

Ma San Resources Corporation and its subsidiaries

Quarterly financial Statements
for the period ended 31 March 2016



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

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 March 2016

Form B 01 – DN/HN

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
ASSETS						
Current assets (100 = 110 + 120+ 130 + 140 + 150)	100		2,362,219,256	2,490,177,582	2,229,881	552,795
Cash and cash equivalents	110	5	168,475,522	372,014,377	2,152,881	497,795
Cash	111		146,845,522	370,384,377	2,152,881	497,795
Cash equivalents	112		21,630,000	1,630,000	-	-
Short-term financial investments	120		-	2,100,000	-	-
Held-to-maturity investments	123		-	2,100,000	-	-
Accounts receivable – short-term	130		842,140,234	747,080,504	77,000	55,000
Accounts receivable from customers	131		351,090,652	241,247,245	-	-
Prepayments to suppliers	132		53,711,912	75,767,652	22,000	-
Other receivables	136	6	439,622,858	432,350,795	55,000	55,000
Allowance for doubtful debts	137		(2,285,188)	(2,285,188)	-	-
Inventories	140	7	968,290,391	1,084,398,392	-	-
Inventories	141		968,290,391	1,084,398,392	-	-
Other current assets	150		383,313,109	284,584,309	-	-
Short-term prepaid expenses	151		107,037,394	42,783,827	-	-
Deductible value added tax	152		276,275,715	241,800,482	-	-

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01 – DN/HN

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Long term assets (200 = 210 + 220 + 240 + 250 + 260)	200		24,260,332,693	24,117,529,315	10,051,094,083	10,079,094,084
Accounts receivable – long-term	210		1,405,644,519	1,401,308,413	4,910,758,510	4,938,758,511
Receivables on long-term lending loans	215	8	-	-	3,945,518,100	3,945,518,100
Other long-term receivables	216	6	1,405,644,519	1,401,308,413	965,240,410	993,240,411
Fixed assets	220		16,691,231,613	16,902,122,433	-	-
Tangible fixed assets	221	9	16,059,389,584	16,256,577,694	-	-
Cost	222		17,624,798,629	17,617,933,108	-	-
Accumulated depreciation	223		(1,565,409,045)	(1,361,355,414)	-	-
Finance lease tangible fixed assets	224	10	28,041,667	31,406,667	-	-
Cost	225		67,300,000	67,300,000	-	-
Accumulated depreciation	226		(39,258,333)	(35,893,333)	-	-
Intangible fixed assets	227	11	603,800,362	614,138,072	-	-
Cost	228		677,181,458	677,181,458	137,950	137,950
Accumulated amortisation	229		(73,381,096)	(63,043,386)	(137,950)	(137,950)
Long-term work in progress	240		4,333,584,388	3,994,917,610	-	-
Construction in progress	242	12	4,333,584,388	3,994,917,610	-	-
Long-term financial investments	250		-	-	5,140,335,573	5,140,335,573
Investment in a subsidiary	251	13	-	-	5,140,335,573	5,140,335,573
Other long-term assets	260		1,829,872,173	1,819,180,859	-	-
Long-term prepaid expenses	261	14	1,829,872,173	1,819,180,859	-	-
TOTAL ASSETS (270 = 100 + 200)	270		26,622,551,949	26,607,706,897	10,053,323,964	10,079,646,879

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01 – DN/HN

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		15,021,306,305	15,012,572,488	691,874,617	718,158,182
Current liabilities	310		4,039,963,477	3,971,178,995	65,800,442	65,834,559
Accounts payable to suppliers	311		459,330,094	527,850,896	582,395	36,416
Advances from customers	312		6,878,612	5,011,136	-	-
Taxes payable to State Treasury	313	15	167,178,504	29,966,819	-	-
Payables to employees	314		204,747	11,626	-	-
Accrued expenses	315	16	382,038,856	798,272,246	198,000	778,096
Other short-term payables	319	17	55,633,035	79,848,379	65,020,047	65,020,047
Short-term borrowings	320	18	2,968,699,629	2,530,217,893	-	-
Long-term liabilities	330		10,981,342,828	11,041,393,493	626,074,175	652,323,623
Other long-term payables	337	17	1,555,323,840	1,581,573,288	626,074,175	652,323,623
Long-term borrowings and liabilities	338	18	8,134,750,808	8,173,417,989	-	-
Deferred tax liabilities	341	20	697,661,833	704,173,514	-	-
Provisions – long-term	342	19	593,606,347	582,228,702	-	-
EQUITY (400 = 410)	400		11,601,245,644	11,595,134,409	9,361,449,347	9,361,488,697
Equity	410	21	11,601,245,644	11,595,134,409	9,361,449,347	9,361,488,697
Share capital	411	22	7,194,473,280	7,194,473,280	7,194,473,280	7,194,473,280
- Ordinary shares with voting rights	411a		7,035,448,980	7,035,448,980	7,035,448,980	7,035,448,980
- Preference shares	411b		159,024,300	159,024,300	159,024,300	159,024,300
Share premium	412	22	1,944,327,324	1,944,327,324	1,944,327,324	1,944,327,324
Other capital	414		(295,683,347)	(295,683,347)	-	-
Undistributed profit after tax	421		2,453,170,515	2,441,963,692	222,648,743	222,688,093
- Undistributed profit brought forward	421a		2,441,963,692	2,289,827,945	222,688,093	262,571,213
- Undistributed profit/(losses) for the current period	421b		11,206,823	152,135,747	(39,350)	(39,883,120)
Non-controlling interest	429		304,957,872	310,053,460	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		26,622,551,949	26,607,706,897	10,053,323,964	10,079,646,879

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01 – DN/HN

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

29 April 2016

Prepared by:



Nguyen Thi Hai Yen
Chief Accountant

Reviewed by:



Wayne Apted
Chief Financial Officer

Approved by:



The stamp is circular with a red border. Inside the border, the text reads: "M.S.D.N: 0309966889 - C.T.A", "CÔNG TY CỔ PHẦN TÀI NGUYÊN", "MA SAN", and "QUẬN 1 - TP. HỒ CHÍ MINH". A handwritten signature in blue ink is written over the stamp.

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
Statements of income for the three-month period ended 31 March 2016

Form B 02 – DN/HN

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Revenue from sales of goods	01	24	806,182,898	820,892,375	-	-
Net revenue (10 = 01 - 02)	10		806,182,898	820,892,375	-	-
Cost of sales	11		550,543,500	603,071,769	-	-
Gross profit (20 = 10 - 11)	20		255,639,398	217,820,606	-	-
Financial income	21	25	8,171,919	4,931,345	871	6,595,115
Financial expenses	22	26	210,896,709	209,775,191	-	18,596,886
Selling expenses	25		29,589,383	44,730,706	-	-
General and administration expenses	26		18,772,465	84,837,469	37,279	75,074
Net operating profit/(loss) {30 = 20 + (21 - 22) - (25 + 26)}	30		4,552,760	(116,591,415)	(36,408)	(12,076,845)
Other income	31		246,680	21,455	-	-
Other expenses	32		5,199,886	5,211,933	2,942	-
Results of other activities (40 = 31 - 32)	40		(4,953,206)	(5,190,478)	(2,942)	-

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Statements of income for the three-month period ended 31 March 2016 (continued)

Form B 02 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC and Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code Note	<u>Group</u>		<u>Company</u>	
		From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Accounting loss before tax (50 = 30 + 40)	50	(400,446)	(121,781,893)	(39,350)	(12,076,845)
Income tax expense – current	51	-	20,305	-	-
Income tax benefits – deferred	52	(6,511,681)	(6,771,901)	-	-
Net profit/(loss) after tax (60 = 50 – 51 - 52)	60	6,111,235	(115,030,297)	(39,350)	(12,076,845)
		VND'000	VND'000		
Net profit/(loss) attributable to:					
Equity holders of the Company	61	11,206,823	(89,410,529)		
Non-controlling interest	62	(5,095,588)	(25,619,768)		
		VND	VND		
Earnings/(loss) per share					
Basic earnings/(loss) per share	27	16	(124)		

29 April 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
Statements of cash flows for the period ended 31 March 2016 (Indirect method)

Form B 03 – DN/HN

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

	Code	<u>Group</u>		<u>Company</u>	
		From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	01	(400,446)	(121,781,893)	(39,350)	(12,076,845)
Adjustments for					
Depreciation and amortisation	02	214,296,845	219,454,311	-	-
Allowances and provisions	03	11,377,647	-	-	-
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	351,215	15,967,535	-	-
(Profits)/loss from investing activities	05	14,132,425	(633,198)	(871)	(6,595,115)
Interest expense and borrowing fees	06	177,523,186	180,101,800	-	18,596,886
Operating profit/(loss) before changes in working capital	08	417,280,872	293,108,555	(40,221)	(75,074)
Change in receivables and other current assets	09	(97,018,320)	257,834,953	-	29,700
Change in inventories	10	116,108,001	(141,952,183)	-	-
Change in payables and other liabilities	11	(229,439,117)	(177,245,175)	(56,116)	(27,329,692)
Change in prepaid expenses	12	(78,101,048)	34,634,262	-	-
Interest paid	14	(265,250,457)	(347,734,662)	-	-
Net cash flows from operating activities	20	(136,420,069)	(81,354,250)	(96,337)	(27,375,066)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(435,321,794)	(456,231,062)	-	-
Receipts from collecting term deposits from bank	24	2,100,000	-	-	-
Receipt of interest	27	763,046	248,555	28,000,871	177,476
Net cash flows from investing activities	30	(432,458,748)	(455,982,507)	28,000,871	177,476
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	33	1,188,947,530	958,396,968	-	-
Payments to settle loan principals	34	(793,448,640)	(457,828,697)	-	-
Payments to settle financial lease	35	(3,356,010)	(3,961,224)	-	-
Payments of dividends	36	(26,249,448)	(26,249,448)	(26,249,448)	(26,249,448)
Net cash flows from financing activities	40	365,893,432	470,357,599	(26,249,448)	(26,249,448)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(202,985,385)	(66,979,158)	1,655,086	(53,447,038)

The accompanying notes are an integral part of these financial statements

Ma San Resources Corporation and its subsidiaries
Statements of cash flows for the period ended 31 March 2016 (Indirect method - continued)

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

	Code	<u>Group</u>		<u>Company</u>	
		From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Cash and cash equivalents at the beginning of the period	60	372,014,377	136,442,647	497,795	54,478,808
Effect of exchange rate fluctuation on cash and cash equivalents	61	(553,470)	302,534	-	-
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 5)	70	168,475,522	69,766,023	2,152,881	1,031,770

29 April 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 period ended 31 March 2016

Form B 09 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC and Circular No. 200/2014/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	
		31/3/2016	1/1/2016
Ma San Thai Nguyen Resources Company Limited (“MRTN”)	Investment holding	100%	100%
Thai Nguyen Trading and Investment Co., 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.

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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(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. 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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(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.

(b) Foreign currency

Transactions in currencies other than VND during the period 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.
- In addition to the actual exchange rate as set forth, the Company or its subsidiaries may choose the actual exchange rate which is the approximates of the average transferring rate of the commercial bank where the Company or its subsidiaries regularly traded. Exchange rates of average transferring is determined as average between the buying rate and the selling rate of the bank transfer business.

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 period ended 31 March 2016 (continued)

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

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.

(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 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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable mining and manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

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

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

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

basis over are as follows:

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

Others

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

- | | |
|----------------------------|---------------|
| ▪ buildings and structures | 5 – 20 years |
| ▪ machinery and equipment | 5 – 15 years |
| ▪ office equipment | 3 – 10 years |
| ▪ motor vehicles | 3 – 6 years |
| ▪ other mining assets | 15 – 20 years |

(h) Finance lease tangible fixed assets

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

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

(i) Intangible fixed assets

(i) Software

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

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(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.

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

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

(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).

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

- Upon initial recognition, it is designated by the Group and the Company as at fair value through profit or loss.

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
- 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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

profit or loss.

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 period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the 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.

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 period ended 31 March 2016 (continued)

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

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 period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

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

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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

(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.

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

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

4. Segment reporting

Business segments

The Group comprises the following main business segments:

For the period ended 31 March 2016

	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment revenue	175,786,969	128,827,067	450,359,563	51,209,299	806,182,898
Gross profit	<hr/>				
Selling expenses					29,589,383
General administration expenses					18,772,465
Financial income					8,171,919
Financial expenses					210,896,709
Results from operating activities	<hr/>				
Other income					246,680
Other expenses					5,199,886
Income tax benefits – deferred					(6,511,681)
Net profit after tax	<hr/>				
					6,111,235

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 period ended 31 March 2016 (continued)

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

	Copper	Fluorspar	Tungsten	Others	Total
For the period ended 31 March 2015	VND'000	VND'000	VND'000	VND'000	VND'000
Segment revenue	189,013,292	206,030,290	419,856,910	5,991,883	820,892,375
Gross profit					217,820,606
Selling expenses					44,730,706
General administration expenses					84,837,469
Financial income					4,931,345
Financial expenses					209,775,191
Results from operating activities					(116,591,415)
Other income					21,455
Other expenses					5,211,933
Income tax benefits – deferred					(6,751,596)
Net loss after tax					(115,030,297)

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 period ended 31 March 2016 (continued)

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

As at 31 March 2016	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment assets	250,342,616	1,287,081,155	2,027,749,237	400,779,154	3,965,952,162
Unallocated assets					22,656,599,787
Total assets					26,622,551,949
Total liabilities					15,021,306,305
As at 31 March 2015	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment assets	250,342,616	1,273,800,423	962,173,127	400,779,154	2,887,095,320
Unallocated assets					22,327,649,805
Total assets					25,214,745,125
Total liabilities					13,818,963,042

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 period ended 31 March 2016 (continued)

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

	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
For the period ended 31 March 2016					
Capital expenditure	-	-	71,743,196	-	71,743,196
Unallocated capital expenditure					363,578,598
For the period ended 31 March 2015					
Capital expenditure	-	-	78,406,932	-	78,406,932
Unallocated capital expenditure					377,824,130

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

5. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Cash on hand	154,753	120,699	-	-
Cash in banks	146,690,769	370,263,678	2,152,881	497,795
Cash equivalents	21,630,000	1,630,000	-	-
	168,475,522	372,014,377	2,152,881	497,795

6. Other short-term and long-term receivables

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Short-term receivables				
Sale of claims receivable	256,200,000	256,200,000	-	-
Others	183,422,858	176,150,795	55,000	55,000
	439,622,858	432,350,795	55,000	55,000
Long-term receivables				
Borrowing cost – MRTN (a)	-	-	965,240,410	993,240,411
Land compensation receivable from Thai Nguyen People's Committee (b)	1,383,085,565	1,383,085,565	-	-
Others	22,558,954	18,222,848	-	-
	1,405,644,519	1,401,308,413	965,240,410	993,240,411

- (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.

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

7. Inventories

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Goods in transit	-	65,652,476	-	-
Goods in consignment	63,342,849	-	-	-
Raw materials	93,359,331	152,374,069	-	-
Tools and supplies	547,925,751	548,806,632	-	-
Work in progress	111,576,175	104,308,694	-	-
Finished goods	152,086,285	213,256,521	-	-
	968,290,391	1,084,398,392	-	-

8. Receivables on long-term lending loans

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Long-term lending loans receivables from a related party	-	-	3,945,518,100	3,945,518,100

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

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

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

9. Tangible fixed assets

Group:

Cost	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
Opening balance	2,289,020,664	10,243,499,553	35,852,590	23,269,017	5,026,291,284	17,617,933,108
Additions	-	(44,745)	480,015	-	-	435,270
Transfer from construction in progress (Note 12)	1,663,902	667,571	-	4,098,778	-	6,430,251
Closing balance	2,290,684,566	10,244,122,379	36,332,605	27,367,795	5,026,291,284	17,624,798,629
Accumulated depreciation						
Opening balance	193,155,654	815,232,772	24,769,221	14,834,669	313,363,098	1,361,355,414
Charge for the period	30,207,346	128,334,521	881,052	957,356	43,673,356	204,053,631
Closing balance	223,363,000	943,567,293	25,650,273	15,792,025	357,036,454	1,565,409,045
Net book value						
Opening balance	2,095,865,010	9,428,266,781	11,083,369	8,434,348	4,712,928,186	16,256,577,694
Closing balance	2,067,321,566	9,300,555,086	10,682,332	11,575,770	4,669,254,830	16,059,389,584

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

At 31 March 2016, tangible fixed assets with a carrying value of VND10,304 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2016: VND10,440 billion) (Note 18(b)(ii)).

10. Finance lease tangible fixed assets

Group:

	Machinery and equipment VND'000
Cost	
Opening and closing balances	67,300,000
Accumulated depreciation	
Opening balance	35,893,333
Charge for the period	3,365,000
Closing balance	39,258,333
Net book value	
Opening balance	31,406,667
Closing balance	28,041,667

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 18(b)(iii)).

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

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

11. Intangible fixed assets

Group:

	Software VND'000	Mining rights VND'000	Total VND'000
Cost			
Opening balance	88,810,640	588,370,818	677,181,458
Closing balance	88,810,640	588,370,818	677,181,458
Accumulated amortisation			
Opening balance	27,124,341	35,919,045	63,043,386
Charge for the period	2,700,128	7,637,582	10,337,710
Closing balance	29,824,469	43,556,627	73,381,096
Net book value			
Opening balance	61,686,299	552,451,773	614,138,072
Closing balance	58,986,171	544,814,191	603,800,362

At 31 March 2016, intangible fixed assets with a carrying value of VND601 billion were pledged with banks as security for long-term bonds issued by NPM (1/1/2016: VND611 billion) (Note 18(b)(ii)).

12. Construction in progress

<u>Group:</u>	31/3/2016 VND'000	1/1/2016 VND'000
Opening balance	3,994,917,610	3,185,593,593
Additions during the period	345,097,029	1,904,441,432
Transfer to tangible fixed assets (Note 9)	(6,430,251)	(1,106,684,101)
Transfer to intangible fixed assets	-	(1,788,130)
Transfer from long-term prepaid expenses	-	13,354,816
Closing balance	4,333,584,388	3,994,917,610

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

During the period, borrowing costs capitalised into construction in progress amounted to VND64 billion (31 Mar 2015: VND61 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.

13. Long-term investments

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 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 March 2016:

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.

Ma San Resources Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016 (continued)

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

14. Long-term prepaid expenses

Group:

	Pre-operating expenses VND'000	Land compensation costs VND'000	Contribution to the People's Committee of Thai Nguyen Province VND'000	Other mining costs VND'000	Others VND'000	Total VND'000
Opening balance	7,677,810	606,226,331	39,864,000	1,159,914,274	5,498,444	1,819,180,859
Additions	-	-	-	37,621,774	-	37,621,774
Amortisation for the period	(697,983)	(8,256,436)	(4,733,000)	(13,199,649)	(43,392)	(26,930,460)
Closing balance	6,979,827	597,969,895	35,131,000	1,184,336,399	5,455,052	1,829,872,173

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%.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

15. Taxes payable to State Treasury

Group:

	31/3/2016	1/1/2016
	VND'000	VND'000
Corporate income tax	-	4,005
Natural resource taxes	156,198,801	-
Personal income tax	6,988,765	25,513,474
Other taxes	3,990,938	4,449,340
	<hr/>	<hr/>
	167,178,504	29,966,819
	<hr/>	<hr/>

16. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND'000	VND'000	VND'000	VND'000
Bonus	-	5,792,711	-	-
Accrued interest payable	99,221,291	251,034,100	-	-
Foreign contractor tax	-	1,907,433	-	-
Natural resource taxes and fees	68,332,155	286,165,753	-	-
Accrual for construction work	128,760,157	139,122,810	-	-
Consultant fee	12,581,466	14,990,638	-	-
Operating costs	70,235,594	96,350,608	-	-
Others	2,908,193	2,908,193	198,000	778,096
	<hr/>	<hr/>	<hr/>	<hr/>
	382,038,856	798,272,246	198,000	778,096
	<hr/>	<hr/>	<hr/>	<hr/>

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

17. Other short-term and long-term payables

Other payables included the following amounts:

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Amounts due to Masan Group Corporation (MSN)				
Financial expenses – long-term	1,555,323,840	1,555,323,840	626,074,175	626,074,175
Amounts due to Masan Horizon Corporation (MH)				
Non-trade – short-term	2,511,785	2,511,785	2,511,785	2,511,785
Amount due to NPM				
Non-trade – short-term	-	-	10,294,685	10,294,685
Other payable to third parties				
Other payables – short-term	53,121,250	77,336,594	52,213,577	52,213,577
Other payables – long-term	-	26,249,448	-	26,249,448

18. Borrowings, bonds and finance lease liabilities

(a) Short-term borrowings

Group:

	31/3/2016 VND'000	1/1/2016 VND'000
Short-term borrowings	2,808,895,484	2,418,506,153
Current portion of long-term borrowings (Note(b))	159,804,145	111,711,740
	<u>2,968,699,629</u>	<u>2,530,217,893</u>

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 period ended 31 March 2016 (continued)

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

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

	Currency	<u>Group</u>		<u>Company</u>	
		31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Secured bank loan (i)	USD	1,466,128,952	1,732,671,150	-	-
Secured bank loan (ii)	VND	783,138,426	120,000,000	-	-
Loan from other third party (iii)	USD	-	1,447,303	-	-
Loan from an investor in one of the subsidiary (iv)	USD	559,628,106	564,387,700	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		2,808,895,484	2,418,506,153	-	-

- (i) The USD denominated syndicated loan from local banks bore interest of 4%-4.5% per annum and was securitized by part of short-term receivables of NPM. Part of 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.
- (ii) The VND denominated loan amounting to VND783,138 million from a local bank was secured by inventories and part of short-term receivables of NPM and bore interest of 8% per annum.
- (iii) The USD denominated loan 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 and was settled within the period.
- (iv) The USD denominated loan amounting to VND559,628 million from an investor in one of the subsidiary is unsecured and bore interest of 6% per annum.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

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

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Long-term borrowings (i)	380,000,000	380,000,000	-	-
Long-term bonds issued (ii)	7,878,458,599	7,865,677,365	-	-
Finance lease liabilities (iii)	36,096,354	39,452,364	-	-
	8,294,554,953	8,285,129,729	-	-
Repayable within twelve months (Note (a))	(159,804,145)	(111,711,740)	-	-
Repayable after twelve months	8,134,750,808	8,173,417,989	-	-

(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>	
			31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Secured bank loan (*)	VND	2018	380,000,000	380,000,000	-	-
			380,000,000	380,000,000	-	-

(*) 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.

(ii) Long-term bonds

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

	Currency	Interest rate per annum	Year of maturity	<u>Group</u>	
				31/3/2016 VND'000	1/1/2016 VND'000
Secured bond issuance	VND	8%	2020	7,878,458,599	7,865,677,365
				7,878,458,599	7,865,677,365

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

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 March 2016 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:

	31/3/2016			1/1/2016		
	Payments VND'000	Interest VND'000	Principal VND'000	Payments VND'000	Interest VND'000	Principal VND'000
Within one year	21,930,692	4,626,547	17,304,145	21,930,692	5,218,952	16,711,740
Within 2 to 5 years	20,364,220	1,572,011	18,792,209	25,063,649	2,323,025	22,740,624
	42,294,912	6,198,558	36,096,354	46,994,341	7,541,977	39,452,364

19. Provisions – long-term

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

Group:	Mine rehabilitation VND'000	Mining rights VND'000	Total VND'000
Opening balance	20,987,178	561,241,524	582,228,702
Provision made during the period	404,003	10,973,642	11,377,645
Closing balance	21,391,181	572,215,166	593,606,347

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 period ended 31 March 2016 (continued)

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

20. Deferred tax liabilities and unrecognised deferred tax assets

(i) Recognised deferred tax liabilities

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND'000	1/1/2016 VND'000	31/3/2016 VND'000	1/1/2016 VND'000
Deferred tax liabilities				
Mineral reserves and mineral resources	697,661,834	704,173,514	-	-

(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	280,205,112	85,950,222
of which:		
Finalised with tax authorities	4,194,763	-
Outstanding – subject to tax authorities' review	276,010,349	85,950,222
	280,205,112	85,950,222

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 period ended 31 March 2016 (continued)

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

21. Changes in equity

Group:

	Share capital VND'000	Share premium VND'000	Other capital VND'000	Undistributed profit after tax VND'000	Equity attributable to equity holders of the Company VND'000	Non- controlling interest VND'000	Total equity VND'000
Balance at 1 January 2015	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 loss for the period	-	-	-	(89,410,529)	(89,410,529)	(25,619,768)	(115,030,297)
Balance at 31 March 2015	7,194,473,280	1,944,327,324	(295,683,347)	2,200,417,416	11,043,534,673	352,247,410	11,395,782,083
Balance at 1 January 2016	7,194,473,280	1,944,327,324	(295,683,347)	2,441,963,692	11,285,080,949	310,053,460	11,595,134,409
Net profit/(loss) for the period	-	-	-	11,206,823	11,206,823	(5,095,588)	6,111,235
Balance at 31 March 2016	7,194,473,280	1,944,327,324	(295,683,347)	2,453,170,515	11,296,287,772	304,957,872	11,601,245,644

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 period ended 31 March 2016 (continued)

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

Company:

	Share capital VND'000	Share premium VND'000	Undistributed profit after tax VND'000	Total VND'000
Balance at 1 January 2015	7,194,473,280	1,944,327,324	262,571,213	9,401,371,817
Net loss for the period	-	-	(12,076,845)	(12,076,845)
Balance at 31 March 2015	7,194,473,280	1,944,327,324	250,494,368	9,389,294,972
Balance at 1 January 2016	7,194,473,280	1,944,327,324	222,688,093	9,361,488,697
Net loss for the period	-	-	(39,350)	(39,350)
Balance at 31 March 2016	7,194,473,280	1,944,327,324	222,648,743	9,361,449,347

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 period ended 31 March 2016 (continued)

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

22. Share capital

The Company's authorised and issued share capital comprised:

	31/3/2016		1/1/2016	
	Number of shares	Number of shares	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

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.

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

23. Off balance sheet items

(a) Foreign currencies

Group:

	31/3/2016		1/1/2016	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	2,781,257	61,746,695	5,630,416	126,121,285

(b) Bad debts written off

Group:

	31/3/2016 VND'000	1/1/2016 VND'000
Bad debts written off	9,577,438	9,577,438

24. 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>	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000 Reclassified
Total revenue	806,182,898	820,892,375
Net revenue	806,182,898	820,892,375

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

25. Financial income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Interest income	763,046	633,198	871	177,476
Foreign exchange gains	7,408,873	4,298,147	-	-
Others	-	-	-	6,417,639
	<hr/>	<hr/>	<hr/>	<hr/>
	8,171,919	4,931,345	871	6,595,115

26. Financial expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Interest expense and borrowing fee	177,523,186	166,373,204	-	18,596,886
Foreign exchange losses	7,100,404	29,673,392	-	-
Others	26,273,119	13,728,595	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	210,896,709	209,775,191	-	18,596,886

27. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the period ended 31 March 2016 was based on the profit attributable to ordinary shareholders of VND10,959 million (31 Mar 2015: loss VND87,434 million) and a weighted average number of ordinary shares outstanding of 703,544,898 (31 Mar 2015: 703,544,898), calculated as follows:

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 period ended 31 March 2016 (continued)

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

(a) Net profit/(loss) attributable to shareholders

	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Net profit/(loss) attributable to:		
Mandatorily convertible preference shareholders	247,712	(1,976,301)
Ordinary shareholders	10,959,111	(87,434,228)
	11,206,823	(89,410,529)
	11,206,823	(89,410,529)

(b) Weighted average number of shares

	From 1/1/2016 to 31/3/2016	From 1/1/2015 to 31/3/2015
Issued shares at the beginning of the period	719,447,328	719,447,328
Of which:		
Mandatorily convertible preference shares	15,902,430	15,902,430
Ordinary shares	703,544,898	703,544,898
Effect of ordinary shares issued for cash within the period	-	-
Weighted average number of ordinary shares at the end of the period	703,544,898	703,544,898
	703,544,898	703,544,898

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 period ended 31 March 2016 (continued)

Form B 09 – DN/HN

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

28. Significant transactions with related parties

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

Group:

Related Party	Nature of transactions	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Ultimate holding company			
Masan Group Corporation	Conversion of interest payable into loan principal	-	15,803,056
	Interest expense and borrowing fees	-	25,295,028
Ultimate holding company's associate			
Local bank	Interest expense and borrowing fees	17,933,141	16,408,607
	Loan received	525,809,104	704,256,400
	Loan paid	792,001,338	393,455,038
Key management personnel			
	Salary, bonus and other benefits	2,642,469	1,740,475

Company:

Related Party	Nature of transactions	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Ultimate holding company			
Masan Group Corporation	Conversion of interest payable into loan principle	-	2,730,556
	Interest expense and borrowing fees	-	18,596,886
Other related parties			
Ma San Thai Nguyen Resources Company Limited	Financial income from loan provided to a subsidiary	-	6,417,640
	Financial income received	28,000,000	-
Nui Phao Mining Company Ltd	Other advances paid	-	27,000,000

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 period ended 31 March 2016 (continued)

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

29. Non-cash investing and financing activities

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000	From 1/1/2016 to 31/3/2016 VND'000	From 1/1/2015 to 31/3/2015 VND'000
Conversion of interest payable into loan principal	-	15,803,056	-	2,730,556
Depreciation and amortisation capitalised into construction in progress	3,459,496	-	-	-

30. Explanation of profit movement

Group:

Net profit after tax for the three-month period ended 31 March 2016 was VND6 billion, compared to net loss after tax of VND115 billion for the corresponding period ended 31 March 2015 mainly due to increased production levels and reduced operating costs.

29 April 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