

# 01

## OVERVIEW



## FIRM ROOTS STURDY TRUNK

With over 46 years of formation and development, overcoming numerous difficulties and challenges, the people of Searefico, with intelligence, courage, and aspiration, have laid a solid foundation from one generation to the next. Just as bamboo spends many years deeply rooting into the soil to create a firm base for growth despite harsh natural conditions, the achievements Searefico has attained are testament to the internal strength that the company has nurtured and cultivated to continue its development on the journey towards a leading position.

# 1. OVERALL INFORMATION



# SEAREFICO

## SEAREFICO JOINT STOCK COMPANY

### BUSINESS REGISTRATION CERTIFICATE

No. 0301825452 issued by the Department of Planning and Investment of Ho Chi Minh City, first registration on 18/09/1999 and registration on changes for 22<sup>nd</sup> times on 12/01/2024

### CHARTER CAPITAL

**355,667,800,000 VND**

### ADDRESS

No. 253 Hoang Van Thu, Ward 2, Tan Binh District, Ho Chi Minh City.

### PHONE NO.

+84 28 3822 7260

### WEBSITE

[www.searefico.com](http://www.searefico.com)

### STOCK CODE (HOSE)

**SRF**

## 2. HISTORY OF FOUNDATION AND DEVELOPMENT

### 2.1. HISTORY OF FOUNDATION AND DEVELOPMENT

#### Before 1999

##### 1977

On 18/11/1977, Phu Lam Mechanical Workshop was established according to Decision No. 1501/QD-UB of the People's Committee of Ho Chi Minh City. The factory specialized in producing ice and equipment for aquatic product processing.

##### 1984

Mechanical Workshop 3/2 was founded from Phu Lam Mechanical Factory and entrusted with the task of producing ice, equipment and tools for processing seafood for export.

##### 1988

Da Nang Refrigeration Mechanical and Electrical Enterprise was established as a member of Central Seafood Import-Export Company (Seaprodex Da Nang).

##### 1993

On 01/04/1993, Mechanical Workshop 3/2 was renamed to Seaprodex Refrigeration Industry Company (Searefeco) under the Decision No. 95/TS/QDTC as a Class 1 State-owned enterprise, directly under the Vietnam Seafood Import-Export Company (Seaprodex Vietnam).

##### 1996

The 1<sup>st</sup> restructure on 26/10/1996, the Ministry of Fisheries decided to merge Da Nang Refrigeration Mechanical and Electrical Enterprise (Searee) into Seaprodex Refrigeration Industry Company (Searefeco). Since then, this day has been considered as the Searefeco's Day.

#### 1999 - 2009

##### 1999

Seaprodex Refrigeration Industry Company was equitized with the charter capital of 12 billion VND and changed its name to Seaprodex Refrigeration Industry Corporation, and its trading name is Searefeco.

##### 2005

Being restructured for 2<sup>nd</sup> times into 4 main business units: M&E Division, Industrial Refrigeration Division, Panel Factory, and SEAREE Da Nang.

##### 2007

In February 2007, the Company issued bonus shares to existing shareholders at ratio of 1:1, thereby increasing its paid-in capital from 12,000,000,000 VND to 23,978,500,000 VND.

In November 2007, it continued issuing more shares to the public, existing shareholders, and strategic partners through auction, increasing the paid-in capital from 23,978,500,000 VND to 46,368,240,000 VND.

##### 2008

In May 2008, the Company issued bonus shares to existing shareholders at ratio of 10:7.3, thereby increasing its charter capital from 46,368,240,000 VND to 80,200,660,000 VND.

##### 2009

On 21/10/2009, 8,020,066 SRF shares were listed and traded at Ho Chi Minh City Stock Exchange (HOSE).

#### 2010 - 2019

##### 2010

On 01/01/2010, Asia Refrigeration Industry Company Limited (ARICO) was founded and officially operated. This subsidiary succeeded 100% of Searefeco's industrial refrigeration and panel businesses.

##### 2013

Issuing bonus shares at the ratio of 1:1, increasing charter capital to 162.5 billion VND.

Executing strategic cooperation with Taisei Oncho - Top 3 M&E contractors in Japan. Taisei Oncho became a strategic shareholder of Searefeco.

##### 2014

Issuing bonus shares at the ratio of 2:1, increasing charter capital to 243.7 billion VND

Acquiring 36% of charter capital of Thua Thien Hue Construction Joint Stock Corporation (HCC). HCC became an Associate of Searefeco.

##### 2015

The Company's revenue exceeded 1,000 billion VND.

##### 2017

Completing the conversion of Asia Refrigeration Industry Company Limited (ARICO) into a JSC.

Issuing bonus shares at the ratio of 3:1, increasing charter capital to 324.9 billion VND.

##### 2018

The Company's revenue reached the highest milestone of over 1,700 billion VND.

Establishing Searee Refrigeration Electrical Engineering Corporation.

Establishing Greenpan JSC.

##### 2019

The 3<sup>rd</sup> restructure, marking the successful transfer of generations and conversion of the operational model into Holdings Company.

Establishing the Searefeco Engineering and Construction JSC (Searefeco E&C) by converting all the current operations of the M&E sector to Searefeco E&C, supplementing civil and industry engineering functions to carry out EPC contracts for industrial projects.

Establishing the Seareal Real Estate Joint Stock Company.

Sanyo Engineering & Construction (VN) officially became Searefeco's major shareholder.

#### 2020 - 2023

##### 2020

The most modern PIR panel production line in Asia started operation in April 2020.

##### 2021

Continuing the transfer of generations and conversion of the operational model into Pure Holdings as a business group.

Raising the capital of Arico to 120 billion VND to increase its financial capability to take over bigger projects and invest in developing new products.

Searefeco E&C raised its capital to 150 billion VND and received the transfer of total shares in Searee Refrigeration Electrical Engineering Corporation from Searefeco, aiming to consolidate the resources and management operations in M&E nationwide.

Issuing bonus shares at the ratio of 10% as dividends in 2020, increasing charter capital to 355.7 billion VND.

##### 2022

Deinvesting the capital from Thua Thien Hue Construction Joint Stock Corporation.

Selecting 26/10/1996 as the date of incorporation of the Company and 26/10 as Searefeco's Day.

##### 2023

Implementing the pivot strategy to gradually realize the goal of becoming a multi-industry corporation in engineering and technology sector, targeting those industries with high technology content and market potential.

## 2.2. LINES OF BUSINESS

With the vision to become the leading corporation in engineering and technology sector, focusing on those industries with high technology content and market potential, Searefico is known by domestic and foreign customers and partners for its excellent product and service quality and top management level.

Searefico Group offers a multi-industry ecosystem with a variety of products, solutions and services in M&E, real estate, industrial construction, warehouse rental, and industrial solutions for industrial refrigeration, automation, renewable energy, new environmentally friendly construction materials and financial investments.

<b>FINANCIAL INVESTMENTS</b>	Focus on M&A activities and make financial investments in enterprises with development potential in the engineering and technology sector; expand the scale and promote the strengths of Searefico ecosystem.
<b>ENGINEERING AND CONSTRUCTION</b>	With focus on transitioning to high-tech M&E, industrial construction and automation, and smart warehouses. Searefico specializes in designing, supplying, installing, and maintaining mechanical and electrical works for construction projects, provides smart warehouse solutions, automation lines, and technology systems (for civil and industrial projects) with top-class quality and business philosophy of maintaining the trust and reliability and balancing the interests.
<b>INDUSTRIAL REFRIGERATION</b>	Pioneering in industrial refrigeration field with leading quality in providing comprehensive solutions for food processing in Vietnam. Providing a full range of services, from consulting, design and construction, manufacture and installation to technical services and equipment for industrial refrigeration systems, freezing equipment, cold storage, cool storage, steam furnaces, thermal equipment and processing lines for seafood, agricultural products, fruits and vegetables, pharmaceuticals, alcohol and beverages.
<b>MANUFACTURE CONSTRUCTION MATERIALS</b>	Manufacture and provide PIR insulation panels with many outstanding features of thermal insulation, sound-proofing, fire-proofing and environmental friendliness to serve civil and industrial construction works. In the meanwhile, pioneering in seeking for new construction material solutions with focus on environmental friendliness.
<b>RENEWABLE ENERGY</b>	Design, construct, invest, exploit, and operate solar power and biogas projects and seek and utilize renewable energy to minimize environmental impact and ensure sustainable development.



## 2.3. SCOPE OF ACTIVITIES

The scope of activities of the Company stretches across the country, from the North to the South and island region of Vietnam. Industrial Refrigeration products and panels have been exported to foreign markets such as Indonesia, Philippines, Cambodia, India, Solomon Island and the South Pacific Region.



# 3. OPERATIONAL MODEL, ORGANIZATIONAL STRUCTURE, INFORMATION ON SUBSIDIARIES

## 3.1. Operational model

Searefico currently has 6 subsidiaries operating in a cohesive ecosystem and supporting each other to increase the competitiveness and optimize the use of resources:

- » Searefico Engineering & Construction Joint Stock Company;
- » Searee Refrigeration Electrical Engineering Corporation;
- » Asia Refrigeration Industry Joint Stock Company;
- » Greenpan Joint Stock Company;
- » Phoenix Energy & Automation Joint Stock Company;
- » Seareal Real Estate Joint Stock Company.



SEAREFICO operates under the Holding model, in which SRF Corp.

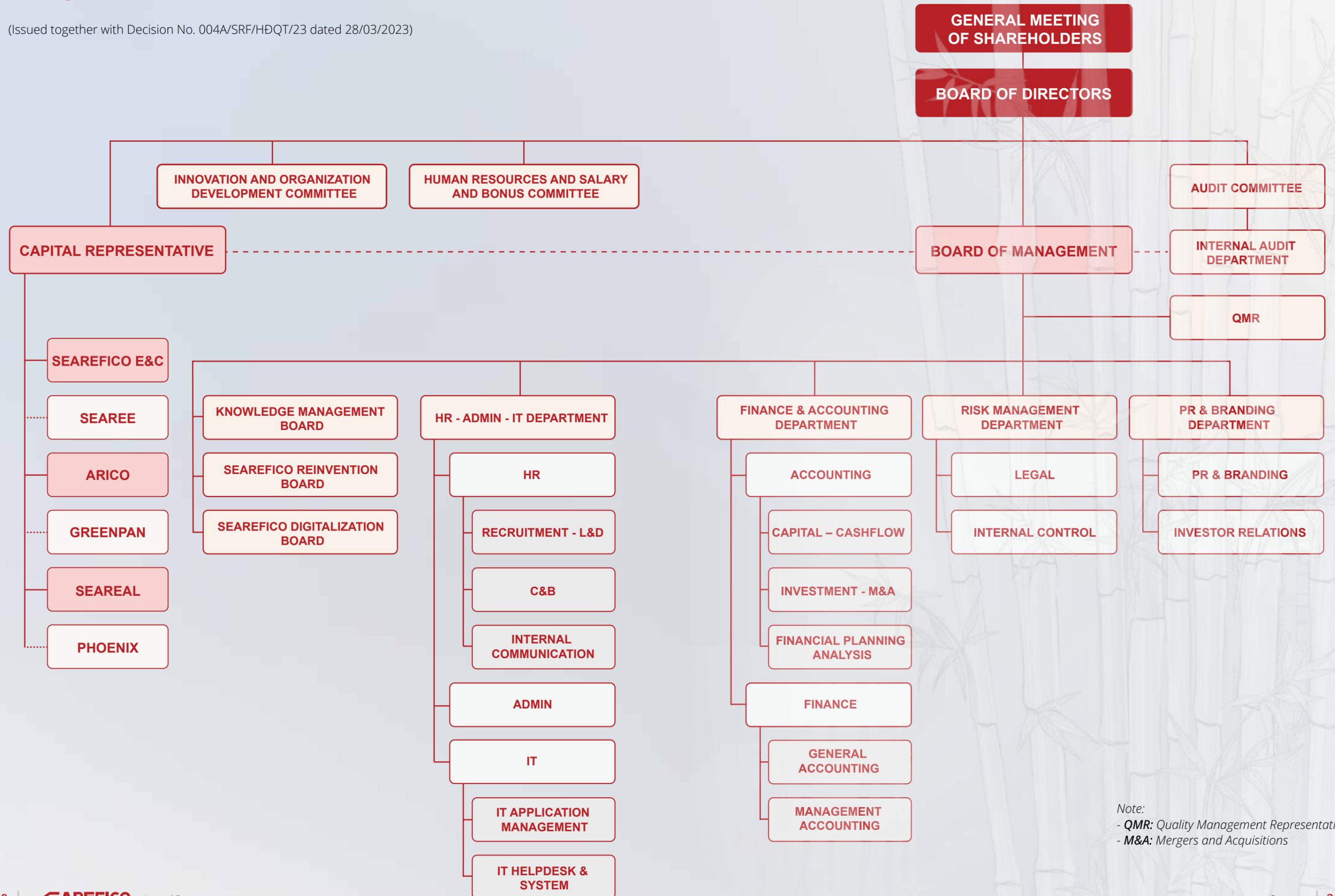
plays a role in investing and guiding the management of subsidiary companies



AUTONOMY - MUTUAL SUPPORT - VALUE ADDITION

### 3.2. Organizational structure

(Issued together with Decision No. 004A/SRF/HDQT/23 dated 28/03/2023)



Note:  
 - QMR: Quality Management Representative  
 - M&A: Mergers and Acquisitions

## 3.3. Information on Subsidiaries



<b>Company Name</b>	Searefico Engineering & Construction Joint Stock Company
<b>Address</b>	No. 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, HCMC
<b>Charter Capital</b>	150 billion VND
<b>SRF voting rights ratio</b>	99.31%
<b>Business lines</b>	EPC General Contractor specializes in the design, all-in-one construction and maintenance of civil and industrial projects, including smart warehouses, automation lines, and high-tech lines.



<b>Company Name</b>	Searee Refrigeration Electrical Engineering Corporation
<b>Address</b>	Road No. 10, Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City
<b>Website</b>	www.searee.com
<b>Charter Capital</b>	50 billion VND
<b>SRF voting rights ratio</b>	73.70%
<b>Business lines</b>	Provide all-in-one services of design, construction and installation of mechanical and electrical high-class works (industrial refrigeration, air-conditioning system, electric system, fire-alarming system, fire prevention and fighting, elevator, etc.) for domestic and foreign civil and industrial works. Offer warehouses for lease in the industrial zones.



<b>Company Name</b>	Seareal Real Estate Joint Stock Company
<b>Address</b>	No. 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, HCMC
<b>Charter Capital</b>	100 billion VND
<b>SRF voting rights ratio</b>	98.40%
<b>Business lines</b>	Manage, operate, and invest in commercial real estate projects, particularly industrial zones.



<b>Company Name</b>	Asia Refrigeration Industry Joint Stock Company
<b>Address</b>	25 - 27 Trung Tam Street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, HCMC
<b>Website</b>	www.arico.com.vn
<b>Charter Capital</b>	120 billion VND
<b>SRF voting rights ratio</b>	84.00%
<b>Business lines</b>	Design and provide comprehensive solutions for the food processing industry; research, manufacture and provide advanced industrial refrigeration systems and equipment for domestic and foreign markets.



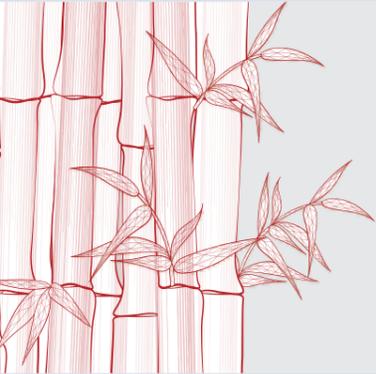
<b>Company Name</b>	Greenpan Joint Stock Company
<b>Address</b>	25 - 27 Trung Tam Street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, HCMC
<b>Website</b>	www.greenpan.com.vn
<b>Charter Capital</b>	105 billion VND
<b>SRF voting rights ratio</b>	52.50%
<b>Business lines</b>	Product insulation construction materials using modern industrial technologies; design and provide green solutions for domestic and international civil and industrial works.



<b>Company Name</b>	Phoenix Energy & Automation Joint Stock Company
<b>Address</b>	No. 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, HCMC
<b>Charter Capital</b>	5 billion VND
<b>SRF voting rights ratio</b>	57.00%
<b>Business lines</b>	Provide consultancy, design, and installation of rooftop photovoltaic projects for civil and industrial zones; develop smart automation solutions of small to large scale.

# 4. DEVELOPMENT ORIENTATIONS

## 4.1. Objectives of the Company



Based on the corporate culture crystallized, inherited, and adapted from over 46 years of operation and development, and 27 years of tradition since the merger with Searee Da Nang, Searefico has planned its future sustainable development. With focus on the "HEARTINESS" with the employees and "TRUST" with the customers, we have devoted constant efforts to maximizing the benefits for our shareholders. Searefico prides itself on the integrity, transparency, legal compliance and excellence in business culture, earning the respect and admiration of both the business community and society.



As a multi-industry corporation in the M&E sector, Searefico focuses on the industries with high technology content and market potential;



Searefico maintains its leading position in the fields of automation, smart warehouses, high-tech M&E and industrial refrigeration. Searefico is well known by domestic and foreign customers and partners for top class quality (advanced solutions and technology) and for its offering of practical values to the customers in line with global development trends;



Operating in various sectors as part of Searefico ecosystem, the subsidiaries are highly autonomous, but always coordinate and support each other to create the union and increase their operational performance, resonated values, and unified strength in the spirit of ONE SEAREFICO;



Create a dynamic working environment, encouraging self-management practices, building suitable career development paths; offer adequate income to dedicated and talented employees; and share the same values in line with the unique culture of the Company;



Ensure sustainable development, information integrity, and legal compliance; associate business goals to social and environmental responsibilities by means of charitable activities, contributions, and sharing of experiences with the business community; and actively participate in the formulation of policies and technical standards in Vietnam.

## 4.2. Medium and Long-Term Development Strategy

Committing to the goal of sustainable development, Searefico considers people as the center, technology as the foundation and business culture as the basis for development. We offer cross-cutting strategies:

### Diversifying the industries and improving core operational performance:

We not only improve performance in core industries but also expand into new fields with high economic potentials and low risks. This is completed by promoting M&A deals with businesses in various industries such as logistics, industrial real estate, smart warehouses, automation, new building materials, and renewable energy; nevertheless, it is imperative to ensure neither deviation from business directions nor fragmentation in business activities occurs.

### Pioneering in offering advanced technology solutions in the operating industries:

Apply advanced technology solutions with access to state-of-art industrial technologies in line with global development trends and market penetration potential. Searefico not only offer international-class products in new investment projects but also continuously improves and innovates to become the leader that shapes the future market.

### Creating a working environment to build up the people:

Develop an ideal working environment for employees to maximize their abilities; formulate the mechanisms and policies to encourage self-management at the workplace and acknowledge the employees' valuable works. The working environment has been built upon common awareness and passed down through many generations to gather those individuals with leadership aspirations, warrior spirit, agility, dedication, and sincerity.

### Sustainable development:

Searefico constantly reviews and meets the expectations and interests of its stakeholder groups. In this way, we aim to balance the interests among

shareholders, employees, and the community, ensuring a stable and developing future for all stakeholders.

### Continuous improvement and optimization:

Promote continuous improvement and optimization of the administration and management systems; take the initiatives such as Searefico Reinvention Project (SRP), Knowledge Management Project (KMP), and Searefico Digitalization Project (SDP) with focus on superior management standards and practices compared to other providers in the same fields of activities.

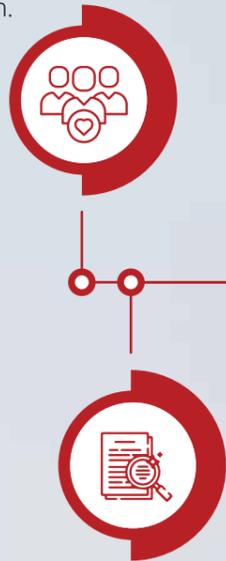


### 4.3. Objectives of Sustainable Development

From opinions and plans to practical actions, from initial ideas to long-term commitments, that's how we discuss, comprehend, and implement sustainable development. We are always aware of our mission of providing added values to the stakeholders, employees, customers, partners, shareholders, environment, community, and society.

**To our employees:**

Searefico focuses on creating a dynamic, creative, and humane working environment that always promotes and encourages those employees with the desire to become rich and the spirit of patriotism and national pride, which shall enable the employees to realize the values of their works and the organization's expectations by offering promotion opportunities to them. At the same time, Searefico pays special attention to ensuring occupational safety and health for all members of its organization.



**To our customers and partners:**

Providing quality products and services at competitive prices to meet the customers' increasing demands. When associating each project or product to Searefico brand, Searefico focuses on and ensure the implementation of necessary actions to meet the expectations. Searefico is committed to accompanying the partners on win-win basis with fair treatment and integrity.



**To the community and society:**

Commit to fully implementing the Company's responsibilities and obligations to the society and community in compliance with business laws and professional standards; promote the organizational corporate culture; provide the guidance on applying SA 8000 social responsibility.



**To the shareholders:**

Ensure data integrity in our activities; preserve and use capital effectively; and maximize shareholders' interests.

**Environmental protection:**

Collect statistics, audit and impact assessment of a number of core activities that have impact on greenhouse gas emissions and obtain CO<sub>2</sub>e indicators to develop specific action programs. Continue the research and investment in green, clean and environmentally friendly technologies in response to the National Strategy on Green Growth and the National Action Plan on Green Growth for 2021-2030 period.



## 5. RISK FACTORS

In 2023, the role of risk management has been strengthened in the context of an increasingly complex and unpredictable business environment. The Board of Directors identified a number of categories of key risk factors. For each identified risk factor, we developed the solutions to prevent and minimize negative impacts on Searefico's production and business activities.



**Strategic risks:** Searefico adopted a pivot strategy to optimize traditional M&E activities and expand into new business sectors, i.e. high-tech M&E, clean rooms and logistics, with many unpredictable risks. We carefully analysed the market and customer needs, adjusted the business plan, built a 5-year long-term strategy to grow in the right direction based on our inner strengths and resources, and increased the investment in technology and key personnel training activities. This resulted in the flexibility in adapting to and seizing new business opportunities and minimizing strategic risks in a challenging business context.

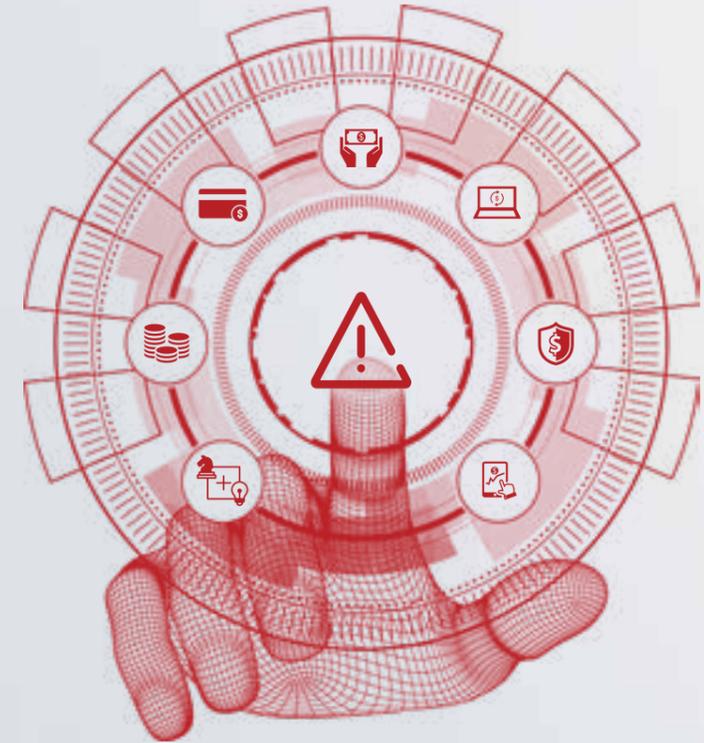


**Financial risks include the following main risks:**

- » **Exchange rate risk:** Searefico's production and construction activities are under great pressure from exchange rate risk. By the end of 2023, USD/VND exchange rate grew by 2.7% over that in the beginning of the year. The production of industrial refrigeration equipment and construction of M&E works requires materials to be imported from abroad. Recognizing exchange rate risk from early of the year, the BOM of subsidiaries has taken initiative steps in managing this risk by entering future currency contracts with banks.
- » **Credit risk:** In the context that banks are limiting the credit grant for projects. Searefico considers this as a risk and took proactive actions by actively working with banks and proving its strong financial health to maintain effective credit relationships. Meanwhile, Searefico also expands its financial approach by finding and associating with strategic investors. An important step in this strategy is the cooperation between a subsidiary of Searefico Group with Taisei Oncho, a strategic partner in the warehouse for rent development project in Da Nang, demonstrating its ability to diversify capital resources and build sustainable partnerships.
- » **Interest rate risk:** Interest rate fluctuations can have impact on borrowing costs and net profit. To minimize this risk, Searefico has taken proactive management measures such as loan restructuring, alternative capital resources with stable and lower interest rates, and thorough analysis and forecast of future interest rate trends.



**System risk:** This risk is the result of incomplete management system or changes in the operating model. To mitigate this risk, Searefico has implemented a number of system improvements and reforms, and strengthened the inspection and supervision to make sure that all processes function smoothly and efficiently. Searefico also focused on training the employees on using new tools and software and formulating contingency plans for possible scenarios, thereby ensuring the continuity and stability in production and business activities.



**Market risk:** This risk has direct impact on the business operations, especially in the context of a challenging real estate market. With limited new projects and fierce competition in M&E sector, along with significant decline in the number of industrial refrigeration projects, Searefico has shifted its special focus toward capturing the customers' needs through proactive business and bidding activities. Considering product quality assurance as the top priority, Searefico constantly inspects and improves the standards in each project while maintaining close relationships with the investors and consultants to promptly address all issues.

Searefico faced market risk as a result of not only unpredictable real estate market but also global geo-political disruptions. These disruptions have impact on the supply chain, leading to increased equipment prices and shortages of essential materials for production and business activities. To cope with this risk, Searefico has endeavoured to understand the customers' needs, promote bid processes, and focus on maintaining product quality. Searefico also maintains close relationships with the suppliers and investors and strict control over construction progress to minimize the risk of market fluctuations.



**Safety risks:** Include such factors as occupational accidents, epidemics, natural disasters and environmental issues. To cope with these risks, Searefico has taken many management and prevention measures such as improving labour safety, strengthening disease prevention measures, preparing for natural disasters, and ensuring the compliance with environmental regulations. Searefico also applies risk management systems to identify problems from early stage and ensuring personnel safety and operational efficiency.

Searefico is developing a comprehensive risk management framework, including risk management principles, risk appetite and risk indicators along with risk management processes in line with international practices. A properly designed multi-level control system, along with effective communication channels to identify and proactively respond to risks, is the testament to Searefico's strong commitment to risk management.