,752,127)
Transfer from/(to) long-term prepaid expenses (Note 15)	13,354,816	(973,698,569)
Reclassification to other receivables	-	(1,383,085,565)
	<hr/>	<hr/>
Closing balance	3,994,917,610	3,185,593,593

During the year, borrowing costs capitalised into construction in progress amounted to VND299 billion (2014: VND553 billion). As at the reporting dates, construction in progress of NPM, which mainly represents the mine development cost, construction of the plant and other capitalised costs pertaining to tailing dams and the Bismuth plant, have been pledged with banks as security for long-term bonds issued by NPM.

14. Long-term investments

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 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 2015:

Name	Address
Ma San Thai Nguyen Resources Co., Ltd (“MRTN”)	Ho Chi Minh City, Vietnam
Thai Nguyen Trading and Investment Co., Ltd (“TNTI”)	Ho Chi Minh City, Vietnam
Nui Phao Mining Co., Ltd (“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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15. 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	Borrowing fee VND'000	Foreign exchange differences VND'000	Other mining costs VND'000	Others VND'000	Total VND'000
Opening balance	226,188,216	632,993,433	58,796,000	150,633,930	35,927,461	-	6,623,797	1,111,162,837
Additions	-	6,258,642	-	-	-	145,823,653	520,695	152,602,990
Transfer from/(to) construction in progress (Note 13)	8,375,792	-	-	-	(43,366,253)	21,635,645	-	(13,354,816)
Transfer from tangible fixed assets (Note 10)	-	-	-	-	-	793,443,767	-	793,443,767
Transfer to long-term bonds issued (Note 19(b)(ii))	-	-	-	(150,633,930)	-	-	-	(150,633,930)
Reclassifications	(226,188,215)	-	-	-	7,438,792	218,749,423	-	-
Amortisation for the year	(697,983)	(33,025,744)	(18,932,000)	-	-	(19,738,214)	(1,646,048)	(74,039,989)
Closing balance	7,677,810	606,226,331	39,864,000	-	-	1,159,914,274	5,498,444	1,819,180,859

Contribution to the People's Committee of Thai Nguyen Province

On 20 July 2010, NPM had 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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	1/1/2015	Incurred	Paid/Offset	31/12/2015
	VND'000	VND'000	VND'000	VND'000
Value added tax	-	410,648,182	(410,648,182)	-
Import-export tax	-	133,414,810	(133,414,810)	-
Corporate income tax	-	113,525	(109,520)	4,005
Environment protection tax	-	5,352,773	(5,352,773)	-
Personal income tax	28,294,286	51,395,307	(54,176,119)	25,513,474
Natural resource taxes	70,461,365	170,783,057	(241,244,422)	-
Land and housing taxes	-	15,290	(15,290)	-
Other taxes	7,303,998	27,968,007	(30,822,665)	4,449,340
	106,059,649	799,690,951	(875,783,781)	29,966,819

17. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND'000	VND'000	VND'000	VND'000
Bonus	5,792,711	20,049,207	-	-
Accrued interest payable	251,034,100	240,683,978	-	-
Foreign contractor tax	1,907,433	1,907,433	-	-
Natural resource taxes and fees	286,165,753	77,125,358	-	-
Accrual for construction work	139,122,810	179,968,710	-	-
Consultant fee	14,990,638	11,261,110	-	-
Operating costs	96,350,608	117,309,318	-	-
Others	2,908,193	35,360,583	778,096	504,530
	798,272,246	683,665,697	778,096	504,530

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Other payables included the following amounts:

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Amounts due to Masan Group Corporation (MSN)				
Financial expenses – long-term (a)	1,555,323,840	2,134,490,175	626,074,175	956,529,090
Interest – short-term	-	35,315,815	-	35,315,815
Interest – long-term	-	38,448,900	-	18,482,071
Amounts due to Masan Horizon Corporation (MH)				
Non-trade – short-term (a)	2,511,785	2,511,785	2,511,785	2,511,785
Amount due to NPM				
Non-trade – short-term (a)	-	-	10,294,685	37,294,686
Other payable to third parties				
Other payables – short-term	77,336,594	53,601,782	52,213,577	52,070,916
Other payables – long-term	26,249,448	78,463,027	26,249,448	78,463,027

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

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19. Borrowings, bonds and finance lease liabilities

(a) Short-term borrowings

Group:

	1/1/2015		Movement during the year			31/12/2015		
	Carrying amount VND'000	Amount within repayment capacity VND'000	Additions VND'000	Payment VND'000	Unrealised foreign exchange loss VND'000	Reclassifications from long-term borrowings VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	1,305,713,481	1,305,713,481	2,785,677,753	(1,694,323,818)	21,438,737	-	2,418,506,153	2,418,506,153
Current portion of long-term borrowings (Note(b))	36,330,845	36,330,845	2,730,555	(36,837,075)	-	109,487,415	111,711,740	111,711,740
	1,342,044,326	1,342,044,326	2,788,408,308	(1,731,160,893)	21,438,737	109,487,415	2,530,217,893	2,530,217,893

Company:

	1/1/2015		Movement during the year			31/12/2015		
	Carrying amount VND'000	Amount within repayment capacity VND'000	Additions VND'000	Payment VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	231,000,000	231,000,000	-	(231,000,000)	-	-	-	-
Current portion of long-term borrowings (Note (b))	22,754,630	22,754,630	2,730,555	(25,485,185)	-	-	-	-
	253,754,630	253,754,630	2,730,555	(256,485,185)	-	-	-	-

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

	Currency	<u>Group</u>		<u>Company</u>	
		31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Unsecured loans from the ultimate holding company (i)	VND	-	231,000,000	-	231,000,000
Secured bank loan (ii)	USD	1,732,671,150	1,035,382,342	-	-
Secured bank loan (iii)	VND	120,000,000	-	-	-
Loan from other third party (iv)	USD	1,447,303	39,331,139	-	-
Loan from an investor in one of the subsidiary (v)	USD	564,387,700	-	-	-
		2,418,506,153	1,305,713,481	-	231,000,000

- (i) The loan amounts due to ultimate holding company were unsecured, bore interest based on agreement between the parties and were settled during the year.
- (ii) The USD denominated syndicated loan from local banks bore interest of 4.5% per annum and was securitized by inventories and part of short-term receivables of NPM. The loan has been swapped to a VND denominated loan with swap interest rate of 4.5% per annum. In conjunction with the long-term secured bank loan, these loans are also secured by 158 million shares of the Company held by Masan Horizon Corporation.
- (iii) The VND denominated loan amounting to VND120,000 million from a local bank was secured by part of short-term receivables of NPM and bore interest of 8% per annum.
- (iv) The USD denominated loan amounting to VND1,447 million was extended from NPM's customer under the terms of its offtake agreement. The loan is for NPM's construction activities and bore interest of 8.5% per annum.
- (v) The USD denominated loan amounting to VND564,388 million from an investor in one of the subsidiary is unsecured and bore interest of 6% per annum.

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

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Long-term borrowings (i)	380,000,000	537,832,798	-	327,832,798
Long-term bonds issued (ii)	7,865,677,365	6,800,000,000	-	-
Finance lease liabilities (iii)	39,452,364	50,804,253	-	-
	8,285,129,729	7,388,637,051	-	327,832,798
Repayable within twelve months (Note (a))	(111,711,740)	(36,330,845)	-	(22,754,630)
Repayable after twelve months	8,173,417,989	7,352,306,206	-	305,078,168

(i) Long-term borrowings

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

	Currency	Year of maturity	<u>Group</u>		<u>Company</u>	
			31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Unsecured loans from the ultimate holding company (*)	VND	-	-	22,754,630	-	22,754,630
Unsecured loans from the ultimate holding company (*)	VND	-	-	305,078,168	-	305,078,168
Unsecured loans from the ultimate holding company (*)	VND	-	-	210,000,000	-	-
Secured bank loan (**)	VND	2018	380,000,000	-	-	-
			380,000,000	537,832,798	-	327,832,798

(*) The loan amounts due to the ultimate holding company were unsecured and bore interest based on agreement between the parties.

(**) The medium term loans from a local bank are secured and bore interest at 9.3% per annum. In conjunction with the USD denominated short-term secured bank loan, these loans are also secured by 158 million shares of the Company held by Masan Horizon Corporation.

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(ii) Long-term bonds

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

	Currency	Interest rate per annum	Year of maturity	Group	
				31/12/2015 VND'000	1/1/2015 VND'000
Secured bond issuance	VND	10%	-	-	6,800,000,000
Secured bond issuance	VND	8%	2020	7,865,677,365	-
				7,865,677,365	6,800,000,000

The VND denominated bonds issued by NPM with a five-year term bore interest 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.

The balance as at 31 December 2015 was offset against bond arrangement fees following the issuance of Circular 200/2014/TT/BTC.

(iii) Finance lease liabilities

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

	31/12/2015			1/1/2015		
	Payments VND'000	Interest VND'000	Principal VND'000	Payments VND'000	Interest VND'000	Principal VND'000
Within one year	21,930,692	5,218,952	16,711,740	20,364,222	6,788,007	13,576,215
Within 2 to 5 years	25,063,649	2,323,025	22,740,624	43,861,390	6,633,352	37,228,038
	46,994,341	7,541,977	39,452,364	64,225,612	13,421,359	50,804,253

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	19,486,702	588,370,818	607,857,520
Provision made during the year	1,500,476	46,016,356	47,516,832
Provision used during the year	-	(73,145,650)	(73,145,650)
Closing balance	20,987,178	561,241,524	582,228,702

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21. Deferred tax liabilities and unrecognised deferred tax assets

(i) Recognised deferred tax liabilities

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Deferred tax liabilities				
Mineral reserves and mineral resources	704,173,514	730,049,612	-	-

(ii) 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	479,175,459	85,910,872
of which:		
Finalised with tax authorities	4,194,763	-
Outstanding – subject to tax authorities' review (*)	474,980,696	85,910,872
	479,175,459	85,910,872

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

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22. Changes in equity

Group:

	Share capital VND'000	Share premium VND'000	Foreign exchange differences VND'000	Other capital VND'000	Other reserves 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 2014	6,985,808,990	2,097,724,074	(60,006,826)	-	(295,683,347)	2,243,151,737	10,970,994,628	-	10,970,994,628
Share capital issued	208,664,290	(153,396,750)	-	-	-	-	55,267,540	388,889,872	444,157,412
Foreign exchange differences in a subsidiary	-	-	60,006,826	-	-	-	60,006,826	-	60,006,826
Net profit/(loss) for the year	-	-	-	-	-	46,676,208	46,676,208	(11,022,694)	35,653,514
Balance at 1 January 2015 – as previously stated	7,194,473,280	1,944,327,324	-	-	(295,683,347)	2,289,827,945	11,132,945,202	377,867,178	11,510,812,380
<i>Reclassification</i>	-	-	-	(295,683,347)	295,683,347	-	-	-	-
Balance at 1 January 2015 – as reclassified	7,194,473,280	1,944,327,324	-	(295,683,347)	-	2,289,827,945	11,132,945,202	377,867,178	11,510,812,380
Net profit/(loss) for the year	-	-	-	-	-	152,135,747	152,135,747	(67,813,718)	84,322,029
Balance at 31 December 2015	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

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	Share capital VND'000	Share premium VND'000	Undistributed profit after tax VND'000	Total VND'000
Balance at 1 January 2014	6,985,808,990	2,097,724,074	299,922,284	9,383,455,348
Share capital issued	208,664,290	(153,396,750)	-	55,267,540
Net loss for the year	-	-	(37,351,071)	(37,351,071)
Balance at 1 January 2015	7,194,473,280	1,944,327,324	262,571,213	9,401,371,817
Net loss for the year	-	-	(39,883,120)	(39,883,120)
Balance at 31 December 2015	7,194,473,280	1,944,327,324	222,688,093	9,361,488,697

23. Share capital

The Company's authorised and issued share capital comprised:

	31/12/2015		1/1/2015	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	719,447,328	7,194,473,280	719,447,328	7,194,473,280
Issued share capital				
Ordinary shares	703,544,898	7,035,448,980	703,544,898	7,035,448,980
Preference shares	15,902,430	159,024,300	15,902,430	159,024,300
	719,447,328	7,194,473,280	719,447,328	7,194,473,280
Shares in circulation				
Ordinary shares	703,544,898	7,035,448,980	703,544,898	7,035,448,980
Preference shares	15,902,430	159,024,300	15,902,430	159,024,300
	719,447,328	7,194,473,280	719,447,328	7,194,473,280
Share premium	-	1,944,327,324	-	1,944,327,324

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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 the conversion date.

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

Movements in shares during the year were as follows:

<u>Ordinary shares:</u>	2015		2014	
	Number of shares	VND'000	Number of shares	VND'000
Balance at the beginning of the year	703,544,898	7,035,448,980	682,678,469	6,826,784,690
Shares issued during the year	-	-	20,866,429	208,664,290
Balance at the end of the year	703,544,898	7,035,448,980	703,544,898	7,035,448,980

<u>Preference shares:</u>	2015		2014	
	Number of shares	VND'000	Number of shares	VND'000
Opening and closing balances	15,902,430	159,024,300	15,902,430	159,024,300

24. Off balance sheet items

(a) Foreign currencies

Group:

	31/12/2015		1/1/2015	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	5,630,416	126,121,285	3,271,781	69,927,775

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(b) Bad debts written off

Group:

	31/12/2015 VND'000	1/1/2015 VND'000
Bad debts written off	9,577,438	9,577,438

25. Revenue from sales of goods

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

Net revenue comprised:

<u>Group:</u>	2015 VND'000	2014 VND'000 Reclassified
Total revenue	2,665,267,495	2,853,656,655
Less revenue deductions	(7,392,789)	(27,924,847)
Net revenue	2,657,874,706	2,825,731,808

26. Financial income

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Interest income	18,239,910	3,656,090	18,095,979	96,906,522
Foreign exchange gains	47,838,941	24,419,544	-	-
Offsetting of amounts due to a related party	490,000,000	-	-	-
	556,078,851	28,075,634	18,095,979	96,906,522

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27. Financial expenses

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Interest expense and borrowing fee	706,154,441	589,036,786	52,914,399	141,526,121
Foreign exchange losses	81,088,205	25,255,543	-	-
Others	47,516,832	-	-	-
	834,759,478	614,292,329	52,914,399	141,526,121

28. Income tax

(a) Recognised in the statement of income

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Current tax expense				
Current year	113,525	199,999	-	-
Over provision in prior years	-	(7,153,137)	-	(8,501,985)
	113,525	(6,953,138)	-	(8,501,985)
Deferred tax income				
Reversal of temporary differences	(25,876,098)	(20,978,465)	-	-
Income tax benefit	(25,762,573)	(27,931,603)	-	(8,501,985)

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(b) Reconciliation of effective tax rate

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Profit/(loss) before tax	58,559,456	7,721,911	(39,883,120)	(45,853,056)
Tax at the Company tax rate	12,883,080	1,698,820	(8,774,286)	(10,087,672)
Non-deductible expenses	6,397,990	3,252,266	616	109,636
Effect of different tax rate in subsidiaries	24,747,423	10,281,262	-	-
Tax losses utilised	(86,202,797)	(47,895,897)	-	-
Over provision in prior years	-	(7,153,137)	-	(8,501,985)
Deferred tax asset not recognised	21,641,657	11,885,083	8,773,670	9,978,036
Changes in temporary differences	(5,229,926)	-	-	-
	(25,762,573)	(27,931,603)	-	(8,501,985)

(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax at the rate of 22% of taxable profits. The Company's subsidiaries have obligation to pay the government income tax in accordance with the prevailing regulations.

The standard income tax rate applicable to enterprises before any incentives is 22% for 2015, and will be reduced to 20% from 2016 (2014: 22%).

(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 differing interpretations.

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29. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2015 was based on the profit attributable to ordinary shareholders of VND148,773 million (2014: VND45,644 million) and a weighted average number of ordinary shares outstanding of 703,544,898 (2014: 697,856,994), calculated as follows:

(a) Net profit attributable to shareholders

	2015	2014
	VND'000	VND'000
Net profit attributable to:		
Mandatorily convertible preference shareholders	3,362,759	1,031,716
Ordinary shareholders	148,772,988	45,644,492
	152,135,747	46,676,208
	152,135,747	46,676,208

(b) Weighted average number of shares

	2015	2014
Issued shares at the beginning of the year	719,447,328	698,580,899
Of which:		
Mandatorily convertible preference shares	15,902,430	15,902,430
Ordinary shares (1)	703,544,898	682,678,469
Effect of ordinary shares issued for cash (2)	-	15,178,525
	703,544,898	697,856,994
	703,544,898	697,856,994

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30. Financial instruments

(a) Financial risk management

(i) Overview

The Group and the Company have exposure to the following risks from their use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group and the Company's exposure to each of the above risks, the Group and the Company's objectives, policies and processes for measuring and managing risk.

(ii) Risk management framework

The Board of Director has overall responsibility for the establishment and oversight of the Group and the Company's risk management framework.

The Group and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and the Company's activities. The Group and the Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and the Company's receivables; cash and cash equivalents at bank and held-to-maturity investments.

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Exposure to credit risk

The total carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates were as follows:

	Note	<u>Group</u>		<u>Company</u>	
		31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Cash in bank and cash equivalents	(i)	371,893,678	136,237,472	497,795	54,478,808
Held to maturity investments	(i)	2,100,000	-	-	-
Trade and other receivables	(ii)	682,097,134	859,583,380	4,938,813,511	5,946,928,261
		<u>1,056,090,812</u>	<u>995,820,852</u>	<u>4,939,311,306</u>	<u>6,001,407,069</u>

(i) *Cash in banks and cash equivalents and held to maturity investments*

These represent deposits placed with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group and the Company.

(ii) *Accounts receivable from customers and other receivables*

The carrying amount of trade and other receivables represents the maximum credit exposure.

During the year, an allowance for doubtful debt was made for receivables due from a customer of a subsidiary of the Group.

Based on historic default rates, apart from the above exception, the Group and the Company believe that no allowance for doubtful debts is necessary in respect of the outstanding receivables as of 31 December 2015 and 1 January 2015.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group and the Company's approach to manage liquidity is to ensure, as far as possible, that they will always have sufficient liquidity and banking facilities to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Company's reputation.

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At reporting dates, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

Group:

31/12/2015	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	607,699,275	607,699,275	607,699,275	-	-
Accrued expenses	503,025,519	503,025,519	503,025,519	-	-
Short-term borrowings	2,418,506,153	2,484,419,137	2,484,419,137	-	-
Other long-term liabilities	1,581,573,288	1,581,573,288	-	1,581,573,288	-
Long-term borrowings and liabilities	8,285,129,729	11,612,582,731	553,736,104	882,952,361	10,175,894,266
	13,395,933,964	16,789,299,950	4,148,880,035	2,464,525,649	10,175,894,266

1/1/2015	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	511,080,317	511,080,317	511,080,317	-	-
Accrued expenses	584,583,698	584,583,698	584,583,698	-	-
Short-term borrowings	1,305,713,481	1,364,600,624	1,364,600,624	-	-
Other long-term liabilities	2,251,402,102	2,251,402,102	-	2,186,703,757	64,698,345
Long-term borrowings and liabilities	7,388,637,051	10,843,345,006	562,112,409	1,053,731,741	9,227,500,856
	12,041,416,649	15,555,011,747	3,022,377,048	3,240,435,498	9,292,199,201

Company:

31/12/2015	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000
Trade and other payables	65,056,463	65,056,463	65,056,463	-
Accrued expenses	778,096	778,096	778,096	-
Other long-term liabilities	652,323,623	652,323,623	-	652,323,623
	718,158,182	718,158,182	65,834,559	652,323,623

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1/1/2015	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	127,559,309	127,559,309	127,559,309	-	-
Accrued expenses	504,530	504,530	504,530	-	-
Short-term borrowings	231,000,000	252,922,850	252,922,850	-	-
Other long-term liabilities	1,053,474,188	1,053,474,193	-	1,008,742,672	44,731,521
Long-term borrowings and liabilities	327,832,798	491,462,977	25,756,639	273,430,338	192,276,000
	1,740,370,825	1,925,923,859	406,743,328	1,282,173,010	237,007,521

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group and the Company's results of operations or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than VND, the accounting currency of the Group. The currencies in which these transactions primarily are denominated are the United States dollar ("USD"), Australian dollar ("AUD"), Euro ("EUR"), Singapore dollar ("SGD"), Chinese Yuan Renminbi ("CNY"), Thai Baht ("THB") and Pound sterling ("GBP").

The Group's exposure to currency risk is managed by keeping the exposure to an acceptable level by entering into swap foreign exchange contracts and buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

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Exposure to currency risk

The Company does not have any monetary assets or liabilities in foreign currency and accordingly is not exposed to currency risk.

The Group had the following net monetary liability position exposed to currency risk:

31/12/2015	USD	AUD	EUR	Group THB	SGD	CNY	GBP
Cash and cash equivalents	5,630,416	-	-	-	-	-	-
Accounts receivable	8,216,264	-	-	-	399,418	-	-
Accounts payable	(3,941,755)	(4,275,560)	(1,671,584)	(11,289,906)	(501,485)	(1,955,251)	(8,765)
Short-term borrowings	(25,114,736)	-	-	-	-	-	-
Other monetary liabilities	(1,136,237)	-	-	-	-	-	-
	(16,346,048)	(4,275,560)	(1,671,584)	(11,289,906)	(102,067)	(1,955,251)	(8,765)

1/1/2015	USD	AUD	EUR	Group THB	SGD	CNY
Cash and cash equivalents	3,271,781	-	-	-	-	-
Accounts receivable	17,328,556	-	-	-	75,831	-
Accounts payable	(1,391,498)	(1,301,324)	(6,547)	(3,429,499)	(138,555)	(1,955,251)
Short-term borrowings	(50,283,698)	-	-	-	-	-
Other monetary liabilities	(53,628)	-	-	-	-	-
	(31,128,487)	(1,301,324)	(6,547)	(3,429,499)	(62,724)	(1,955,251)

The followings are the significant exchange rates applied by the Group:

	Exchange rate as at		
	31/12/2015	1/1/2015	
	Buying rate	Selling rate	
USD/VND	22,400	22,530	21,373
AUD/VND	15,994	16,765	17,252
EUR/VND	24,161	24,979	25,622
THB/VND	607	639	631
SGD/VND	15,740	16,032	15,910
CNY/VND	3,404	3,521	3,395
GBP/VND	33,042	33,552	-

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Below is an analysis of the possible impact on the net profit of the Group, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at reporting date. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

31/12/2015

	Group Effect to net profit VND'000
USD (5% strengthening against VND)	(14,362,782)
AUD (3% weakening against VND)	1,677,306
EUR (3% weakening against VND)	977,055
THB (1% strengthening against VND)	(56,271)
SGD (1% strengthening against VND)	(12,763)
CNY (4% strengthening against VND)	(214,794)
GBP (1% strengthening against VND)	(2,294)

1/1/2015

	Group Effect to net profit VND'000
USD (1% strengthening against VND)	(5,189,411)
AUD (5% weakening against VND)	875,568
EUR (5% weakening against VND)	6,542
THB (1% weakening against VND)	16,879
SGD (2% weakening against VND)	15,568
CNY (2% weakening against VND)	103,554

The opposite movement of the currencies would have the equal but opposite effect to the net profit of the Group.

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(ii) Interest rate risk

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments was:

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND'000	VND'000	VND'000	VND'000
Fixed rate instruments				
Cash equivalents	1,630,000	55,000,000	-	54,000,000
Held to maturity investments	2,100,000	-	-	-
Other long-term receivables	1,758,500	-	36,711,320	48,796,370
Other short term liabilities	(52,213,577)	(55,510,177)	(52,213,577)	(55,510,177)
Short term borrowings	(2,418,506,153)	(1,305,713,481)	-	(231,000,000)
Other long-term liabilities	(26,249,448)	(116,911,926)	(26,249,448)	(96,945,097)
Long-term borrowings	(39,452,364)	(588,637,051)	-	(327,832,798)
	(2,530,933,042)	(2,011,772,635)	(41,751,705)	(608,491,702)
Variable rate instruments				
Cash in banks	370,263,678	81,237,472	497,795	478,808
Other receivables	20,567,877	-	-	-
Long-term borrowings	(8,480,000,000)	(6,800,000,000)	-	-
	(8,089,168,445)	(6,718,762,528)	497,795	478,808

A change of 100 basis points in interest rates would have increased or decreased the net profit of the Group by VND63,096 million (1/1/2015: VND52,406 million) and the net loss of the Company by VND4 million (1/1/2015: VND4 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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(e) Fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Group:

	31/12/2015		1/1/2015	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
Categorised as loans and receivables:				
- Cash and cash equivalents	372,014,377	(*)	136,442,647	(*)
- Held to maturity investments	2,100,000	(*)	-	(*)
- Trade and other receivables	682,097,134	(*)	859,583,380	(*)
Categorised as financial liabilities at amortised cost:				
- Trade and other payables	(607,699,275)	(*)	(511,080,317)	(*)
- Accrued expenses	(503,025,519)	(*)	(584,583,698)	(*)
- Short term borrowings	(2,418,506,153)	(*)	(1,305,713,481)	(*)
- Other long-term liabilities	(1,581,573,288)	(*)	(2,251,402,102)	(*)
- Long-term borrowings and liabilities	(8,285,129,729)	(*)	(7,388,637,051)	(*)
	(12,339,722,453)	(*)	(11,045,390,622)	(*)

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Company:

	31/12/2015		1/1/2015	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
Categorised as loans and receivables:				
- Cash and cash equivalents	497,795	(*)	54,478,808	(*)
- Other receivables	4,938,813,511	(*)	5,946,928,261	(*)
Categorised as financial liabilities at amortised cost:				
- Trade and other payables	(65,056,463)	(*)	(127,559,309)	(*)
- Accrued expenses	(778,096)	(*)	(504,530)	(*)
- Short term borrowings	-	(*)	(231,000,000)	(*)
- Other long-term liabilities	(652,323,623)	(*)	(1,053,474,188)	(*)
- Long-term borrowings and liabilities	-	(*)	(327,832,798)	(*)
	4,221,153,124	(*)	4,261,036,244	(*)

(ii) Basis for determining fair values

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

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31. 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	2015 VND'000	2014 VND'000
Ultimate holding company			
Masan Group Corporation	Conversion of interest payable into loan principal	78,156,014	86,337,242
	Offsetting of debts due from NPM	490,000,000	-
	Interest expense and borrowing fees	64,236,148	265,189,123
	Interest expense and borrowing fees paid	384,946,188	-
	Loan received	-	210,000,000
	Loan paid	611,053,812	-
Ultimate holding company's associate			
Local bank	Interest expense and borrowing fees	129,582,179	20,042,149
	Loan received	2,442,424,470	1,035,382,342
	Loan paid	1,375,111,828	-
Key management personnel			
	Salary, bonus and other benefits	15,883,505	15,456,146

Company:

Related Party	Nature of transactions	2015 VND'000	2014 VND'000
Ultimate holding company			
Masan Group Corporation	Conversion of interest payable into loan principle	52,221,014	86,337,242
	Interest expense and borrowing fees	52,914,399	141,526,121
	Interest expense and borrowing fees paid	384,946,188	-
	Loan paid	611,053,812	-
Other related parties			
Ma San Thai Nguyen Resources Company Limited	Financial income from loan provided to a subsidiary	17,914,950	23,170,997
	Loan provided to a subsidiary	-	23,408,000
	Collection of long-term loans receivable	996,000,000	-
	Financial income received	30,000,000	-
Nui Phao Mining Company Ltd	Financial income from loan provided to a subsidiary	-	72,994,670
	Other advances paid	27,000,000	-
Key management personnel			
	Shares issued under ESOP	-	61,472,500

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32. Non-cash investing and financing activities

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Conversion of interest payable into loan principal	95,997,456	86,337,242	52,221,014	86,337,242
Depreciation and amortisation capitalised into construction in progress	3,876,382	4,979,597	-	-
Additions of fixed assets from increase in provisions	-	607,857,520	-	-

33. Corresponding figures

As described in Note 3, the Group and the Company adopted Circular 200 and Circular 202 effective from 1 January 2015. As a result, the presentation of certain financial statement captions has been changed. Certain corresponding figures as of 1 January 2015 have been reclassified to conform to the requirements of Circular 200 and Circular 202 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified was as follows:

(a) Consolidated and separate balance sheets

	<u>Group</u>		<u>Company</u>	
	1/1/2015 (as reclassified) VND'000	1/1/2015 (as previously reported) VND'000	1/1/2015 (as reclassified) VND'000	1/1/2015 (as previously reported) VND'000
Other current assets	-	13,278,989	-	-
Other short-term receivables	280,333,512	267,054,523	-	-
Other long-term assets	-	38,261,125	-	-
Other long-term receivables	1,421,346,690	1,383,085,565	-	-
Other capital	(295,683,347)	-	-	-
Other reserves	-	(295,683,347)	-	-
	1,405,996,855	1,405,996,855	-	-

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(b) Consolidated and separate statement of income

	<u>Group</u>		<u>Company</u>	
	2014 (as reclassified) VND'000	2014 (as previously reported) VND'000	2014 (as reclassified) VND'000	2014 (as previously reported) VND'000
Revenue	2,853,656,655	2,946,229,025	-	-
Revenue deductions	(27,924,847)	(120,497,217)	-	-
<i>Of which:</i>				
Export duties	-	(92,572,370)	-	-
Others	(27,924,847)	(27,924,847)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,825,731,808	2,825,731,808	-	-

7 March 2016

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

Reviewed by:



Wayne Apted
Chief Financial Officer

Approved by:



Dr. Nguyen Dang Quang
Chairman of the Board of Directors

