

CADIVI
Đem nguồn sáng đến mọi nơi

ELECTRIC CABLE OF VIET NAM JOINT STOCK COMPANY
Address: 70 – 72 Nam Ky Khoi Nghia, District 1, HCM City
Phone: (08) 3829 9443 Fax: (08) 3829 9437
Website: www.cadivi.vn

ELECTRIC CABLE OF VIET
NAM JOINT STOCK COMPANY

2016

ANNUAL REPORT



CADIVI

MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



**"MAKE CADIVI BECOME THE
SYMBOL OF VIETNAMESE BRAND
NAME"**

Chairman of the Board of Director

Mr. Nguyen Hoa Cuong

Dear Shareholders, Investors and Customers,

2016 is a challenging year for CADIVI. The fluctuations in the global and Viet Nam economy have led the price of main material in commodities using in manufacturing of CADIVI such as copper, aluminium,... irregular fluctuation. In addition, the market competition is increasing; competitors in the industry always follow and it creates many difficulties for the company.

Despite many challenges, with the right strategic direction, conscientious and professional staffs, and well-known brand have created the trust among customers nationwide and more than 30 countries around the world for many years, CADIVI has affirmed its position as a leading company always developing stably and sustainably regardless of the market fluctuations and will go further into the international market.

These are shown in the following figures: In the end of 2016, pre-tax profit and after-tax profit of the company increased sharply in compared with 2015 by 38.75% and 40.33%. In addition, the profit per shares CADIVI (EPS) is increased by 44.74%. At the end of 2016 and the beginning of the last 2017,

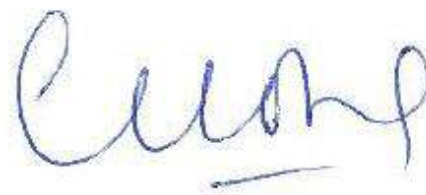
CADIVI sold the shares to the public as planned in the resolution of the General Assembly of Shareholders in 2016, raising the company's chartered capital from 288 billion to 576 billion. It helped the company have more capital to support the implementation of investment plans to grow stronger in the future.

With the desire to bring CADIVI to become the symbol of Vietnamese brand name, the company always emphasizes values not only in material but also in the sustainable development of the community and society. For that reason, CADIVI has achieved many successes over the last years: the 5th national brand, the second time in the 50 best listed companies in Vietnam voted by Forbes Vietnam...

On behalf of the Board of Directors, I would like to thank all customers who have supported CADIVI for over 40 years. Shareholders and investors have put their trust in the company as well as all agencies, Ministry of Industry at all levels and parent company of Vietnam Electrical Equipment Joint Stock Company has created conditions for CADIVI's development. Finally, the contributions of CADIVI's staffs cannot be ignored.

Sincerely,

Chairman of the board of director

A handwritten signature in blue ink, appearing to read 'Cuong', with a horizontal line underneath.

Nguyen Hoa Cuong

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CADIVI



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GENERAL INFORMATION

MISSION

Providing the society and community with safe, saving electricity, high quality electrical cables, equipment

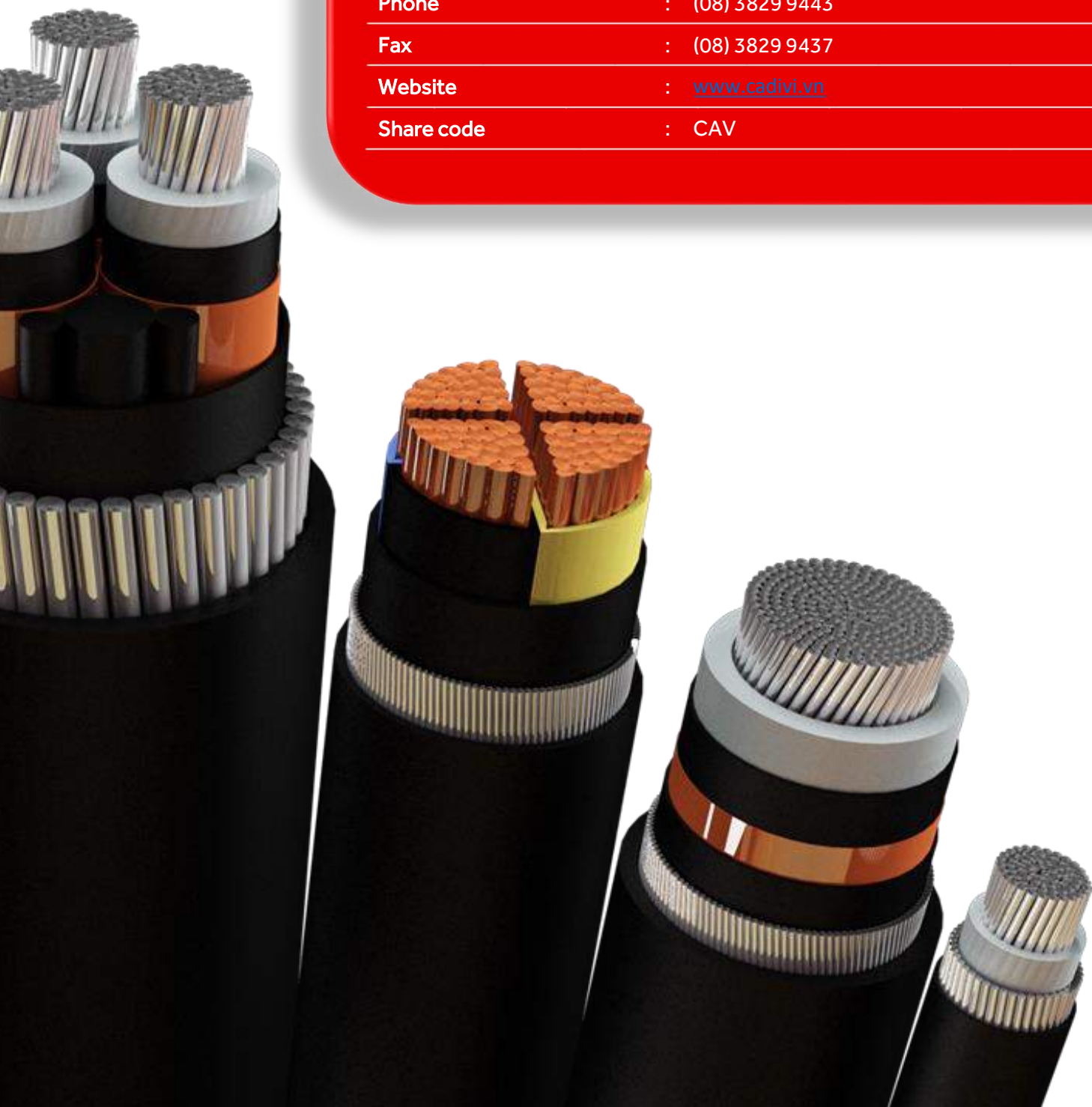
CADIVI

Đem nguồn sáng đến mọi nơi



VIET NAM ELECTRICCABLE JOINT STOCK COMPANY

Certificate of business registration No.	: 0300381564 (old No. 4103007511) first registration 08/08/2007, 5 th change registration 28/11/2016
Charter capital	: 576.000.000.000 VND
Investment capital of owner	: 576.000.000.000 VND
Address	: 70 – 72 Nam Ky Khoi Nghia, District 1, Ho Chi Minh City
Phone	: (08) 3829 9443
Fax	: (08) 3829 9437
Website	: www.cadivi.vn
Share code	: CAV



PROCESS OF FORMING AND DEVELOPMENT

Decision of the Government Council No. 237-CP of December 3, 1976. Established Colored Metallurgy Company under the Ministry of Mechanics and Metallurgy.

Decision of the Ministry of Mechanics and Metallurgy No. 207 / CL-TC of November 6, 1989 renaming of Copper and Aluminum wires Welding incorporation into Electric Wire and Cable Incorporation.

Decision of the Ministry of Industry No. 173/2004 / QD-BCN dated December 21, 2004 on the transformation of Vietnam Electric Wire and Cable Company into Vietnam Electric Wire and Cable Company Limited.

1976

1989

2004

1975

1982

1995

2007

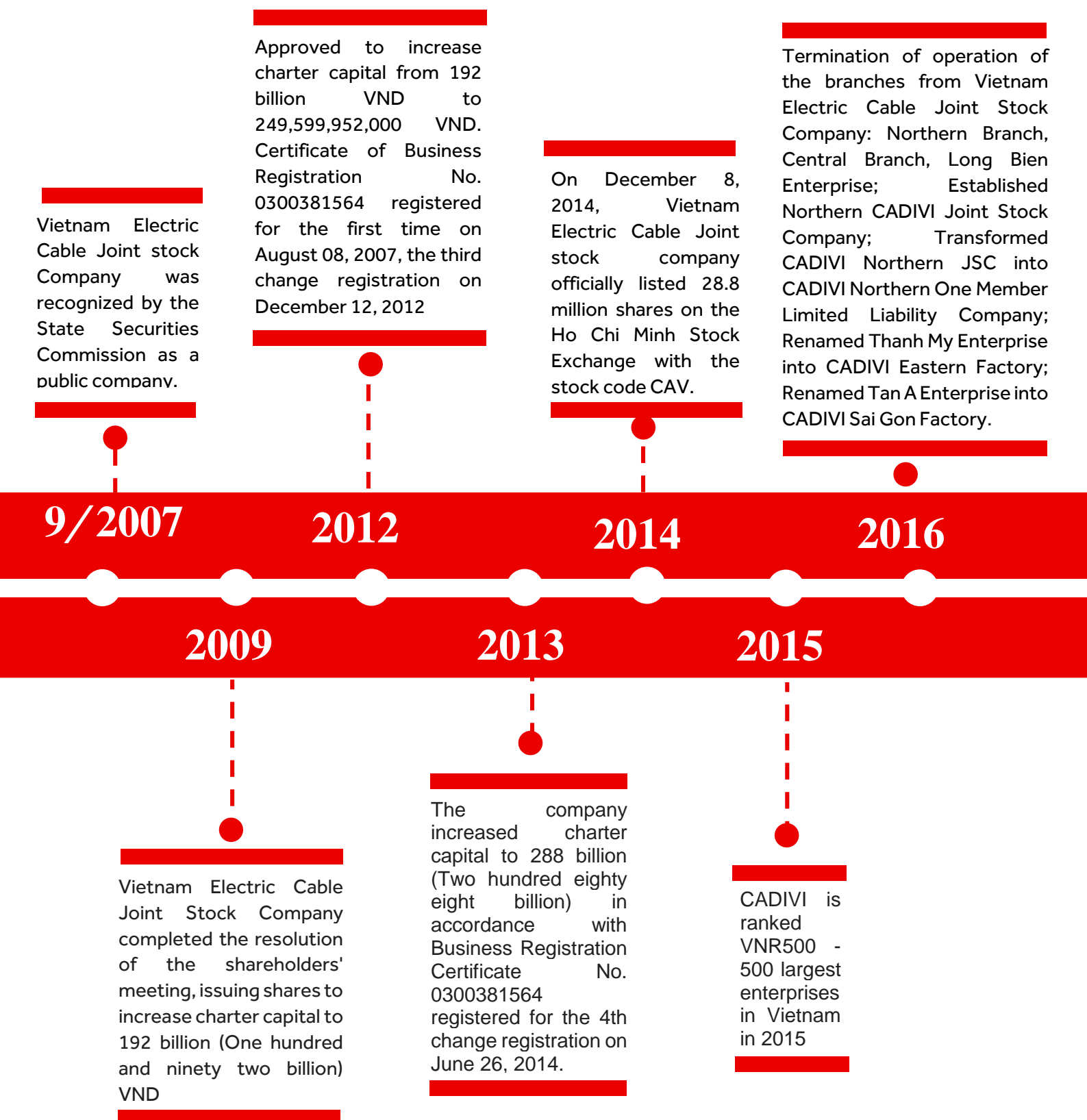
Decision No. 220 / TCCK of General Department of Mechanics of Metallurgy and Electronics dated 6 October 1975. Established southern Copper Wire Company under the General Department of Mechanics

Decision of the Ministry of Mechanics and Metallurgy No 210 / CL-VP dated December 29, 1982. Established copper and aluminum wire welding incorporation under the Ministry of Mechanics and Metallurgy.

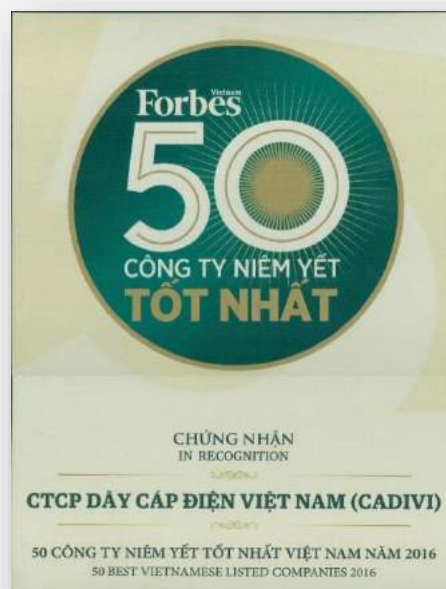
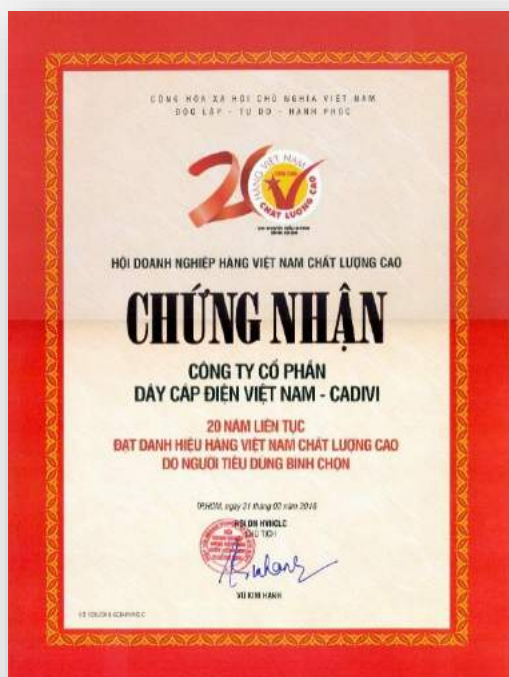
Decision of the Ministry of Heavy Industry No. 238 QD / TCCBDT dated March 23, 1995 on the renaming of Electric Wire and Cables incorporation into Vietnam Electric Wire and Cable Company.

Decision of the Ministry of Industry No. 2226 / QD-BCN dated June 28, 2007 approved the plan and transformed Vietnam Electric Wire and Cable One Member Limited Company into Vietnam Electric Cable joint stock Company.

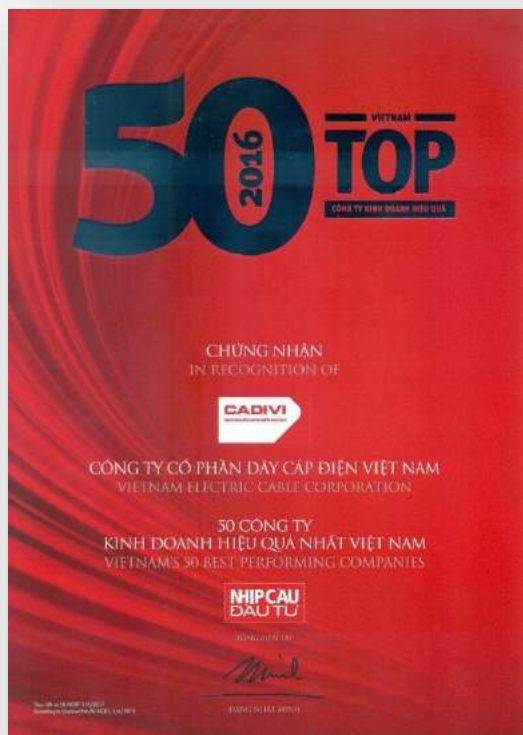
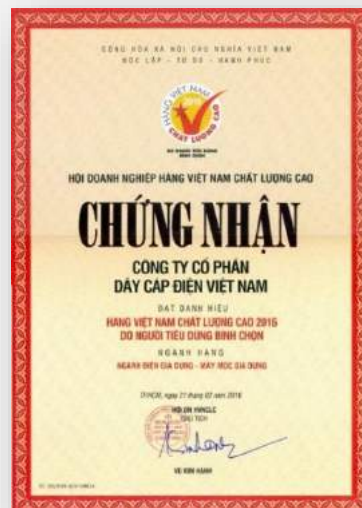
VIET NAM ELECTRICCABLE JOINT STOCK COMPANY



OUTSTANDING ACHIEVEMENTS IN 2016



VIET NAM ELECTRICCABLE JOINT STOCK COMPANY



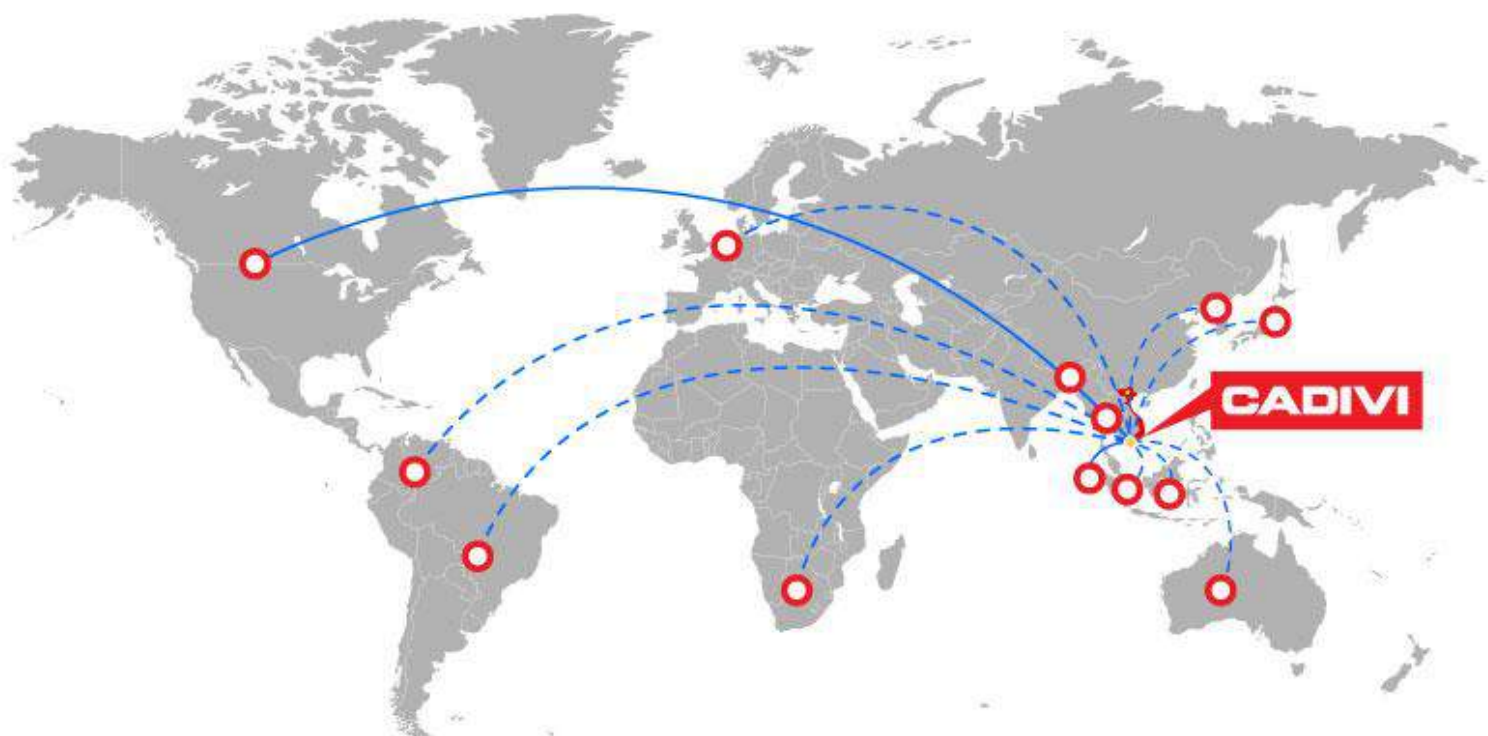
BUSINESS INDUSTRY AND AREA

Business industry:

The main business of the Company is to manufacture electric wires and cables that are widely served to the national economy as well as electricity demands in daily life and for export. Major customers of the Company are Electricity Companies; Civil and industrial electricity contractors; Manufacturers, investors using industrial machines, equipment; Communities and households. Over the years, CADIVI products have been appreciated by customers

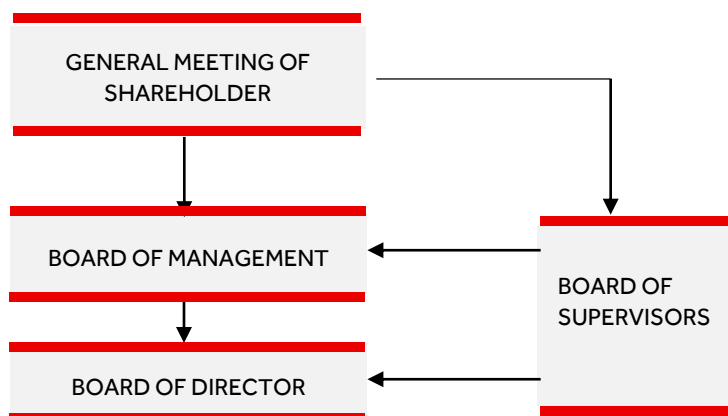
Business area:

The business area of the company stretches from North to South with more than 200 first class agencies and CADIVI's products are presented in more than 30 countries in the world.



GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

Governance model



The company operates in the form of a joint stock company in accordance with the Law on Enterprises and the relevant laws:

General meeting of shareholder: is the highest decision body of the Company. It includes all shareholders with voting rights,

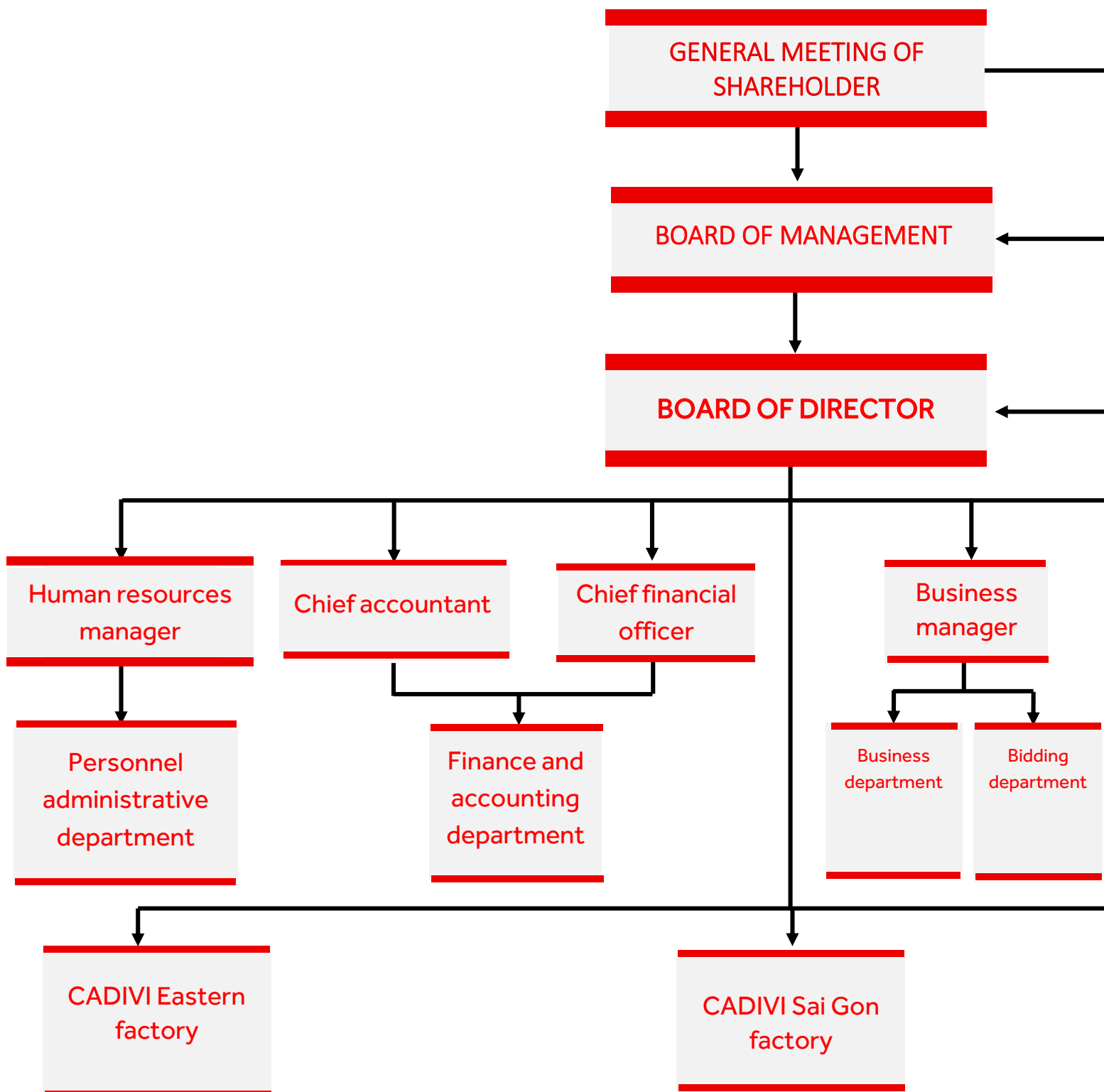
Board of management: is the management body of the Company, has the full rights on behalf of the Company to decide and perform the rights and obligations of the Company that does not under the jurisdiction of the General Meeting of Shareholders. The Board of Management consists of 5 members having responsible for overseeing the activities of the General Director and other management units of the Company.

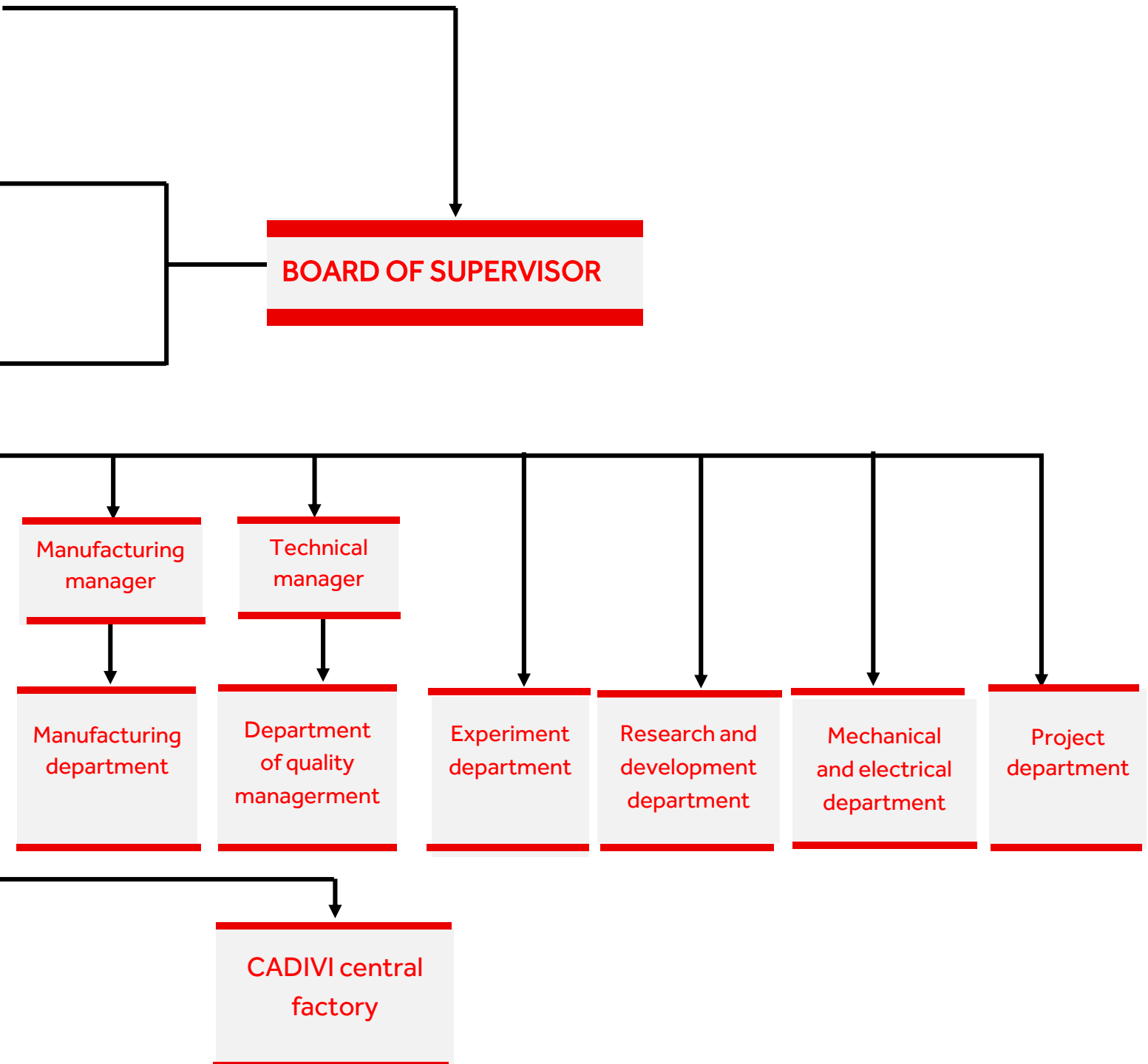
Board of director: Includes 01 General Director, 01 Deputy General Director appointed by the Board of management. The General Director is the person in charge of leading and directing all every day business operations of the Company and is responsible to the Board of Management and the General Meeting of Shareholders for all decisions relating to production and business activities of the Company. The deputy general directors assist to the General Director.

Board of supervisor: The Board of Supervisors is elected by the General Meeting of Shareholders, this body acts on behalf of the shareholders to supervise the Board of Management and the General Director in managing and operating the Company, is responsible to the General Meeting of Shareholders for the performance of assigned tasks.

Board of Supervisor consists of 3 members.

Management structure





MEMBERS IN ORGANIZATIONAL STRUCTURE

Subsidiaries

1. Company name:	CADIVI Đông Nai one member Co., Ltd
Address:	Street No. 1, Long Thanh industrial zone, Tam An commune, Long Thanh ward, Đông Nai Province
Phone:	0613.514.128
Fax:	0613.514.120
Website:	www.cadivi.vn
Email:	cadivi@cadivi.vn
Charter capital:	100.000.000.000
Capital contribution of CAV:	100%
Ownership rate of CAV:	100%
Business industry:	Manufacturing electrical cables, equipments

2. Company name:	CADIVI Northern one member co., Ltd
Address:	52 Le Đại Hanh, Hai Ba Trung District, Ha Noi
Phone:	04.37346846
Fax:	04.37346813
Website:	www.cadivi.vn
Email:	cadivi@cadivi.vn
Charter capital:	5.000.000.000
Capital contribution of CAV:	100%
Ownership rate of CAV:	100%
Business industry:	Manufacturing electrical cables, equipments

VIET NAM ELECTRICCABLE JOINT STOCK COMPANY

Factories

CADIVI Eastern factory



Address: Industrial zone Bien Hoa 1 - Đồng Nai

Phone: (0613) 836165 - 836187

Fax: (84-613) 836444

CADIVI Sai Gon Factory



Address: Lot C2-4, N7 street, Tan Phu Trung industrial zone, Tan Phu Trung commune, Cu Chi District, HCM City.

Phone: (08) 66.833.602

Fax: (08) 37.968.268

CADIVI Central Factory



Address: Street No. 2, Hoa Cam industrial zone, Cam Le district - Đà Nẵng city

Phone: (0236) 3662339

Fax: (0236) 3662379

ORIENTED DEVELOPMENT

Essential targets of the company:

- ◆ CADIVI operates with the business motto to maximize the profit of shareholders, ensure the interests of employees in the company. Moreover, CADIVI always wants to satisfy the increasing demands of customers and society, not only in terms of material but also non-material values.
- ◆ Understanding the importance of the human element, CADIVI focuses on training on management and expertise to enhance the capability of the human resources. Developing qualified, quality and highly disciplined human resources in order to supply to manage and operate production and business activities is one of the key and essential tasks that CADIVI sets out over time. In addition, the Company will continue to promote the movement of inventions, innovations in science and technology to apply to production practices.
- ◆ CADIVI has been implementing the guidelines for managing the saving and efficient business, successfully building the enterprise culture and actively implementing the social welfare work.

Medium and long term development strategy

CADIVI wishes to maintain a solid growth in both profit and market share every year, but still maintain a harmonious balance between the two elements. The company focuses on producing and trading electric cables and equipments, and exploiting good business opportunities to bring high profits, creating a premise to support the reproductive work.

With the orientation of "Keeping the domestic yard to reach out to the other yard", that is occupying the domestic market to create the momentum for CADIVI to further reach the potential international markets. The company has gradually invested in development, striving to become one of the leading cable companies in Southeast Asia by 2020.

In addition, CADIVI also builds a charity society to support for natural disasters, the poor, the construction of gratitude houses, and the implementation of environmental, social and community protection.

The goals of sustainable development

For customer:

With the business philosophy of "Good quality product is the foundation for the existence and development of the Company", the CADIVI's top priority goal is to satisfy customers, the interests of customers are also the company's benefits.

For worker:

Human is the core factor to make a strong business, CADIVI puts the interests of employees to the top. CADIVI does not only care about material and spiritual life, but also creates many opportunities to train professional skills and develop the profession to create conditions for employees to reach further in their work.

For shareholder:

Managing, using, investing capital effectively for the purpose of optimizing shareholder profits.

For environment, society, and community:

The company always commits to fulfilling its responsibilities and obligations to the community and society, contributing to building a better society for sustainable development.

RISK FACTORS

Economic risk

2016 is considered as a challenging year for the Vietnamese economy because of the existence of internal problems. GDP growth in Vietnam in 2016 is estimated to increase by 6.21% compared to 2015, lower than 6.68% in the same period last year and failed to meet the growth target of 6.7%. Of which, agriculture - forestry – fishery sector increased by 1.36%, the lowest level in the last 5 years. Industrial and construction sector increased by 7.57%, down 2.07% compared to 2015 due to a sharp decrease of mining industry by 4%. The service sector increased by 6.98%, higher than the 6.33% of last year due to the contribution of the wholesale and retail sector as well as the financial, banking and insurance sectors.

Despite many challenges, the situation of Vietnam economy in the past year has many bright points such as credit increased about 17%; Reservation of foreign exchange reached \$ 41 billion, the highest ever. State budget revenues reached 100.7% of the plan. Total social investment is about 33% of GDP; Exports increased by 8.6%, trade surplus was \$ 2.68 billion (according to information from the online conference on the implementation of socio-economic plans and tasks and state budget of the government in 2017). The bright spots on this macro situation will help create momentum for the economy to grow in the next years.

Interest rate

In 2016, the money policy objectives of the State Bank remain focused on ensuring macroeconomic stability and promoting growth, including economic growth, keeping inflation below 5%, credit growth reached 18-20%, bad debt was less than 2% of total banking sector.

With those targets, the liquidity of the banking system was assured in the past year and the interbank rates fell due to better mobilization than last year and higher credit. As with the abundant liquidity and favorable macroeconomic factors, bid rates as well as lending rates have been decreases for short terms (about 0.3% - 0 , 5% in bid rates and 0.2% - 0.5% in lending rates).

To minimize the risk of interest rate fluctuations, CADIVI always sets criteria for safe and right financial management, finding appropriate loan sources, helping the Company avoid negative impacts of the variable interest rate.

Law risk

As a company equitized from state enterprises, all activities of the Company will be governed by the Law on Enterprises, Law on Securities and some other relevant laws such as Investment Law, Income Tax Law ..., the legal framework is changing to improve and standardize to

monitor the performance of enterprises. Therefore, any changes in the legal system affect the management process, company's production process.

In addition, the Company is bound by legislation in the industry relating to technical standards such as the Law on Standards and Technical Regulations (Law 68/2006 / QH11); Law on Product and Goods Quality (Law 05/2007 / QH12); Circulars, decrees guiding the implementation of these two laws (Decree 132/2008 / ND-CP, Circular 21/2007 / TT-BKHCN); Decree No. 89/2006 / ND-CP on goods labeling; Decree No. 54/2009 / ND-CP on sanctioning administrative violations in the sector of standard, measurement and quality of products and goods; Decision No. 50/2006 / QD-TTg on the list of products and goods subject to quality inspection (including products of electric cables belonging to commodity groups managed by the Ministry of Science and Technology); Circular 21/2009 / TT-BKHCN on promulgation and implementation of national technical regulation QCVN 4: 2009 / BKHCN on safety of electronic equipment. The cables with voltage below or equal 450/750 V must be affixed with the regulation mark when being circulated on the market.

In fact, the production level of CADIVI always reaches and exceeds the standards so the risk of

changing technical standards has little impact on the company's operation. However, in the coming time, the national technical regulation QCVN 4: 2009 / BKHCN on the safety of electrical and electronic equipment will be changed, the product of power cable extension voltage up to 0 , 6/1 kV. This will greatly affect the low voltage products of CADIVI are producing.

In addition, CADIVI is penetrating into the Central and Northern markets, so there will be many changes in packaging design. At the same time, CADIVI will also expand its penetration into developed countries such as US , Japan, Australia, ... Export activities of the company when entering these markets will face tariff and non-tariff barriers. The most difficult non-tariff barrier is the technical barrier (TBT). Besides, the CADIVI product has greater quality and price than competitors in these countries, and must also meet the certification such as: UL (US market), SAA (Australian market), JIS, PSE (Japanese market)...

In addition, Vietnam entering into trade agreements, the domestic market must compete with rivals from other countries. In the case of protecting the domestic market from substandard products, it is likely that Vietnam will also set up technical barriers and this will inevitably affect the production of CADIVI due to additional compliance new rules

Sector specific risk–Risk of price fluctuation of input material

In the last period, input material prices have been unpredictable. Due to the slowdown of the second largest economy in the world, China, the demand for consumption and use of materials used in industry such as steel, copper, aluminum ... in the country declined sharply due to the direction of change. Focusing on service rather than production as before. China has surplus raw materials and has exported to the international market, causing a great impact on the price of raw materials.

CADIVI with main sources of materials are copper, aluminum and PVC. In the past year, the prices of copper and aluminum have been affected by the surplus in supplying source in the world as mentioned above, so it has reached the lowest level in the past five years, creating favorable conditions for businesses in general and CADIVI in particular. The ratio of raw materials to the production cost of electrical cable industry in general and CADIVI in particular is quite large. Therefore, a fluctuation in the price of raw materials (mainly copper, aluminum, plastic) can have a great impact on the business performance of the company. With these fluctuations, CADIVI has managed a flexible policy, assessed fluctuations and made timely adjustments.

In addition, with the advantage of leading enterprises, CADIVI has established a large network of suppliers in both domestic and foreign markets, thereby ensuring the stability of supplying source and prices.

Diagram of copper price fluctuation in the world period 2011-2016



Source: Bloomberg

Risk of exchange rate

The risk of exchange rate is always a challenge for enterprises to import raw materials for production and business activities, especially when the exchange rate tends to increase. With the characteristics of electric wire and cable industry is the material with quite large rate and partly imported from neighboring countries such as China, Korea, Singapore,... when the exchange rate fluctuates strongly, it will affect to the business situation of the company. On the other hand, CADIVI's products are exported to overseas markets such as USA, Myanmar, Cambodia, etc. As a result, the negative changes in exchange rates when importing raw materials can be offset against the export activity, it will help CADIVI reduce the impact of exchange rate fluctuations.

Market risk

CADIVI's electrical cables are imported into big markets such as USA and Japan, which requires high quality in accordance with high technical standards. Currently, the entire production process of the company's products is carried out according to the quality management system has met the standards, been suitable to the requirements of the import market. However, if there are changes in the technical standards of the consuming

markets, it will lead to a disturbance in production and increase the cost of the Company. Import and export activities are always associated with international practices and customs as well as the binding legal of importing countries. There are many objective factors from the laws of host countries such as protection policy, regulations on design, packaging,

Competitive risk

Competition pressure in the power cable industry is very large when there are nearly 200 small and large electric cable enterprises operating in the country. The quality management system of the State has not been tight, so many small companies for profit purposes have launched products with low price but low quality, it is not safe for the user. This situation affects to the brand and prestige of Vietnam electric cable industry. Competition is not limited to "internal" of Vietnamese enterprises but also "foreign" producers, especially major brand name in the ASEAN region. This requires CADIVI to effort to manage and operate production, meet the quality but still retain reasonable prices to ensure competitiveness.

Management risk

For any business, choosing the suitable governance structure and organization structure of risk management is an important foundation for development, so it is tied to the risk management strategy of the business. To achieve high efficiency, the risk management framework of the business should be designed in accordance with the specific culture and development strategies of the company.

For the Company, increasing in capital scale after the issuance will lead to the risks of management of the company as well as difficulties in the management and use of human resources to the most effective. However, an experienced team with a viable plan, the company will limit this risk.

Environmental risk

For CADIVI's performance characteristic, environmental risks are the risks arising in the manufacturing process of electrical cables such as: unsafe working conditions, health, safety and community security ... The failure to predicting risks from the social environment to provide a handling

plan can push businesses to bankruptcy. Deeply aware of the importance of environmental risk management, CADIVI has always focused on forecasting, mitigating risks and negatively affecting the health and safety of local communities around CADIVI's factory are in operation.

Other risk

In addition to the risks described above, some of the risks are force majeure. Although it is difficult to occur, it occurs and will also affect the business operations of the Company such as major typhoons, fire, earthquakes can affect the assets, business activities of the company. These are risks rarely encountered in reality but when they occur, they often cause great material damage to the Company. The Company regularly participates in purchasing insurance for its and customer's asset and goods to minimize these risks.



OPERATING SITUATION

VISION

By 2020, build CADIVI to become one of the leading electric cable manufacturers in Southeast Asia.

CADIVI

Đem nguồn sáng đến mọi nơi





SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES

By the end of 2016, the business results of CADIVI are as follows:

Unit: Million dong

No	Targets	2015	2016	% Increase/Decrease
1	Net revenue	5,667,844.48	5,631,051.58	-0.65%
2	Cost of goods sold	5,177,772.65	5,069,318.24	-2.09%
3	Financial income	6,370.95	6,290.04	-1.27%
4	Financial expenses	51,170.51	51,535.33	0.71%
5	Cost of sales	70,579.05	82,850.10	17.39%
6	Enterprise Management Cost	157,417.80	113,153.35	-28.12%
7	Profits from business	217,275.42	320,484.59	47.50%
8	Other profit	2,123.13	-16,074.00	-
9	Profit before tax	219,398.54	304,410.59	38.75%
10	Profit after tax	170,576.03	239,371.81	40.33%
11	EPS (Unit: dong)	4,996	7,231	44.74%

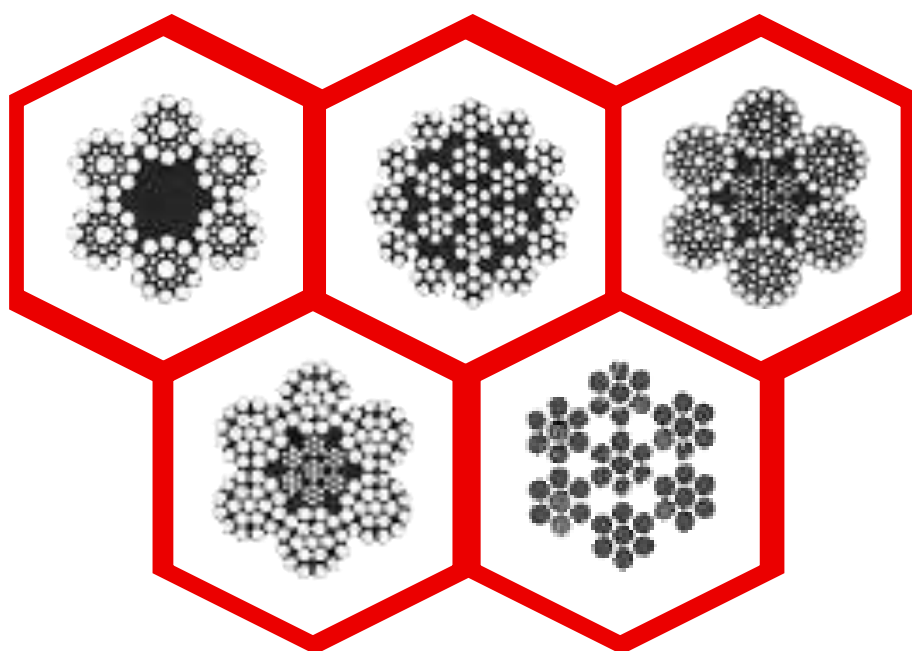
In 2016, net revenue of the Company was 5,631 billion dong, down 0.65% over the same period in 2015. The reason for this slightly lower than last year due to the increasing competition from both domestic and foreign markets, as well as the change in policies and institutions in some countries lead to decline in export such as: The change in the political fabric of Myanmar has a great impact on the progress of work, construction projects due to the need to wait for new policies to be implemented, therefore the large CADIVI packages also be suspended. For the Cambodian market, as current large customers majority purchase through open bidding, the reason why CADIVI cannot sell is the bid is higher than the competitor even though it has been approved with competitive price, the requirements of these packages are very low so good product quality is not competitive advantage of CADIVI.

Although net revenue in 2016 was lower than the same period last year, the pre-tax and post-tax profit growth rates were good, particularly with the increase of 38.75% and 40.33%. The main reason is that in the past year, the decrease in raw material price caused cost of good sales decrease by 2.09% as well as the high efficiency of administrative management, the cost of corporate management decreased 28.12%. In addition, in the past year, CADIVI has restructured its product portfolio, helping to bring profits higher than the same period last

The implementation of planned targets

Targets	Unit	Plan 2016	Implementati on 2016	Implementation/P lanning
Net revenue	Million dong	6,000,000	5,631,051.58	93.85%
Profit before tax	Million dong	250,000	304,410.59	121.76%

Although the net revenue target was not met as planned, only met 93.85% of the target. However, the Company has made progress in many aspects, particularly the management is well implemented, grasp thoroughly the goal of "Maintain, encroach and expand the market" on the basis of "Maintaining the base market", encouraged in the projects of power industry, industrial construction, construction, defense, oil and gas, export... In particular, the pre-tax profit target reached 304.41 billion dong, surpassing 21.76% planned targets set.



ORGANIZATION OF PERSONNEL

Board List

Member	Position	Number of shares held	Ownership ratio/Chartered capital
Le QuangDinh	General manager	-	-
Trinh QuocToan	Deputy General Director	30	0.00%
Duong Lieu Mai Khanh	Chief Financial Officer, Chief Accountant	-	-

Curriculum vitae



Mr. Le Quang Dinh - General Director

Year of birth: 1964

Qualification: Mechanical Engineer

Time	Work unit	Position
1987 - 2007	CADIVI Company - Mechanical Engineering Department	Staff
2007 - 2008	CADIVI Company - Long Bien Enterprise	Deputy Director
2008 - 2012	CADIVI Company - Long Bien Enterprise	Director
2012 - 2015	CADIVI Company	Deputy General Director
2015 - 2016	Cadivi Dong Nai One Member Limited Company	General Director and Deputy General Director of CADIVI Company
2016 - present	CADIVI Company	General Director and General Director of CADIVI Dong Nai

VIET NAM ELECTRICCABLE JOINT STOCK COMPANY



Mr. Trinh Quoc Toan - Deputy General Director

Year of birth: **1965**

Qualification: **Mechanical Engineer**

Time	Work unit	Position
1990 - 1994	CADIVI Company - M & E Enterprise	Engineer
1994 - 1996	CADIVI Company - Thanh My Enterprise	Engineer
1996 - 1998	CADIVI Company - Thanh My Enterprise	Acting Manager - KCS
1998 - 2011	CADIVI Company - Thanh My Enterprise	Quality Engineering Manager
2011 - 2014	CADIVI Company	Technical Director and Technical Officer
2014 - 2015	CADIVI Company - Long Bien Enterprise	Deputy Director in charge
2015 - present	CADIVI Company	Deputy General Director

Mrs. Duong Lieu Mai Khanh - Chief Financial Officer and Chief Accountant

Year of birth: **1974**

Qualification: **Master of Accountancy auditing**

Time	Work unit	Position
1996 - 2001	CADIVI Company - Electrical Appliance Enterprise 2 - Financial Accounting Department	Staff
2001 - 2003	CADIVI Company - Thanh My Enterprise - Financial Accounting Department	Deputy Manager in charge of Financial Accounting
2003 - 2009	CADIVI Company - Financial Accounting Department	Deputy of Department
2009 - 2016	CADIVI Company - Financial Accounting Department	Chief financial officer
2016 - present	CADIVI Company - Financial Accounting Department	Chief Financial Officer and Chief Accountant

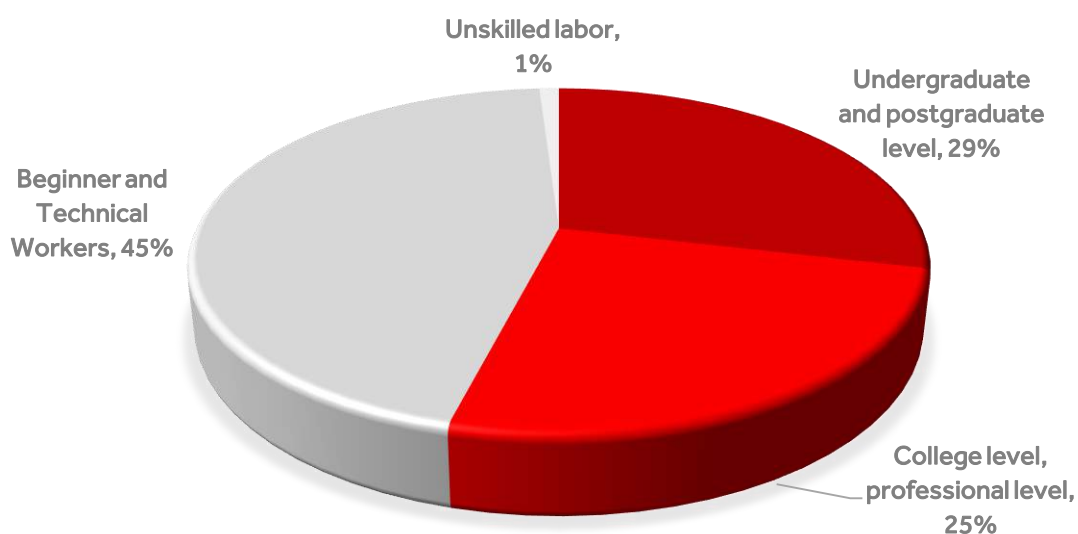


Number of staff

Up to December 31, 2016, the total workforce of the Company is **781** people with specific structure as follows:

No	Criteria	Number (person)	Proportion (%)
I	According to the level of labor	781	100.00%
1	Undergraduate and postgraduate	224	28.68%
2	College, Vocational school	198	25.35%
3	Beginner, Technical worker	351	44.94%
4	Unskilled labor	8	1.02%
II	By contract of employment	781	100.00%
1	Full time	781	100.00%
2	Part-time	-	-
III	By gender	781	100.00%
1	Male	670	85.79%
2	Female	111	14.21%

LABOR STRUCTURE BY LEVEL



Policies for employees

Training Policy:

Company always interested in the training and development of human resources, every year the company develops training plans for staffs and implement seriously.

Training activities of the Company include:	Vocational training for new workers,
Train new employees with the aim to quickly	upgraded training, repeat training and
integrate into the workplace and the working	training on new technology for older
environment of the Company. Introduce about	Training, teaching essential
Company and Company's products, labor	management skills for middle managers.
contract, labor rules, labor safety, functions and	Training, teaching about professional,
duties according to each job description, quality	specialist: communication with
management system ISO 9001.	customers, sales, warehouse
Training in labor safety, fire prevention, first	management, quality control...
aid, emergency aid...	

Salary, bonus policy:

The company develops the regulations on salary, bonus, wage scales and payroll system in accordance with the characteristics of the occupational trades, ensuring the employees fully enjoy the regimes according to the regulations of the state, commensurate with the level, capacity and level of contribution of each person, creating encouragement, encouraging employees to work actively, promoting the production and business of the company.

Pay salaries to employees based on the unit price of salary per unit of product produced and consumed in the month, quarter, and year based on the position of work and the evaluation of work results of each person in the month.

Other policies and regimes for employees:

The company strictly and fully implement the regimes for employees according to the provisions of the Labor Code;

In addition to compulsory insurance, the company also buys accident insurance for 100% employees in order to support the medical expenses as well as reduce the staff's ability to work when the risk occurs;

The company organizes periodical health examination and occupational disease examination for staffs to early detect pathology for timely care and treatment;

The company set up the Labor Protection Council, attaching importance to labor safety and hygiene, fire prevention and fighting.

The company is very interested in improving the working environment and conditions for employees; fully equipped working facilities, uniforms, labor protection equipment, measures to prevent heat, reduce dust and noise, organize mid-shift meals, in kind support for staff working in heavy, toxic environment;

The company organizes and facilitates for staffs and their families to take annual vacations, organize training, competing sports and strengthening the spirit of solidarity and collective;

The company has a system of supporting staff suffering long-term treatment, retired staff (source of money from the salary fund agreed by the employees in the company), support death gratuity for death employee, support for retirement (deducted from the welfare fund).

SITUATION OF INVESTMENT AND IMPLEMENTATION OF

Major investments in year

Project of electric cable production factory
- Phase 2, new construction workshops and supplement equipment for production electric cables (Tan PhuTrung, Cu Chi)

Specific items of investment: Factory; Auxiliary area; Office; Garage; Guard house; 02 power stations 2500kv and transport infrastructure, yards ...

Additional machinery and equipment for production of electric cables: 01 machine 61 fibers; 01 machine 1+1+3/1250; 01 wrapping machine 75; Removal of transfer

Wire wrapping machine Investment project

Specific items of investment: Invest in wire wrapping machines and twisting machines and auxiliary equipment.

Project to improve the capacity of civil wire production

Specific items of investment: 01 tractor 8 lines; 09 spiral machines; 02 wrapping machines 75; 01 medium tractor WG17; 04 roll collectors 2 in 1.

Invest in subleasing land in Tan PhuTrung Industrial Park

Specific items of investment: Sublease Infrastructure Plot C3 - 4 in TPT industrial

Phase 2: Expanded workshop

Specific items of investment: Invest in the expansion of Factory - Phase 2.

The project set up establishment 2 of Thanh My Enterprise

Specific items of investment: Invest to expand factory, add machinery and equipment at establishment 2 - in Long Thanh Industrial

Investment project of UPCAST copper oven

Specific items of investment: Invest in UPCAST copper ovens and build and supply auxiliary equipment.

Construction of fences, temporary yards... in lots C3-4

Specific items of investment: Construction of fences, guard gates, yards for cables in Lot C3 - 4.

Status of implementation of investment projects

Name of project - Investor - Location	Plan for 2016	Made in 2016	% made	Transition through 2017
Project of electric cable production factory - Phase 2, new construction workshops and supplement equipment for production electric cables (Tan Phu Trung, Cu Chi)	246.40	153.45	62.28%	92.95
Project to improve the capacity of civil wire production	76.93	-	0.00%	76.93
Wire wrapping machine Investment project	22.55	-	0.00%	22.55
Investment project of UPCAST copper oven	39.71	-	0.00%	39.71
The project set up establishment 2 of Thanh My Enterprise	30.00	-	0.00%	30.00
Invest in subleasing land in Tan Phu Trung Industrial Park	36.70	36.70	100.00%	-
Phase 2: Expanded workshop	25.90	1.31	5.07%	24.58
Construction of fences, temporary yards,... in lots C3-4	4.17	4.17	100.00%	-
Total	482.36	195.64		286.72



Affiliated company

Cadivi One Member Limited Company in Dong Nai

Targets	Unit	2015	2016	2016 compare to 2015
Total assets	Dong	313,631,748,271	334,060,552,179	6.51%
Total revenue	Dong	1,879,074,559,496	1,548,911,153,259	-17.57%
Profit after tax	Dong	61,941,747,007	71,033,741,325	14.68%

Cadivi One Member Limited Company in Northern (*)

Targets	Unit	2016
Total assets	Dong	138,096,169,587
Total revenue	Dong	195,258,985,048
Profit after tax	Dong	606,808,002

(*) Cadivi One Member Limited Company in Northern was established in 2016, so there is no comparable figures for 2015.



FINANCIAL SITUATION

Financial situation

Targets	Unit	2015	2016	% Increase/Decrease
The total value of assets:	Million dong	2,041,032.53	2,187,736.15	7.19%
Net revenue	Million dong	5,667,844.48	5,631,051.58	-0.65%
Profits from business	Million dong	217,275.42	320,484.59	47.50%
Other profit	Million dong	2,123.13	-16,074.00	-
Profit before tax	Million dong	219,398.54	304,410.59	38.75%

Key financial indicators

Targets	Unit	2015	2016
Payment ability			
Short-term payment coefficient	Time	1.14	1.10
Quick payment coefficient	Time	0.66	0.61
Capital structure			
Debt coefficient/Total Assets	%	68.65%	65.80%
Debt coefficient/Owners' equity	%	219.02%	192.39%
Operational capacity			
Inventory rotation	Rotation	7.91	7.68
Property rotation	Rotation	3.04	2.66
Profitability			
Profit after tax/Net revenue (ROS)	%	3.01%	4.25%
Profit after tax/Owners' equity (ROE)	%	28.15%	34.49%
Profit after tax/Total assets (ROA)	%	9.15%	11.32%
Profits from business activities/Net revenue	%	3.83%	5.69%

About solvency:

In 2016, the short-term and fast payment ratios are not much different from the same period.

About operating capacity:

Inventory turnover reached 7.68 turns, down 2.97% over 2015; total assets turnover reached 2.66 turns, corresponding to 12.50% decrease compared with the results achieved in 2015.

On *inventory turnover* criteria: In the past year, the prices of main raw materials used in production fluctuated sharply decrease, as well as the management of the use of materials and production norms, the cost of goods sold decreased 108.45 billion dong, corresponding to the reduction of 2.09%, while the inventory value is equivalent to the same period.

For *asset turnover* criteria: As mentioned in the structure of capital, the assets of CADIVI in the year increase rapidly because the company is in the process of investing in many projects for business purposes while net revenue decreased 0.65%, slightly change compared to 2015 lead to the fluctuation of the indicators as mentioned.

About capital structure:

As of December 31, 2016, CADIVI has reduced the debt ratio of its total assets, in particular debt/total assets down 4.15%; Debts/Owners' equity fell by 12.16% compared to the capital structure in 2015. In the last year, implementing the plan of the General Meeting of Shareholders on investment, CADIVI is in the process of building and adding many items such as construction of Tan Phu Trung electric cable factory,... and machines to serve the business operations, long-term assets increased significantly, to 228.37 billion dong, an increase of 214.45 billion dong compared to the beginning of the year, leading to an increase in total assets, while the change of total Debt to pay is not significant, resulting in changes in the above criteria.

About performance:

All four indicators reflect the profitability of CADIVI showing growth over the same period, especially ROE increased 6.34%. This is the result of good management, determined to maintain market share in the context of increasingly fierce competition, make the target profit after tax increased 40.33% compared with 2015, as well as the change of the other relevant indicators mentioned above that make a strong growth of CADIVI in the past year.

STRUCTURE OF SHAREHOLDERS

According to the list closed on March 10, 2017

Stock

Number of stocks: 57,600,000 stocks.

Nominal value of shares: 10,000 dong.

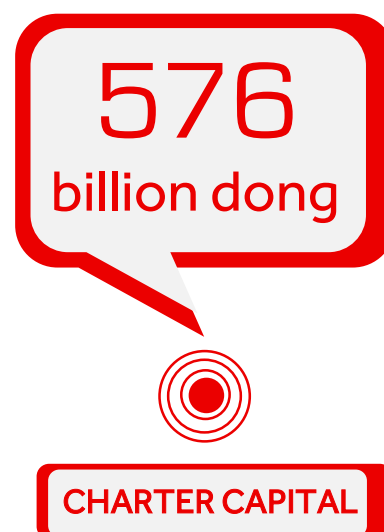
Number of preferred shares: without.

Number of common shares: 57,600,000 stocks.

Outstanding shares: 57,600,000 stocks.

Number of stocks transferred freely: 57,487,243 stocks.

Number of stocks restricted transfer: 112,757 stocks.



Structure of Shareholder

No	Subjects	Number of shares	Ownership ratio (%)	Number of shareholders	Structure of Shareholder	
					Organization	Individual
1	Major shareholders	43,043,648	74.73%	1	1	-
	- Domestic	43,043,648	74.73%	1	1	-
	- Foreign	-	-	-	-	-
2	Union Corporation	93,612	0.16%	1	1	-
3	Other shareholders	14,462,740	25.11%	1,272	55	1,217
	- Domestic	12,210,226	21.20%	1,219	27	1,192
	- Foreign	2,252,514	3.91%	53	28	25
TOTAL		57,600,000	100%	1,274	57	1,217
Inside: - Domestic		55,347,486	96.09%	1,221	29	1,192
Foreign		2,252,514	3.91%	53	28	25

List of major shareholders

Name of organization/individual	Address	Number of stocks	Ratio/Charter capital
Vietnampm Electrical Equient JSC	52 Le Dai Hanh Street, Hai Ba Trung District, Hanoi	43,043,648	74.73%

The situation of changing the owner's investment capital

Since its operation in the form of a joint stock company, the company has undergone the capital raising process as follows



In November 2016, the Vietnam Electricity Cable Corporation was licensed by the State Securities Commission to offer shares to the public and completed in February 2017, raising the Company's chartered capital from 288 billion dong to 576 billion dong.

Fund

shares

Without.

Other securities

Without.



REPORT IMPACT ON ENVIRONMENT

Resource management

The use of materials

Unit: Kg

MATERIALS	REALITY USE		
	2015	2016 (*)	% 2016/2015
Dong	17,442,827	20,362,337	16.74%
Aluminum	3,531,253	2,670,215	-24.38%
PVC-M62	8,352,043	9,530,379	14.11%
PVC-US	287,108	239,054	-16.74%
XLPE-HT	583,432	650,419	11.48%
XLPE-TT	378,427	530,038	40.06%

Saving materials situation

Unit: Kg

Factory	COPPER 3mm	ALUMINUM 9.5mm	PVC-M62
	2016 (*)	2016 (*)	2016 (*)
CADIVI Eastern (TSC)	-63,621	-2,103	-59,875
CADIVI Eastern (CS1)	-46,716	490	-147,792
CADIVI Saigon	-54,348	-2,236	-83,925
CADIVI Central	-11,290	0	-21,231
Total	-175,974	-3,850	-312,823

Unit: Kg

Factory	XLPE	PVC-US	Total savings (VND)
	2016 (*)	2016 (*)	2016 (*)
CADIVI Eastern (TSC)	-13,577	-1,183	-9,742,233,276
CADIVI Eastern (CS1)	-8,685	-7,646	-9,928,337,374
CADIVI Saigon	-4,479	70	-8,859,886,913
CADIVI Central	0	0	-1,827,975,585
Total	-26,741	-8,759	-30,358,433,148

Note: Figures with() are estimates made.*

In 2016, due to the application of new norms closer to reality, the saving rate of copper and aluminum decreased compared with 2015. PVC plastic for US cable has better savings.

CADIVI has made a thorough effort to save materials and raw materials from management, purchasing, delivery, preservation and protection to the coordination of materials in the product structure.

In addition, the Company restricts the production of commodities that consume a lot of raw materials, turning some previously products from copper to aluminum. Transmit soft past wires from copper M1 to brass boiled from scrap, refine copper scrap to save copper M1 for production of electromagnetic wires, telephone wires.

CADIVI also aims to expand products that consume less raw materials and materials but high use value, essential for production and life, goods with high quality, high technical standards and invest a lot of living labor, such as single wire, double wire, telephone wire, seismic cable,

Value of saving materials in production

Estimated total savings in 2016: 30,358,433,148 dong (down 17% compared to 2015, the saving value in 2015 is 36,689,811,933 dong)

Energy consumption

Direct energy consumption

Total energy usage categorized by source		2016
Type of energy (unit of measure)		Electricity (kWh)
Total energy consumption (kjun)		15,324,600 kWh ~ 55,168,560,000 kJ

Energy saving through energy efficiency initiatives

No	Energy Efficiency Initiative	Place of operation	Saving energy
1	Use SCR + control PID to control temperature.	Factories	It is estimated to reduce 20% energy compared to the old project.
2	Use inverter for cooling water pumps to regulate water flow accordingly	Factories	It is estimated that nearly 30% of electricity used for pumping with the old project.

Water consumption

Amount of water used

No	Type of activity	Total amount of water used (liter)
1	Water for production and office activities at CADIVI Factory Eastern - Head office (Bien Hoa 1 Industrial Park, Dong Nai),	26,782,000
2	Water for production and office activities at CADIVI Factory Eastern - Establishment 1 (Bien Hoa Industrial Park 1, Dong Nai),	23,538,000
3	Water for production and office activities at Saigon CADIVI Factory (HCMC)	20,797,000
Total		71,117,000

Compliance with the law on environmental protection

Every year, CADIVI performs environmental audits at all factories according to the Labor Code No. 10/2012/QH13, Decree No. 45/2013/ND-CP by Government and Circular No. 19/2011/TT-BYT by the Ministry of Health. Items and indicators are measured specifically: Microclimate, light, noise, dust, toxic gases at technical sites according to the Technical Regulations of the Institute of Labor Medicine and Environmental Hygiene - Ministry of Health.

All indicators on total dust, respiratory dust and gas mist, CADIVI's factories are fully meet the standards, ensuring a safe working environment for officials and workers participant in the production process.

Besides, CADIVI also periodically inspect and maintain equipment, materials, chemicals,

Labor-related policies

The table shows the number of employees, the average salary and hours of training

No	Classify	End of term	Average Salary (Unit: million dong/person)	Average hours of training (Unit: Hours/person)
1	By gender			
	- Male	670	7	22
	- Female	111	7	19
2	By labor contract			
	- Full-time	781	7	22
	- Part-time		-	-
3	By level			
	- Postgraduate, Undergraduate	224	9	22
	- College, Vocational Training	198	7	21
	- Beginner, technical	351	5	22

In the past year, CADIVI combined the reorganization of the organization with the reorganization of the workforce, after the reorganization, the company has reduced from 849 employees in early 2016 to 781 employees in the end of year in which 38 employees were on a redundant labor regime.

At the same time, the Company also reviews, modifies, supplements and organizes the signing of the Collective Labor Agreement in 2016, deducts the payment of social insurance according to the salary and allowances in the labor contract under the new social insurance law.

For the training and health care of employees, the total number of staffs who trained and taught is 1400 person and organized periodical health examination and occupational health examination for 799 person. In addition, CADIVI regularly organizes the measurement of the working environment at its factories every year, identifying hot, toxic and dangerous areas to

Table of specific work done related to education during the year

Content of work done	Unit	Number	Factory made	Cost (dong)
Safety inspection training periodically.	Person	654	04 units	51,500,000
Training the Chief Officer from the head of department, specialist or above	Person	108	04 units	38,400,000
Training on equipment with strict requirements.	Person	134	04 units	22,000,000
Training VSV.	Person	85	LB, TA	59,560,000
Responding to the 17th Labor Safety - FVH - FSS National Week	Week	01	04 units	30,400,000
Buy picture material.	unit		04 units	13,240,000
Fire Prevention Training.	Person	108		10,500,000
Total				220,300,000

Plan for 2017

CADIVI will apply the payroll system to employees in accordance with the new salary scale and payroll system, increasing the proportion of salary in the monthly salary structure. Along with that, KPI is built on an individual basis to improve the quality of the performance of employees.

In addition, the Company will review and revise the Labor Agreement to incorporate the new salary and bonus scheme as well as organize employee satisfaction surveys by the end of 2017.

In the year 2017, CADIVI also wishes to continue to promote and step up the objectives of responding to the emulation movement to fulfill the task excellently, implement the savings policy, encourage individual collective participation and have many initiatives, special patents granted to companies for production and business throughout the company. Coordinate with organizations of Parties and unions to build company culture on the basis of "Solidarity, Creativity and Development" and at the same time take care to the employees' life to create working environment that proactive, creative, civilized and long lasting.

Report on responsibility to local community

In addition to its production and business operations, CADIVI regularly participates in activities that demonstrate responsibility to the community. Activities of gratitude, Gratitude is the sign of noble souls... that entered the life of every employee in the Company. The contents of social activities are put into annual resolutions by the Party Committee, the Trade Union of the Company and at the same time direct the mass organizations to participate in charitable activities and poverty reduction projects.



The Company has established a Charitable Fund for Charity, the revenue from each year's contribution is equal to one-and-a-half days' pay per employee under the labor collective agreement of Company for charitable activities such as Hurricane Relief Flood in the Central, Fund for supporting the "Fund for the poor" of Nguyen Thai Binh Ward, District 1, HCMC, support to care disadvantaged people, victims of Agent Orange on the occasion of Lunar New Year Dinh Dau 2017... In addition, the company also sponsors activities and other significant social programs.



REPORT OF THE BOARD OF GENERAL DIRECTORS

CORE THOUGH

Solidarity, Innovation,
Development

CADIVI

Đem nguồn sáng đến mọi nơi



EVALUATION OF BUSINESS ACTIVITIES RESULTS

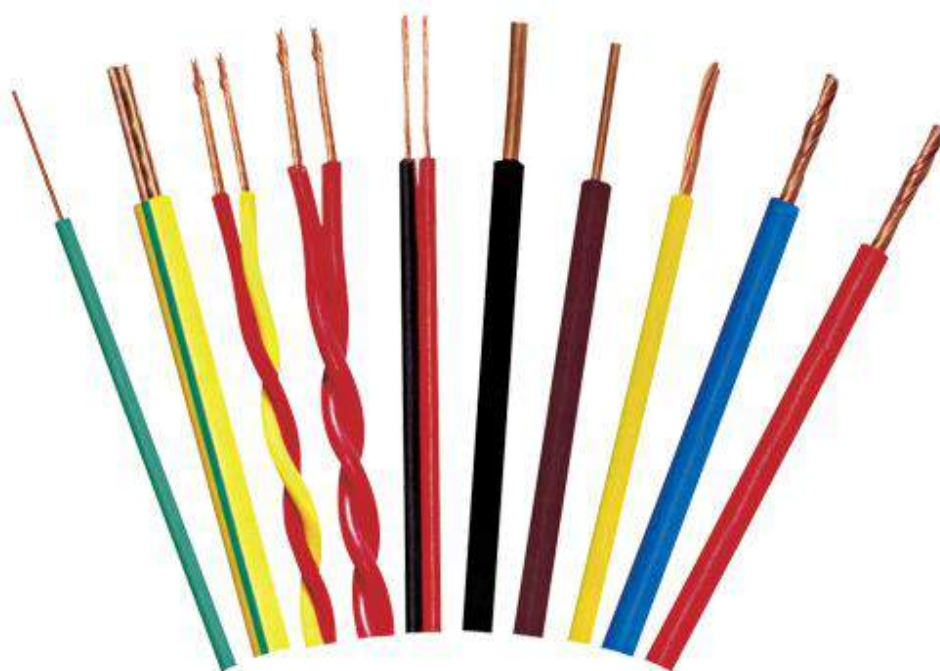
Business environment in 2016

Advantage

CADIVI with famous brands due to high quality products and first-class dealer system with more than 200 distribution stores nationwide has long been creating trust for customers. With the trust of the brand goes with the quality, products of the company in many projects, especially the construction of electricity.

Speaking of CADIVI, it is impossible to mention skilled staffs with good experience, keen on acquiring advanced science and technology achievements with a team of skilled workers, the spirit of solidarity increasingly higher bring more value to the company during the operation.

In addition, export market of CADIVI is being maintained relatively stable, the business activities of the company growing.



Disadvantage

- *Internal disadvantages of CADIVI*

The change of ownership and restructure, rearranging the organization in the late 2016 has some impact on the production and business of the company. One of the other issues is that CADIVI currently has seven manufacturing facilities: CADIVI Saigon Factory has 04 facilities; CADIVI Eastern Factory has 03 facilities. These facilities are located in many places that are not concentrated, causing difficulties for the management and operation and affect to management costs and transportation costs.

In addition, the relocation of the factory (CADIVI Saigon Factory is in the process of relocation to Tan PhuTrung, Cadivi Eastern factory relocated under the policy of conversion of functions Dong Nai industrial park No. 1 - Phase 1: 2016 - 2020), causing difficulties in investment in production development at the facilities of this factory.

- *Objective*

Vietnam has been integrating deeper and deeper into the world economy, leading to a sensitivity of the Vietnamese economy to the effects of the global situation. One of the biggest impacts is that the general situation of the domestic and foreign markets has made prices of materials and raw materials for production fluctuate continuously. Moreover, competitors in the industry always cling, competition increasingly fierce with CADIVI.

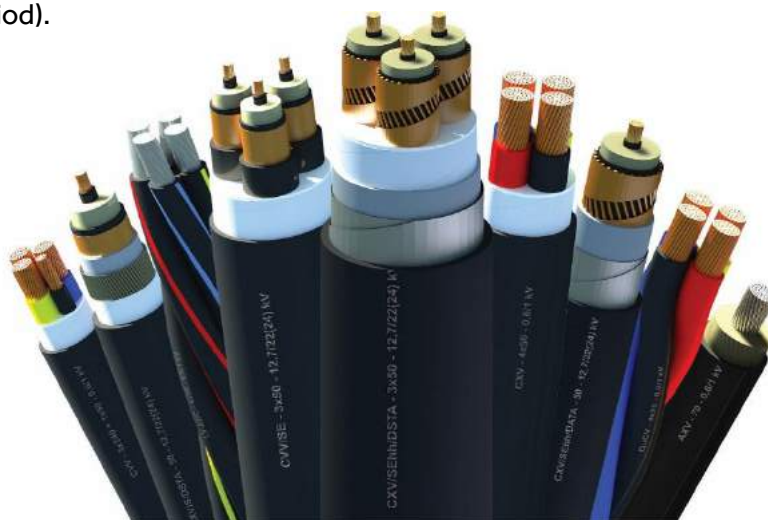
Facing such difficulties and advantages, the targets for implementing the 2016 plan and business results in 2016 are as follows:

Situation of implementation of the plan

Targets	Unit	2015 Perform	2016 Plan	2016 Perform	2016 / 2015	TH2016 / KH2016
Net revenue	Million dong	5,667,844.48	6,000,000	5,631,051.58	-0.65%	93.85%
Profit before tax	Million dong	219,398.54	250,000	304,410.59	38.75%	121.76%

By the end of 2016, net revenue of CADIVI reached 5,631 billion dong, equivalent to 93.85% of the plan and a slight decrease compared to the results achieved in 2015. In fact, over the past year, CADIVI's business activities have faced tough competition in both domestic and export markets. In order to maintain market share, the Company had to adjust the selling price, the appropriate sales policy. Therefore, net revenue value decreased slightly over the same period and reached only 93.85% of the target.

However, the profit before tax target increased sharply by 38.75% and exceeded 21.76% of the target set by the General Meeting of Shareholders. This result was obtained by benefiting from the downward trend of input materials; in addition, CADIVI has restructured its sales portfolio and strictly controlled cost items, especially management costs (down 28% over the same period).



About the revenue

Consolidated revenue structure table

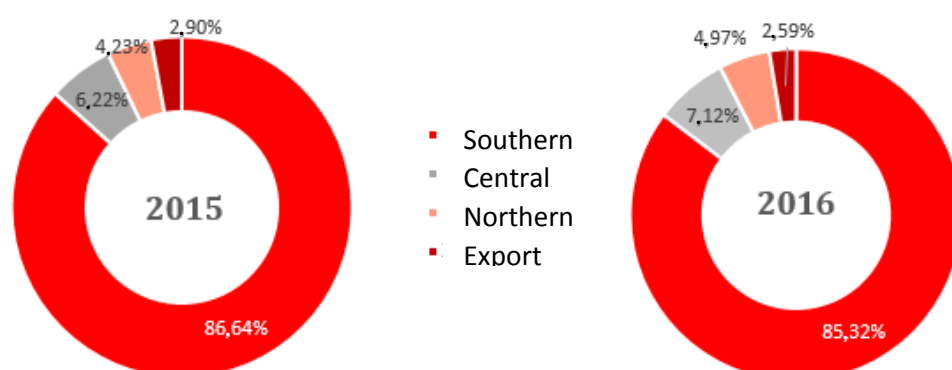
Unit: million dong

Targets	2015		2016	
	Value	Proportion	Value	Proportion
Revenue of main business activities	5,637,872.99	99.47%	5,611,734.38	99.66%
Processing revenue	24,977.12	0.44%	15,539.15	0.28%
Revenue from service providers	4,994.37	0.09%	3,778.05	0.07%
Total	5,667,844.48	100.00%	5,631,051.58	100.00%

In the consolidated revenue structure of CADIVI, revenue from the main business activities still accounts for the largest share with more than 99% over the years. As of December 31, 2016, total revenue from main activities was 5,611.7 billion dong, a decrease of 0.46% compared to the result achieved in 2015. Agency customers are attributable the most with a contribution of about 59% of the total revenue from main activities.

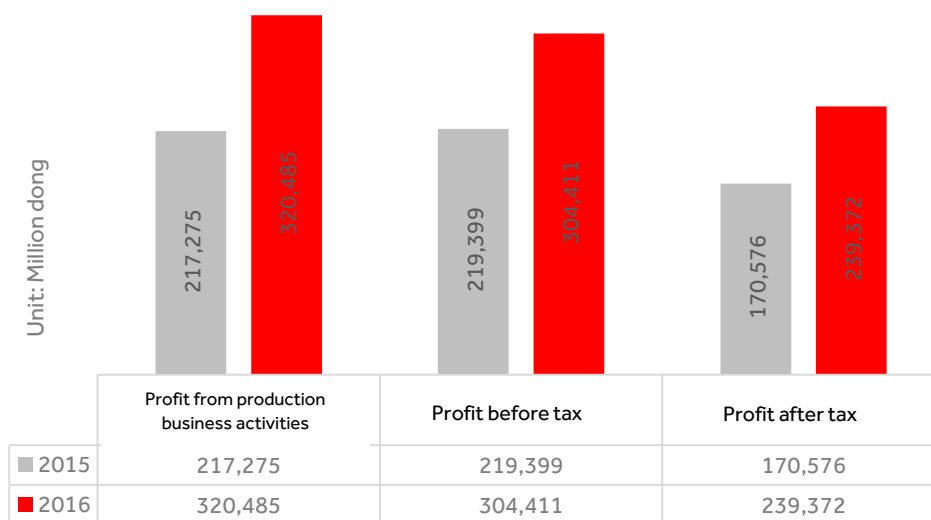
The remaining two revenue streams were Processing and Service Income, although they accounted for a very small share, but fluctuated sharply over the same period.

Revenue structure by geographical



In terms of revenue structure by geographic region, the South is still the market with the largest revenue value of about 85% -86% over the years. However, in 2016, revenue value from this market segment fluctuates with a reduction of more than 2%. In contrast, the Central and especially the North markets grew by 14.12% and 16.63%, respectively.

About profits



Profit targets 2015, 2016

CADIVI's profit norms showed a significant growth over the same period: Net profit from business activities increased 47.5%; Profit before tax increased 38.75% and profit after tax increased over 40%. This growth was largely due to a drop in input material prices which contributed to COGS of 108.5 billion dong, down 2% compared to the same period; Management expenses down more than 28% also contributed to the increase in profit before tax and after tax norms.

The activities in 2016 and the progress achieved

Market work, branding and sales

Maintaining the target of "Maintaining, encroaching and expanding the market" on the basis of "Maintaining the market base", stepping up the projects of power industry, industrial construction, defense, oil and gas, export...

Update the harmonious sales policy towards the "Maximum Customer Satisfaction" and achieve the profit target. Customer service is focused and strictly implemented.

Bidding and project work

- Offer support for companies, affiliates such as: Electricity Construction Joint Stock Company No.1, Vietnam Construction Joint Stock Corporation and power companies want to purchase directly to the Company.
- Access to key projects nationwide such as METRO subway project, Thermal Power Project Vinh Tan, DuyenHai, Long Phu I, Hau River; Ton HoaSen Plant ... In which, it offered the products of CADIVI electrical cable for Vinh Tan Thermal Power Plant.
- Approached the Dai Quang Minh project and put the medium voltage and low voltage wire into the building.
- Support for CADIVI Northern Limited Liability Company, CADIVI Dealers in offering cable products.

Organization of production

- Thorough application of BFO software in production management.
- A reasonable level of production between the company and the factory, make sure to make orders in time for delivery.
- Step by step to specialize production. Now combined with CADIVI Eastern Factory, step by step specialized in each product group for head office and facility 1, reducing inventory as well as rationalizing in production.
- Strictly control of inventory, the use of materials, consumption of products ...
- Synchronized customer demand - supply of materials - set equipment and machines to ensure timely delivery, reduce costs, increase production efficiency.

Research and Development

- In 2016, the company has successfully tested and produced the following products:
 - Hybrid cable: assigned Thien Tu Telecommunication Company to use this cable to install the test at mobile station in Long Thanh Industrial Park in Dong Nai Province (stable operation).
 - Unshielded medium voltage cable with IEC 60502-2 rated test voltage.
 - Welding cable, extension cord, PVC insulated automotive cable ...
- Being tested and looking for suitable materials: Aluminum cable with composite ACCC core, aluminum alloy cable, medium voltage MV/FRT cable; study of structure, equipment system for production of high voltage underground cable to 220kV.

Engineering and Technology:

The units perform relatively well the management of technical, technology; comply to the Company's regulations and guidelines on technology; ensure the equipment for production and mobilize the machine hours to increase production.

Promulgate new regulations on management of technical techniques, technical specifications of products and standards.

Apply for the whole company using self-centering cap from U7 - U14 for civil wire and cable wire exported to USA.

Apply wraps and rolls technology 2 in 1. change size, label for household electrical coils.

New equipment quickly put to use: Such as 12-way tractors (TM), high-wire machines (LB), 2-in-1 rollers, Wrapping line 75...

Quality Management

Implement the control of input materials in accordance with the procedures of the quality management system ISO 9001: 2008 issued.

The main inputs, copper, aluminum, XLPE and PVC are relatively stable. However, there are also unsuitable materials found in the production process and production department, Quality Management department, Union inspection department, units have worked with suppliers to deal with.

Application of BFO software in quality management of input materials.

Carry out regular inspection and testing of products in units; Implement KPIs in the BSC program.

Compile, issue and implement 38 Guidelines for quality control of tender packages and new products.

Application of product certification: Standard conformity certification; CE certification; PSE certification; SAA certification.

Exist: During the year there were some customer complaints: Like copper conductor is black head, medium voltage cable has stripes

Factories, Union inspection department, and QA department have coordinated to find the cause and propose corrective measures. Units strictly implemented, initially had good results. Currently being monitored.

Finance - Accounting

Accounting

- Financial reporting: Make quarterly financial reports on schedule.
- Coordinate with the Business Department, oversee sales, discounts, revenue recovery.
- Control costs and revenues to report to General Manager on monthly business results.
- The Internal Audit Department has developed an annual audit plan. Have checked the compliance of the discounts, cut price in sales. Perform inventory and material settlement, recalculate PVC production cost. Together with the Deloitte auditing firm in the Risk Management Consultancy project, set up internal audit manuals and built up a number of procurement and sales processes.
- Co-ordinate with the company's control board, the auditor company performs the inventory handover of general director as of November 30, 2016.

Financial

- Disbursed the loan contract financing the project Tan Phu Trung phase 2 in accordance with the time limit stipulated by the People's Committee with the best loan cost.
- It has cooperated with the State Finance Investment Company of Ho Chi Minh City and the State Treasury to fully collect the interest subsidy of 2016 is 1,040 million dong (in which: phase 1: 910 million dong and phase 2: 130 million dong).
- Strictly comply with the State's regulations on the management and use of foreign currencies; provide sufficient foreign currency demand for investment activities as well as production and business activities of the company with the most reasonable cost despite the demand for USD in 2016 increase compared to 2015.
- Cooperate closely with the Chamber of Commerce and the Market Chamber in controlling the debt of the whole company.
- Increased chartered capital in accordance with the Resolution of the extraordinary General Meeting of Shareholders 2016.
- Complete KPI targets for 2016

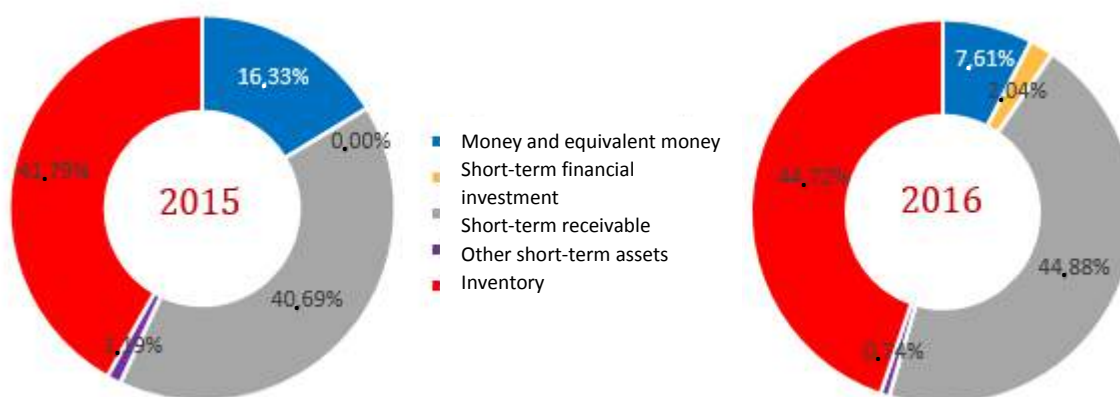
FINANCIAL SITUATION

Property situation

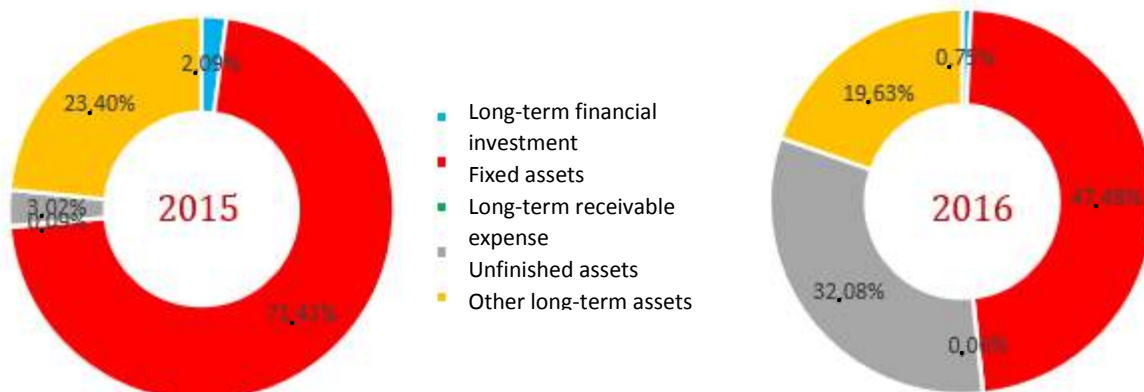
Targets	2015 (million dong)	2016 (million dong)	% Increase/ Decrease	Proportion of 2015	Proportion of 2016
Short-term assets	1,580,674.94	1,475,925.58	-6.63%	77.44%	67.46%
Long-term assets	460,357.59	711,810.57	54.62%	22.56%	32.54%
Total assets	2,041,032.53	2,187,736.15	7.19%	100.00%	100.00%

In 2016, total assets of CADIVI increased 7.19% over the same period last year. While short-term assets fell 6.63% over the same period, long-term assets increased by 54.62%. The sharp increase in long-term asset value was mainly due to the fact that CADIVI made two major investments in year: (1) invest in Tan Phu Trung Electric Cable Plant with total investment value of over 87 billion dong and (2) buy house and land use right at 799 Kinh Duong Vuong with temporary fee paid to December 31, 2016 is over 127 billion dong.

Short-term asset structure



Long-term asset structure



Debt payable situation

Criteria	Unit	2015	2016	% Increase/Decrease
Short-term debt	Million dong	1,383,793.63	1,338,354.36	-3.28%
Long-term debt	Million dong	17,451.14	101,164.81	479.70%
Total debt	Million dong	1,401,244.78	1,439,519.17	2.73%

As of December 31, 2016, the debt payable of CADIVI reached 1,439 billion dong, accounting for 65.80% of the Company's capital structure. Compared with 2015, the total debt value

increased by 2.73% with a strong increase in long-term debt (increase 479.7%). Specifically,

Total capital in 2016, in order to support the construction of the Tan Phu Trung Power Cable Plant Phase 2, CADIVI has received a further disbursement of 73.7 billion dong from the loan agreement

with the Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch; In addition, the company also signed a credit contract with CTBC Bank Co.,Ltd - Ho Chi Minh City Branch and received a disbursement of 20 billion dong to finance the Investment project to build new

Assessment of solvency

Unit: million dong

Items	<1 year (million dong)	From 01-05 years (million dong)	> 05 years (million dong)	Plus (million dong)
Loans and debt	530,867	20,000	76,755	627,622
Pay the seller	352,990	-	-	352,990
Pay employees	48,164	-	-	48,164
Payable expenses	22,813	-	-	22,813
Other payables	320,301	3,750	-	324,051
Plus	1,275,136	23,750	76,755	1,375,641

In fact, the company always attaches importance to risk management in general and especially to liquidity risk in particular. The Board of Directors always monitors risk management activities by regularly monitoring current and expected payment requirements in the future in order to maintain adequate amounts of money as well as loans, supervise the actual cash flows with the intention to mitigate the effect of the cash flow fluctuation of the Company.

About the effect of interest difference

Targets	Unit	2015	2016
Short-term borrowings	Million dong	491,312.10	530,867.47
Long-term borrowings	Million dong	17,213.19	96,754.59
Interest expenses	Million dong	23,268.46	23,478.14
Interest expense/Net revenue	%	0.41%	0.42%

In 2016, the interest payable by the Company is 23.5 billion dong, equivalent to the value of interest payable in 2015. The ratio of interest expense to net revenue was 0.42%. This is a low level and shows that the company does not bear much risk of interest rate fluctuations.

IMPROVEMENTS ON ORGANIZATIONAL STRUCTURE, POLICIES

- ✓ Restructuring structure of production and business activities of the Company:
 - Merged Thanh My Enterprise and Long Bien Enterprise and renamed Thanh My Enterprise - Branch of Vietnam Electric Cable Corporation into Branch of Vietnam Electric Cable Joint Stock Company - CADIVI Eastern Factory.
 - Merger of CADIVI Central Factory and Central Branch.
 - Establish Northern CADIVI Joint Stock Company (converted into Northern CADIVI Limited Company) and settled procedures to terminate operation of Northern Branch in accordance with the law.
 - Establish the Business Department and the Procurement Office on the basis of reorganizing the Chamber of Commerce and the Chamber of Market.
 - Combine the reorganization of the organization with the reorganization of the workforce, after the reorganization, the company has reduced from 849 employees in early 2016 to 781 employees in the end of year in which 38 employees were on a redundant labor regime.
- ✓ Transforme the Quality Management System from ISO 9001: 2008 to ISO 9001: 2015
- ✓ Step by step to specialize production. Now combined with CADIVI Eastern Factory, step by step specialized in each product group for head office and facility 1, reducing inventory as well as rationalizing in production.
- ✓ Promulgate new regulations on management of technical techniques, technical specifications of products and standards.

DEVELOPMENT PLAN FOR THE FUTURE

Basic norms

No.	Targets	Unit	Perform 2016	Plan 2017	Compare with 2016
1	Consolidated revenue	billion dong	5,631	6,200	110%
2	Consolidated profit before tax	billion dong	304	410	135%
3	Dividend	%	35%	35%	100%

General solutions

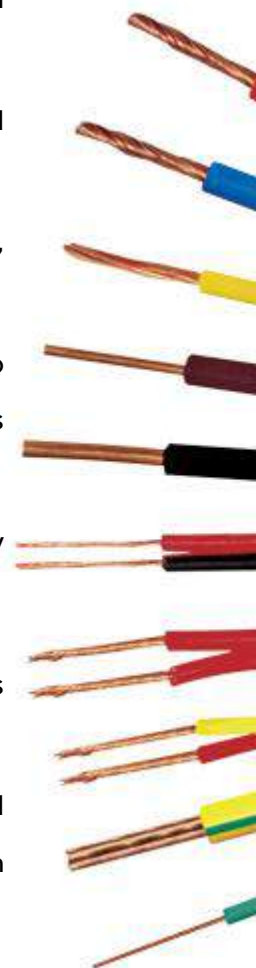
In order to achieve the targets of revenue and profit before tax in 2017, CADIVI collective has to take full measures to implement some specific measures as follows:

Assure resources to accomplish production-business targets in 2017

- Complete the project of electric cable factory - Phase 2 in Tan Phu Trung Industrial Park in accordance with the plan (expected in the second quarter of 2017);
- Complete the project of electrical cable factory of CADIVI Northern member limited company at the beginning of quarter 4/2017 put into production;
- Invest, use the furnace copper capacity of 20,000ton/year at CADIVI Dong Nai Co., Ltd: quarter 1/2018 put into production;
- Invest in supplementing and equipping the equipment with modern technologies to raise the production capacity of CADIVI to meet the production demands in various stages;
- Focus on training human resources, staff rotation and improve the company

Marketing and sales

- Continue to maintain the market base through dealer channels, adjust sales regulations, selling prices accordingly;
- Continue to expand and seek more domestic and foreign customers; Maintain and develop export markets to the US, Myanmar and Cambodia; Develop new markets in Australia.



Organization of production, management of technical, quality, new products

- Organize reasonable production regulation, periodic control of costs in production-business; Improve production capacity, equipment productivity, quality stability;
- Research new products: Switches, wall sockets, extension sockets.

Develop a corporate development strategy for the period 2017 - 2021

Target

On the basis of summarizing the implementation of the company's development strategy in the past years, assessing the existing resources and potential development of the Company ... to develop plans and strategies for developing the company in the orientation and the strategic vision set for the next five years:

- By 2022, build CADIVI to become one of the leading electrical cable manufacturers in Southeast Asia.

No.	Targets	Unit	2017	2018	2019	2020	2021
1	Consolidated revenue	billion dong	6,200	7,000	7,800	8,800	10,000
2	Consolidated profit before tax	billion dong	410	430	460	500	540

In order to implement the CADIVI development strategy for the period 2017 - 2021, CADIVI has reviewed and evaluated the current status; SWOT analysis; as well as analyzing the competitiveness of local and regional manufacturers and trades in order to find the right strategy for 2017-2021 to guide the company's development direction; achieve the set objectives

Strategic Orientations

Strategy of Market, branding:

Maintain, encroach and expand domestic and foreign markets;
Building CADIVI brand into international brand;
Increased professionalism in sales and markets;
Continue to maintain the market base, develop the electricity market;
Build marketing team, develop export market;
Market development in Central and North.

Strategy of Restructuring, Team Building

Continue recruiting, training skilled Restructuring Company according to the workers, engineers and economists orientation:

with professional abilities, good at foreign languages; The middle and senior management team has the ability, sensitivity, solidarity with the Company.

Develop policies to attract, retrain and retain talent; Caring for the material and spiritual life of the staff in the "CADIVI family", together united wholeheartedly for the development of the company.

Building company culture.

- + Specialization of production, sales.
- + Merge and set up new production units under the model of holding-affiliated company (one member limited liability company or joint stock company that CADIVI holds the controlling shares according to the development situation of size, market, competitiveness).
- + Restructuring of Company manager (apply Lean production, 6 sigma,...).

Financial Accounting Strategy

Develop a capital strategy for the company's production and business activities and investment projects;

Build solutions of control, cost savings.

Technological Engineering Strategy, Product Quality

Use of information technology in production and business activities of the whole Company.

Continue to invest in addition and innovate technological equipment in the direction of shortening technology, increasing productivity, reducing energy consumption, especially in the field of production of civil wire, aluminum wires and cable.

Product strategy

To diversify products based on the development of high-tech electrical cables such as high-grade electromagnetic wires, special power cables, medium and high voltage cables up to 110 kV, superheat wires, busway, instruments wires, Internet cable;

Develop groups of electrical equipment

Investment Strategy

Investment in equipment and technology for producing 110kV medium voltage cable, automobile wire, superheat wire, alloy wire, high-grade magnet wire such as self-bonding, high heat resistance;

Establish specialized unit manufacturing electrical equipment (electric instruments, transformers, etc.)



Explanation of the Board of Directors on auditing opinions: without

EVALUATION OF THE ACTIVITIES OF THE COMPANY

In 2016, Vietnam's economy has recovered relatively well, demand for electric cables in the country gradually increased. From the end of 2015, with the withdrawal of the entire state capital by the Vietnam Electrical Equipment Joint Stock Corporation (GELEX), Vietnam Electric Cable Corporation (CADIVI) has been transformed into a fully privatized joint stock company. Entering the task of production and business in 2016, with the fierce competition of hundreds of enterprises manufacturing and trading electric cables and the problem of counterfeit goods, imitation goods ... is still increasing, the company has implemented the program "Enhancing Competitiveness", the company changed some middle and senior staff positions as well as organizational structure during the year. The Board of Management of CADIVI Company has shown its efforts and responsibility for leadership, directing closely all activities of the Company and responsibilities for shareholders. The investment projects in accordance with the five-year development strategy (2012-2017) have been effective, especially the CADIVI Dong Nai One Member Company Limited, has contributed to increase the efficiency of the operation, helping the company successfully completed the business targets in 2016, in which highlights are profit targets:

No	Targets	Unit	Plan for 2016	Perform in 2016	Compared to the Plan
1	Consolidated revenue	Billion dong	6.000	5.631	94%
2	Consolidated pre-tax profit	Billion dong	250	304	122%
3	Dividend	%	30	35 ⁽¹⁾	117%

2016 is a year of change with CADIVI Company:

- Mr. Nguyen Trung Truong, Deputy General Director of the Company, has been approved the letter of resignation by the Board of Management on July 1, 2016;
- Chief Accountant and Production Manager to retirement age in the Quarter 4 / 2016;
- Mr. Le Quang Dinh, deputy general director hold general director of CADIVI Dong Nai One Member Company Limited, was appointed as General Director of CADIVI since 01/12/2016 (replacing Mr. Nguyen Loc for early retirement);
- Established CADIVI Northern One Member Company Limited;
- Merging the Long Bien Enterprise into Thanh My Enterprise and renamed CADIVI Eastern Factory; Merging the Central Branch into the Central CADIVI Factory; Renamed Tan A Enterprise into CADIVI Sai Gon Factory.

The Executive Board has implemented seriously and effectively the Resolution of the General Assembly of Shareholders, the resolutions and decisions of the Board of Directors, creating an atmosphere of solidarity, firmly working in the company. The Steering Committee always directs functional sections to Review findings of unreasonable costs and timely adjustments to minimize expenses such as meeting expenses, festivities, and salary costs,... To the ultimate goal is lower product cost. The company has continued to implement new brand identities that contribute to stable and sustainable development of the company.

Total remuneration for members of the Board of Directors and Board of Supervisors in 2016 according to the Resolution of the Annual General Meeting of Shareholders in 2016 is VND

EVALUATION OF THE BOARD OF DIRECTORS ABOUT BOARD OF MANAGERS

Although there have been changes in some mid-level and senior staff positions during the year as well as organizational structure but with the keen, flexible, deep direction and regular, continuous supervision of Board of Directors has helped the General Director and other managers to run all business activities of the company in the direction of stability and development, right orientation "Company Development Strategy for 2012 - 2017, Vision to 2020".

PLANS, DIRECTIONS OF THE BOARD OF DIRECTORS

Main targets and tasks in 2017

The economy in 2017 will grow strongly in the medium term thanks to the impetus for economic development, domestic investment efficiency continues to improve, growth support policies, etc... Entering the task of business production in 2017, with new mechanism of operation, organizational structure compact, dynamic and with new personnel of the term 2017-2022, the Board of Directors would like to submit to the General Meeting of Shareholders the following issues with the targets of the plan for 2017 as follows:

Indicators of business production in 2017.

No	Targets	Unit	Plan for 2017	Perform in 2016	Ratio (%)
1	Consolidated revenue	Billion dong	6,200	5,631	110%
2	Consolidated pre-tax profit	Billion dong	410	304	135%
3	Dividend	%	35%	35%	100%

Focus on training human resources and improving the management system of the company;

Completion of approved projects on schedule;

Promote the research and development of new products and at the same time add a number of types of electric tools to provide synchronized with electric cable products for customers.

To invest in additional procurement of a number of retail equipment to raise the existing production capacity, eliminate bottlenecks in the production process of the Company;

Continuing to do the work of bringing the CADIVI brand to all people, especially in the Central, North and Central Highlands; To put CADIVI products into EVN's projects, projects of construction, industrial construction, oil and gas, defense

Company Development Strategy for the period of 2017 – 2021.

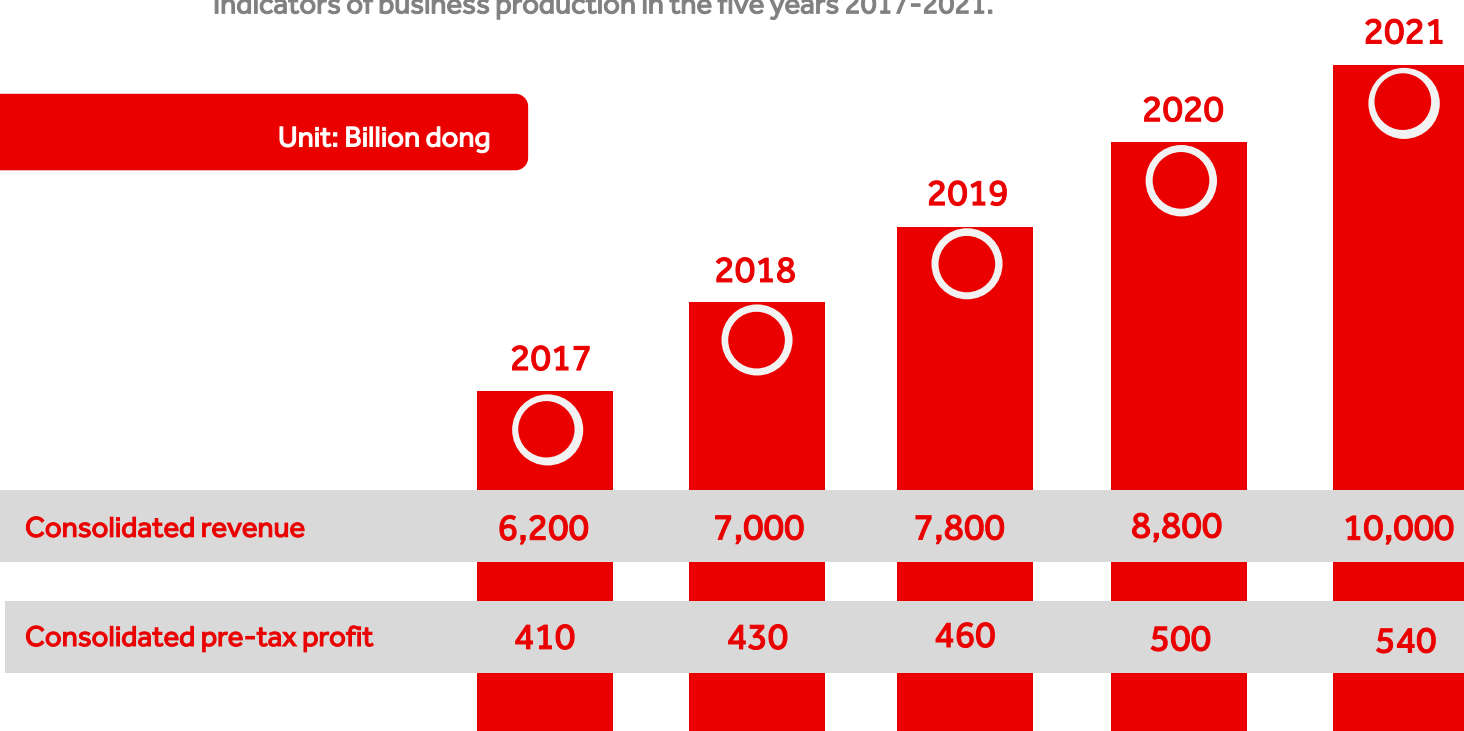
Vision : Step by step to diversify products, developing the company to 2022 become one of the leading manufacturers of electrical cables in Southeast Asia.

Company Objectives : The company 's goal is "Profit maximization of the shareholders, ensuring the benefits of the Company's Employees; At the same time satisfying the increasing needs of customers and society, both material and non-material ".

Orientation of business production of the Company :

- Harmonic balance between profit and market share, maintaining steady growth both in profit and market share;
- Get production, business the electric cables and electric appliances as the center;
- Re-planning factories to optimize the production process to improve the competitiveness of the company;
- Fully grasp the policy of " keep the home yard to reach out to other ", dominate the domestic market to create momentum reaching the international market.

Indicators of business production in the five years 2017-2021.



CORPORATE GOVERNANCE

CORE TARGET

Do not stop developing

CADIVI

Đem nguồn sáng đến mọi nơi





BOARD OF DIRECTORS

Membership and structure of the Board of Directors

No	Full name	Position	Number of shares held	Ownership ratio/ charter capital
first	Nguyen Hoa Cuong	Chairman of the Board of directors	124,972	0.22%
2	Hoang Nghia Dan	Vice Chairman of the Board of directors	46,040	0.08%
3	Nguyen Loc	Member of Board of directors	114,234	0.20%
4	Doan Hoai Thanh	Member of Board of directors	2,540	0.00%
5	Nguyen Dinh Hung	Member of Board of directors	-	-

Subcommittees of the Board of Directors

At present, the Board of Directors has not established subcommittees of the Board of Directors.

Activities of the Board of Directors

In 2016, the Board of Directors held 18 meetings with 8 direct meetings and 10 indirect meetings through written consultation. Specific:

<i>Member of Board of directors</i>	<i>Position</i>	<i>Number of Board of directors meetings attended</i>	<i>Meeting attendance rate</i>	<i>Reason for not attending the meeting</i>
Nguyen Hoa Cuong	<i>Chairman</i>	18	100%	
Hoang Nghia Dan	<i>Vice president</i>	18	100%	
Nguyen Loc	<i>Commissioner</i>	18	100%	
Hoai Thanh Union	<i>Commissioner</i>	18	100%	
Nguyen Dinh Hung	<i>Commissioner</i>	9	50%	<i>Appointed from July 21st, 2016</i>
<i>Le Quang Dinh</i>	<i>Commissioner</i>	9	50%	<i>Dismissal from July 21st, 2016</i>

VIET NAM ELECTRICCABLE JOINT STOCK COMPANY

And issued 77 resolutions/decisions as follows:

No	RESOLUTION	DAY	CONTENT
1	28A/2016/NQ-HĐQT	January 14th, 2016	Approved direct purchase of 12-way tractor.
2	29/2016/NQ-HĐQT	January 15th, 2016	Session on January 25th, 2016.
3	30/2016/NQ-HĐQT	February 16Th, 2016	Session No. 15/2016
4	31/2016/NQ-HĐQT	March 29Th, 2016	Session No. 16/2016
5	32/2016/NQ-HĐQT	March 31St, 2016	Select strategic partners and nominate representatives to contribute capital at CADIVI Northern JSC.
6	33/2016/NQ-HĐQT	April 04Th, 2016	Nominated candidates for the Board of Directors, Board of Supervisors at CADIVI Northern JSC.
7	34/2016/NQ-HĐQT	May 24Th, 2016	Session No. 17/2016
8	35/2016/NQ-HĐQT	June 27Th, 2016	<p>Session dated June 27th, 2016.</p> <ul style="list-style-type: none"> - Reduce the charter capital of CADIVI Northern JSC. - Adjusted the business lines of the company - Transformed the operation model of Northern CADIVI Joint Stock Company from Joint Stock Company to One Member Company Limited. - Appointment of capital representatives; Appointment of members of the Board, Supervisor and General Director. - Adoption of Charter of the CADIVI Northern One Member Company Limited.
9	36/2016/NQ-HĐQT	July 21St, 2016	Session No. 18/2016
10	37/2016/NQ-HĐQT	August 17th, 2016	Session No. 19/2016
11	38/2016/NQ-HĐQT	September 21st, 2016	Session No. 20/2016
12	39/2016/NQ-HĐQT	October 14th, 2016	Approve a detailed plan on the use of funds obtained from the issue of securities to the public.
13	40/2016/NQ-HĐQT	October 18th, 2016	Through records issued securities to the public.

14	41/2016/NQ-HĐQT	October 25th, 2016	Appointed Chief Accountant of Vietnam Electric Cable Corporation.
15	42/2016/NQ-HĐQT	November 15th, 2016	Session No. 21/2016
16	43/2016/NQ-HĐQT	November 16th, 2016	Session on 16/11/2016
17	44/2016/NQ-HĐQT	December 20th, 2016	Session No. 22/2016
18	55/2016/NQ-HĐQT	December 29th, 2016	Session dated December 29th, 2016.
19	96/2016/QĐ-HĐQT	January 25th, 2016	Approval of salary transfer of the General Director.
20	97/2016/QĐ-HĐQT	January 25th, 2016	Plan to hold annual general meeting of shareholders in 2016.
21	98/2016/QĐ-HĐQT	February 16th, 2016	Adjusted the date to held the Annual General Meeting of Shareholders in 2016.
22	99/2016/QĐ-HĐQT	February 16th, 2016	Approve the detailed plan to hold the Annual General Meeting of Shareholders in 2016.
23	100/2016/QĐ-HĐQT	February 16th, 2016	Approved the total salary fund in 2015.
24	101/2016/QĐ-HĐQT	February 16th, 2016	Approve the finalization of completion the project 'Construction of Central Electric Cable Manufacturing Factory - Phase 2'.
25	102/2016/QĐ-HĐQT	February 16th, 2016	Approved the transfer of property and equipment to production of electronic cables for CADIVI Dong Nai One Member Company Limited.
26	103/2016/QĐ-HĐQT	March 29th, 2016	Approved the policy of establishing CADIVI Northern Joint Stock Company.
27	104/2016/QĐ-HĐQT	March 29th, 2016	Settle remuneration for the Board of Directors and Supervisory Board in 2015.
28	105/2016/QĐ-HĐQT	May 24th, 2016	Approved the policy of reorganizing the Chamber of Market and the Chamber of Commerce.
29	106/2016/QĐ-HĐQT	May 24th, 2016	Terminate operation of branch of Vietnam Electric Cable Corporation - Northern Branch.
30	107/2016/QĐ-HĐQT	May 24th, 2016	Assign land use right and property on land at 799 Kinh Duong Vuong, Ward 12, District 6, Ho Chi Minh City.
31	108/2016/QĐ-HĐQT	May 24th, 2016	Approval of the resignation of the Company's Deputy General Director.

32	109/2016/QĐ-HĐQT	May 2016	24th,	Approve the appointment plan of Thanh My Enterprise's Director.
33	110/2016/QĐ-HĐQT	May 2016	24th,	Approving the loan authorization of banks and credit institutions.
34	111/2016/QĐ-HĐQT	May 2016	24th,	Choose Auditing company financial statements in 2016.
35	112/2016/QĐ-HĐQT	May 2016	24th,	Approved the policy of setting up a project to build a factory of CADIVI Northern JSC.
36	113/2016/QĐ-HĐQT	July 21st, 2016		Approve the policy of rearranging the organizational structure, rearranging labor.
37	114/2016/QĐ-HĐQT	July 21st, 2016		Approval of the letter of resignation of a member of the Board of Directors for the term 2012-2017 of Mr. Le Quang Dinh.
38	115/2016/QĐ-HĐQT	July 21st, 2016		Additional appointment of Mr. Nguyen Dinh Hung as a member of the Board of Directors for the term 2012-2017.
39	116/2016/QĐ-HĐQT	July 21st, 2016		Approval of investment the 8-way tractor.
40	117/2016/QĐ-HĐQT	July 21st, 2016		Approved the policy to increasing charter capital.
41	118/2016/QĐ-HĐQT	August 17th, 2016		Approved the item 'Factory Extension -Electric Cable Manufacturing Factory Project'.
42	119/2016/QĐ-HĐQT	August 17th, 2016		Withdrawal of capital investment in Viet Thai Electric Cable Corporation.
43	120/2016/QĐ-HĐQT	August 17th, 2016		Plan to hold an Extraordinary General Meeting of Shareholders in 2016.
44	121/2016/QĐ-HĐQT	August 17th, 2016		Approve the letter of resignation the Chairman of Member Council of CADIVI Dong Nai One-member Company Limited of Mr. Nguyen Loc.
45	122/2016/QĐ-HĐQT	August 17th, 2016		Appointed Mr. Nguyen Dinh Hung as Chairman of Member Council of CADIVI Dong Nai One Member Company Limited.
46	123/2016/QĐ-HĐQT	August 17th, 2016		Approved the policy of processing product for CADIVI Northern One Member Company Limited.
47	124/2016/QĐ-HĐQT	August 17th, 2016		Approved the plan to sign a labor contract with Mr. Doan Hoai Thanh.
48	125/2016/QĐ-HĐQT	August 17th, 2016		Regarding the supervision of the Company's production and business activities.

49	126/2016/QĐ-HĐQT	August 17th, 2016	Approved processing service fee at 799 Kinh Duong Vuong, Ward 12, District 6, HCMC.
50	127/2016/QĐ-HĐQT	September 22nd, 2016	Renamed Branch of Vietnam Electric Cable Corporation - Tan A Enterprise.
51	128/2016/QĐ-HĐQT	September 22nd, 2016	Relocated Branch of Vietnam Electric Cable Corporation - CADIVI Sai Gon Factory.
52	129/2016/QĐ-HĐQT	September 22nd, 2016	Renamed Branch of Vietnam Electric Cable Corporation - Thanh My Enterprise.
53	130/2016/QĐ-HĐQT	September 22nd, 2016	Terminate operation the Branch of Vietnam Electric Cable Corporation - Long Bien Enterprise.
54	131/2016/QĐ-HĐQT	September 22nd, 2016	Terminate operation the branch of Vietnam Electric Cable Corporation - Central Branch.
55	132/2016/QĐ-HĐQT	September 22nd, 2016	Approval of supplementary registration of business lines of the branch of Vietnam Electric Cable Joint Stock Company - CADIVI Central Factory.
56	133/2016/QĐ-HĐQT	September 22nd, 2016	Plan to appoint the branch Director.
57	134/2016/QĐ-HĐQT	September 22nd, 2016	Plan of dismissal the branch Director.
58	135/2016/QĐ-HĐQT	September 22nd, 2016	Approve the adjustment of a number of bidding packages under the project contractor selection plan "Electric cable production factory - Phase 2: Invest in building new workshops and supplement equipment for production of electric cables".
59	136/2016/QĐ-HĐQT	September 22nd, 2016	Regarding the CADIVI Office Building project (Combined Blocks).
60	137/2016/QĐ-HĐQT	September 22nd, 2016	Adjust the plan to withdraw capital investment in Viet Thai Electric Cable Corporation.
61	138/2016/QĐ-HĐQT	September 22nd, 2016	Approved extension of the time appointed Chief Accountant of Mr. Vo Huu Luyen.
62	139/2016/QĐ-HĐQT	September 22nd, 2016	Regarding the leaving work to enjoy the social insurance of Mr. Vo Huu Luyen.
63	140/2016/QĐ-HĐQT	September 22nd, 2016	Appointed Ms. Ngo Hong Nga as Controller of CADIVI Dong Nai One Member Company Limited.
64	141/2016/QĐ-HĐQT	September 22nd, 2016	Approved detailed plan to hold the Extraordinary General Meeting of Shareholders in 2016.

65	142/2016/QD-HĐQT	November 15th, 2016	Approve the application for Mr. Nguyen Loc's early retirement.
66	143/2016/QD-HĐQT	November 15th, 2016	Appointed Mr. Le Quang Dinh as General Director of Vietnam Electric Cable Corporation.
67	144/2016/QD-HĐQT	November 15th, 2016	Regarding the appointment the Legal Representative of CADIVI Dong Nai One Member Company Limited.
68	145/2016/QD-HĐQT	November 15th, 2016	Transfer new salary to the Deputy General Director of Vietnam Electric Cable Corporation
69	146/2016/QD-HĐQT	November 15th, 2016	Amendment, supplement the Charter of CADIVI Dong Nai One Member Company Limited
70	147/2016/QD-HĐQT	November 15th, 2016	Regarding the handling of 4 year tax losses 2012-2015
71	148/2016/QD-HĐQT	December 23rd, 2016	Temporarily assigned the plan in 2017
72	149/2016/QD-HĐQT	December 23rd, 2016	Pause the investment CADIVI Office Building project (Combined Blocks)
73	150/2016/QD-HĐQT	December 23rd, 2016	Temporarily deduct the Company's 2016 funds
74	151/2016/QD-HĐQT	December 23rd, 2016	Increase of charter capital of CADIVI Dong Nai One Member Company Limited
75	152/2016/QD-HĐQT	December 23rd, 2016	Increase of charter capital of CADIVI Northern Company Limited
76	153/2016/QD-HĐQT	December 29th, 2016	Approved the Procurement Plan for Main Material Supplies in 2017 of Vietnam Electric Cable Corporation (CADIVI) and approved some major contents of the related transactions/contracts arise.
77	154/2016 QD-HĐQT	December 29th, 2016	Regarding the extension of registration time, payment to purchase CADIVI share

Training on corporate governance

Members of the Board of Directors, Supervisory Board, General Director and Secretary of the Company have all attended corporate governance training courses as required.

BOARD OF SUPERVISORS

Membership and structure of the Board of Supervisors

No	Full name	Position	Number of shares owned	Ownership ratio
1	Vu Thanh Huong	Head of Supervisory Board	-	-
2	Du Vinh Vinh Quan	Member of Supervisory Board	330	0.00%
3	Ngo Quang Hung	Member of Supervisory Board	628	0.00%

Summarize the activities of the Board of Supervisors

In 2016, the Board of Supervisors held three separate meetings with the members of the board of Supervisors with specific contents as follows:

Member of Supervisory Board	Position	Number of Board of Supervisors meetings attended	Meeting attendance rate	Reason for not attending the meeting
Vu Thanh Huong	Head of Supervisory Board	2	67%	Additional vote on March 15th, 2016
Du Vinh Hong Quan	Member of Supervisory Board	3	100%	
Ngo Quang Hung	Member of Supervisory Board	3	100%	
Pham Tuan Anh	Head of Supervisory Board	1	33%	Resigned dated March 15th, 2016

The operation program of the Board of Supervisors in 2016 is to hold a meeting to set up the work plan of the Board of Supervisors during the year, including the assigned tasks to each member of the Board of Supervisors as follows:

- ✓ The Board of Supervisors attended all Board of Directors meetings, discussed and commented on the issues raised and approved at the meeting.
- ✓ The Board of Supervisors shall promptly notify the results of activities of the Board of Supervisors and necessary recommendations to the Board of Directors, the Board of Managers in accordance with regulations. The reports of the Board of Supervisors are approved by the Board of Directors before submission to the General Meeting of Shareholders.

- ✓ The Board of Supervisors has coordinated with the Company's independent auditors and internal control to carry out effectively control, reporting controls to ensure transparency and honesty and make recommendations to the Board of Directors and Executive Board to implement effective management, risk mitigation, compliance with the law and the Charter of the company.

Supervision activities for boards of directors and managers

About the activities of the Board of Directors:

In 2016, the Board of Directors had a change in personnel, Le Quang Dinh relinquished his position as a member of the Board of Directors, and additionally appointed Mr. Nguyen Dinh Hung as a member of the Board of Directors on July 21st, 2016.

From January 2016 to December 2016, the Board of Directors convened and issued 18 resolutions of the meetings of the Board of Directors and 59 resolutions related to the duties and powers of the Board of Directors, Resolutions and Decisions of the Board of Directors are issued in accordance with the law, timely, in accordance with the functions and duties stipulated in the Charter of the Company.

The Board of Directors has worked properly the functions and tasks in accordance with the provisions of law, the Charter of Organization and Operation of the Company and the resolutions of the General Meeting of Shareholders.

About the activities of the Board of Managers

On May 24th, 2016 the Board of Directors issued a decision approving the letter of resignation of Mr. Nguyen Trung Truong, the Company's Deputy General Director July 1st, 2016.

From December 01st, 2016, there is a big change in personnel of the Board of Managers, Mr. Le Quang Dinh - Deputy General Director hold General Director of CADIVI Dong Nai One Member Co., Ltd is appointed General Director of the CADIVI company according to Decision No. 143/2016/QĐ-HĐQT dated November 15th, 2016 of the Board of Directors, instead of Mr. Nguyen Loc has resigned.

In the year 2016, the Board of Managers has successfully implemented the resolutions, resolutions of the Board of Directors, resolutions of the General Meeting of Shareholders, showing high responsibility in the management, the Board of Managers always directs functional sections to review findings of unreasonable costs and timely adjustments to minimize expenses such as meeting expenses, festivities, and salary costs,... To the ultimate goal is lower product cost.

The Board of Directors has run the Company in accordance with the functions, duties and authorities. Operations of the Board of Directors in accordance with the principles and bring efficiency in production and business activities.

Evaluation of the coordination of activities between the Board of Supervisors, the Board of Directors and the Board of Managers in the year

The Board of Supervisors has worked closely with the Board of Directors and the Board of Managers in the inspection and supervision activities, but still has maintained its independence in carrying out the functions and duties stipulated in the Enterprise Law and the Charter of the Company. The Board of Directors, Board of Managers has created favorable conditions for the Board of Supervisors to perform their duties. The Board of Supervisors participates in a number of meetings of the Board of Directors, that is provided all information and related documents to the activities of the Board of Directors and the Company.

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

Salary, bonus, remuneration and benefits

Content	2016
Salary, bonus of the Board of Managers, Chief Accountant	6,930,663,635
Remuneration of Board of Directors, Board of Supervisors, Secretary	1,698,150,000
Total	8,628,813,635

Trading of shares of internal shareholders, related persons

The person performing the transaction	Relationship with internal people	Number of shares owned at the beginning of the period	Number of shares owned at the end of the period	Reason for increase/decrease
Vietnam Electrical Equipment Joint Stock Corporation		18,721,824	21,521,824	Purchase
Hoang Nghia Dan		50,000	23,020	Sell
Hoang Thi Hong	The individual is related to the insider Mr. Hoang Nghia Dan - Vice Chairman of the Board of Directors	35,665	5	Purchase
Nguyen Loc		87,117	57,117	Sell
Vo Hong Anh	The individual is related to the insider Ms. Duong Lieu Mai Khanh - Chief Financial Officer, Chief Accountant	15,600	1,600	Sell
Doan Hoai Thanh		38,770	3,277	Sell
Doan Thanh Nam	The individual is related to the insider Mr. Doan Hoai Thanh - Member of Board of Directors, Director of Human Resources	2,045	2,295	Purchase
Võ Hữu Luyện	As the person related until the end of October 31st, 2016	60,455	5,455	Purchase
Truong Thi Sam	The individual is related to the insider Mr. Vo Huu Luyen - Chief Accountant	40,549	1,009	Sell
Du Vinh Hong Quan		11,668	168	Purchase
Ngo Quang Hung		11,814	314	Sell

VIET NAM ELECTRICCABLE JOINT STOCK COMPANY

Contracts or transactions with internal shareholders, related persons of the Company

Name of customer	CADIVI Sell (Unit: Dong)	CADIVI Collect money (Unit: Dong)	Note
Hanoi Electromechanical Manufacturing JSC	33,076,120	60,597,570	Sell electric cables
Vietnam Electrical Equipment Joint Stock Corporation (GELEX)	1,001,138,499	7,251,665,514	Sell electric cables
Viet Thai Electric Cable Corporation	78,085,721,120	93,897,258,730	Sell plastic seeds, copper, aluminum ingots
CADIVI Northern One Member Company Limited	282,268,255,317	168,843,092,205	Sell electric cables
CADIVI Dong Nai One Member Company Limited	66,259,796,925	64,027,544,328	Sell plastic seeds, copper, galvanized steel wire, liquidation and rental service the machinery and equipment.

Name of supplier	CADIVI Pay (Unit: Dong)	CADIVI Buy goods and services (Unit: Dong)	Note
Viet Thai Electric Cable Corporation	14,135,744,911	139,627,482,627	Buy aluminum wire, electric cable and outsourcing copper products
CFT Vina Copper CO., Ltd	173,681,693,814	173,384,145,173	Purchasing and outsourcing copper products
CADIVI Dong Nai One Member Company Limited	229,539,044,729	230,616,285,763	Buy electric cable, copper and outsourcing copper products
Vietnam Electrical Equipment Joint Stock Corporation	505,013,848,188	473,871,940,579	Buy copper materials

The implementation of regulations on corporate governance

The Board of Supervisors has been working closely with the Board of Directors and the Board of Managers for its participation in the stock market since 2014. The Company always maintains updated regulations issued by the State Securities Commission and seriously implemented and applied to the internal management of the company.

FINANCIAL REPORT

BUSSINESS PHILOSOPHY

Product quality is the foundation for our growing and existence.

Customers' satisfaction is CADIVI benefit.

CADIVI

Đem nguồn sáng đến mọi nơi



ing funds
our
My Investments

2003 Sales Performance



2002 - 2003 | 2006 - 2007 | 2008 - 2009 | 2010 - 2011
2003 - 2004 | 2009 - 2010 | 2010 - 2011

INDEPENDENT AUDITORS' REPORT

No: 105 /BCKT/TC/2017/AASCs

INDEPENDENT AUDITORS' REPORT

*On the consolidated financial statements of Vietnam Electric Cable Corporation
and Subsidiaries for the year ended 31 December 2016.*

**To: THE SHAREHOLDERS,
THE BOARDS OF MANAGEMENT AND DIRECTORS
VIETNAM ELECTRIC CABLE CORPORATION**

We have audited the accompanying consolidated financial statements of Vietnam Electric Cable Corporation ("Company"), prepared on 06 March 2017, as set out from pages 06 to pages 62, which comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement and consolidated cash flow statement for the year then ended, and the notes to consolidated financial statement.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards and System and relevant legislation as to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Vietnam Electric Cable Corporation and Subsidiaries as at 31 December 2016, and of the consolidated results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and System and relevant legislation as to preparation and presentation of consolidated financial statements.

The report was prepared in Vietnamese and English have equal value. Vietnamese version is original for reference when needed.

Ho Chi Minh City, 06th March, 2017

On behalf of and represent for

**Southern Auditing and Accounting Financial
Consulting Services Company Limited - AASCs**



Vice Director

Dinh The Duong

Audit Practising Registration Certificate

No 0342-2013-142-1

Auditor



Le Van Thang

Audit Practising Registration Certificate

No 0974-2013-142-1



AUDITED FINANCIAL REPORT

The full Audited financial report of Vietnam Electriccable Joint Stock Copanmy's already upload on the website of the Company, in section "Co dong": www.cadivi.vn

VIETNAM ELECTRICCABLE JOINT STOCK COMPANY
COMPANY'S LEGAL REPRESENTATIVE
CHIEF EXECUTIVE OFFICER



LÊ QUANG ĐỊNH