

THE EQUITIZATION STEERING COMMITTEE OF VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED RECOMMENDS THAT INVESTORS SHOULD READ CAREFULLY THE INFORMATION HEREIN AND THE PUBLIC OFFERING REGULATIONS BEFORE PARTICIPATING IN THE AUCTION.

PROSPECTUS

INITIAL PUBLIC OFFERING

VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED

AUCTION AGENT

VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED



Head Office: No. 844 La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi City

Telephone: 024.37714929

Fax: 024.38317364

Website: <http://www.vtvcab.vn/>

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March/2018

**INFORMATION DISCLOSURE ABOUT THE INITIAL PUBLIC OFFERING OF
VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY
LIMITED**

1. INFORMATION ABOUT AUCTION AGENT

- Name of auction agent : Công ty TNHH MTV Vietnam Television Cable Corporation
in Vietnamese
- Transaction name : VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED
- Address : No. 844 La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi City
- Telephone : 024.37714929
- Fax : 024.38317364
- Business lines : Providing pay television services; Carrying out wired telecommunications operations (operating the cable broadcasting system); Providing internet access services via wired telecommunications networks; TV advertising service (except for tobacco advertising), etc.
- Legal representative : Mr. Hoang Ngoc Huan - Chairman of the Company
- Estimated charter capital : VND 884,000,000,000
after equitization
- Total number of shares : 88,400,000 shares
- Par value : VND 10,000/share

In which:

Number of shares held : 45,081,076 shares (representing 51% of charter capital) by the state

Number of shares sold : 1,026,300 shares (representing 1.16% of charter capital) to employees

Number of shares at : 42,292,624 shares (representing 47.84% charter capital) public auction

2. INFORMATION ABOUT THE INITIAL PUBLIC OFFERING

- Auction agent : Vietnam Television Cable Coporation One Member Company Limited
- Name of shares to be offered : Shares of Vietnam Television Cable Coporation One Member Company Limited
- Type of shares to be offered : Freely transferable common shares
- Total number of shares to be offered : 42,292,624 shares (representing 47.84% charter capital)
- Method of Auction : Public auction at the Hanoi Stock Exchange
- Initial price : VND 140,900/share

3. INFORMATION ABOUT ADVISOR

VIETNAM BANK FOR INDUSTRY AND TRADE SECURITIES JSC- VIETINBANKSC

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TABLE OF CONTENTS

I.	OVERVIEW OF THE AUCTION	1
1	Legal bases.....	1
1.1	Legal bases on the equitization of state-owned enterprises.....	1
1.2	Legal grounds on the equitization of Vietnam Television Cable Corporation One Member Company Limited.....	1
2	Parties responsible for this Information Memorandum.....	5
2.1	Equitization Steering Committee.....	5
2.2	Equitized Enterprise.....	5
2.3	Advisor.....	5
3	Abbreviations.....	5
II.	SITUATION AND CHARACTERISTICS OF VIETNAM TELEVISION CABLE CORPORATION BEFORE EQUITIZATION	6
1	General information on equitized enterprises.....	6
2	Establishment and development history of the company.....	7
3	Business lines.....	9
4	Main products and operation areas.....	10
4.1	Key products.....	10
4.2	Operation area.....	10
5	Organization and management apparatus of Vietnam Television Cable Corporation One Member Company Limited.....	10
5.1	Organization and management apparatus of Vietnam Television Cable Corporation One Member Company Limited.....	10
5.2	Functions, duties of department in the company.....	11
6	Total number of employees at the time of enterprise value disclosure.....	20
7	Actual value of the enterprise at the time of valuation of the enterprise for equitization....	22
8	Main assets of the enterprise.....	23
8.1	Land situation.....	23
8.2	Actual status of fixed assets.....	26
9	The Company's Owner and List of subsidiaries and associated companies, joint ventures	26
9.1	The Company's Owner.....	26
9.2	List of subsidiaries and associated companies, joint ventures:.....	26
10	Business performance and results of production and business activities in the 4 years prior to the equitization.....	27
10.1	Number of products/service value over the years.....	27
10.2	Materials.....	29
10.3	Business production cost.....	34
10.4	Technology level.....	35
10.5	Current situation of research and development of new products.....	39

10.6	Current situation of quality testing of products/services	40
10.7	Marketing activities.....	42
10.8	Trademark, patent registration and copyright	42
10.9	Major contracts being implemented or signed	43
11	Financial situation and results of production and business activities before equitization ...	45
12	Factors affecting the production and business activities of the Corporation before equitization.....	46
13	Corporation's position compared with other enterprises in the same industry	47
13.1	Corporation's position compared with other enterprises in the same industry	47
13.2	Prospects for industry development	47
13.3	Assessment of the appropriateness of the Corporation's development orientation with the industry orientation, state policies	48
III.	EQUITIZATION PLAN OF VIETNAM TELEVISION CABLE CORPORATION.....	48
1	Objectives of equitization	49
2	Conditions of equitization	49
3	Form of equitization.....	49
4	Charter Capital of the Corporation.....	50
5	Company information after equitization	51
6	Business lines after equitization.....	51
7	Organizational structure of the Corporation after equitization	52
IV.	INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE COMPANY AFTER EQUITIZATION.....	58
1	Development Objectives	58
2	Basic Plan Targets After Equitization.....	58
3	Implementation Measures	63
V.	INFORMATION ABOUT THE OFFERING	66
1	Target Share Buyers.....	66
2	Shares Held By The State	66
3	Preferential Shares Sold To Employees.....	67
3.1	<i>Sale of shares to employees according to the actual working time in the public sector</i>	<i>67</i>
3.2	<i>Sale of shares to employees who commit to work for a long time at the joint stock company</i>	<i>68</i>
4	Shares auctioned outside	69
5	Preferential shares sold to the Trade Union	70
6	Method and duration of payment	70
7	Plan to use proceeds from equitization	70
VI.	PARTIES RESPONSIBLE FOR THIS INFORMATION MEMORANDUM.....	71
1	Representative Of The Equitization Steering Committee Of Vietnam Television Cable Corporation One Member Company Limited.....	71
2	Representative Of Vietnam Television Cable Corporation One Member Company Limited	71

3	Representative Of Advisor.....	72
VII. COMMITMENT OF VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED		72
VIII. RISK FACTORS AFFECTING AUCTION AGENT'S ACTIVITIES.....		72
1	Economic Risks.....	72
2	Legal Risks.....	76
3	Industry's Specific Risks	76
4	Risks Of Offering.....	76
5	Other Risks.....	77
IX. CONCLUSION		78

TABLE LIST

Table 1: List of employees at the time of enterprise value disclosure	20
Table 2: The structure in labors expected to move and work in joint stock company	21
Table 3: The actual value of the enterprise for equitization at 31 Dec 2015.....	22
Table 4: Situation of land before equitization	23
Table 5: The asset portfolio of Vietnam Television Cable Coporation One Member Company Limited on 31/12/2015	26
Table 6: Number of VTVcab subscribers in period of 2014 – 2016	28
Table 7: Net sales revenue structure and service supply of parent company in period of 2014 – First 9 months of 2017.....	28
Table 8: Net sales revenue structure and consolidated service supply in period of 2014 – 2016	28
Table 9: Production cost of holding company in the period 2014 – First 9 months of 2017	34
Table 10: Consolidated production and business costs in period of 2014 – 2016	35
Table 11: List of trademark registration.....	43
Table 12: Major contracts being implemented by the Corporation.....	43
Table 13: Financial situation and results of production and business activities of Parent Company in the 2014 – first 9 months of 2017 period	45
Table 14: Consolidated financial situation and results of production and business activities in the 2014 - 2016 period.....	46
Table 15: Expected structure of charter capital.....	50
Table 16: Subscriber target of the Company in 05 years after equitization (2018 – 2022)	59
Table 17: Some targets of production and business plan of the Company in 05 years after equitization in 05 years after equitization (2018 – 2022).....	59
Table 18: Plan to use proceeds from equitization	71

I. OVERVIEW OF THE AUCTION

1 Legal bases

1.1 Legal bases on the equitization of state-owned enterprises

- Circular No. 127/2014/TT-BTC dated September 05, 2014 of the Ministry of Finance guiding financial treatment and enterprise valuation relating to conversion of 100% state-owned enterprises into joint-stock companies, pursuant to the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government relating to conversion of 100% state-owned enterprises into joint-stock companies;
- Circular No. 196/2011/TT-BTC dated December 26, 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies; Circular No. 115/2016/TT-BTC dated June 30, 2016 of the Ministry of Finance amending and supplementing a number of articles of the Circular No. 196/2011/TT-BTC dated December 26, 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies;
- Decree No. 63/2015/ND-CP dated July 22, 2015 of the Government providing for policies for redundant employees arising from reorganizing of one-member limited liability companies owned by the State; Circular No. 44/2015/TT-BLDTTXH dated October 22, 2015 of the Ministry of Labor - Invalids and Social Affairs guiding implementation of a number of articles of the Decree No. 63/2015/ND-CP dated July 22, 2015 of the Government providing for policies for redundant employees arising from reorganizing of one-member limited liability companies owned by the State;
- Circular No. 33/2012/TT-BLDTBXH dated December 20, 2012 of the Ministry of Labor - Invalids and Social Affairs guiding implementation of policies for employees under the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government relating to conversion of 100% state-owned enterprises into joint-stock companies;
- Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government on the conversion of State-owned enterprises and one-member limited liability companies, which are invested by State-owned enterprises with 100% of their charter capital into joint stock companies.

1.2 Legal grounds on the equitization of Vietnam Television Cable Corporation One Member Company Limited

- Decision No. 929/QD-TTg dated July 17, 2012 of the Prime Minister on the approval of the restructuring project of state-owned enterprises, with the focus of economic groups and State-owned corporations in the 2011- 2015 period;
- Official Dispatch No. 1285/THVN-KHTC dated September 08, 2013 of Vietnam Television to VTVcab and VTV Broadcom on the restructuring of enterprises directly under Vietnam Television;
- Official Dispatch No. 2124/THVN-KHTC dated October 12, 2013 of Vietnam Television to the Government Office reporting on the situation of restructuring, reorganization and renewal of enterprises;

- Official Dispatch No. 153/THVN-KHTC dated January 24, 2014 of Vietnam Television to the One Member Limited Companies owned by Vietnam Television and representatives of the companies with capital contribution of Vietnam Television on the implementation of restructuring, equitization of enterprises;
- Official Dispatch No. 56/TTg-DMDN dated July 01, 2016 of the Prime Minister on the Scheme on reorganization and restructuring of enterprises directly under Vietnam Television;
- Decision No. 180/QD-THVN dated February 04, 2016 of Vietnam Television Station on the establishment of Equitization Steering Committee of VTVcab;
- Decision No.169/QD-THVN dated 31/01/2018 on consolidating Equitization Steering Committee of VTVcab;
- Decision No. 01/QD-BCDCPH VTVcab dated February 25, 2016 of the Equitization Steering Committee on the establishment of the Assisting Team for the Equitization Steering Committee and approval of the Plan for implementing equitization of Vietnam Television Cable Corporation One Member Company Limited (VTVcab);
- Decision No. 268/QD-THVN dated March 4, 2016 of Vietnam Television approving the list of Vietnam Television's enterprises to implement equitization;
- Document No. 549b/QD-THVN dated April 26, 2016 of Vietnam Television on approving cost estimates of the bidding package "Providing consultancy services on valuation of VTVcab" for equitization;
- Decision No. 561b/QD -THVN dated April 27, 2008 on approving the plan on selection of bidders for the bidding package of providing consultancy services on valuation of VTVcab for equitization;
- Document No. 01/BCDCPHVTVcab dated May 04, 2016 of the Equitization Steering Committee on reporting on the implementation of restructuring and equitization of enterprises invested and contributed by Vietnam Television;
- Decision No. 03/QD-BCDCPH VTVcab dated May 18, 2016 of the Equitization Steering Committee of VTVcab on approving the results of selection of the bidder for the bidding package "Providing consultancy services on valuation of VTVcab for equitization";
- Document No. 1456/THVN- BCDCPHVTVcab dated July 10, 2016 of Vietnam Television Station on auditing the results of the valuation of enterprises directly under Vietnam Television;
- Document No. 4967/STC-QLCS dated August 16, 2016 of the Department of Finance approving land price of Vietnam Television Cable Corporation;
- Document No. 1532/TTg-DMDN dated August 30, 2016 of the Prime Minister on the equitization of large-scale state-owned enterprises;
- Decision No. 1865/QD-KTNN dated November 17, 2016 of the State Audit Office of Vietnam on the additional audit plan 2016;
- Decision No. 1912/QD-KTNN dated November 30, 2016 of the State Audit Office of

- Vietnam on auditing the results of valuation consultancy and handling of financial matters before officially announcing the value of equitized enterprises for VTVcab and Saigontourist;
- Decision No. 1740/QĐ -THVN dated December 05, 2016 of Vietnam Television on approving cost estimates for VTVcab equitization;
 - Document No. 141/KTNN-TH dated February 22, 2017 of the State Audit Office of Vietnam on sending reports;
 - Decision No. 01/QĐ-BCCCCPHVTVcab dated March 06, 2017 of the Equitization Steering Committee of VTVcab on supplementing and replacing members of the Assisting Team for the Equitization Steering Committee of VTVcab;
 - Document No. 366/THVN-KHTC dated March 21, 2017 of Vietnam Television on the equitization of enterprises in the 2016-2020 period;
 - Document No. 5139/VPCP-DMDN dated May 19, 2017 of the Government Office on the equitization of enterprises in the 2016-2020 period;
 - Decision No. 713/QĐ-THVN dated May 25, 2017 of Vietnam Television on approving and announcing the enterprise value of VTVcab for equitization;
 - Decision No. 714/QĐ-THVN dated May 25, 2017 of Vietnam Television on approving cost estimates of the bidding package of "Hiring consultant to plan equitization";
 - Decision No. 741/QĐ-THVN dated June 02, 2017 of the Equitization Steering Committee on approving the plan on selection of bidders for the bidding package of hiring consultant to plan equitization;
 - Decision No. 05/QĐ-BCDCPHVTVcab dated June 02, 2017 of the Equitization Steering Committee of VTVcab on the assignment of preparation and negotiation of the contract for hiring consultant to plan equitization;
 - Decision No. 07/QĐ-BCDCPHVTVcab dated June 05, 2017 of the Equitization Steering Committee of VTVcab on approving the results of selection of the bidder for the bidding package of hiring consultant to plan equitization;
 - Document No. 2165/STC-VGCS dated June 16, 2017 of the Department of Finance on the plan of rearranging and handling VTVcab's land in Khanh Hoa Province;
 - Document No. 855/THVN-KHTC dated June 12, 2017 of Vietnam Television on proposing to keep the enterprise value until the time of selling shares for VTVcab;
 - Document No. 5272/UBND dated June 21, 2017 of the People's Committee of Khanh Hoa Province on the rearrangement and handling of VTVcab's houses and land in Khanh Hoa Province;
 - Decision No. 941/QĐ-THVN dated July 11, 2017 of Vietnam Television on approving the criteria and order for selection of strategic investors when equitizing;
 - Report No. 923/TTr-VTVcab dated August 04, 2017 on proposing to solve problems in the equitization process of VTVcab;

- Document No. 1149/THVN-KHTC dated August 04, 2017 of Vietnam Television to the Government Office on proposing to keep the enterprise value until the time of selling shares for VTVcab and using the price determined by DCF method as the basis for calculating the initial selling price of shares;
- Document No. 10851/BTC-QLCS dated August 15, 2017 of the Ministry of Finance on the rearrangement and handling of Vietnam Television's houses, land in Khanh Hoa Province;
- Document No. 11060/BTC-QLCS dated August 18, 2017 of the Ministry of Finance on the arrangement and handling of Vietnam Television's houses, land in Hanoi City;
- Minutes of Extraordinary Meeting of Employees on August 26, 2017 on approving the equitization plan of Vietnam Television Cable Corporation One Member Company Limited;
- Document No. 14878/BTC-QLCS dated November 03, 2017 of the Ministry of Finance on the rearrangement and handling of houses, land of Vietnam Television Cable Corporation One Member Company Limited directly under Vietnam Television in Ho Chi Minh City;
- Document No. 8570/VPCP-DMDN dated August 15, 2017 of the Government Office to Vietnam Television on proposing to keep the enterprise value until the time of selling shares of VTVcab;
- Announcement No. 522/TB-VPCP dated November 07, 2017 of the Government Office on the conclusion of the Prime Minister at the Permanent Government's meeting on prolonging the time for completion of initial sale of shares and not adjusting book values when equitizing Vietnam Television Cable Corporation One Member Company Limited;
- Report No. 16/BC-VTVcab dated December 22, 2017 reporting on the receipt of dossiers, summing up the filing list of strategic investors when equitizing of VTVcab sent to the Equitization Steering Committee;
- Report No. 02/TTr-VTVcab dated January 08, 2018 on the development and implementation of the equitization plan of VTVcab sent to the Equitization Steering Committee;
- Minutes of the meeting on the development and implementation of the equitization plan of the Equitization Steering Committee dated January 09, 2018;
- Official Dispatch No. 46/VTVcab dated January 11, 2018 of VTVcab on guiding the implementation of policies with employees when equitizing;
- Announcement No. 11/TB -VTVcab dated January 11, 2018 on the purchase of preferential shares of employees when equitizing;
- Minutes of Extraordinary Meeting of Employees on January 20, 2018 on approving the changes in the equitization plan of Vietnam Television Cable Corporation One Member Company Limited;
- Decision No. 174/QD-THVN dated January 31, 2018 of Vietnam Television on approving the equitization plan of Vietnam Television Cable Corporation One Member Company Limited directly under Vietnam Television;
- Other relevant legal documents and materials.

2 Parties responsible for this Information Memorandum

2.1 Equitization Steering Committee

Mr. Nguyen Thanh Luong	Deputy General Director of Vietnam Head Television
Mr. Nguyen Ngoc Huong	Head of Organization and Personnel - Commissioner Vietnam Television
Mr. Chu Duc Lam	Head of Planning and Finance - Commissioner Vietnam Television
Mr. Hoang Ngoc Huan	President of VTVcab Company Commissioner
Mr. Vu Hai Thanh	Deputy Head of Planning and Finance - Commissioner Vietnam Television

This Information Memorandum is prepared by the equitized enterprise and advisor, which is reviewed and approved by the Equitization Steering Committee in accordance with the equitization plan, the enterprise valuation dossier and related records.

2.2 Equitized Enterprise

- Mr. **Hoang Ngoc Huan** Position: Chairman of the Company
- Mrs. **Tran Ngoc Huyen** Position: Chief Accountant

We ensure that the information and data provided in this information memorandum are true and correct with the facts to our knowledge or our fairly investigation and data collection so that investors can evaluate the assets, financial situation, business results and prospects of Vietnam Television Cable Corporation before participating in auction to purchase shares.

We are fully responsible for ensuring that the information and data provided in this information memorandum are completely honest, consistent with reality, full in accordance with the law on equitization so that investors can evaluate the assets, performance results and financial situation of Vietnam Television Cable Corporation.

2.3 Advisor

- Mr. **Chu Manh Hien** Position: Deputy General Director

(According to the Power of Attorney No. 01/UQ-CKCT dated January 02, 2018 of the General Director of Vietnam Bank for Industry and Trade Securities Joint Stock Company).

This Information Memorandum is prepared by Vietnam Bank for Industry and Trade Securities Joint Stock Company (VietinBankSc) on the basis of Advisory Contract signed between Vietnam Television Cable Corporation and VietinBankS and information and data provided by Vietnam Television Cable Corporation. We ensure that the analysis, evaluation and selection of the words in this Information Memorandum are made in a reasonable and prudent manner based on information and data provided by Vietnam Television Cable Corporation.

3 Abbreviations

- Vietnam Television Cable : Vietnam Television Cable Corporation One Member

Corporation	Company Limited
- VTVcab	: Vietnam Television Cable Corporation One Member Company Limited
- Steering Committee/SC	: Equitization Steering Committee
- GD	: General Director
- LL	: Limited Liability
- JSC	: Joint Stock Company
- OM	: One Member
- PC	: People's Committee
- Employees	: Employees
- BRC	: Business registration certificate
- CLUR	: Certificate of land use right
- FSs	: Financial Statements
- Management	: Management
- City	: City
- Enterprise	: Enterprise
- BAs	: Business activities
- FAs	: Fixed assets
- Plan	: Plan
- Contract	: Contract
- EV	: Enterprise value

II. SITUATION AND CHARACTERISTICS OF VIETNAM TELEVISION CABLE CORPORATION BEFORE EQUITIZATION

1 General information on equitized enterprises

- Full name in Vietnamese: VIETNAM TELEVISION CABLE COPORATION ONE MEMBER COMPANY LIMITED
- Abbreviated name in Vietnamese: VIETNAM TELEVISION CABLE CORPORATION
- Transaction name in English: VIETNAM TELEVISION CABLE COPORATION ONE MEMBER COMPANY LIMITED
- Abbreviated name in English: VTVcab. Corporation
- Head office address: 844 La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi
- Telephone: 024.37714929
- Fax: 024.38317364

- Website: <http://www.vtvcab.vn/>
- Charter capital according to enterprise registration certificate: VND 458,000,000 (*Four hundred and fifty eight billion dong*)
- Business registration certificate: No. 0105926285 1st issued by Hanoi Department of Planning and Investment on 26 June 2012, registered for the fifth change on 05 October 2017

2 Establishment and development history of the company

Vietnam Television Cable Corporation (VTVcab), formerly the MMDS Cable Television Center, was established on September 20, 1995. The Corporation has undergone renaming: Vietnam Cable Television (2000); Vietnam Cable Television Technical Service Center (2003). Especially since 2012, the Corporation has developed rapidly in both scale and capacity and achieved high performance in business operations after changed to the VTVcab – branded enterprise model.

Key development milestones of the Corporation are listed as below:

Year	Historical millstones
1995	MMDS Cable Television Center is established
1998	Lock the MMDS system code
2001	Implement CATV cable in Hanoi, Hai Phong, Hai Duong.
2003	Cooperate to have cable TV nationwide such as in Phu Tho ...
2005	Internet transmission is provided on cable television network
2006	Strengthen cooperation on CATV development nationwide in An Giang, Binh Thuan, Ninh Thuan, Ninh Binh, Thai Binh, Thai Nguyen, Tien Giang, etc.
2007	Breakthrough in the socialization of specialized television channels
2008	Digital television system is provided on cable network
2009	Inter-provincial optical transmission system with digital channel package has been put into operation (Lao Cai, Hai Duong, Hai Phong, Quang Ninh, Nghe An, Ha Tinh, An Giang ...
	Formally joint venture with Canal +/Canal Overseas Corporation to launch satellite television with brand K + nationwide coverage. This is the first joint venture in Vietnam in the field of television.
2011	Official launch of SD, HD service
	Launch of Customer Care Call Center nationwide 1900 1515
2012	Launch of Vietnam Cable Television Limited Company
	More than 100 branches and representative offices of Vietnam Cable Television across the country.
	Continue to own the rights to broadcast the European Football League including the English Premier League season 2012-2013, Spanish league, Italian league, French league (through the end of the 2015 season)
2013	Launch of VTVplus service - OTT (Over the top)

Year	Historical millstones
	<p>Cooperate with CMC Telecom to provide internet services on cable network infrastructure nationwide.</p> <p>Cable network is expanded in the North - Central - South in some big cities: Ho Chi Minh City, Dong Nai, Binh Duong, Binh Phuoc, Ba Ria - Vung Tau, Lam Dong, Quy Nhon, Can Tho.</p> <p>Speeding up the digitalization of television subscribers nationwide: Hanoi, Hai Phong, Da Nang, Nghe An, Thanh Hoa, Quang Ninh, Quang Tri, Thai Binh.</p> <p>Tests, promotion and official launch of VTV Live interactive television service - television services with new interactive experiences on cross-platform and multi-device access.</p> <p>In April 2013, Vietnam Cable Television changed its name from VCTV to VTVcab and changed its name to Vietnam Television Cable Corporation</p> <p>May 07, 2013: Officially launch of the brand identity of VTVcab new</p>
2014	<p>Ten new units are added, bringing the total number of provinces and cities that covered VTV cable network to 60 provinces and cities nationwide. Up to August 2014, VTVcab officially provides HDTV service in Ho Chi Minh City</p> <p>Complete package service (cable TV - HD - Internet) in Hanoi and Ho Chi Minh City</p>
2015	<p>Promote multiple services on cable infrastructure nationwide</p> <p>Complete the digitalization roadmap of the government</p> <p>Deploy online payment gateway and electronic wallet</p> <p>Provide combo service packages, multi-utility to customers (Analog - HD - Internet, Analog - HD, Internet - HD, Internet - Analog)</p> <p>Being the first unit in Vietnam to deploy the application of GPON fiber network technology</p> <p>Continue to expand service area in Ho Chi Minh City</p> <p>Broadcast over 200 TV channels, including over 60 HD channels</p> <p>Since September 2015, the project "loving shelters" has been deployed and love houses have been built in Phu Tho, Nghe An, Khanh Hoa, Long An and Tien Giang and are expanding in many provinces nationwide</p> <p>Create Victory Prize - The award recognizes the outstanding talents of Vietnamese athletes</p>
2016	<p>Deploy the standard customer care process in the order of priority 1 hour - 2 hours - 4 hours</p> <p>Continue to implement the "loving shelter" with the goal of building more than 1,000 houses donated to the poor nationwide</p> <p>Providing on-demand VTVcab ON TV service</p> <p>Focus on entertainment shows, feature films, specialized sports, children by age, and on-demand TV programs.</p> <p>Develop fast and powerful digital television subscribers. Provide cable TV service -</p>

Year	Historical millstones
	Digital TV - high speed internet with reasonable price

3 Business lines

According to the Certificate of Business Registration No. 0105926285 issued by Hanoi Department of Planning and Investment for the first time on June 26, 2012, the fifth change registration dated 05/10/2017, business lines of The corporation includes:

- Television films, video and television shows distribution (*Detail: paid television services*);
- Wired Telecommunication Activities (*Details: Operating the cable broadcasting system (eg broadcasting data and television signals); Providing internet access services via wired telecommunication networks*);
- Production of communication equipment;
- Advertising (except tobacco advertising);
- Production of film, video and television programs (*Details: Production of television programs*);
- Wholesale of electronic and telecommunications equipment and components;
- Retail computers, peripherals, software and telecommunications equipment in specialized stores;
- Financial services support activities that are not categorized (*Details: Investment consultancy activities (excluding legal consultancy, financial consultancy, securities consultancy)*);
- Professional, scientific and technological activities that are not categorized (*Detail: copyright brokerage activities (arranging for the purchase and sale of copyright)*);
- Other telecommunications activities (*Details: Providing specialized telecommunication services such as satellite monitoring, metering and radar stations; Operating satellite terminals and base stations connected to one or multiple terrestrial communication systems and the ability to transmit and receive telecommunication from a satellite system, providing internet access through the connection networks between customers and ISPs but not by ISPs and carriers, such as Dial-up Internet; Provides existing telecommunications services such as VOIP; Resell telecommunication infrastructure (without service supply); Operation of Internet access points; Basic telecommunication services including: Telephone, service, fax, photo transmission, private services, internet connection services; value added telecommunication services, including: email services, voicemail, value added fax services, internet access services; Establishment of fixed-land telecommunication networks not using radio frequency bands and telecommunication subscribers within a province or central city (to operate only when licensed by the Ministry of Information and Communications (For conditional businesses, enterprises may only conduct business when they fully meet the conditions prescribed by law).*
- Publish software (*Details: Publish on-counter software (unformatted) such as operating system, business and other applications, computer game program*);

- Production of toys, games (*Details: Production of electronic games, entertainment videos, flags*);
- Portal; Portal activity (*Details: The website operation, using search tools to create and maintain large databases and internet addresses and content in a searchable format. Other websites operation activities as internet portals, such as newspapers and media, providing periodically updated information contents, signing up; Establish integrated websites, social networking, ecommerce website, online promotion website, ecommerce trading centers*);
- Data processing, leasing and related activities (*Detail: Leasing information infrastructure, data processing services and related activities such as private leases such as Web site rental, streaming services, or mainframe application leasing for clients. Data processing includes complete processing and reporting of specific outputs from customer data or data imported and processed automatically*);
- Other financial services not categorized (except insurance and social insurance) (*Details: Payment intermediation services: Electronic payment gateway services; Electronic money transfer service: Electronic wallet service*).

4 Main products and operation areas

4.1 Key products

The main products and services of the Corporation are the products and services of the Corporation's main activities, including:

- Provide paid television services;
- Undertake wired telecommunications activities (operating the cable transmission system);
- Provide internet access services via wired telecommunication network;
- TV advertising (except for tobacco advertising);
- Produce television programs;
- Wholesale and retail electronic and telecommunications equipment and components;
- Copyrights brokerage, arranging for the purchase and sale of copyright; and
- Provide telecommunication services and set up land telecommunication network.

4.2 Operation area

Vietnam Television Cable Corporation One Member Company Limited is a state-owned enterprise and operates nationwide.

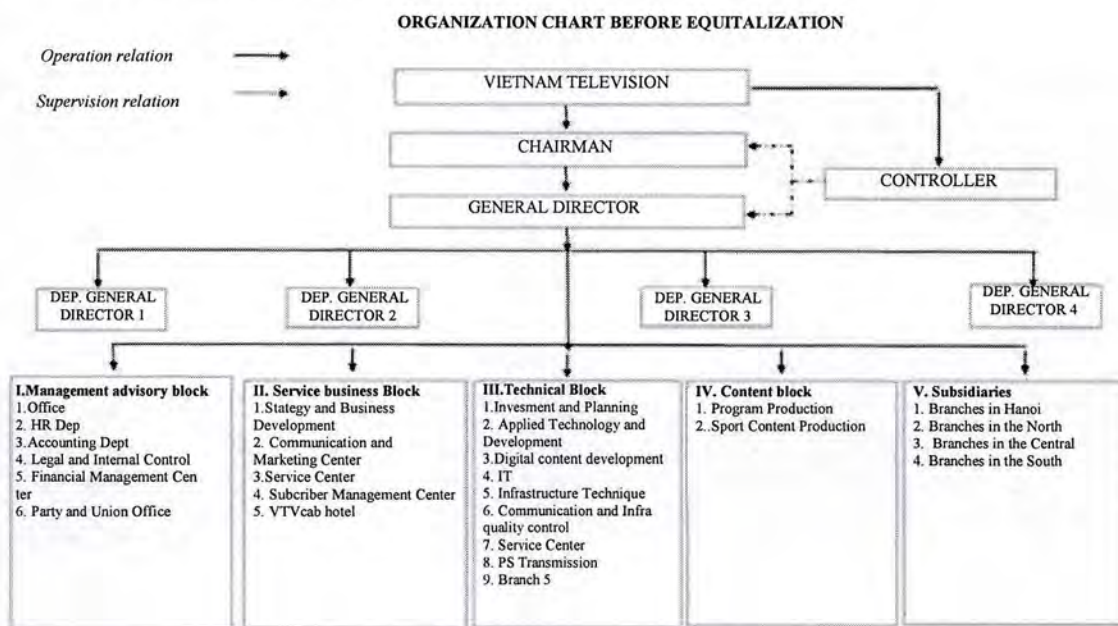
5 Organization and management apparatus of Vietnam Television Cable Corporation One Member Company Limited

5.1 Organization and management apparatus of Vietnam Television Cable Corporation One Member Company Limited

Currently, organizational structure of the company is under the model of one-member limited liability company, including

- Chairman of the Company;
- General Director of the Company;

- Controller;
- Deputy General Directors;
- Chief Accountant;
- Assisting apparatus includes:
 - + Management Consultant Division;
 - + Business - Service Division;
 - + Technical Division;
 - + Content block;
 - + Affiliated branches.



5.2 Functions, duties of department in the company

✚ Chairman

- The Chairman of the Corporation is the representative of Vietnam Television to implement of the rights and obligations of the owners of the Corporation; To exercise the rights and obligations of the Corporation; To be accountable to Vietnam Television and the law for the exercise of assigned powers and tasks.
- The Chairman of the Corporation is the member of the Standing Committee of the Party Committee of the Vietnam Television, who is appointed, dismissed, replaced, commended or disciplined by the General Director of Vietnam Television.
- The term of the Chairman of the Corporation shall not exceed 5 years and may be reappointed.

✚ General Director

- General Director is the person who runs the daily operations of the Corporation in accordance with the objectives, plans and resolutions and decisions of the Chairman of the

Corporation; in accordance with the Charter of the Corporation and the current law; To be responsible to the Chairman and the law for the implementation of the rights and duties assigned.

- General Director of the Corporation shall be appointed by the General Director of the Vietnam Television, appointed or dismissed, rewarded or disciplined by the General Director of the Vietnam Television.
- The term of the General Director of the Corporation shall not exceed 5 years and may be reappointed.

At present: The General Director is concurrently the Chairman of the Corporation in accordance with the Decision No. 368/QĐ -THVN dated 23 March, 2016 of the General Director of Vietnam Television.

✦ **Deputy General Director**

- Chairman of the Corporation shall decide on the appointment, dismissal, commendation and disciplining of the Deputy General Directors and the Chief Accountant of the Corporation after obtaining the written approval of the General Director of the Vietnam Television.
- Deputy General Directors assist the General Director of the Corporation as assigned and authorized by the General Director; To be responsible to the General Director and the law for the assigned tasks and authorization. The authorization related to the signing of economic contracts using the Corporation's seal must be made in writing.

✦ **Chief Accountant**

- Chief Accountant is responsible for assisting the General Director in directing and organizing the implementation of the accounting work of the Corporation; assist the General Director in supervising the finance at the Company in accordance with the laws on finance and accounting; To be responsible to the General Director of the Company and to the law for the tasks assigned or authorized.

✦ **Controllers**

- Vietnam Television appoints from 01 to 03 Controllers, depending on the scale and operation phase of the Corporation. Controllers shall be responsible before the law and Vietnam Television for the exercise of their rights and obligations.

Currently: Vietnam Television appoints 01 Controller at Vietnam Television Cable Corporation.

✦ **Office**

The Corporation's office is a specialized unit of Vietnam Television Cable Corporation, which functions as an advisory body to the CEO on administration and management; Perform the works of information summary; To work out plans and strategic plans of the entire Corporation, assist the General Director in managing, directing and managing the operations of the Corporation.

✦ **Finance and accounting department**

Accounting and Finance Department is a specialized unit of Vietnam Television Cable

Corporation, which is responsible for advising the General Director on financial management, accounting, economic information and business analysis. To control finance and accounting at the Corporation; To advise the General Director of the Corporation on the management and use of capital and assets of the Corporation.

✚ **Legal and internal control Department**

The Department of Legislation and Internal Control is a specialized unit of Vietnam Television Cable Corporation which is responsible for advising the General Director on legal issues, accounting, internal audit, monitoring and evaluation of investment efficiency of projects related to the organization, management and operation of the Corporation.

✚ **Financial Management Center**

Financial Management Center is a specialized unit of Vietnam Television Cable Corporation that performs the following functions:

- Coordinate with the Finance and Accounting Department, the Legal and Internal Control Department to develop regulations on accounting, financial policies and policies on subscriber management applicable to branches.
- Develop regulations and measures in the financial management of branches in accordance with the regulations of the Ministry of Finance, Vietnam Television and Vietnam Television Cable Corporation.

✚ **HR Department**

Human Resources Department is a specialized unit under Vietnam Television Cable Corporation, which is responsible for advising the General Director on the organizational structure, staffing, human resource management and wage labor. Labor norms and labor limits at attached units; To set the salary unit price, the salary plan, the total wage fund for the plan and the distribution of the planned salary fund to the units directly under the Corporation.

✚ **Party and Union Office**

Party and Union Office is a specialized unit under Vietnam Television Cable Corporation, providing advisory services to the Board of Directors of the Corporation; To concretize the Party's undertakings and policies, the State's law and the Vietnam Television Station's guidance on the work of the Party and mass organizations; performs a number of tasks as authorized by the General Director; To assist the Party Committee, directly assist the Standing Committee, the secretary and deputy secretary of the Party Committee of Vietnam Television Cable Corporation to organize the leadership of the Party; It also serves as a general information center, reporting to serve the leadership of the Party Committee of the Corporation.

✚ **Strategy and Business Development Department**

Strategy and Business Development Department is a specialized unit under Vietnam Television Cable Corporation, which is responsible for advising the General Director

- Conduct researches, develop short-term, medium-term and long-term business plans.
- Conduct researches and develop business services policies.

- Conduct researches, make plans to buy and sell television rights.
- Coordinate the units to evaluate the efficiency of investment.
- Support branches and cooperative units to develop business plans and monitor implementation units.
- Lead the drafting and management of economic contracts, coordinate with the professional units to monitor the work related to the implementation of economic contracts.
- Investigate, study the market and competitors; Proactively expand and develop the market.
- Report, review and evaluate the business activities of the Corporation.

✚ **Communication and Marketing Center**

The Communications and Marketing Center is a specialized unit of Vietnam Television Cable Corporation, which functions as an advisory body to assist the General Director in carrying out research, trend analysis, public access, consumer goods; Set up communication strategy and planning; Manage and develop brands; Coordinate with related functional units in developing new television service products; Multimedia services for external partners: program production, branding consultancy, event organization; Broadcast content of VTVcab program channels and foreign programming channels broadcast on VTVcab cable network; PR activities, internal PR, image control; Provision for image and press image risks in the Corporation and the market; Perform advertising work; Draw up annual plans and long-term plans on advertising development and other value-added services on pay-TV systems of VTVcab under the development planning of Vietnam Television in general, VTVcab in particular, and implementing the approved plan.

✚ **Customer Care Center**

The Customer Care Center is a division of Vietnam Television Cable Corporation, which is responsible for advising the General Director:

- Carry out customer service and care; Organize, implement and receive information reflected from customers in the form of telephone, fax, email, SMS, website ... to answer, support and customer care about cable television service. , Internet, SD, HD and other services of the Corporation;
- Participate in the development of the Corporation's services, support the business operations, statistics, internal reports of the Corporation and perform other functions as required by the General Director.

✚ **Subscriber management center**

The Subscriber Management Center is a specialized unit of Vietnam Television Cable Corporation, which is responsible for advising the General Director

- The Subscriber Management Center is a specialized unit of Vietnam Television Cable Corporation, which is responsible for advising the General Director on the management of subscribers and the management of subscriber revenues.
- Performing customer management, debt management and customer collection at branches operated by the Corporation in Hanoi, Ho Chi Minh City, Divide turnover according to the

direction of the Board of Directors of the Corporation;

- Directly organize the collection of subscribers at Ho Chi Minh City Branch;
- Participate in the development of services, develop non-cash payment channels, support the business operations, internal statistics and reporting of the Corporation;
- Being a focal point involved in the development of policy mechanisms, dealing with matters related to the management of subscribers nationwide;
- Manage cash flow for subscribers nationwide, decentralization according to each period;
- Other functions as required by the Director General.

✚ **Hotel Television Center**

The Hotel Television Center is a specialized unit of Vietnam Television Cable Corporation, is organized and operated in an independent accounting format with its own seal and accounts; Perform the function of signing economic contracts, investment, customer development, business network, cooperation, hiring of market operators, managing customers in the system of hotels and guest houses.

✚ **Department of Planning and Investment**

The Investment Planning Division is a specialized unit of Vietnam Television Cable Corporation, which is responsible for advising the General Director:

- Make plans of investment, procurement of goods and equipment for production and business and monitoring the implementation of production and business plans of units in the Corporation;
- Organize procurement of equipment, means and goods in the field of production and business of the Corporation.

✚ **Transmission technical center**

The Television Transmission Technique Center is a specialized unit of Vietnam Television Cable Corporation, which functions as an advisory body to assist the General Director in the development, management, operation and monitoring of the entire broadcasting system. VTVcab, storage system, satellite receiver system, signal transceiver for partners, digital headend, analog headend, IP transmission network, national television room infrastructure system of Vietnam Television Cable Corporation; is the main transceiver center that provides signals to cable TV stations nationwide as approved by the General Director.

✚ **Technical infrastructure center**

Technical infrastructure center is a specialized unit of Vietnam Television Cable Corporation, with management, implementation and advisory functions on technical and cable infrastructure from the Corporation to affiliates and partners.

✚ **IT center**

The Information Technology Center is a specialized unit of Vietnam Television Cable Corporation, which is responsible for advising the General Director. on the following functions:

- Ban hành các chính sách an toàn, bảo mật thông tin của Tổng Công ty;
- Manage, operate and develop information technology to support the management and production of the Corporation;
- Promulgate the policies on information security and confidentiality of the Corporation;
- Direct, operate, supervise and inspect the operation, exploitation and maintenance of information technology systems of units under the Corporation;
- Make research, orientation and search solutions, technology trends, development of service applications according to business requirements. Propose measures to improve, optimize and upgrade the system in accordance with the actual situation.
- Set up, manage and operate the nationwide telecommunication and Internet service delivery systems.

✦ **Center of Applied Technology Research and Development**

Center of Applied Technology Research and Development is a specialized unit of Corporation, which is responsible for advising the General Director. on the following functions:

- Give orientations for using new technologies in the field of wireline television, telecommunications, value-added services on wireline television networks and television programs.
- Manage professional training, improve the level for all staff of the Corporation.

✦ **Service Center**

Service Center is a specialized unit under the Corporation, which functions as an advisory body to help the General Director organize the warranty and repair of all electronic equipment: cable, SD/HD digital receiver, Internet Modem and other electronic devices during the operation of the Corporation.

✦ **Center of Telecommunications and Network Infrastructure Quality Control**

Center of Telecommunications and Network Infrastructure Quality Control is a specialized unit under the Vietnam Television Cable Corporation, which functions as an advisory body to help the General Director on the set up and development of telecommunications infrastructure and services. Quality control of technical infrastructure and services.

✦ **Center of Digital Content Development Services**

Center of Digital Content Development Services is a specialized unit under the Corporation, which functions as an advisory body to assist the General Director in developing strategies, orientations, and deploying the development of technologies and digital content services of the Corporation.

✦ **Program Production Technical Center**

Program Production Technical Center is a specialized unit of Vietnam Television Cable Corporation, which manages the production and technical systems of the program. To advise the Board of Directors on the development of technology for program production.

✚ **Sports Content Production Center**

The Sports Content Production Center is a division of Vietnam Television Cable Corporation, which manufactures sports content on a multi-platform basis under the Corporation's development strategy.

✚ **Branch No. 5**

Being a subsidiary of the Corporation; It has the function of advising and organizing the implementation of building and installing the backbone network of the Corporation's cable television network; Performing the management, operation and maintenance tasks - repairing the fiber cable network of Vietnam Television Cable Corporation in accordance with the decisions on decentralized management.

✚ **Affiliated branches**

Including branches in Hanoi City, areas in the North, Central and South. These units have the function of advising and organizing the implementation of business service plans which have been approved by the General Director on the pay television system, Internet access services (ISPs), other value-added services in the localities, and cooperating partners in the areas of decentralized business management according to the current regulations of the State, the Vietnam Television and the Corporation.

✚ **Cooperative ventures units**

Cooperative ventures units, subsidiaries and associated companies are formed from the capital contribution of Vietnam Television Cable Corporation and its partners under the management model of Parent company - its Subsidiaries. The relationship between the parent company and its subsidiaries is an equitable relationship of independent entities. Based on the rights and obligations of the parent company and its subsidiaries, the parent company shall manage and operate its subsidiaries through three main mechanisms through its operating management which are: financial management, business management; administrative organization management; The operation of the VTVcab Company on the basis of the proportion of equity and partly from the prestige and inherent strength of the parent company through the representatives of the parent company. The relationship between the parent company and its subsidiaries and among the subsidiaries is an equal relationship, respect for each other's interests; VTVcab Company has the right to withdraw capitals or invest in subsidiary companies in accordance with the law, may select partners to participate in production and business without dependence on its subsidiaries; The parent company has the task of centrally managing and unifying the market and products, effectively implementing the investment direction, using the development investment fund to renovate the equipments and technology. The parent company shall direct its subsidiaries through sale orders, economic contracts, and simultaneously organizing and coordinating among the subsidiaries to implement the contract and assigned tasks.

✚ **Subordinate units of the Corporation**

No.	Unit name	Business location (Head Office)	CN capital (VND)	Ratio (%)
1	Branch No. 1	No. 2, Lot B1, Lane 118 Nguyen Khanh Toan Street, Cau Giay District, Hanoi, Vietnam	0	100%

No.	Unit name	Business location (Head Office)	CN capital (VND)	Ratio (%)
2	Branch No. 2	Lot 16, Quarter BT4-2, Trung Van Residential Area, Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam	0	100%
3	Branch No. 3	Lot 34, Quarter E, Dai Kim, Hoang Mai District, Hanoi City, Vietnam	0	100%
4	Branch No. 4	No.10, Lane 69, Xuan La, Tay Ho District, Hanoi City, Vietnam	0	100%
5	Branch No. 5	No. 844, La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi City, Vietnam	0	100%
6	Branch No. 6	No. 36 LK 20B- Van Phu Urban Area, Phu La Ward, Ha Dong District, Hanoi, Vietnam	0	100%
7	Vinh Phuc Branch	No. 57, Ba Trieu Street, Lien Bao Ward, Vinh Yen City, Vinh Phuc Province, Vietnam	4,000,000,000	100%
8	Bac Kan Branch	No. 173, Group 5, Phung Chi Kien Ward, Bac Kan City, Bac Kan Province	1,428,535,000	100%
9	Dien Bien branch	No. 679, Tan Thanh Ward, Dien Bien Phu City, Dien Bien Province, Vietnam	1,718,172,000	100%
10	Hung Yen Branch	No.8 Doan Thi Diem Street, Le Loi Ward, Hung Yen City, Hung Yen Province, Vietnam	6,169,272,043	100%
11	The Central branch	D1, Lot 15, Lenin Avenue, Vinh City, Nghe An	5,358,184,573	100%
12	Khanh Hoa Branch	No. 4 Le Hong Phong, Phuoc Hai Ward, Nha Trang City, Khanh Hoa Province, Vietnam	13,922,443,000	100%
13	Ho Chi Minh City branch	18 Huynh Lan Khanh Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam	13,308,408,420	100%
14	Ba Ria Vung Tau Branch	565A Nguyen An Ninh Street, Nguyen An Ninh Ward, Vung Tau City, Ba Ria Vung Tau Province, Vietnam	28,069,363,635	100%
15	Lai Chau Branch	No. 311, Tran Phu Street, Tan Phong Ward, Lai Chau City, Lai Chau Province, Vietnam	881,986,474	100%
16	Ha Giang Branch	No. 159, Street 20/8, Group 3, Nguyen Trai Ward, Ha Giang City, Ha Giang Province, Vietnam	2,605,138,390	100%
17	Can Tho Branch	No. 122 Ly Tu Trong Street, An Cu Ward, Ninh Kieu District, Can Tho City, Vietnam	23,991,275,065	100%
18	Tien Giang Branch	No. 98 Le Thi Hong Gam Street, Ward 6, My Tho City, Tien Giang Province, Vietnam	16,186,312,446	100%
19	Bac Lieu Branch	No. 05 Lot B, Ngo Quang Nha Street, Group 6, Ward 1, Bac Lieu City, Bac Lieu Province, Vietnam	4,229,413,000	100%
20	Binh Phuoc Branch	No. 79 No Trang Long Street, Dong Xoai Trade Center, Tan Binh Ward, Dong Xoai Town, Binh Phuoc Province, Vietnam	3,869,154,000	100%

No.	Unit name	Business location (Head Office)	CN capital (VND)	Ratio (%)
21	Dong Nai Branch	No. 159, Dong Khoi Street, KP6, Tam Hiep Ward, Bien Hoa City, Dong Nai Province, Vietnam	15,943,780,000	100%
22	Lao Cai Branch	House number 009 Hoang Hoa Tham street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam	6,050,439,384	100%
23	Binh Thuan Branch	No. 161 Thu Khoa Huan Street, Phu Thuy Ward, Phan Thiet City, Binh Thuan Province, Vietnam	7,713,758,670	100%
24	Ninh Thuan Branch	No. 310, Ngo Gia Tu Street, Tan Tai Ward, Phan Rang-Thap Cham City, Ninh Thuan Province	5,340,191,622	100%
25	An Giang Branch	No. 10/5 Chau Van Liem Street, My Binh Ward, Long Xuyen City, An Giang Province	12,861,518,070	100%
26	Dong Thap Branch	No. 48, Le Anh Xuan Street, Ward 2, Cao Lanh City, Dong Thap Province, Vietnam	0	100%
27	Tra Vinh Branch	41 Phan Dinh Phung Street, Ward 6, Tra Vinh City, Tra Vinh Province, Vietnam	0	100%
28	Ben tre Branch	No. 54D Nguyen Van Tu Street, Ward 7, Ben Tre City, Ben Tre Province, Vietnam	0	100%
29	Hue Branch	No. 02 Ly Thuong Kiet Street, Vinh Ninh Ward, Hue City, Thua Thien Hue Province, Vietnam	0	100%
30	Soc Trang Branch	No. 94 Nguyen Trung Truc Street, Ward 2, Soc Trang City, Soc Trang Province, Vietnam	0	100%
31	Hau Giang Branch	No. 01 Hoang Hoa Tham, Ward 2, Ward 1, Vi Thanh City, Hau Giang Province, Vietnam	7,242,564,842	100%
32	Hotel Television Center Branch	No. 844 La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi	0	100%
33	Quang Nam Branch	No. 90 Truong Chi Cuong Street, Hoa Thuan Ward, Tam Ky City, Quang Nam Province, Vietnam	0	100%
34	Quang Ninh Branch	Unit 6 / A12, Tu Xay quarter, Hong Hai Ward, Ha Long City, Quang Ninh Province, Vietnam	0	100%
35	Kien Giang Branch (*)	Lot H 2, Tran Hung Dao street, Ba Hon quarter, Kien Luong town, Kien Luong district, Kien Giang province, Vietnam	0	100%
II	Cooperative branches operated by VTVcab			
1	Branch No. 8	No. 844, La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi, Vietnam	0	51%
2	Branch No. 9	No 21 + 21a, Lot D, Dai Kim New Urban Area, Dai Kim Ward, Hoang Mai District, Hanoi, Vietnam	0	51%
3	Branch No. 10	No. 844, La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi, Vietnam	0	51%

No.	Unit name	Business location (Head Office)	CN capital (VND)	Ratio (%)
4	Thai Nguyen Branch	No. 1, Quyet Tien Street, Trung Vuong Ward, Thai Nguyen City, Vietnam	945,000,000	31.5%
5	Thanh Hoa Branch	Lot 29, Adjacent area, Ba Trieu Street, Dong Tho Ward, Thanh Hoa City, Thanh Hoa Province, Vietnam	2,100,000,000	52.5%
6	Branch No. 11	No. 844, La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi, Vietnam	0	51%
7	Phu Tho Branch	No. 1123, Hung Vuong Street, Tien Cat Ward, Viet Tri City, Phu Tho Province, Vietnam	2,100,000,000	52.5%
8	Bac Giang Branch	No. 24, Nguyen Van Man Street, Tran Phu Ward, Bac Giang City, Bac Giang Province, Vietnam	2,375,432,398	35%
9	Binh Duong Branch	No. 5A, Group 8 Street, Tan Hoa Quarter, Dong Hoa Ward, Di An Town, Binh Duong Province, Vietnam	0	50%
10	Ninh Binh Branch	Xuan Thanh Street. Tan Thanh Ward, Ninh Binh City, Ninh Binh Province, Vietnam	2,796,005,099	60%
11	Phu Quoc Branch	No. 291 Nguyen Trung Truc Street, Duong Dong town, Phu Quoc district, Kien Giang province, Vietnam	99,100,738	5%
12	Quang Tri Branch	No. 75A National Highway 9, Ward 5, Dong Ha City, Quang Tri Province	0	5%
13	Da Nang Branch (*)	No. 58 Ham Nghi Street, Thac Gian Ward, Thanh Khe District, Da Nang City	0	0%
14	Ca Mau Branch (*)	No. 220, Ton Duc Thang Street, Group 4, Ward 6, Ca Mau City, Ca Mau Province		
15	Long An Branch	No. 13, Truong Van Bang Street, Ward 2, Tan An city, Long An, Vietnam		
16	Branch No. 2 in HCMC (*)	No. 93/22 Xo Viet Nghe Tinh Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.		
17	Branch No. 12 (*)	Lot 67, D3, Phu Thuong Ward, Tay Ho District, Hanoi City, Vietnam		
18	Dak Lak (*)	No. 156 Ha Huy Tap Street, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province, Vietnam	0	0%

(*) Newly established in 2017

(Source: Vietnam Television Cable Corporation)

6 Total number of employees at the time of enterprise value disclosure

Total number of employees named in the Corporation at the time of enterprise value disclosure (December 31, 2015) shall be 2,063 with the following structure:

Table 1: List of employees at the time of enterprise value disclosure

Labor structure	Number of	Ratio %
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	person	
Total labors	2,063	100%
In which:		
Divided by qualification		
– University degree and postgraduate	884	42.85%
– College and intermediate degree	894	43.34%
– Technical workers	194	9.40%
– Untrained and low-skilled labors	91	4.41%
Classified by the nature of labor contract:		
– Labors without a definite term	620	30.05%
– Labors with a term from 12 months to 36 months	1,416	68.64%
– Season-based or job-based laborers working less than 12 months	20	0.97%
– Labors not subject to written labor contracts	7	0.34%

(Source: Vietnam Television Cable Corporation)

In order to improve the production and business efficiency of the Company, promote the capacity of employees after converting into joint-stock company; based on the current status of existing workforce and the provisions of labor law, the functions and duties of all divisions and subordinate units, the number of employees working in joint-stock company will be 2,061 people (at the time of enterprise value disclosure), specially as follows:

Table 2: The structure in labors expected to move and work in joint stock company

No	CONTENT	TOTAL
I	Total number of employees at the time of valuation of the enterprise	2,063
1	Employees do not sign labor contracts	7
2	Employees working under the labor contract	2,056
	<i>a) Employees with indefinite term Contract</i>	620
	<i>b) Employees with time term Contract from 12-36 months</i>	1,416
	<i>c) Employees work on a seasonal basis or a certain job less than 3 months</i>	20
3	Employees are on leave but are on the list of employees	
II	The number of employees will cease work at the time of valuation of the enterprise	2
1	Number of employees eligible for retirement under the current regulations	2
2	Number of employees will terminate the labor contract, divided into:	0
	➤ <i>Expiration of labor contracts</i>	0
	➤ <i>Voluntary termination of labor contract</i>	0
	➤ <i>To terminate the labor contract for other reasons as provided for by law</i>	0
3	Number of employees who can not find a job at the time of valuation of the enterprise	0
	<i>a) Number of redundant employees</i>	0
	<i>b) Number of employees must terminate the labor contract and pay severance allowance</i>	0

No	CONTENT	TOTAL
III	Number of employees will move to work in joint stock company	2,061
1	Number of employees whose labor contract is still valid	2,054
2	The number of employees on leave according to three social insurance regimes, are divided	35
	a) Sick	0
	b) Maternity	35
	c) Occupational accidents or diseases	0
3	Number of employees suspending labor contracts	1
	a) Military service	0
	b) Other citizens' obligations	1
	c) Arrested or temporarily detained	0
	d) Agreed upon by the two parties (not exceeding 03 months)	0

(Source: Vietnam Television Cable Corporation)

7 Actual value of the enterprise at the time of valuation of the enterprise for equitization

According to Decision No. 713/QĐ - THVN dated 25 May 2017 of the General Director of Vietnam Television on the value of enterprises to equitize Vietnam Television Cable Corporation Limited of Vietnam Television, the value as of 31 Dec 2015 of Vietnam Television Cable Corporation: **7,900,989,726,162 VND** (In words: Seven thousand nine hundred billion nine hundred eighty nine million seven hundred twenty six thousand one one hundred and sixty two dong).

Where:

Actual value of the State capital in enterprises is **6,350,280,000,000 VND** (In words: Six thousand, three hundred and fifty billion, two hundred and eighty million Vietnamese dong)

Table 3: The actual value of the enterprise for equitization at 31 Dec 2015

Calculation unit: VND

Criteria	Accounting data	Evaluated data	Difference
1. State capital	450,810,762,757	6,350,280,000,000	5,899,469,237,243
2. Liabilities	1,550,709,726,162	1,550,709,726,162	-
3. Non-Business funding sources	-	-	-
4. Enterprise value (4=1+2+3)	2,001,520,488,919	7,900,989,726,162	5,899,469,237,243

(Source: The minutes on valuation of the enterprise for equitization of Vietnam Television Cable Corporation)

8 Main assets of the enterprise

8.1 Land situation

Table 4: Situation of land before equitization

(Source: Công ty TNHH MTV Công trình Giao thông Hà Nội)

Name of property/land	Location	Land area (m2)	Purpose of use	Form	Hồ sơ pháp lý
0.02 Lot B 27 Apartment Nguyen Van Dung, Ward 6, Go Vap District, Ho Chi Minh City	Lot B 27 Apartment Nguyen Van Dung, Ward 6, Go Vap District, Ho Chi Minh City	173	Office	Land lease with land rent paid annually	Certificate of land use right and ownership of houses and land-attached assets issued by Director of Department of Natural Resources and Environment of Ho Chi Minh City on 16 Feb 2012 Sale and purchase contract of apartment No. 009467 signed between Thanh Nhut Trading - Construction - Trading Co., Ltd and Vietnam Television Cable Corporation One Member Company Limited on 10 Sep 2013.
No. 3, row B 142 Doi Can, Doi Can Ward, Ba Dinh District, Hanoi	No. 3, row B 142 Doi Can, Doi Can Ward, Ba Dinh District, Hanoi	69.7	Office	Land lease with land rent paid annually	Certificate of land use right and ownership of houses and land-attached assets issued by Director of Department of Natural Resources and Environment of Hanoi on 05 March 2014
Locality of Bai Gieng Nam, Cam Duc Town, Cam Lam District, Khanh Hoa Province	Locality of Bai Gieng Nam, Cam Duc Town, Cam Lam District, Khanh Hoa Province	93	Office	Land lease with land rent paid annually	Certificate of land use right and ownership of houses and land-attached assets issued by the Director of the Department of Natural Resources and Environment of Khanh Hoa province on 24 Oct 2012, the number of books in GCN: CT01471 Contract of transfer of land use right and land-attached assets signed between Nha Trang Photographic Color Company and Vietnam Television Cable Corporation on 26 June 2014
TOTAL		333.7			

Where:

- **Address: 0.02 Lot B Apartment Building 27 Nguyen Van Dung, Ward 6, Go Vap District, Ho Chi Minh City.**

+ Status of the apartment:

- Structure: Brick wall, reinforced concrete, reinforced concrete roof
- Number of floors: 12
- Apartment area: 173 m²

+ Status of use: The apartment is being used as the Call Center Office to represent the South of the Customer Service Center to carry out the reception and processing customer information in the South.

+ Origin and usage history of Vietnam Television Cable Corporation: On 10 Sept 2013, Vietnam Television Cable Corporation signed the contract of buying and selling apartments with Thanh Nhut Trading House Construction Company Limited. On December 25, 2013, Vietnam Television Cable was handed over the apartment and put into use as the Call Center Office in the South to date.

- **Address No.2, No. B, 142 Doi Can Street, Doi Can Ward, Ba Dinh District, Hanoi.**

+ Current status

- Structure: Concrete
- Number of floors: 03
- Apartment area: 69.70 m² (*Total using area is 195.6m²*)

+ Current status of use: The house is currently used as a showroom to introduce pay TV technology, the second floor, the third floor of the house are used as the Office of the unit and a section is used as a stock for Vietnam Television Cable Corporation.

+ Source: On December 4, 2012, the Corporation signed a house purchase and land use right transfer contract with Mr. Nguyen Xuan Minh and his wife, Mrs. Nguyen Thanh Huong, both of whom have permanent residence registration at 10 Nha Hoa, Cua Dong Ward, Hoan Kiem District, Hanoi with land and house on that land: No. 3 row B 142 Doi Can, Doi Can Ward, Ba Dinh District, Hanoi.

- **Address No. 3 in Nha Trang, Khanh Hoa Province: Locality of Bai Gieng Nam, Cam Duc Town, Cam Lam District, Khanh Hoa Province.**
 - + Current status
 - Structure: brick wall, corrugated iron roof, ceramic tile floor
 - Number of floors: 1 floor (single storey house)
 - Apartment area: 93m²
 - + Current use status: The house is currently used as representative office of Vietnam Television Cable Corporation in Khanh Hoa.
 - + Origin and usage history of Vietnam Television Cable Corporation: Vietnam Television Cable Corporation received the transfer right from Nha Trang Photographic Equipment Corporation under land use rights and land attached assets assignment contract on March 1, 2014. After receiving the house, it is arranged to be the transaction office for VTVcab branch in Khanh Hoa.

8.2 Actual status of fixed assets

Table 5: The asset portfolio of Vietnam Television Cable Corporation One Member Company Limited on 31/12/2015*Calculation unit: VND*

NO.	Asset portfolio	Residual value of asset	Asset structure (%)
I	Fixed assets, long-term investments	1,265,505,870,331	63.23%
1	Fixed assets	550,954,943,853	27.53%
A	House, building materials	24,030,269,042	1.20%
B	Machineries and equipments	480,494,535,686	24.01%
C	Means of transport	3,665,884,250	0.18%
D	Other assets	16,330,215,160	0.82%
E	Intangible fixed assets	26,434,039,715	1.32%
2	Construction in progress	156,343,920,740	7.81%
3	Other long-term investments	188,015,881,100	9.39%
4	Other long-term assets	340,836,293,758	17.03%
5	Other long-term receivables	29,354,830,880	1.47%
II	Current assets and short-term investments	736,014,618,588	36.77%
1	Cash and cash equivalents	82,495,098,843	4.12%
2	Short-term financial investments	2,500,000,000	0.12%
3	Short-term receivables	276,517,684,933	13.82%
4	Inventories	319,853,135,602	15.98%
5	Other short-term assets	54,648,699,210	2.73%
	Total asset value (I+II)	2,001,520,488,919	100%

(Source: Dossier for the enterprise valuation from VTVcab)

9 The Company's Owner and List of subsidiaries and associated companies, joint ventures

9.1 The Company's Owner

Vietnam Television is the owner, holding 100% of charter capital of Vietnam Television Cable Corporation One Member Company Limited.

9.2 List of subsidiaries and associated companies, joint ventures:

9.2.1 Subsidiaries

No.	Unit	Address	Investment capital (Dong)	Charter capital (Dong)	Ratio (%)
1	Viet Thanh Technology Joint Stock Company	Ground floor, Indochina Building No. 4 Nguyen Dinh Chieu Street, Dakao Ward, District 1, HCMC	144,683,588,788	42,000,000,000	51%
2	Viet Nam Interactive Television Joint Stock Company	No. 89 Giang Van Minh, Doi Can Ward, Ba Dinh District, Hanoi City	16,320,000,000	32,000,000,000	51%
3	Vtvcab Sport Development Joint Stock Company. (*)	No. 17, Block 12B Trung Yen 10, Trung Hoa Ward, Cau Giay District, Hanoi City	1,002,000,000	1,002,000,000	50.1%

(*) Newly established in 2017

(Source: Vietnam Television Cable Corporation)

9.2.2 Joint venture and associated companies

No.	Unit	Address	Main business	Capital contribution (Dong)	Ratio (%)
1	Nam Dinh VTVcab Joint Stock Company	Nam Dinh province	TV services	8,203,340,000	39%
2	VTV HYUNDAI Home Shopping Co., Ltd	Ho Chi Minh City	TV services	111,275,000,000	25%
3	Multimedia-Media Advertising Services Co. Ltd	Hà Nội	Advertising services	18,000,000,000	20%
4	ON + Communications Joint Stock Company (*)	Ho Chi Minh City	Advertising services	3,600,000,000	36%

(*) Newly established in 2017

(Source: Vietnam Television Cable Corporation)

10 Business performance and results of production and business activities in the 4 years prior to the equitization**10.1 Number of products/service value over the years**

Vietnam Television Cable Corporation is a state-owned enterprise primarily specialized in pay television business. In the four years from 2013 to 2016, VTVcab has made remarkable progress in terms of quality as well as development of subscribers, dominating the national market, becoming the leading pay television service provider in Vietnam. VTVcab has more than 70 branches and cooperative units, providing television services in more than 50

provinces and cities nationwide with approximately 2.5 million subscribers nationwide, specifically as follow:

Table 6: Number of VTVcab subscribers in period of 2014 – 2016

No.	Content	Calculation unit	2014	2015	2016
1	Analog + Hd new	Subscribers	1,724,054	1,666,416	1,731,644
2	HD + Fulle HD	Subscribers	132,208	239,163	314,118
3	Sales of BQ	Subscribers	230,869	230,869	214,646
4	General PP	Subscribers	227,301	207,297	206,902
5	Internet	Subscribers	21,250	61,431	99,808
Total number of subscribers			2,335,682	2,405,176	2,567,118

(Source: Vietnam Television Cable Corporation)

+ Net sales revenue structure and service supply of parent company in period of 2014 – First 9 months of 2017

Table 7: Net sales revenue structure and service supply of parent company in period of 2014 – First 9 months of 2017

Item	2014		2015		2016		First 9 months of 2017	
	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)
TV Services (Cable, Net, HD, K +)	1,123,178	64.19	1,211,865	65.95	1,359,517	66.49	992,104	62.35
Advertising, copyright, transmission, socialization	431,526	24.66	588,102	32.01	659,689	32.26	569,967	35.82
Sales of goods	195,082	11.15	19,944	1.09	9,512	0.47	15,716	0.99
Other services	0	0	17,512	0.95	16,324	0.8	13,445	0.84
Total	1,749,786	100	1,837,423	100	2,045,042	100	1,591,233	100

(Source: Vietnam Television Cable Corporation)

+ Net sales revenue structure and consolidated service supply in period of 2014 –

Table 8: Net sales revenue structure and consolidated service supply in period of 2014 – 2016

Item	2014		2015		2016	
	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)
TV Services (Cable, Net, HD, K	1,332,692	68%	1,373,628	68%	1,427,611	67%

Item	2014		2015		2016	
	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)	Value (Million VND)	Ratio (%)
+) Advertising, copyright, transmission, socialization	428,264	22%	581,154	29%	656,482	31%
Sales of goods	195,671	10%	21,241	1%	2,958	0%
Other services	12,668	1%	40,602	2%	57,010	3%
Total	1,969,296	100%	2,016,625	100%	2,144,061	100%

(Source: Vietnam Television Cable Corporation)

10.2 Materials

❖ Materials

VTVcab operates in the field of communications including paid television, internet services, advertising, etc. VTVcab's service delivery system is the wired signal transmission. This means that all customers using the VTVcab service have a cable connection to the point of service. VTVcab uses only two types of cable to provide the service including coaxial cable and fiber cable. VTVcab has built the infrastructure from the transceiver center to the customer's houses. The infrastructure system consists of three main parts: the technical system of program production; signal processing and distribution system; signal transmission system.

– Program production system:

It is a system that creates television programs, music shows, movies that creates content on television channels. Production program includes the process of recording, editing, editing. The products of the program production system are the complete television programs in compliance with the regulations of the Vietnam Television on the content, form and technical quality. These programs will be stored at the central storage system for distribution to the television channels corresponding to the broadcast schedule.

Equipments and softwares	Feature description
Mediagrid 4000 storage system	334 TB storage system with a bandwidth of 3,000MB has the function of centralized storage of media files, audio for production. Meet storage needs, built directly on storage.
MAM Vizrt One System.	The MAM system manages the media resources, manages the processes, and the NAS workflows consistently and efficiently. Deep integration with other modules such as newsroom, NLE, Graphic, Studio.
Router SDI NVISION8144 system	An SDI switching system that supports 144x144 input and output signals, is a centralized switching system that can control incoming and outgoing signals, distributie signals to other systems such as reading rooms, studios, broadcasting ... flexible, easy and avoid confusion.

Equipments and softwares	Feature description
Multiview Grass Valley 48x4 Sytem	Input monitoring system. Supports 48 input signals and 4 output signals. Through the remote control switch can easily change the display layout. Supports signaling for each signal source.
Intercom Clearcom Sytem	Intercom system is a fast and convenient communication system, which functions to connect departments within the center of each other.
Live reading room system	The live reading system performs reading of live signals, sports matches.
IBM/Aspera high speed file transfer system	File transfer system from the scene, events or sports tour in the country and internationally for the production system to timely edit.
Graphic Hub	A centralized storage management system
Workstation for professional graphic design (Adobe, C4D...)	The workstation installed the professional graphic design software Adobe, C4D ..
Workstation for graphic design software Vizrt Artist	This is a workstation that installs professional graphic design software from Vizrt.
Server of virtual camera graphics	The server performs virtual rendering. Serves for making 3D graphics, virtual graphics for the studio.
Graphics server	The server performs a graphics render for rendering the graphics in the studio.
Graphic Controller, Videowall, Ticker	The server performs graphical control, videowall control, graphical ticker.
Ticker server	The server performs graphics rendered for Ticker graphics rendering.
Video Wall Graphics server	The server rendered the rendered signal on the videowall.
Software of Octopus	A professional software system that makes it easy for editorial directors to create and manage newsletters
Software package: Adobe Premier, Adobe Audition	Served for news making, voiceover.
Datadasse, Agent server hardware system	The core system of the database management department and the external system connection service retrieve data.
Workstation and laptop with software installed	Hardware installs software
Software package applications: Adobe Premier, Adobe Audition, Adobe After effect, Adobe Media Encoder	Are professional video editing and editing software. Allows to create visual effects, sound impresses the viewer. It is an indispensable part in a modern production system.
Including workstations that install necessary softwares and accessories such as desktops, sound cards, keyboards, and headphones.	Hardware system and movie maker software installation, and accessories to perform the programming.

Equipments and softwares	Feature description
Studio camera	Camera for recording in the studio. Fixed-mount camera, with high image quality and wide angle. Designed for a narrow space studio, a wide angle of view is required.
Portable Camcorder ENG	For mobile recording, easy to navigate in the studio to find the optimal angle, showing the director's intent.
Handheld Camcorder	Cameras for mobile production with small flexible criteria. It is used for recording versatile frames with high image quality and documentary value.
Lighting system	Studio lighting system includes many lights used for different concepts. This system allows the active lighting upon the subject, as directed by the director, ensuring image quality.
Multiview system	Multiview system for monitoring studio. It allows the director to monitor each item on the studio, adjusting the subjects and characters to match the plot.

– **Signal processing and distribution system:**

Based on the licensed television programs, programs on the storage system, the internet bandwidth supply, signal processing and distribution system performs the adjustment of technical specifications of The signal shall be delivered to the right transmission line as prescribed by law and the service provision requirements of the Corporation.

+ **Television:** Signal processing of TV channels on the system of VTVcab. The output of the system is the TV channels eligible to be transmitted to customers using paid television services.

Item	Equipment name	Describe the operation of the equipment
Storage block	Near Line Storage Serve Off Line Storage Serve	Store complete TV shows, promotional clips for the broadcast block.
Broadcast block	Broadcast Server Automation Broadcast Connectors	Join multiple TV shows into one TV channel. A server can broadcast multiple program channels. The order of the TV programs on a program channel is set in the broadcast list.
Receivers of signals from external sources	Satellite Receiver Optical signal receiver Internet signal receiver	Receive program channels from outside the Vietnam Television Station to VTVcab for transmission on cable television system of VTVcab.
TV signal processing block	Encoder Mux Connectors	Adjust the bit speed of TV channel to the designed speed. Join multiplex TV programs into a signal frame for transmission. The number of TV programs in a signal frame depends on the content and definition of the program Code television right to ensure the right view of the program

Item	Equipment name	Describe the operation of the equipment
Signal Modulation Unit	Modulation of analog TV signals Modulation of digital television signals	Convert from original TV signal to high frequency signal in accordance with the transmission system. Modulation must comply with the standards of Vietnamese television
View rights management block	Server manages the view right of the program Software manages the view right of the program	Confirm the right to watch TV programs for each device collected at the customer's home in accordance with the regulations of the Corporation. Only authorized devices have the ability to receive signals

+ Internet:

Equipment name	Feature description
CMTS	Using DOCSIS standard. Converting the signal from IP to high-frequency signals to customers Receive signals from customers to process and send to the right address as required.
OLT	Use the GPON standard Converts IP-to-optical signals to service-enabled customers Receive signals from customers to process and send to the right address as required.
Switching	Orient connection to local and international internet access providers
System validation service	Manage band width, the right of connection to the customer's system

- Transmission system:

The television signal, the internet after being modulated to high frequencies according to the frequency planning of VTVcab will be put into the transmission system to be distributed to customers. All analog TV channels, digital television, internet are transmitted on a single cable to the customers. The transmission system is divided into two main parts: the main transmission network and the home transmission network.

- + Axial transmission network: VTVcab makes investment and construction of the entire main transmission network. Trunking network is on the local roads. Main network uses two types of technologies: HFC and GPON.

Equipment name	Feature description
Optical Transmitter	Modulate the high frequency electromagnetic signal into optical signal
Incoming optical receiver	Modulate optical internet signal to high frequency CMTS
Out coming optical receiver	Modulate the optical signal into a high frequency electronic signal. The device is mounted at the local headend, hub.

Equipment name	Feature description
Optical Node	Modulate optical signals into high-frequency electronic signals. The device is on the outdoor axial network
Main optical fiber cables, include several types of 12, 24, 36, 48, 96 fibers. There are cables with reinforced wires, used in lifting, underground cables.	Trans miss optical signal, allowing connection between headend, hub with optical node, optical distribution device.
Optical distribution devices	Distribute the optical signal to the connection points according to the design.
Electronic distribution devices. Including outdoor tapes, splitters	Broadcast high frequency signals to the connection points according to the design. Installed outdoors.
High frequency amplifier	Offset high frequency signal loss during transmission on coaxial cable..
Coaxial trunk cables, including QR540 cables, RG11 cables	Trans miss high-frequency electronic signal between optical node, amplifier, division device
Types of connectors	Connect between optical cable, coaxial cable with splitter, optical node, amplifier ...

- + In-house transmission network: This is a part of VTVcab equipment sold to customers. These devices allow the connection from the receiver, using in-home service to the main transmission network of VTVcab on the road.

Equipment name	Feature description
Coaxial cable RG6	Transmitting high-frequency electronic signals from outdoor taps to customer's household equipments
Indoor splitter	Distributing high-frequency electronic signals in customer's home
Indoor amplifier	Offsetting high frequency electronic signal loss during transmission.
Fiber optic cable	Transmitting optical signals from the optical distribution box to the receiver in customer's home
STB digital television	Decoding the digital television signals to the receiver in customer's home. VTVcab manages each STB to monitor the viewing rights
Modem Docsis	Converting high frequency internet signals into IP internet signal so that customers can use the service. Available with Docsis standard
ONU	Converting optical internet signals into IP signals for customers to use the service. Available with GPON standard

❖ **Stability in source of materials**

Vienam Television Cable Corporation is a business unit in the fields of pay television, telecommunications and communication. In paid television, the main source of materials is the contents of television programs, television channel copyright, content copyright (such as sports tournaments, movies, etc.). In order to provide pay television service to customers, VTVcab builds and operates the transmission system. Main materials are headend system,

transmission system (including fiber optic network, coaxial cable network, optical node equipments, amplifier, switch equipment, subscriber cable), signal receiver at the delivery point to the customer.

In the field of telecommunications, VTVcab provides with internet connection services. Main materials are bandwidth connected to the local and international internet system.

In the field of communication, VTVcab provides with advertising services, event organizing.

10.3 Business production cost

- *Production cost of holding company in the period 2014 - First 9 months of 2017*

Table 9: Production cost of holding company in the period 2014 – First 9 months of 2017

Item	2014		2015		2016		First 9 months of 2017	
	Value (Million VND)	Ratio/ Total turnover (%)	Value (Million VND)	Ratio/ Total turnover (%)	Value (Million VND)	Ratio/ Total turnover (%)	Value (Million VND)	Ratio/ Total turnover (%)
Cost of goods sold	1,181,603	66.62%	1,319,966	70.87%	1,465,821	70.90%	1,175,026	72.17%
Financial costs	23,424	1.32%	86,150	4.63%	38,945	1.88%	46,427	2.85%
Selling costs	264,692	14.92%	168,172	9.03%	196,589	9.51%	143,516	8.81%
Enterprise management costs	214,837	12.11%	206,937	11.11%	283,161	13.70%	187,490	1.15%
Other costs	4,514	0.25%	776	0.04%	838	0.04%	27,192	1.67%
Total costs	1,689,070	95.22%	1,782,001	95.68%	1,985,354	96.04%	1,410,910	86.66%

(Source: Vietnam Television Cable Corporation)

In general, total cost represents a very high percentage of total revenue and the ratio of total cost to total revenue has increased steadily over the years. The cost over total revenue over the years 2014, 2015, 2016 and first 9 months of 2017 were 95.22%, 95.68%, 96.04%, respectively. Cost of goods sold accounted for the highest percentage of total costs, an average of 69.46% of total revenue. Besides the cost of goods, the cost of corporate management also accounts for a great proportion and tends to increase over the years. Selling costs accounted for an average of 11.15% of total sales, especially in 2014 the cost of sales increased as high as 14.92% of total revenue of the company. Financial costs and other costs also fluctuate over the years but account for a negligible proportion of total revenue.

- *Consolidated production and business costs in period of 2014 – 2016*

Table 10: Consolidated production and business costs in period of 2014 – 2016

Item	2014		2015		2016	
	Value (Million VND)	Ratio/ Total turnover (%)	Value (Million VND)	Ratio/ Total turnover (%)	Value (Million VND)	Ratio/ Total turnover (%)
Cost of goods sold	1,280,482	64.16%	1,384,135	67.71%	1,488,564	69.20%
Financial costs	23,424	1.17%	86,151	4.21%	38,960	1.81%
Selling costs	265,640	13.31%	169,325	8.28%	194,772	9.05%
Enterprise management costs	244,272	12.24%	234,501	11.47%	300,155	13.95%
Other costs	8,963	0.45%	785	0.04%	868	0.04%
Total costs	1,822,781	91.33%	1,874,897	91.71%	2,023,319	94.05%

(Source: The consolidated financial statement of 2014, 2015 and 2016 of VTVcab)

10.4 Technology level

VTVcab is a technology-based business unit, so the selection of the appropriate technology plays an important role in the development. VTVcab always applies the latest and most advanced technology in the technical infrastructure system, which provides customers with the highest quality services. With the technology solutions put into use, VTVcab has affirmed its position as the Top 1 provider of cable television services in Vietnam. VTVcab has nearly 2 million cable television subscribers nationwide, accounting for nearly 30% of total paid television subscribers nationwide. Basically, VTVcab's technology has met 100% of the demand for pay-TV services, 80% of demand for internet services of customers in Vietnam. VTVcab pay TV system has the best HD channels with the highest number of channels. The cause why Internet service not fully meet the needs of customers is that VTVcab under in the process of converting transmission technology.

* Evaluation of technology level of VTVcab compared to the world and Vietnam Television.

– Program production system

+ Technology status in the world

Today, with the development of technology in general, the technologies and procedures applied in the field of program production are also developing and changing very rapidly. The transition from single-stage production to gradual integration to standardize all stages. Moving from HD to 4K, 8K. Here are the hot trends in the world:

- Produce HD content, gradually shift to 4K and proceed to 8K.
- Use fast, professional news (Newsroom) systems.

- Use powerful graphic management systems.
- Use modern studio, apply 3D graphics technology, virtualization technology.
- Centralized PAM management system, integration of individual systems, process of production.

+ *Current status of Vietnam Television*

Vietnam Television is the largest television unit in the country, producing large programs in terms of quantity and size. As a unit bravely invested in new technologies, VTV production system is now one of the leading modern systems in Vietnam and in the world. Apply good, new and modern products in the world.

Currently, the program production system of the Vietnam Television is being divided into many divisions by several management units, including 2 main divisions:

- News production: The system is invested with the core system is Avid + Orad. It is evaluated as a powerful system in the production of news, fast and powerful production, application of advanced information, 3D graphics, powerful Virtual. The disadvantage of this system is that there is't a rotating automation system, still requiring many personnel to operate.
- TV Program production: The system is implemented from filming, pre-production, distribution, storage. An overall system built on the core system, Dalet integrates and processes other processes into a workflow and cross-functional management.

+ *Current status of production program of VTVcab*

The program production system of VTVcab is a completely new system built entirely on the basis of Vizrt. Applying new and modern technologies mentioned here is applying the production process, management by software system and application of realtime 2D/3D graphics processing technique in Direct production at Studio, live production. A system with modern technology, advanced equal to many TV stations in the world such as CNN, BBC, Sky Sports ...

VTVcab's technical production center utilizes a comprehensive management and production process for all components, including a centralized management unit with Network core, PAM, and Graphic storage to connect, manage, store and distribute media and graphic resources with other functional blocks in the production system as well as the external system.

+ *Technology position of VTVcab compared to the world, Vietnam Television.*

VTV and VTVcab own the program production system with the advanced technology, modern equal to many famous television stations in the world. However, due to the newly formed, VTVcab has the advantage of a comprehensive solution, more synchronized production processes.

In Vietnam, VTVcab is the first television unit to have an automated system for producing programs at the studio, helping to reduce personnel costs.

- Signal processing and distribution system

+ *Current technology status of the world*

Broadcasting and transmission technology in general around the world has come to the end of digital television. Most countries in Europe, Oceania, the United States, Japan and South Korea have completed digitizing television technology; while most of the rest countries are in the final stages of digitizing television.

The digital broadcasting and transmission technologies have been standardized such as:

- DVB television standards: commonly used in Europe and Vietnam.
- Cable TV: DVB C, DVB C2,
- Digital terrestrial TV: DVB T, DVB T2
- Satellite TV: DVB S, DVB S2, DVB S2X, DVB SH
- In addition, some countries use other television standards such as ATSC (terrestrial digital television/cable); ATSC 2.0 used in USA, North America.
- ISDB standards: ISDB-T (ground); ISDB-S (satellite) and ISDB-C (cable) used in countries such as Japan, Latin American countries.
- DTMB standards, DMB: DTMB (ground); T-DMB (ground); S-DMB (satellite) used by China
- The most popular digital video compression technology in the world today is H.264 (or MPEG4 part10) compression technology for HD (high definition television) digital broadcasting; Advanced countries such as Japan have used the new HEVC compression standard (H.265) with twice the compression ratio of H.264 for ultra high resolution (UltraHD and 4K, 8K) televisions.

+ *Current technology status of VTV*

Currently, Vietnam Television is using broadcasting technology according to DVB T2 digital terrestrial standard using H.264 compression standard; The national digitization roadmap is also underway, with completion expected by 31 Dec 2020. Currently, Vietnam Television also focuses on developing Internet TV and OTT technology.

For service, currently the broadcasting channel of the station is running on both SD and HD standards and researching, planning production, transmission and broadcasting services UHD digital television, 4K, 8K are planned.

+ *Current status of VTVcab technology*

Currently, VTVcab is using DVB C transmission and broadcasting technology; H.264 video compression technology will also invest in upgrading to H.265 in the near future.

VTVcab offers both SD standard digital TV and HDTV digital; In addition, researching and experimenting on UHD, 4K high-definition television broadcasts on Cables are carried out successfully.

VTVcab is providing on-demand VOD, online TV on OTT (with VTVcabON).

VTVcab transmission technology is used are two types are HFC and GPON. HFC is a transmission system combining optical fiber and coaxial cable. GPON is a technology that

uses only optical fiber.

+ *Technology position comparable to the world, Vietnam Television*

Compared with current cable TV technology in the world today, VTVcab is using the most advanced technology for its television service to ensure quality of service. Currently, DVB C standards are still appropriate with the general orientation, but VTVcab is also ready to move to the new DVB C2 standard for more contents.

H.264 compression technology and H.265 will be invested to catch up the trend of technology development while optimizing transmission bandwidth. On the other hand, the test results show that the broadcasting service UHD, 4K TV is completely feasible for the cable television network of VTVcab today.

VTV has been providing on-demand (VOD) and OTT based (VTVcab ON) online TV services in recent years.

The technology development of VTVcab has also been following the roadmap and direction that the Ministry of Information and Communications (MIC) to provide the best service

- **Transmission system.**

+ *Current status in the world*

At present, transmission technology in the field of cable television in the world is in the transition from HFC technology to FTTx technology. This is a long process as most of the major cable TV providers in the world have a relatively complete HFC system which are upgraded over time, with very high capacity and still meet the needs of customers. However, given the competitive pressures of the telecom service, provider have completely transformed into FTTx technology, with their superior capabilities in providing service, cable providers must have technology changes to maintain market share.

Cable companies around the world maintain HFC technology includes Comcast XFINITY, Time Warner Cable (USA); Numericable, Videopole (France),

Cable companies around the world have invested in FTTx systems: AT & T, Verizon FIOS (USA), Virgin Media (UK)

VTVcab is using two transmission technologies: HFC and FTTx (GPON standard).

+ *Status of Vietnam Television*

Vietnam Television has the transmission system of terrestrial radio (digital and analog), satellite television. These are transmission technologies not provided by VTVcab.

+ *Transmission system of VTVcab*

HFC transmission system has been built since VTVcab is newly built. During the development VTVcab always use the latest equipment and the most advanced design. However, to date, this technology is showing many limitations, gradually becoming unable to meet the requirements of service quality.

VTVcab has invested in GPON transmission technology in many areas managed by VTVcab. This is the most advanced technology in the world today, allowing service



providers to meet the needs of service users.

+ *Technology position compared to the world*

Evaluated the technology level of transmission, VTVcab technology is equivalent to the world's largest pay television companies. However, VTVcab should promote investment in FTTx technology to meet the demand for internet services in the coming period.

10.5 **Current situation of research and development of new products**

✦ **Products being developed by VTVcab:**

– **Television on the Internet OTT**

Television on the Internet, or also known as OTT (short for Over The Top) is a TV technology based on IP technology platform. Provided that the Internet system's bandwidth is large enough, the television service provider is technically qualified to provide television services on the internet system. There are two types of Internet TV service as IPTV and OTT. In which, IPTV is an on-net internet television service, i.e., the television service is only provided to customers using the internet service of the telecommunications service provider. Meanwhile, OTT is an internet television service that does not depend on the internet service provider. Customers who use the internet service of any unit can also use this television service.

OTT service takes advantage of two-way interaction of internet service to provide customers with state-of-the-art television products such as on-demand TV, interactive TV, program review, mobile TV, TV with many types of screen, etc. This is a new trend in the field of pay TV. This new product has met the needs of customers in locations where VTVcab can not set up the transmission infrastructure, customers who want to actively choose their favorite TV programs and favorite TV contents or desired movies and clips, without being dependent on the TV channel's fixed schedule.

OTT television service is the inevitable TV trend in the world. With the speed of development of signal processing technology, IP technology and development of intellectual level in general, the development potential of OTT service is enormous. All major pay TV companies in the world have invested in deploying OTT service.

– **Digital TV according to DVB-T2 standard:**

According to the Prime Minister's roadmap of Vietnam TV digitization, by 2020 all television systems in Vietnam, including terrestrial radio television and cable television, must stop broadcasting Analog television. DVB-T2 is a digital television standard required to have TV's ability to receive produced and sold in Vietnam. At present, VTVcab is transmitting about 60 analog channels on the cable television network in all regions of the country. Thus, by 2020 all these television channels will have to stop broadcasting, causing the possibility of losing a large number of customers. In order to meet the needs of customers, VTVcab will transmit TV channels on the cable TV network using DVB-T2 standard.

This product will meet the needs of customers who have receivers (TV, STB) according to DVB-T2 standard and continue using VTVcab's pay TV service without converting to using

other television services.

The development potential of DVB-T2 digital television service is enormous. According to Samsung TV maker's statistics, in 2016 Samsung sold more than 1 million TVs capable of receiving DVB-T2 signals in Vietnam market. In addition, the target of the Vietnam TV Digitization Project Board is that by 2020, about 90% of households in Vietnam will have receivers according to DVB-T2 digital television standard. VTVcab has broadcasted DVB-T2 signals at Ho Chi Minh City cable television network with 80 TV channels.

✦ **Products being researched:**

Internet of Thing (IOT): A service that allows users to remotely control, monitor and check electronic devices, environments. Users can view their home images while travelling on business, turn on or off electrical appliances.

+ **Implementation plan**

Time	Work content	Implementation result
June 2016 to December 2016	Research, choose the standard, learn about equipment manufacturers	Completed. Use standards Zicbee, wifi. Manufacturers: Dasan, Asic, Humax, ...
January 2017 to August 2017	Test systems to evaluate and determine set of specifications	Tested Asic's device. Contacting some other companies for testing.
September 2017 to April 2018	Design system, estimate investment	Partner providing the equipment has sent the equipment for commissioning, is coordinating to complete the software. Had a plan for equipment investment price
May 2018 to July 2018	Invest in procurement.	
August 2018 to October 2018	Install, commission systems, measure specifications.	
October 2018 to November 2018	Train the technician to install the equipment	
December 2018	Deploy business	

+ Customers who use cable TV and internet services of VTVcab will be added with IOT service. This is a development trend for addred services which is of great demand in the world and has gradually developed in Vietnam. Homes in Vietnam and in the world are being technologized by Internet-enabled devices that allow users to remotely monitor, control. According to data from technology research institutions, the IOT device market will be worth billions of dollars in the coming years.

10.6 Current situation of quality testing of products/services

VTVcab is a business unit in the telecommunications sector with such products as pay TV,

internet, advertising, event communication. This is a very competitive business line. Therefore, VTVcab always considers the quality of products, services provided to customers a decisive factor for the sustainable development of the Company.

To ensure the quality of products, VTVcab has performed the following:

- Issue norms on equipment, norms on signals and norms on tools and instruments. VTVcab's norm sets are developed based on international norm sets, national norms and standards.
- Issue procedures for testing materials and equipment used in the process of providing services to customers. Invest in equipment for testing specifications and signal norms. Issue procedures for acceptance of works, technical infrastructure system for the transmission of signals from the center to customers.
- Seriously carry out materials testing procedures, acceptance procedures at units. Establish divisions responsible for regularly checking the quality of products at the branches. Strictly handle cases where the quality of products is not up to the standards.
- Invest in upgrading and renovating the transmission technical infrastructure system. Specifically, VTVcab has upgraded and renovated transmission technical infrastructure system in the past years as follows:

Time	Replacement				Repair	
	Optical Node	Amplifier	Optical cable	QR540 Cable	Optical Node	Amplifier
2014	211 sets	1,322 sets	450 km	2,100 km	143 sets	671 sets
2015	327 sets	1,640 sets	520 km	2,420 km	159 sets	726 sets
2016	293 sets	1,125 sets	600 km	3250 km	294 sets	887 sets
2017 (Expected)	350 sets	1,800 sets	850 km	2,000 km	300 sets	1,000 sets

- Transform the transmission technology from HFC network (combined optical cable and coaxial cable) to FTTx network (transmission network only using optical cable). This is the most advanced technology in the world today. Up to April 2017, VTVcab has invested and installed 130,000 ports capable of providing services to 3 million subscribers.

To ensure the quality of services, VTVcab has performed the following:

- Set up a national switchboard system with 19001515 telephone number. This switchboard is responsible for receiving customer information about the quality of service, then referring to the functional division for handling.
- Issue regulations on time to handle incidents at customer's home with the following time criterion: up to 1 hour with customers who use 3 or more services, up to 2 hours with customers who use 2 services and up to 4 hours with customers who use a service. Handling percentage in 1 hour accounted for over 60% of total number of incidents.
- Issue regulations on time to install and provide signal to customers with the criteria of

maximum implementation time of 6 hours after receiving customer information.

- Establish a division responsible for monitoring the quality of service at customer's home, all cases complained by customers about the quality of service are strictly disciplined. System operators regularly reminds, educates employees that the quality of service provided to customers is a decisive factor for the sustainable development of VTVcab, and at the same time strictly implement the recording of installation acceptance card and warranty card at customer's home.
- Customer Service Switchboard's employees are responsible for asking all customers about the quality after installation, after handling the incident. More than 90% of respondents expressed satisfaction with the quality of VTVcab's services. All customers as companies, enterprises, hotels are actively checked their signal quality, maintained periodically at least every 3 months.

VTVcab's development strategy is to develop on the technical infrastructure platform according to international standard in which the quality of service is constantly improved and completed, satisfying service users. Based on that, VTVcab has developed a quality control system for products and services according to ISO - 9001/2015 standard.

10.7 Marketing activities

- **Strengthen the promotion of brand image and services of VTVcab**

2013 marked VTVcab's turning point with the launch of new brand identity. With a dense network of media, in recent years, VTVcab's brand image and services have come a lot closer to customers across the country. VTVcab attaches great importance to the development of its brand image on the signboards and television channels. These means require large advertising budgets, however VTVcab has leveraged advertising resources in channels to exchange resources. This helps VTVcab have advertising revenue to spend on marketing activities and at the same time does not affect VTVcab's cash flow. In addition, from 2013 to 2015 was also VTVcab's hot development period with the branch network expanding to the whole country. Accordingly, VTVcab's brand image and services have also been expanded nationwide and become the closest Pay TV brand with customers.

- **Develop promotional policies**

With the expansion of the area mainly through the merger of other small pay TV units, VTVcab always has promotional policies to care for old customers and encourage potential customers to use services. In particular, VTVcab's promotional policies are always oriented towards long-term commitment with customers by policies to encourage them to prepay subscription fee. In order to avoid reducing subscription revenue for giving more months of use, VTVcab has used gifts from advertising exchange sources. This is really a highlight in VTVcab's marketing activities this period. In order to improve and enhance customer service, VTVcab is moving to set up loyalty customer clubs in each area - an interactive channel to connect VTVcab and its customers.

10.8 Trademark, patent registration and copyright

10.8.1 Logo:



10.8.2 Trademark, patent registration and copyright

Table 11: List of trademark registration

No.	Certificate of Trademark Registration No.	Date of issue	Place of issue
1.	235994	25/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
2.	235993	25/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
3.	236090	26/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
4.	236089	26/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
5.	236087	26/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
6.	236088	26/11/2014	National Office of Intellectual Property - Ministry of Science and Technology
7.	257390	26/01/2016	National Office of Intellectual Property - Ministry of Science and Technology

Source: Vietnam Television Cable Corporation

10.9 Major contracts being implemented or signed

Table 12: Major contracts being implemented by the Corporation

No.	Contract	Partner	Date of signing	Contract value (By year, VAT included) (Dong)	Content
1	010/10/2013/HDHT /YEG- VTVcab	YEG Corp	01/01/2014	555,935,011,800	Hiring Socialization channel VTVcab 17
2	03a/2014/HDHT/V TVcab –ITV	ITV Media., Jsc	01/01/2014	159,374,246,000	Hiring Socialization channel VTVcab 15
3	Appendix 06 to Contract 252/VCTV/PHANX IPANG/2012	Fansipan Media Corporation	15/10/2015	100,735,000,000	Socialization Channel Hiring Contract

No.	Contract	Partner	Date of signing	Contract value (By year, VAT included) (Dong)	Content
4	206/2014/HDKT/V TVcab – DIDTV	Anh Binh Minh International Media Development Joint Stock Company	05/02/2014	90,600,000,000	Advertising Contract with Transmission Contract
5	Appendix 10 to Contract 159/VCTV - STV/20018	STV Cable Joint Stock Company	26/05/2014	76,312,500,000	Contract Appendix (exchange) attached to Socialization Contract
6	34a/2015/HDHT/V TVcab-VTVpcd-TTM	Tam Nhin Mat Trang Entertainment Investment Joint Stock Company	01/01/2015	40,440,000,000	Hiring Socialization channel VTVcab19
7	314/2015/HDKT/V TVcab-IC	Indochina Technology Joint Stock Company	02/12/2015	39,354,991,500	Procuring OLT, ONU to deploy GPON cable network in Tien Giang, Ninh Binh, Thanh Hoa Provinces
8	150/2015/HDKT/V TVcab-IC	Indochina Technology Joint Stock Company	01/07/2015	38,228,696,000	Procuring STB Hybrid Phase 1 in 2015 (40K STB Humax VTV 200)
9	315/2015/HDKT/V TVcab-IC	Indochina Technology Joint Stock Company	02/12/2015	38,123,143,300	Procuring OLT, ONU to deploy GPON cable network in Phu Tho, Thai Nguyen and Ba Ria-Vung Tau Provinces
10	181/2014/HDKT/Lo ng Hung – VTVcab	Long Hung Investment Trading and Service Company	09/05/2014	36,400,000,000	Ads - Goods Exchange Contract

No.	Contract	Partner	Date of signing	Contract value (By year, VAT included) (Dong)	Content
		Limited			

(Source: Vietnam Television Cable Corporation)

11 Financial situation and results of production and business activities before equitization

- Financial situation and results of production and business activities of Parent Company in the 2014 – first 9 months of 2017 period

Table 13: Financial situation and results of production and business activities of Parent Company in the 2014 – first 9 months of 2017 period

Item	Unit	2014	2015	2016	3 rd quarter/2017
Total assets	Million dong	1,692,700	2,001,520	2,409,125	2,539,144
Equity	Million dong	448,914	450,811	473,006	512,165
Short term liabilities	Million dong	1,039,870	1,120,261	1,329,098	1,246,802
<i>In which, Overdue debts</i>	Million dong	0	0	0	0
Long-term liabilities	Million dong	203,915	430,449	607,021	780,177
<i>In which, Overdue debts</i>	Million dong	0	0	0	0
Bad receivables	Million dong	54,223	20,502	21,415	34,904
Total number of employees	People	2,003	2,102	2,144	2,182
Total salary fund	Million dong	212,718	253,594	266,805	152,364
Average income per capita per month	Million dong/person	11.49	11.70	11.37	7.75
Total revenue	Million dong	1,773,736	1,862,613	2,067,373	1,628,180
Total cost	Million dong	1,689,070	1,782,002	1,985,354	1,410,910
Profit before tax	Million dong	84,666	80,611	82,019	48,529
Profit after tax	Million dong	61,017	65,404	68,589	38,823
Profit after tax on equity ratio	%	14	15	15	7.6

(Source: Vietnam Television Cable Corporation)

- Consolidated financial situation and results of production and business activities in the 2014 - 2016 period

Table 14: Consolidated financial situation and results of production and business activities in the 2014 - 2016 period

Item	Unit	2014	2015	2016
Total assets	Million dong	1,870,308	2,206,368	2,602,590
Equity	Million dong	558,695	605,589	617,520
Short term liabilities	Million dong	1,107,697	1,170,330	1,378,049
<i>In which, Overdue debts</i>	Million dong	0	0	0
Long-term liabilities	Million dong	203,915	430,449	607,021
<i>In which, Overdue debts</i>	Million dong	0	0	0
Bad receivables	Million dong	42,355	22,943	23,857
Total revenue	Million dong	1,995,848	2,046,905	2,128,045
Total cost	Million dong	1,822,781	1,874,8976	2,023,319
Profit before tax	Million dong	173,536	172,008	104,726
Profit after tax	Million dong	126,554	130,502	76,474
Profit after tax on equity ratio	%	23	22	12

(Source: VTVcab's consolidated financial statements audited for 2014, 2015 and 2016)

12 Factors affecting the production and business activities of the Corporation before equitization

❖ Advantages

- Be the leading pay TV service provider in Vietnam with Vietnam's confirmed No. 1 Brand.
- The Corporation's cable TV network coverage is the widest, with nearly 60 provinces and cities across the country with the largest number of pay TV subscribers in Vietnam.
- Possess the richest channel contents and programs in Vietnam with the ability to proactively produce contents and collaborate to exchange channel contents and programs with other content providers. Always commit to television copyrights and channel increase according to the roadmap.
- VTVcab channel package is available on all TV service providers in Vietnam.

❖ Disadvantages

- The competition is increasingly fierce with the participation of other telecommunication units as Viettel, VNPT, FPT.
- Transmission infrastructure is a big challenge when it depends on partners, especially telecommunication units, which greatly affect the ability to develop value added services, develop multi-service.
- Trend of shifting the television and entertainment demand of customers, especially young

customers. With the trend of multi-service on a transmission line, actively using the service through the Internet will greatly affect the traditional pay television service business.

13 Corporation's position compared with other enterprises in the same industry

13.1 Corporation's position compared with other enterprises in the same industry

Vietnam Television Cable Corporation One Member Company Limited is the only pay TV unit directly under Vietnam Television with more than 20 years of experience in deploying pay television service. Its main areas of activity include:

- Trade services Pay TV, CATV cable TV, HD digital television, IPTV interactive television, etc...
- Research, develop and apply advanced technologies; Produce and trade television, communication, Internet broadcasting devices on the pay television transmission system.
- ❖ *VTVcab's great advantage:*
 - The Corporation's cable TV network coverage is the widest (~60 provinces, cities) with the largest number of pay TV subscribers in Vietnam.
 - Be the pay TV service provider with the largest number of branches, representative offices, showrooms in Vietnam.
 - Produce and trade pay television services, contents: purchase - sell television copyrights, television channels, etc.
 - VTVcab channel package is available on many infrastructures of many service providers.
 - Always expand business cooperation with domestic and international telecommunication and television units in the field of pay television.
 - Possess the copyright of the best sports tournaments in the world. Always commit to television copyrights and channel increase according to the roadmap.

13.2 Prospects for industry development

In the 2012 - 2015 period, the growth rate of pay television service reached about 25 - 30%; In the 2016 - 2020 period, this growth rate is expected to reach about 10-15%. By 2020, revenue from pay television service is expected to reach 800 million - 1 billion USD.

Annual growth rate of revenue from radio and television advertising service is 15-20% and by 2020 expected to reach about 800 million - 1 billion USD.

In its development goals, by 2020, VTVcab will stably provide about 70-80 broadcast TV channels, including 10-15 national essential information and communication channels and 60-65 local essential information and communication channels. With pay TV service, by 2020, it is expected to have about 70-80% of households use this service.

One thing worth noting about the Corporation's development orientation will be not to develop additional terrestrial analog broadcast TV service but give priority to developing types of terrestrial digital, terrestrial mobile, satellite digital combined on the telecommunication network available in line with digitization orientation and trend of convergence of technologies and services, etc. and at the same time encourage pay

television service providers to participate in broadcasting broadcast radio, television channels.

In the development orientation of pay-TV service, cable television will develop towards sustainability, quality, fair and healthy competition, avoiding excessive participation, especially of state-owned enterprises investing outside the industry into the field of television. In which cable television service using analog technology will not be granted new license; with traditional digital cable television service, 2 - 3 enterprises but no more than 5 enterprises will be formed in geographically non-overlapped regions based on the link between active cable television enterprises or the acquisition of existing cable infrastructures.

With IPTV television service, 3 - 4 enterprises will be formed on the basis of taking advantage of the telecommunications network infrastructure already invested; With digital terrestrial television service, up to 3 enterprises nationwide and 5 enterprises in geographically non-overlapped regions will be formed.

Live satellite TV service will also form up to 3 enterprises only. While with mobile TV service, up to 2 enterprises will be formed in the market.

13.3 Assessment of the appropriateness of the Corporation's development orientation with the industry orientation, state policies

- After equitization, the Corporation continues to focus on developing pay television services and added services to ensure revenue. Ensure the Corporation's employees synchronously operate and effectively work. The Corporation also focuses on investing time, wisdom to find out the market, partners, researching and innovating activities, developing other value added services in accordance with the Corporation's existing advantages. Continue to maintain current stable operation, ensure income for employees.
- With its tradition and prestige as confirmed in the market, the Corporation continues to implement the following:
 - Select and invest in the development of new television technology on modern transmission modes, strive to have a level corresponding to the television technology of the countries in the region, attach great importance to investment follow the trend of telecommunications - information - TV services in technology development.
 - Select advanced technology coupled with saving to reduce cost, suitable with socio-economic conditions and local people's income, take appropriate steps to avoid waste.
 - Determine VTVcab's most competitive weapon in addition to technical element as program content, build and affirm VTVcab's pay television channels as leading, ensure the balance between production channels, foreign channels to be active and stable in terms of content.
 - Along with the completion of the transmission system, expansion of the coverage across the country, it is necessary to focus on key investment to strongly develop VTVcab's television market, raise the efficiency of investment in building No. 1 pay TV brand name in Vietnam, develop the market sustainably.

III. EQUITIZATION PLAN OF VIETNAM TELEVISION CABLE CORPORATION

1 Objectives of equitization

Implementing the Government's objectives set out in the Government's Decree No. 126/2017/ND-CP dated 16/11/2017 on transforming 100% State-owned enterprises into joint stock companies, objectives of equitization of Vietnam Television Cable Corporation One Member Company Limited include:

- Transform the form of owning 100% State capital into multi-ownership model; Make a fundamental change in the management approach; step by step invest in technological renewal, scale development, raising financial capacity and production and business capacity in order to enhance the operational efficiency of the Corporation;
- Mobilize idle funds of employees in the Corporation, of individuals and domestic economic organizations to invest in developing the Corporation.
- Enhance the role of real mastery, attach the responsibilities, works and interests of shareholders, create motivation in the operation, management of production and business effectively, improve the income of employees, shareholders and contribute to economic growth of the country.
- Implement publicly and transparently according to the market principles; Overcome the closed equitization within the Corporation; associated with development of capital market, stock market.

2 Conditions of equitization

- Vietnam Television Cable Corporation One Member Company Limited always receives thorough and timely support and direction from Vietnam Television, agencies and departments and always receives the attention and facilitation from the localities where the Corporation is operating. This is a good condition for the Corporation to accelerate the successful implementation of the equitization process;
- The current organizational structure of the Corporation is streamlined, in line with the current business scale, convenient for management and organization in the initial stage of operation under joint-stock company model;
- The Board of General Directors of the Corporation has made positive preparations in terms of ideology and organization so that the equitization process is convenient and successful while the propaganda and dissemination of the State's policies on the equitization for employees are also strictly, thoroughly implemented;
- The whole Corporation from the Leadership to the employees shows the high determination in equitization with the desire to continue to stick with the Corporation after the equitization phase.

3 Form of equitization

Based on actual situation and characteristics of the Corporation at the time of equitization and Clause 1, Article 5 of Decree No. 126/2017/ND-CP dated November 16, 2017 on the conversion of State-owned enterprises and one-member limited liability companies, which are invested by State-owned enterprises with 100% of their charter capital into joint stock companies, form of equitization of Vietnam Television Cable Corporation One Member

Company Limited is "To keep existing state capital at the enterprise, issue additional shares to increase charter capital".

4 Charter Capital of the Corporation

❖ ***Charter capital, bases for determination of charter capital***

Bases:

- Corporation's orientation, plan for production and business after equitization;
- Investment plan and self-financing ability of the Corporation for investment plans;
- Capacity to manage and operate production and business activities of the Management Apparatus of the Corporation;
- Self-controlling ability and cooperative relationship with partners.

Expected charter capital of Corporation : VND **884,000,000,000**

Par value : VND 10,000 / share

Total number of shares : **88,400,000** shares

❖ ***Structure of charter capital***

Vietnam Television Cable Corporation One Member Company Limited proposes to build a plan for the State to hold shares at **51% of charter capital** corresponding to number of shares held as 45,081,076 shares, equivalent to VND 450,810,760,000 at par value. Structure of charter capital according to shares owned by the shareholders is as follows:

Table 15: Expected structure of charter capital

No.	Shareholder	Number of shares	Value (Dong)	Percentage compared to charter capital
1	State	45,081,076	450,810,760,000	51.00%
2	Preferential shares sold to employees	1,026,300	10,263,000,000	1.16%
2.1	Buying shares in a preferential way to employees according to the actual working time in the public sector (Buying price equals to 60% of value of a share at par value of VND 10,000 / share)	873,500	8,735,000,000	0.99%
2.2	Buying shares in a preferential way to employees according to long-term commitment time to work (Buying price is the initial price approved by the ownership representative office in the equitization plan)	152,800	1,528,000,000	0.17%

No.	Shareholder	Number of shares	Value (Dong)	Percentage compared to charter capital
3	<i>Public auction for other investors</i>	42,292,624	422,926,240,000	47.84%
Total		88,400,000	884,000,000,000	100%

(Source: Vietnam Television Cable Corporation Equitization Plan)

5 Company information after equitization

Full name in Vietnamese: CÔNG TY CỔ PHẦN TỔNG CÔNG TY TRUYỀN HÌNH CẤP VIỆT NAM

Abbreviated name in Vietnamese: TỔNG CÔNG TY TRUYỀN HÌNH CẤP VIỆT NAM

Transaction name in English: VIETNAM TELEVISION CABLE JOINT STOCK COMPANY

Abbreviated name in English: VTVcab

Head Office: 844 La Thanh Street, Giang Vo Ward, Ba Dinh District, Hanoi City

Telephone: 024. 37714929

Fax: 024. 38317364

Website: [http:// vtvcab.vn](http://vtvcab.vn).

Corporation's Logo:



6 Business lines after equitization

Pursuant to Clause 1, Article 7 of the Enterprise Law No. 68/2014/QH13, Vietnam Television Cable Corporation is free to do business in the business lines not prohibited by law.

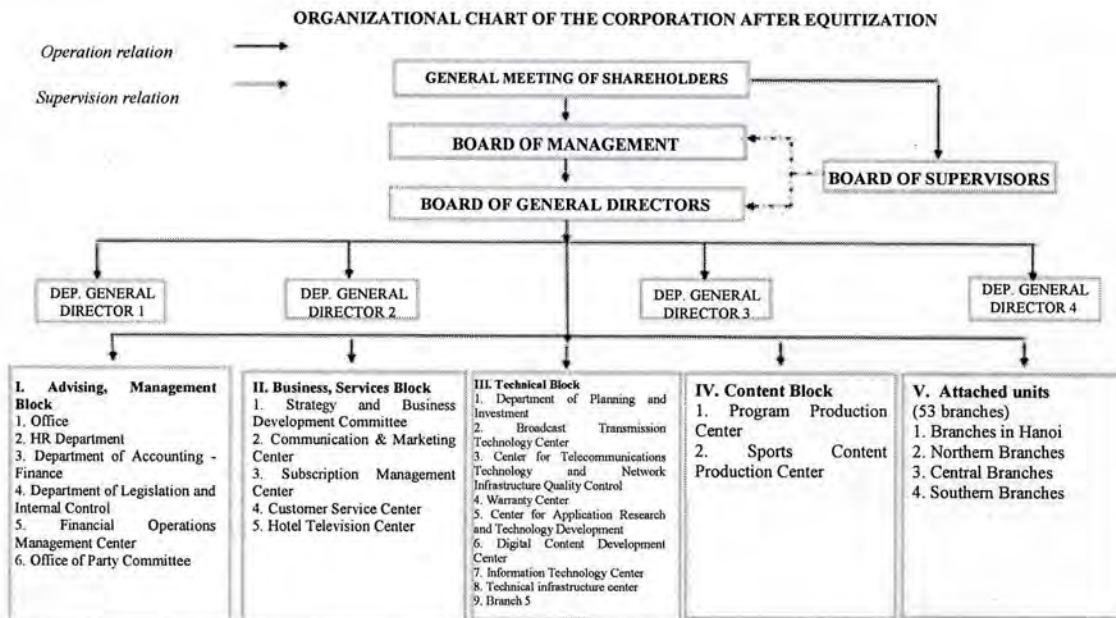
For the conditional business lines, the Corporation should meet all the business conditions prescribed by the Investment Law and ensure that such business conditions are maintained throughout the course of business operations including:

- ❖ Release of movies, video films and television programs (*In detail: Pay TV services*).
- ❖ Wired telecommunications activities (*In detail: Operation of cable transmission system; Provision of wired telecommunications internet access service*).
- ❖ Production of communication devices.
- ❖ Advertising (except for tobacco advertising).
- ❖ Production of movies, video films and television programs (*In detail: Production of television programs*).

- ❖ Wholesale of electronics and telecommunications devices and components.
- ❖ Retail of computers, peripherals, software and telecommunications devices in specialized stores.
- ❖ Support for financial services which are not classified (*In detail: Investment consultancy (not including legal consultancy, financial consultancy, securities consultancy).*)
- ❖ Other professional, scientific and technological activities which are not classified (*In detail: Copyright brokerage (arrangements for purchase and sale of copyright).*)
- ❖ Other telecommunications activities.
- ❖ Software publishing (*In detail: publishing ready-made software (not formatted) such as: operating system; business system and other applications; computer game program).*
- ❖ Production of toys, games (*In detail: Production of electronic games: entertainment videos, chess, etc.*).
- ❖ Portal activities (*In detail: Operation of websites using search engines to create and maintain large databases of internet addresses and contents in an easily searchable format; Operation of other websites that act as internet portals, such as newspaper pages and media providing periodically updated information contents; Establishment of general information websites, social networks, e-commerce websites, online promotion websites, e-commerce trading floors (Do business only when so authorized by competent state agencies).*)
- ❖ Data processing, leasing and related activities (*In detail: Provision of information infrastructure for lease, data processing services and related activities such as private rental activities such as web site rental, through transmission service or rental of applications, provision of services for application of time division mainframe equipment for customers. Data processing activities include complete processing and reporting of specific outputs from data provided by the customer or automatic data entry and processing).*
- ❖ Other financial services which are not classified (except for insurance and social insurance) (*In detail: Intermediary payment services: electronic payment gateway services, collection and expenditure support services; Electronic remittance support services; Electronic wallet services).*

7 Organizational structure of the Corporation after equitization

Organizational chart of the Corporation after equitization



(Source: Vietnam Television Cable Corporation)

Vietnam Television Cable Corporation Joint Stock Company operates under the Charter of organization and operation of the Company approved by the General Meeting of Shareholders, pursuant to the provisions of the Enterprise Law, under the management, supervision and operation of the Board of Management, the Board of Supervisors and the Board of General Directors.

Expected organizational structure of the Company is as follows:

- ❖ **General Meeting of Shareholders:** The General Meeting of Shareholders is the highest authority of the Company. Annual General Meeting of Shareholders is held once (01) a year. The General Meeting of Shareholders must hold an annual meeting within four (4) months from the end of the financial year. At the proposal of the Board of Management, the business registration office may extend, but no more than six (06) months, from the end of the financial year. The General Meeting of Shareholders is entitled to discuss and approve: Annual financial statements; Statement of the Board of Management; Statement of the Board of Supervisors; Short-term and long-term development plans of the Company; Approve the number of members of the Board of Management; Elect, dismiss, and replace members of the Board of Management and the Board of Supervisors; supplement and amend the Corporation's Charter; approve the type of shares and the number of newly issued shares for each type of shares ... and decide on other matters under its competence according to the provisions of law and the Company's Charter.
- ❖ **Board of Management:** The Board of Management is the managing body of the Corporation, the Corporation's business activities and affairs must be subject to the supervision and direction of the Board of Management. The Board of Management has full powers to exercise all rights in the Corporation's name, except those vested in the General Meeting of Shareholders. The number of members of the Board of Management is five (05) people. The term of the Board of Management is five (05) years. The term of members of

the Board of Management shall not exceed five (05) years. A member of the Board of Management may be re-elected for an unlimited number of terms. Total number of non-executive members of the Board of Management must account for at least one third (1/3) of total number of members of the Board of Management. The minimum number of non-executive members of the Board of Management is determined by rounding down. A member of the Board of Management are elected by the General Meeting of Shareholders on the principle of direct election and secret ballot.

❖ **Board of Supervisors:**

The Board of Supervisors is elected by the General Meeting of Shareholders to represent the shareholders to inspect and supervise the business, management and operation of the Corporation. The number of members of the Board of Supervisors of the Corporation is three (03) people. Members of the Board of Supervisors are not members of the Department of Accounting and Finance of the Company and are not members or employees of the independent auditing company which is auditing financial statements of the Corporation. The Board of Supervisors shall have at least one (01) member being an accountant or an auditor. Members of the Board of Supervisors are not related people to the members of the Board of Management, the General Director and other managers of the Corporation. The Board of Supervisors shall appoint one (01) member as its head. The Head of the Board of Supervisors is a person with accounting expertise.

❖ **Board of General Directors:**

- General Director: Is the person who operates the Corporation's daily business activities, the General Director is under the supervision of the Board of Management and responsible before the Board of Management and the General Meeting of Shareholders, before the law for his performance of assigned duties and powers and shall report to these bodies upon request. The General Director is appointed by the Board of Management. The term of the General Director is three (3) years and the General Director may be re-appointed. Appointment may be terminated in accordance with the provisions of the Labor Contract. The General Director is not the person prohibited by law from holding this position.
- Deputy General Directors: Are assistants to the General Director in directing, operating and implementing each field of management of the Corporation.

❖ **Functional Divisions, Departments:** Maintain the same number and organizational structure of divisions, departments, centers and branches as before equitization.

❖ **Other organizations in the Joint Stock Company:** Party Committee; Trade Union and Youth Union

❖ **Subsidiaries, associates**

- Subsidiaries:
 - + Viet Thanh Technology Joint Stock Company;
 - + Vietnam Interactive Television Joint Stock Company;
 - + VTVcab Sport JSC;
- Associates

- + VTV – Hyundai Home Shopping Company Limited;
- + Smart Media Joint Stock Company;
- + VTVcab Nam Dinh;
- + On Plus Company

❖ **Advising, Management Block**

- **Office:** Advise and synthesize to assist the Board of Management of the Corporation in directing and operating the general activities of the Corporation as well as the units and organizations performing the administration, management, filing, archive, reception, festival, secretary, general secretary, training, delegation out, delegation in and planning of the Corporation.
- **HR Department:** Advise and assist the General Director and be under the direct guidance of the General Director; advise and assist the General Director in unifying personnel organization management, labor management, salary and insurance and other regimes and policies related to employees; coordinate with other units in advising on emulation, commendation, discipline, training and retraining of employees.
- **Department of Accounting - Finance:** Advise the General Director on accounting finance, accounting, economic information, analysis of economic activities, control of finance and accounting at the company, management of the use of capital and assets of the Corporation.
- **Department of Legislation and Internal Control:** Advise the Director General on legal matters, inspection, examination, financial control, accounting, internal audit, monitoring and evaluation of investment efficiency of projects related to the organization, management and operation of the Corporation.
- **Financial Operations Management Center:** Coordinate with the Department of Finance-Accounting, the Department of Legislation and Internal Control in elaborating accounting regulations, financial policies and subscription management policies applicable to branches; formulating regulations and measures in the financial management of branches according to the regulations of the Ministry of Finance, Vietnam Television and Vietnam Television Cable Corporation.
- **Office of Party Committee:** Advise and assist the Party Committee.

❖ **Business, Services Block:**

- **Strategy and Business Development Committee:** Advise and assist the General Director in the following:
 - + Business planning, strategy building and short-term and long-term business development; Strategic investment plan in the development of cable television business and value added services;
 - + Build and evaluate investment plans in order to promote and develop cable television business activities and other business activities in line with the Corporation's development orientations.
 - + Assist branches and cooperation units in planning and implementing business activities;

- + Negotiate, draft contracts for cooperation, joint venture, royalty, transmission to partners; hire electric poles, etc.;
- + Investigate, study the market, competitors.
- **Communication & Marketing Center:** Advise the General Director and organize the research and analysis of trends, methods of access to the public and consumers; Build communication strategy and plan; Manage and develop the brand; coordinate with related functional units in developing new television services and products; Multimedia services for external partners: program production, brand building consultancy, event organization; Broadcast contents of VCTV's channels and foreign channels broadcast on VCTV cable TV network; PR, internal PR, image control; Provision for image and press image risks in the Corporation and the market.
- **Subscription Management Center:** Advise and assist the General Director in the following:
 - + Organize the management, customer service, collection of cable television subscription fees and other value added services in the management area of the Corporation in Hanoi and Ho Chi Minh City; management of the Corporation's revenue from collecting subscription fees in the assigned areas;
 - + Participate in the development of service support, business operations support, statistics and internal reporting of the Corporation.
- **Customer Service Center:** Advise and assist the General Director in the following:
 - + Carry out customer service and care; Organize, implement and receive feedback from customers in such forms as: telephone, fax, email, SMS, website ... to answer, support and care for customers about cable television, Internet, SD, HD services and other added services of the Corporation;
 - + Participate in the development of the Corporation's services, support business operations, statistics and internal reporting of the Corporation and perform other functions at the request of the General Director.
- **Hotel Television Center:** Trade and develop cable television services and other value-added services of the Corporation to customers as large hotels (from 3-stars and above) in Hanoi and other areas at the request of the General Director.
- ❖ **Technical Block**
- **Department of Planning and Investment:** Advise and assist the General Director in the following:
 - + Plan investment, procure goods and equipment for production and business and monitor the implementation of production and business plans of the units in the Corporation;
 - + Organize the procurement of equipment, means and goods in the field of production and business of the Corporation.
- **Broadcast Transmission Technology Center:** Broadcast Transmission Technology Center is a specialized unit directly under Vietnam Television Cable Corporation, which functions as an advisory body to assist the General Director of the Corporation in: Building,

managing, operating and supervising the entire broadcasting system of VTVcab channels, storage systems, satellite receiver system, signal transceiver system for partners, digital headends, analog headends, IP transmission networks, nationwide computer room infrastructure system of Vietnam Television Cable Corporation; is the main transceiver center that provides signals to Branches and Cable TV units across the country approved by the General Director.

- **Center for Telecommunications Technology and Network Infrastructure Quality Control:** Center for Telecommunications Technology and Network Infrastructure Quality Control is a specialized unit directly under Vietnam Television Cable Corporation, which functions as an advisory body to assist the General Director of the Corporation in building and developing telecommunications infrastructure and services; Control the quality of technical infrastructure and services.
- **Warranty Center:** Perform warranty, repair of all electronic devices, cable television network devices, digital receiving end devices, modems and other electronic devices.
- **Center for Application Research and Technology Development:** Center for Application Research and Technology Development assumes the function of managing the professional training and level improvement for all officials and employees directly under Vietnam Television Cable Corporation.
- **Digital Content Development Center:** Function as an advisory body to assist the General Director in developing strategies, orientations and deploying the development of digital content technologies and services of the Corporation.
- **Information Technology Center:** Perform the following functions:
 - + Manage, operate and develop information technology to support the management and production and business of the Corporation;
 - + Promulgate the policies on information safety and security of the Corporation;
 - + Direct, administer, supervise and inspect the operation, exploitation and maintenance of information technology systems of the units directly under the Corporation;
 - + Research, orient and find solutions, technology trends, develop service applications according to production and business requirements. Propose measures to improve, optimize and upgrade the system in accordance with the actual situation.
 - + Build, manage and operate systems of providing telecommunications and Internet services nationwide.
- **Technical infrastructure center:**

Technical Infrastructure Center is a specialized unit directly under Vietnam Television Cable Corporation, which functions to manage, implement and advise on technical work, cable TV network infrastructure from the Corporation to branches and cooperation units.
- **Branch 5:**

Branch 5 is an unit directly under the Corporation; which functions to advise and organize the implementation of the task of building and installing the backbone network system and cable television network system of the Corporation; Performing the task of management,

operation and maintenance - repair of the fiber cable network of Vietnam Television Cable Corporation in accordance with the management decentralization decision.

✦ **Content Block:**

– **Program Production Center:**

- + A specialized unit directly under Vietnam Television Cable Corporation, which functions to manage and exploit the production program system.
- + Advise and assist the Board of General Directors of the Corporation in building orientations for development of program production technologies.

– **Sports Content Production Center**

Sports Content Production Center is a specialized unit directly under Vietnam Television Cable Corporation, which functions to produce sports contents provided on multiple-platforms according to the Corporation's development strategy.

❖ **Branches:**

- Including Branches in Hanoi, Northern Branches, Central Branches and Southern Branches with the functions of:
 - + Advising and organizing the implementation of business plans, customer development of cable television, internet services and other value added services according to the areas under the management decentralization.

IV. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE COMPANY AFTER EQUITIZATION

1 Development objectives

❖ **Overall objectives**

- Digitize television services under the direction of the State.
- Invest in infrastructure, develop value added services.
- Increase sales, increase profits.
- Proactively implement service business, self-control in signal transmission, self-provide Internet bandwidth and value-added services, reduce dependence on co-operation units.
- Synchronously develop services, increase the quality of services and quality of customer service.

❖ **Specific objectives:**

✦ **Growth:**

- Increase nearly 500,000 customers, reaching more than 2.1 million customers in 2021.
- Increase nearly 600,000 Internet subscribers, reaching more than 800,000 subscribers in 2021.
- Digitize all customers using VTVcab's analog cable TV service.
- Increase annual average sales by 17%, reaching more than 4.500 billion dong in 2021.

2 Basic plan targets after equitization

❖ **Subscriber target**

Table 16: Subscriber target of the Company in 05 years after equitization (2018 – 2022)

No	Item	2018	2019	2020	2021	2022
1	Total population	97,080,000	98,217,000	99,354,000	100,347,540	101,351,015
	Total number of households	26,525,000	26,983,000	27,446,000	27,721,000	27,998,000
	Total number of households with television	23,201,000	23,708,000	24,217,000	24,459,000	24,704,000
2	HFC capacity	3,696,957	3,881,805	4,075,895	4,075,895	4,075,895
	Total number of subscribers	1,748,073	1,864,937	2,010,055	2,139,312	2,261,350
	Subscribers / HFC ratio	47%	48%	49%	52%	55%
	Subscribers / number of households nationwide ratio (%)	7%	7%	7%	8%	8%
	Subscribers / number of households with television ratio (%)	8%	8%	8%	9%	9%
3	DOCSIS capacity	616,344	616,344	616,344	616,344	616,345
	Internet Docsis/CMTS/EOC	212,319	266,123	306,044	332,657	350,188
	Subscribers / Docsis ratio	34%	43%	50%	54%	57%
4	GPON capacity	351,184	608,414	896,790	896,790	896,791
	Internet GPON	146,519	277,714	423,242	486,707	525,643
	Subscribers / GPON ratio	42%	46%	47%	54%	59%

❖ **Some targets of production and business plan****Table 17: Some targets of production and business plan of the Company in 05 years after equitization (2018 – 2022)***Unit: million VND*

No.	Item	2018	2019	2020	2021	2022
I	Revenue	2,949,244	3,505,987	3,960,456	4,525,269	4,458,653
1	Cable television	979,070	857,397	687,568	540,379	457,894
2	Digital television	194,672	457,066	802,278	1,185,757	1,404,606
3	HD service	326,173	376,230	457,989	589,152	684,327
4	Internet business	174,969	335,826	480,102	586,973	646,298
5	VOD-OTT	31,919	55,170	83,371	119,605	131,566
5	Sale of devices	215,480	382,122	406,302	473,497	154,276
6	Transmission fee	196,397	200,325	204,331	208,418	212,586
7	Copyright, advertising, socialization	453,947	463,026	472,286	481,732	491,366
8	Revenue, profit divided	559,087	604,466	632,891	661,132	632,871
9	Deduction of revenue for cooperation units	-198,658	-241,991	-283,177	-338,057	-373,986
10	Other	16,189	16,351	16,514	16,680	16,846
II	Expense	2,874,927	3,424,833	3,853,823	4,409,576	4,176,132
1	Salary	288,424	299,961	311,959	324,438	337,415
2	Salary deductions (insurance)	41,679	43,347	45,080	46,884	48,759
3	Mid-shift meal	20,811	21,643	22,509	23,409	24,345
4	Fixed asset depreciation	310,175	300,208	267,390	238,570	236,729
5	Copyright, program production	803,449	843,622	970,165	1,115,689	1,283,043

No.	Item	2018	2019	2020	2021	2022
6	Propaganda, advertising, Promotion	169,562	178,040	195,844	215,428	226,199
7	SD, HD devices	79,878	115,029	175,324	328,036	230,010
8	Digital TV service's devices	195,606	428,395	462,813	625,467	367,057
9	Internet devices	141,176	261,330	330,519	278,322	200,274
10	VOD-OTT	35,434	49,223	65,273	85,348	84,325
11	Division from joint venture, cooperation activities	169,695	215,639	244,618	273,401	245,673
12	Hiring of electric poles	64,549	67,776	71,165	74,723	78,459
13	Repair, warranty, maintenance of materials and property	71,991	76,311	80,889	85,743	90,887
14	Tools and supplies	19,479	20,647	21,886	23,199	24,591
15	Interest expenses, borrowing costs	92,971	117,518	156,024	210,571	268,540
16	Remuneration to collect subscription fees	53,485	64,714	77,533	92,680	101,968
17	Commission, Remuneration to develop cable, digital subscribers	51,454	62,257	74,589	89,161	98,097
18	House rental	37,069	40,775	44,853	49,338	54,272
19	Charges for hiring transmission line transmission	45,495	46,405	47,333	48,280	49,245
20	Cable network electricity costs	23,883	26,271	28,899	31,788	34,967

No.	Item	2018	2019	2020	2021	2022
21	Raw materials, supplies costs	42,624	60,655	81,997	84,871	38,492
22	Other hiring costs	120,859	124,485	128,219	132,066	136,028
23	Cost of printing invoices, receipts, contracts, etc.	6,464	7,821	9,371	11,201	12,324
24	Cost of commercial advantage allocated	30,094	30,094	30,094	30,094	30,094
25	Cost divided by VTVcab to cooperation units	-126,073	-166,012	-183,385	-206,388	-227,533
26	Other costs	84,695	88,679	92,863	97,256	101,869
III	Profit before tax	74,317	81,154	106,633	115,693	282,521

(Source: Vietnam Television Cable Corporation) (Note: Official production and business plan will be submitted and approved at the first General Meeting of Shareholders of the Company).

Bases for developing above plans:

❖ Bases for developing subscriber plan:

- Based on the actual business and competition in all areas nationwide.
- Based on the design port end capacity of VTVcab's network infrastructure, as well as network upgrade roadmap nationwide.
- Based on the digitalization roadmap for analog cable TV service by the end of 2020.
- Based on the roadmap for investment in Internet infrastructure: investment in Internet GPON in the areas not provided with VTVcab's Internet.
- Based on the roadmap for investment in transmission infrastructure, channel transmission infrastructure nationwide:
 - + VTVcab actively deploys Internet (hiring international and domestic bandwidth) instead of working with CMC, SPT and Viettel telecommunications units as present.
 - + VTVcab takes the initiative in north-south, inter-provincial and inter-district signal transmission lines.
- Based on the roadmap for investment in program production system: VTVcab actively produces channels, television programs aimed at bringing the best services to customers.

❖ Bases for developing revenue plan:

- Services to calculate revenue plan: Analog, SD, HD/Full HD, VOD, Internet.
- Based on price policy for current services as well as price policy for services from 2017 to 2021.
- Based on the number of subscribers at the end of 2016 and the subscriber plan from 2017 to 2021.
- Based on the actual current service deployment and plan to promote service deployment, customer care from 2017 to 2021.

3 Implementation measures

❖ Solutions on organizing, staffing labor

✦ *VTVcab's HR strategy*

- Build the Brand to attract talents: create a good brand in the market: pride of human resources when working in a well-branded enterprise.
- Formulate and implement a reasonable wage policy and regimes and policies on preferential treatment of labor in line with the development of VTVcab and the market; Ensure equal benefits for all employees.
- Develop and have a transparent process to use human resources: based on real capacity of human resources to arrange and treat; learning opportunities and promotion roadmap.
- Financial treatment:
 - + Pay salaries and allowances commensurate with job position and labor productivity, production and business results.
 - + Pay bonuses, incentives for encouragement and promotion of development; Benefits are guaranteed fully, publicly, transparently and timely.
- Non-financial treatment:
 - + A good and suitable job.
 - + Opportunity to undertake tasks with responsibilities.
 - + Opportunity to participate in the decision-making process.
 - + Friendly, open colleague relations, well-established corporate culture of VTVcab.
- Develop and have long-term strategy on human resources: develop career for employees, have skills training strategy, actively build high-level human resources from its own human resources (internal training and external training).
- Build a healthy working environment: Employees feel respected, involved in the decision-making process of the enterprise and have the opportunity to develop; attach great importance to building and promoting corporate culture and reasonable labor conditions.

✦ *Solutions on organizing, staffing labor*

- Improve workplace organization:
 - + Create technical and material conditions needed to carry out high-productivity

- production tasks.
- + Ensure the production process is continuous and smooth.
- + Ensure the most favorable conditions for conducting the labor process and creating positive excitement for employees.
- + Ensure the ability to carry out labor movements in a comfortable posture, enable the application of advanced labor methods and actions.
- Complete forms of division of labor:
 - + Determine technical requirements of the job and the person to be met.
 - + Build job position, title, job description and select labor according to production requirements.
 - + Implement the arrangement of labor in accordance with the work requirements, apply effective training methods. Appropriately use those who have been trained and further foster those who are capable of developing, transfer and retrain those who are not suitable for the job.
 - + Ensure the appropriateness between content and form of division of labor with the development level of the production force.
 - + In order to ensure the appropriateness between production capacities and human qualities, work requirements should be taken as criteria for selection of employees.
 - + Ensure the appropriateness of the assigned work with the characteristics and capabilities of labor, promote their creativity.
- Complete labor assessment; Streamline labor actions and methods.
- Working conditions and working, resting regimes.
- Forms of physical and mental encouragement for employees.
- Strengthen labor discipline and organize emulation.
- ✦ ***Specific solutions and actions:***
 - Standardize the organizational structure, system of job titles and descriptions:
 - + Review and optimize the assignment of tasks among the units directly under the Corporation.
 - + Consolidate the system of titles and decentralize the hierarchy of the entire system.
 - + Complete job description for each job position.
 - Complete and standardize salary payment regulations according to the 3P method (salary payment based on job title, capacity and performance of each individual employee); attach salary to job position undertaken, to capacity and performance of individual, unit and corporation.
 - Complete the assessment system for job performance, job management according to KPIs.
- ❖ **Market solutions**

✦ ***Investment in market research***

- Develop and implement a comprehensive market research program including: building and analyzing market database system: analyzing, identifying potential market areas, exploited market areas, unexploited market areas and evaluating the size of each market area (classifying product and service market); Identifying highly potential market areas, products and services of high revenue, and future growth potential.
- Establish a market research team responsible for collecting information, researching market, clients, partner's activities.
- Use information from market research: Information database of industry, competitors, customers, current and potential markets, customer structure and distribution, new trends for planning strategies and business plans. Apply output information of research investigations to adjust the market development strategies in a timely manner.

✦ ***Improvement and enhancement of customer service quality***

- According to statistics, the number of subscribers canceling VTVcab's monthly services is quite large so VTVcab needs to focus more on customer service:
- Upgrade customer service system, ensure successful call rate is up to 99%.
- In addition to traditional fee collection methods, pay television in Vietnam also needs to step up the adoption of new subscription fee collection methods in addition to collection method at home and prepayment method at agents. Implement additional methods of fee collection via scratch card, automatic prepayment via bank account or bank transfer.
- Promote after-sales service, regularly check and monitor the signal at customer home proactively to take measures to handle the signal at the subscriber, resolve complaints in a quickest manner.

✦ ***Construction, expansion and development of distribution channels***

- Vietnam is in the process of market integration, opening as indispensable. VTVcab has been facing fierce competition from domestic and foreign pay television service providers. Therefore, developing a service distribution strategy is essential. VTVcab's distribution channels should note the following issues:
- Direct sales channels: Expand additional cooperation of sales accompanied by products and services with large electronics centers nationwide and electronics firms
- Focus on developing the sales model through prepaid, postpaid scratch cards according to the time corresponding to denomination. The purpose is to create favorable conditions for customers in the process of payment and use of services.
- Focus on promoting sales through e-commerce channel. Pay and activate cards via Website.
- Expand showrooms in major cities, especially Hanoi and Ho Chi Minh.
- Establish a separate online support, sales unit to promote sales as well as VTVcab brand PR.

✦ ***Service price solution:***

- Develop flexible price policy according to customers, including agencies, enterprises, hotels, rated motels, with customers being households to ensure customers' benefits as well as revenue sources for VTVcab. Thereby, create a sustainable market with the number of loyal customers.
- Develop fee rebate programs and payment discount regimes, ensure that customers see the difference between using services of VTVcab and of other units.
- Provide many fee packages, flexible prices suitable for different customer segments.

✦ ***Branding communication solutions:***

- In the current market context, the number of pay television service providers is becoming more diversified, so consumers find it difficult to distinguish, evaluate and select products. Every enterprise strives to create a style, image, impression, prestige for its products to bring a image that is easy to come into the customer's awareness. There are many activities to build and develop the brand but PR and communication are considered as effective tools to develop the brand:
- Build and develop the enterprise's internal and external relationships in order to make use of support and cooperation of all stakeholders to develop the VTVcab's brand.
- Strengthen the implementation of sponsorship, charity, community development activities to create opportunities to promote, extend the brand, build trust of customers.
- Promote internal communication with the aim that officials and employees can better understand VTVcab's work and services, contributing to cohesive relationship between people in the company.

✦ ***Copyright protection of pay TV channels:***

- VTVcab's TV channels, sports contents in recent years has been received, transmitted, cut and joined by many local TV units, stations, small pay TV units, social networking sites, news networking sites. This has greatly influenced VTVcab's reputation for foreign partners, affecting its revenue, profit and market share in the market. Therefore, it is necessary to establish a program copyright protection center, which is responsible for inspecting and dealing with copyright infringement cases, thus forcing units to seriously implement the Program Copyright Law or stop broadcasting, operating, pay fines according to regulations.

V. INFORMATION ABOUT THE OFFERING

1 Target share buyers

Target share buyers include: Employees of Vietnam Television Cable Corporation One Member Company Limited, Company's trade union and domestic and foreign investors who buy via auction under the equitization plan approved by the General Director of Vietnam Television under the Decision No. 174/QDTHVN dated 31/01/2018.

2 Shares held by the state

According to the Decision No. 174/QD-THVN dated January 31, 2018 of Vietnam Television's General Director on approving the equitization plan of Vietnam Television

Cable Corporation, the State will hold 51% of charter capital of the Joint Stock Company, corresponding to 45,081,076 shares, equivalent to VND 450,810,760,000.

Number of shares not sold out (if any) will be treated to increase the State capital as stipulated in the Decree 126/2017/ND-CP, Circular 196/2011/TT-BTC and Circular 127/2014/TT- BTC and will be submitted to the competent authority for further sale at the appropriate time after the Joint Stock Company officially comes into operation.

3 Preferential shares sold to employees

Bases:

- Circular No. 196/2011/TT-BTC dated December 26, 2011 guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies;
- Circular No. 33/2012/TT-BLDTBXH dated December 20, 2012 guiding implementation of policies for employees under the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government;
- List of employees of the Company at the time of valuation of enterprise on 31/12/2015;
- Minutes of Extraordinary Meeting of Employees on August 26, 2017;
- Announcement No. 11/TB-VTVcab dated 11/01/2018 of the Company on purchasing preferential shares of employees when equitizing;
- List of employees who commit to work for a long time at the joint stock company and register to buy shares by commitment year;
- Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government on the conversion of State-owned enterprises and one-member limited liability companies, which are invested by State-owned enterprises with 100% of their charter capital into joint stock companies;
- Official Dispatch No. 46/VTVcab dated January 11, 2018 of VTVcab on guiding the implementation of policies with employees when equitizing.
- Minutes of Extraordinary Meeting of Employees on January 20, 2018 on approving the changes in the equitization plan of Vietnam Television Cable Corporation One Member Company Limited;
- Decision No. 174/QD - THVN dated 31/01/2018 of the General Director of Vietnam Television approving the equitization plan of Vietnam Television Cable Corporation One Member Company Limited.

3.1 Sale of shares to employees according to the actual working time in the public sector

- Total number of employees at the time of enterprise valuation: 2,063 people.
- Total number of employees entitled to buy preferential shares at the time of enterprise valuation: 1,879 people.
- Total number of working years entitled to buy preferential shares: 8,735 years.

- Total number of employees registered to buy shares: 1,879 people.
- Corresponding to the number of shares subscribed: **873,500 shares** (*Eight hundred, seventy three thousand, five hundred shares*).
- Selling price: Selling price of preferential shares to employees is 60% of value of 01 share at par value (VND 10,000 / share).
- Implementation time: After public auction.

3.2 Sale of shares to employees who commit to work for a long time at the joint stock company

- Criteria for determining target employees who are entitled to buy additional preferential shares according to long-term commitment time to work in the joint-stock company area as follows:
 - + Criteria to be entitled to additionally buy at 200 shares / 01 year committed to work in the enterprise but no more than 2,000 shares/01 person. Subjects and conditions applied are as follows:
 - o Employees are subject to be transferred to work in the joint stock company;
 - o Not violate the Corporation's rules and regulations and not be disciplined in the form of rebuke and above within the last 03 years as of December 31, 2015.
 - o Have the remaining working time up to the time of eligibility for retirement for full 03 years or more;
 - o Have a long-term commitment to work for the Corporation for a period of at least 03 years from the date the Corporation is granted the certificate of business registration for the first time.
 - + Criteria to be entitled to additionally buy at 500 shares / 01 year committed to work in the enterprise but no more than 5,000 shares/01 person applicable to employees who are good experts with high professional qualifications.

Subjects and conditions applied are as follows:

- o Employees are subject to be transferred to work in the joint stock company;
- o Be good experts with high professional qualifications;
- o Have the remaining working time up to the time of eligibility for retirement for full 03 years or more;
- o Have a long-term commitment to work for the Corporation for a period of at least 03 years from the date the Corporation is granted the certificate of business registration for the first time.

Employees who are good experts with high professional qualifications must satisfy the following criteria:

- o Not violate the Corporation's rules and regulations and not be disciplined in the form of rebuke and above within the last 03 years as of December 31, 2015;

- Have certificate or diploma from university or higher level;
- Currently be an official from deputy head or equivalent or higher; or other employee currently holding the salary scale of expert / main specialist / main engineer / specialist in rank A4, grade 7/7 on the salary scale of the Corporation.
- Employees listed on the regular list of Vietnam Television Cable Corporation One Member Company Limited at the time of announcing the value of the equitized enterprise, which are the subjects that the enterprise needs to use and committed to work for a long time for the enterprise for the period of at least 3 years (from the date the enterprise is granted the certificate of business registration for the first time) shall be entitled to buy additional preferential shares according to the following regulations:
 - + Additionally buy at 200 shares / 01 next year committed to work in the enterprise but no more than 2,000 shares/01 person.
 - Number of people entitled to buy: 1,724 people
 - Number of shares subscribed: 46,300 shares
 - + Additionally buy at 500 shares / 01 next year committed to work in the enterprise after the enterprise is equitized for a period of at least 3 years, but no more than 5,000 shares/01 person applicable to employees who are good experts and managers with high professional qualifications.
 - Number of people entitled to buy: 129 people
 - Number of shares subscribed: 106,500 shares
- Total number of employees who commit to work for a long time at the joint stock company: 73 people.
- Total number of preferential shares additionally bought: **152,800 shares**, with total value at par value of **VND 1,528,000,000** (*One billion, five hundred, twenty eight million dong*), accounting for **0.17%** of charter capital.
- Selling price applicable to preferential shares for additionally bought employees is determined as the initial price approved by the owner's representative office in the equitization plan.
- Implementation time: After public auction.

4 Shares auctioned outside

Total number of shares sold out is as follows:

- Total number of shares : 42,292,624 shares, accounting for **47.84%** of charter capital auctioned
- Expected initial price : VND 140,900 / share
- Advisor : Vietnam Bank for Industry and Trade Securities Joint Stock Company
- Issuing Organization : Hanoi Stock Exchange

- Auction time : Expected Quarter/2018
- Participants in the auction : Individual investors, domestic and foreign organization investors according to provisions of the Law (*according to the provisions of Article 6 of Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government*)
- Ownership percentage limit of foreign investors in the company : When converting into a joint stock company, the ownership percentage of foreign investors in the Company shall be in accordance with the provisions of the Government's Decree No. 60/2015/ND-CP dated June 26, 2015 amending and supplementing a number of articles of the Government's Decree No. 58/2012/ND-CP dated July 20, 2012 detailing and guiding the implementation of a number of articles of the Law on Securities and the Law amending and supplementing a number of articles of the Law on Securities and the Ministry of Finance's Circular No. 123 dated August 19, 2015 guiding foreign investment activities on the securities market of Vietnam. Accordingly, the maximum ownership rate of foreign investors of VTVcab is 49% (investors can buy the maximum shares equal to the number of shares auctioned).

5 Preferential shares sold to the Trade Union

Number of preferential shares sold to the Trade Union is 0 share.

On August 25, 2017, the Executive Committee of the Trade Union of Vietnam Television Cable Corporation issued Document No. 03/CV-CDVTVcab to the President of Vietnam Television Cable Corporation One Member Company Limited on the purchase of preferential shares in the Corporation of the Trade Union of Vietnam Television Cable Corporation. Accordingly, based on the financial situation of the trade union in 2016, the Executive Committee of the Trade Union saw no funds to buy preferential shares of the Corporation, the entire Executive Committee of the Trade Union agreed 100% not to buy preferential shares of the Corporation (with Minutes of Meeting of the Executive Committee of the Trade Union on 12/06/2017).

6 Method and duration of payment

Investors who buy shares shall pay in cash or by bank transfer according to regulations:

- Investors participating in the auction: According to the Regulation on auction of shares of Vietnam Television Cable Corporation One Member Company Limited.
- Employees: Pay for shares in cash or by bank transfer announced by Vietnam Television Cable Corporation One Member Company Limited.

7 Plan to use proceeds from equitization

Based on the actual value of the State capital in the enterprise, the percentage of capital contributed by the State to the joint-stock company, the Company plans to return the State budget capital, temporarily calculated under the plan that all the number of shares sold are sold out at a minimum selling price of VND 140,900 / share, as follows:

Table 18: Plan to use proceeds from equitization

No.	Item	Value (dong)
A	Charter capital	884,000,000,000
B	Actual State capital in the enterprise according to accounting books as of 31/12/2015	450,810,760,000
C	Proceeds from equitization (Estimated):	5,985,801,241,600
-	From selling preferential shares to employees according to the actual working time in the public sector	5,241,000,000
-	From selling preferential shares additionally bought to employees according to long-term commitment time to work in the joint stock company	21,529,520,000
-	From selling shares to the Trade Union	0
-	From selling shares to strategic investors	0
-	From public auction	5,959,030,721,600
D	Par value of shares sold to employees, strategic investors and through public auction	433,189,240,000
E	Par value of shares additionally issued left to the Enterprise (E) = (A) – (B)	433,189,240,000
F	Equitization cost of the enterprise	2,900,680,000
G	Cost of settling redundant labor policy	0
H	Surplus capital left to the enterprise corresponding to the ratio of additionally issued shares / charter capital (Rounded)	0
	Total budget return = (C) – (E) – (F) – (G) – (H)	5,549,711,321,600

(Source: Vietnam Television Cable Corporation One Member Company Limited Equitization Plan)

VI. PARTIES RESPONSIBLE FOR THIS INFORMATION MEMORANDUM

1 Representative of the Equitization Steering Committee of Vietnam Television Cable Corporation One Member Company Limited

Mr. Nguyen Thanh Luong - Head of Equitization Steering Committee

We pledge that the information and data provided in this Information Memorandum is true and appropriate to the actual situation of the Company in the Equitization Plan approved by the General Director of Vietnam Television on January 31, 2018.

2 Representative of Vietnam Television Cable Corporation One Member Company Limited

Mr. Hoang Ngoc Huan - President of the Company

We are fully responsible for ensuring that the information and data provided in this information memorandum are completely honest, consistent with reality, full in accordance with the law on equitization so that investors can evaluate the assets, performance, financial situation and development results and prospects of Vietnam Television Cable Corporation One Member Company Limited.

3 **Representative of Advisor**

Vietnam Bank for Industry and Trade Securities Joint Stock Company

Representative: Mr. Chu Manh Hien

Position: Deputy General Director

Vietnam Bank for Industry and Trade Securities Joint Stock Company ensures that the formulation and drafting of this Information Memorandum is true, objective and accurate, based on the information and data provided by Vietnam Television Cable Corporation.

All above information is given in accordance with the current law in order to ensure publicity, transparency and legitimate interests of investors but does not imply guarantee of securities value.

Above-mentioned information is provided to investors with the aim to help them see the enterprise they intend to invest objectively and wisely.

We sincerely hope that investors should carefully review this information memorandum before making an auction decision to buy shares of Vietnam Television Cable Corporation.

VII. COMMITMENT OF VIETNAM TELEVISION CABLE CORPORATION ONE MEMBER COMPANY LIMITED

When registering for the first auction through Hanoi Stock Exchange, the Company will simultaneously register deposit and register trading on Upcom trading system as stipulated in Circular 115/2016/TT-BTC dated June 30, 2016 of the Ministry of Finance amending and supplementing a number of articles of the Circular No. 196/2011/TT-BTC dated December 26, 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies.

After completion of equitization, Vietnam Television Cable Corporation One Member Company Limited are committed to strictly complying with the above regulations.

VIII. RISK FACTORS AFFECTING AUCTION AGENT'S ACTIVITIES

1 **Economic risks**

Any economy always carries certain risks. These risks are formed from the fluctuation of basic factors in the economy such as economic growth, inflation, interest rates, exchange rates... Like other enterprises, Vietnam Television Cable Corporation is an entity engaged in economy so it is not outside the influence and impact from the change of those factors.

❖ **World economic growth rate**

According to the International Monetary Fund (IMF), the global economy is being held

back by such factors as low productivity, aging population and uncertain prospects for the US's interest rate increase and the slowdown of China - the world's second largest economy. These fluctuations of the world economy greatly affected the currency and commodity markets in 2016.

Oil prices have dropped to the lowest level in the past 11 years, negatively impacting major oil exporters. In addition, the tensions between Russia and Western countries have not shown signs of decline that made the both sides' economy suffered huge losses. The European economy, which has yet to escape the hardships, is facing migration crises from the Middle East, North Africa, escalating terrorist attacks, prospective withdrawal of the United Kingdom (UK) from the European Union (EU) (Brexit), etc. The outlook for emerging markets and developing economies will see growth rate much slower than in the past five consecutive years. According to the "World Economic Prospects" report released in 10/2017, the IMF raised its forecast for global economic growth this year at 3.6% and 3.7% in 2018 as reported in July and also warns that the pace of the world's leading economy may slow down over the next few years as the government lacks policy on growth orientation. The IMF raised its growth forecast for the US, the world's leading economy, to reach 2.2% in 2017, up 0.1% from the forecast given three months ago and to reach 2.3% in 2018. Growth in the euro using area was forecast at 2.1% in 2017 and 1.9% in 2018.

❖ ***Vietnam economic growth rate***

Economic growth rate is one of the important factors affecting the growth rate of almost all sectors and domains of the economy. Economic growth in general will increase the demand for social consumption, promote the rise of industrial output, and help enterprises expand their product consumption markets. In recent years, Vietnam's economy has always maintained a high and stable growth rate compared to other countries in the region and in the world.

After Vietnam officially joined the World Trade Organization (WTO) on January 11, 2007, Vietnam's economy has become increasingly integrated with the world's economy. The development of Vietnam's economy is closely linked to the general development trend of the world. WTO accession means that Vietnam's export and import activities will not be confined to bilateral and regional agreements but will have global markets. In terms of import, as a member of the WTO, Vietnam will have the opportunity to import goods of high quality and competitive prices so Vietnamese can benefit from the consumption. Easy import of goods will make the production and business activities favorable for enterprises that have to import technology and input materials as well as commercial, export import enterprises.

According to the General Statistics Office (GSO), Gross Domestic Product (GDP) in 2016 was estimated to increase by 6.21% against 2015, of which Quarter I increased by 5.48%; quarter II increased by 5.78%; quarter III increased by 6.56%; and quarter IV increased by 6.68%. The growth rate in 2016 was although lower than the 6.68% growth rate of 2015 and did not meet the 6.7% growth target as set out, in the context of unfavorable world economy, decreased global prices and trade, the domestic economy facing many difficulties due to complicated weather and sea environment, achieving the above-mentioned growth rate was a success, affirming the correctness, timeliness and effectiveness of measures and

solutions promulgated by the Government and drastic direction of all levels, branches and localities. In 2017, Vietnam's economic growth rate reached 6.81%. After the difficulties bottomed out in 2012, the national economy was showing quite stable growth rate as it was always above average growth rate during the 2011 - 2017 period.

Vietnam's GDP growth rate between 2008 and 2017

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP (%)	6.23	5.32	6.78	5.89	5.03	5.42	5.98	6.68	6.21	6.81

(Source: General Statistics Office)

It is forecast that Vietnam's economy in 2018 will continue its growth trend thanks to the increase in aggregate demand, improved consumption, and private investment will continue to grow due to microeconomic environment and institutional reform that will create the trust of enterprises and households. In particular, the prospects from free trade agreements that have been signed will bring many benefits for Vietnam. According to Standard Charter, Vietnam's GDP growth rate in 2018 is likely to reach 6.8%, approximately equal to 2017's growth rate.

Effective adoption of macroeconomic policies by the Government will be one of the factors that will help reduce economic risks for enterprises in general and enterprises in the field of infrastructure in particular.

❖ **Interest rate risks**

Like other enterprises, in the process of doing business, Vietnam Television Cable Corporation regularly uses the traditional capital mobilization channel as credit and bears loan interest rate. Therefore, only a small fluctuation in interest rate in the strategy of managing the monetary policy of the State can also affect the financial costs and profits achieved by the company.

In 2015, interest rate floor, both deposit rates and loan rates, fell from 0.2% to 0.5%. Although not achieved as expected by the State Bank of Vietnam at the beginning of the year, this interest rate floor also provided positive support for production and business activities while maintaining the stability of the monetary market. Accordingly, short-term loan rate in Vietnam dong at the end of 2015 was from 7% to 9%/year and medium-term loan rate was from 9.3% to 11%/year. Loan rate of some preferential programs decreased slightly to about 6.5% - 6.6%/year. Besides, interbank interest rate floor was relatively stable in the past year. Short-term rate (less than one month) tended to fall slightly, while longer term rate (from over 03 months) tended to increase slightly.

In 2016, the policy of the State Bank of Vietnam was to synchronously implement solutions to stabilize the deposit interest rate floor in order to reduce the loan interest rate and support the production and business activities of the economy. In the first eight months of the year, deposit rate was basically stable, tended to increase slightly by 0.2-0.3% in the middle of February to March. With synchronous implementation of the solutions, loan interest rate floor of credit institutions basically remained stable, from the end of April/2016, state commercial banks and some joint stock commercial banks reduced short-term loan interest

rate by 0.5%/year and put medium- and long-term loan interest rates up to 10%/year for customers borrowing capital for production and business activities, while actively implementing lending programs with preferential interest rates.

Interest rate situation in 2017 was relatively stable. Deposit interest rates in Vietnam dong were commonly at 0.8% - 1%/year for demand and term deposits of less than one month; 4.3% -5.4%/year for term deposits from 1 month to less than 6 months; 5.3%-6.5%/year for term deposits from 6 months to less than 12 months; and 6.5% -7.3%/year for term deposits of over 12 months. Common loan interest rate floors in priority sectors were at 6%-6.5%/year for short term, 9% -10%/year for medium and long term. Loan interest rates for normal production and business sectors were at 6.8%-9%/year for short term; 9.3%-11%/year for medium and long term. In general, the credit structure continues to focus on priority production and business sectors, key projects in line with the Government's policy to effectively support economic growth.

❖ ***Inflation risks***

Risks in corporate finance are often associated with inflation in the economy. According to published data, in recent years, Vietnam has been under pressure to increase inflation. However, beginning in 2014, to stabilize the economy, the Vietnamese government has aimed to control inflation at 4.0%.

Inflation in Vietnam between 2008 and 2017

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inflation rate (%)	22.9	6.52	11.75	18.13	9.21	6.04	4.09	2.05	1.83	1.41

(Source: General Statistics Office)

According to the General Statistics Office's report in 2017, inflation's increase was lower than the target set out by the National Assembly. CPI in December only increased by 0.21% over the previous month. Average CPI in 2017 was 3.53% higher than average CPI in 2016. Average CPI in December/2017 only increased by 2.6% compared with December/2016, average monthly increase of 0.21%. Core inflation in December/2017 only increased by 0.11% over the previous month and 1.29% over the same period last year. Average inflation in 2017 was 1.41% higher than average inflation in 2016.

Thus, Vietnam's inflation rate in the last three years has tended to stabilize gradually over the years.

Inflation in 2018 is forecast to be equivalent to inflation in 2017, below 4%. However, if electricity prices rise sharply, inflation may rise. It is estimated that if electricity prices increase by 8-10%, inflation will increase by 0.1 - 0.15 percentage points.

❖ ***Exchange rate risks***

This type of risk occurs when economic transactions are made in foreign currency and the exchange rate fluctuates in a negative direction for the enterprise.

Exchange rate was one of the macroeconomic hot spots in 2015 when the global financial

market witnessed many extraordinary events. There were up to four exchange rate fluctuations in 2015, including three VND devaluations and two trading band adjustments. Final adjustment in 2015 on August 19 included VND devaluation by 1% and raising the trading band to +/- 3% from previous +/- 2%. In 2016, the State Bank of Vietnam managed exchange rates according to the centralized and flexible mechanism, closely following the developments of domestic foreign exchange market as well as the developments of the Dollar in the international market, adjusting flexibly with both increase and decrease in accordance with developments. With such management, in recent years, the market has combined well with supply and demand, the exchange rate has been relatively stable, the system of credit institutions have bought net foreign currency from the economy and sold a considerable amount of foreign currency to the State Bank of Vietnam. Through follow up, activities of withholding foreign currency has made positive changes, the foreign currency deposit from the population has tended to decrease relatively fast compared to the end of last year. The US dollar price index in December/2017 increased by 0.02% over the previous month and decreased by 0.05% compared to 2016; Average index in 2017 was 1.40% higher than that in 2016. Thanks to the exchange rate policy that has been applied, the exchange rate in 2017 was still relatively stable.

2 Legal risks

Issuance or change of new policies and regulations related to the operation of the industry affects the Company. Although Viet Nam has tried to build up and formed a quite open legal environment in recent years, the legal corridor of our country has not been really complete and stable, thus affecting the business performance of the Company.

After equitization, the Company's operations are regulated by both Enterprise Law and Law on Securities. However, the legal system of Vietnam is not synchronized, in the process of finalizing, decrees, circulars, guiding documents are not really sufficient, the stock market is a very new field that the Company as well as investors are not really knowledgeable to perform properly. Therefore, any change will affect the Company's production and business activities and stock trading situation.

3 Industry's specific risks

At present, Analog cable TV service is still VTVcab's core traditional service. The implementation of the Government's roadmap of analog cable TV service digitization until the end of 2020 will greatly affect the development orientation and change the service provision model of VTVcab. In addition, the digitization of analog cable television service provided through HD digital devices requires huge capital investment in terminal costs.

In order to digitize successfully, the quality of network infrastructure and transmission infrastructure is also a big challenge for VTVcab in the face of the problem of investing in upgrading old network infrastructure and investing in transmission infrastructure nationwide.

4 Risks of offering

Vietnam Television Cable Corporation's initial public offering is greatly affected by stock market situation and economy's changes. Factors, adverse information on the stock market

and macroeconomics will affect the psychology of investors and absorption capacity of the market. This is an offering without underwriters, so the auction may not be as successful as expected, i.e. total number of shares bought is lower than offered. At that time, the number of shares not offered out will be treated in accordance with the provisions of Decree 126/2017/ND-CP dated November 16, 2017 on the conversion of State-owned enterprises and one-member limited liability companies, which are invested by State-owned enterprises with 100% of their charter capital into joint stock companies.

Risks of offering, if any, will change the Company's actual charter capital structure compared to expected structure, thereby affecting the implementation of the business plans of the Company after equitization. However, considering the current strengths and potential for long-term development of the Company, the Company fully believes in the success of this auction.

5 Other risks

In addition to the risks described above, some other unforeseen risks are less likely to happen, but if they happen, they will cause damage to property, people and affect business situation of the Company such as wars, natural disasters, fires, epidemics, socio-political changes, etc.

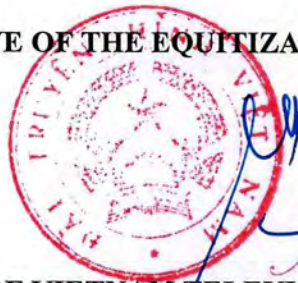
IX. CONCLUSION

This information memorandum is part of the initial public offering documents of Vietnam Television Cable Corporation, provided to investors so that investors can evaluate the assets, financial situation, business results and prospects of Vietnam Television Cable Corporation before participating in auction to purchase shares. This information does not imply guarantee of share value.

This Information Memorandum is prepared based on the information and data provided by Vietnam Television Cable Corporation and approved by the Equitization Steering Committee, ensuring publicity, transparency and legitimate interests of investors.

Hanoi, date 1 month 3 year 2018

REPRESENTATIVE OF THE EQUITIZATION STEERING COMMITTEE



**TRƯỞNG BAN
PHÓ TỔNG GIÁM ĐỐC**

Nguyễn Xuân Lương

**REPRESENTATIVE OF VIETNAM TELEVISION CABLE CORPORATION ONE
MEMBER COMPANY LIMITED**



CHỦ TỊCH

Hoàng Ngọc Huân

REPRESENTATIVE OF ADVISOR

**VIETNAM BANK FOR INDUSTRY AND TRADE SECURITIES JOINT STOCK
COMPANY**

DEPUTY GENERAL DIRECTOR



CHU MANH HIEN



**XÁC NHẬN CỦA CÔNG TY CỔ PHẦN DỊCH
CỔ PHẦN THUẬT SỐ 1
CONFIRMATION OF NO.1 TRANSLATION
SỐ 1 JOINT STOCK COMPANY**

Xác nhận ông **Ngô Ngọc Ánh**, CMND số 011943796 do Công an Tp Hà Nội cấp ngày 07/05/1996, đã ký trước mặt tôi tại Công ty Cổ phần Dịch Thuật Số 1 đã dịch văn bản đính kèm trên.

*This is to certify that Mr. **Ngô Ngọc Ánh**, ID card No. 011943796 issued by Hanoi Public Security dated 07/05/1996, signed in my presence in No. 1 Translation Joint Stock Company for translation of the above attached documents.*

Tôi **Ngô Ngọc Ánh**, CMND số 011943796 do Công an Tp Hà Nội cấp ngày 07/05/1996, cam kết đã dịch chính xác, phù hợp nội dung văn bản đính kèm từ Tiếng Việt sang Tiếng Anh và hoàn toàn chịu mọi trách nhiệm về bản dịch.

*I, **Ngô Ngọc Ánh**, ID card No. 011943796 issued by Hanoi Public Security dated 07/05/1996, guarantee that translated document is accurate and appropriate to attached document contents from Vietnamese to English and I am completely responsible for the translated document.*

Số chứng nhận: 1203/DTS1-CCCT

Certification No.: 1203./DTS1-CCCT

Ngày: 12/03/2018

Date: 12/03/2018

**NGƯỜI DỊCH
TRANSLATOR**

NGÔ NGỌC ÁNH

DỊCH THUẬT SỐ

Số 1 trong lĩnh vực Dịch thuật

