



EAREFICO

FIRMLY ROOTED
GROWING HIGH

ANNUAL REPORT 2023

FIRMLY ROOTED GROWING HIGH

*"GREEN BAMBOO, GREEN SINCE FOREVER,
FROM THE OLD DAYS, THERE HAVE BEEN GREEN
BAMBOO HEDGES..."*

Bamboo is a familiar and cherished image for the Vietnamese people. Bamboo symbolizes nobility, representing resilience and strength, demonstrating a spirit of unity and solidarity throughout the long history of defending and building the country.

Bamboo roots penetrate deeply into the soil, solidifying it, and its stems are robust and durable, becoming firewood, housing material, and protective tools for humans. Its strong resilience allows it to stand tall in adverse weather conditions, overcoming obstacles to continue growing higher and higher. That essence and resilient spirit of bamboo have always been valuable to Vietnamese people, and Searefico embodies those values in every step of its development journey.

With over 46 years of development, Searefico is committed to a clear path ahead with its own vision and mission, constantly aiming to elevate Vietnamese bamboo further into the high skies. Searefico continues to pursue its goals of **"Firmly Rooted"** and consistently strives to **"Growing High"** aligning with its set targets and top-tier objectives.

The strength of bamboo lies in its ability to harness internal resources, embodying a resilient spirit, symbiotic unity, and readiness to overcome all circumstances to grow and develop.



MESSAGE FROM CHAIRMAN OF BOO

By building upon “Firmly Rooted” and promoting the inner strengths, flexibility, and adaptability to changing circumstances, we are “Growing High” on the journey towards a leading position.

DEAR VALUED SHAREHOLDERS, CUSTOMERS, PARTNERS, AND ALL EMPLOYEES OF THE COMPANY,

Contrary to the forecasts made at the end of 2022 and the beginning of 2023 during our business planning, 2023 has proven to be another challenging year. Most economies across the world experienced lower-than-expected growth rates, even lower than those in 2022 when the economic recession had been assumed to be bottomed out. This was caused by declining aggregate demand, relatively high inflation, tightened monetary policies, and the record level of global public debts. The war in Ukraine has become increasingly complicated and unpredictable. Together with the Israel-Palestine conflict and the Red Sea crisis, it has continued to escalate geopolitical instability and the risk of supply chain disruptions to unprecedented levels.

Since the end of 2023, there have been some positive signs in Vietnam’s economy. However, sectors that significantly impact Searefico Group’s operations have continued to decline significantly, for example, exports decreased by 18.4% and the number of new construction projects decrease by 10.5% over 2022. Many reputable players had to scale down their businesses or withdraw from the market, especially those in construction, real estate, and design consultancy sectors, etc., in addition to laying off 50-75% of their workforce, but there hasn’t been any sign of recovery yet. In the meanwhile, with only a few projects in fishery and F&B sectors, shrinking traditional market, and difficulties in accessing loans, Searefico’s production and business activities were facing unprecedented challenges. Since the end of 2023, there have been some positive signs in Vietnam’s economy. However, sectors that significantly impact Searefico Group’s operations have continued to decline significantly. Thanks to timely adjustments to the business strategy and human resource optimization, we finished the year 2023 with positive growth for all of

our operating performance indicators. It can be said that the Company has successfully overcome the storm, though with modest, lower-than-expected earnings due to uncertain and force majeure factors, all of the subsidiaries were profitable and paid salaries in a timely and full manner in addition to social and health insurance benefits and welfare, where average employee income grew by more than 3% over 2022. This is a remarkable result compared to other competitors in the industry.

In 2023, Searefico was ranked among the Top 3 Most Prestigious M&E Contractors; Top 500 Largest Private Enterprises in Vietnam (VNR500); Top 10 Enterprises with Excellent Business Culture in Vietnam; Top 5 Listed Companies (Small Caps Category) with the best corporate governance; and Top 100 Vietnam Best Places to Work; the total revenue of the Group reached nearly 1,700 billion VND, the highest in the 2019-2023 period.

Looking back to move forward, I believe in the enterprise with unique identities, a tradition of culture-based and people-focused management, profit-seeking and society-serving purposes, and a desire to become rich with the spirit of patriotism and national pride. By building upon “Firmly Rooted” and promoting the inner strengths, flexibility, and adaptability to changing circumstances, we are “Growing High” on the journey towards a leading position.

Thank you for your cooperation.

Best regards

LE TAN PHUOC

CHAIRMAN OF THE BOARD OF DIRECTORS



VISION, MISSION, MOTTO



VISION

We aim to become the leading corporation in engineering and technology.



MISSION

We always endeavor to provide customers with products and services that promote the Vietnamese brand in the international arena.



MOTTO

Lives Kindly - Works Hard - Endows Legacy

Lives Kindly: Aiming for a humane lifestyle, respecting and caring for all individuals, families, and communities through delicate and thoughtful actions, treating each other sincerely, and willing to share added values with others by using "Others" keyword.

Works Hard: This means our dedication to the integrity, reliability, and transparency in our business operations. We not only focus on ensuring the quality of our products and services and business credibility, but also aim at building a safe, secure, clean, and beautiful working environment together with Searefiers' healthy lifestyle and integrity.

Endows Legacy: This is the awareness of responsibility and a longer vision of the future with the goal of sustainable development (Build To Last) - answering the questions: Who am I? Why does the Company need me in this position? What will I do for the Company? We also contribute to building and developing a skilful workforce for the country's industrialization and modernization process through contributing to improving labour productivity and management level, training and developing the human resources, improving the quality of life, and protecting the environment and resources for future generations.

CORE VALUES

Our core values are expressed externally as Searefico's cultural identities, original and stemming from the heart and aspirations of our pioneers, passed down through many generations.

1

Desire of a Pioneer

The desire to reach higher and go further, to learn for greater knowledge, and to be the best and fastest in our fields.

2

Spirit of warriors

The passion and efforts of a warrior to bravely conquer all challenges and to focus on the target.

3

Agility

The mindset to flexibly accept the opportunities and calmly overcome the challenges, to take control in all situations.

4

Dedication

The heart of an everlasting dedication to always put oneself forward in work with the top-notch responsibility and sacrifice personal ego for interests of the organization.

5

Sincerity

The motto to live kindly and work fairly, taking heartfelt actions filled with honesty, sympathy, understanding, and cooperation towards common goals.

SRF

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ABBREVIATION GLOSSARY

GMS	General Meeting of Shareholders
BOD	Board of Directors
BM	Board of Members
BOM	Board of Management
BOS	Board of Supervisors
CEO	Chief Executive Officer
AC	Audit Committee
HRSBC	Human Resources and Salary and Bonus Committee
IODC	Innovation and Organizational Development Committee
IA	Internal Audit
SSC	State Securities Commission
HOSE	Ho Chi Minh City Stock Exchange
SRP	Searefico Reinvention Project
KMP	Knowledge Management Project
SDP	Searefico Digitalization Project
HI	Health Insurance
SI	Social Insurance
AI	Accident Insurance
HCMC	Ho Chi Minh City
JSC	Joint Stock Company
Ltd.	Limited Liability
Group	Searefico Group

Searefico/ SRF/ Company	Searefico Corporation or Searefico Group as per the context
Searefico E&C	Searefico Engineering & Construction Joint Stock Company
Searee	Searee Refrigeration Electrical Engineering Corporation
Seareal	Seareal Real Estate Joint Stock Company
Greenpan	Greenpan Joint Stock Company
Phoenix	Phoenix Energy & Automation Joint Stock Company
HCC	Thua Thien Hue Construction Joint Stock Corporation
Arico	Asia Refrigeration Industry Joint Stock Company
M&E	Mechanical & Electrical
PIR	Polyisocyanurate
CO ₂ e	Carbon dioxide equivalent emission
EPC	Engineering, Procurement and Construction
D&B	Design and Build
CC	Charter Capital
FS	Financial Statements
PB	Production and business
M&A	Mergers & Acquisitions
FDI	Foreign direct investment
GDs	Governance documents
MDs	Management documents
BIM	Building Information Model

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 22nd 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

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 1st 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 2nd 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 3rd 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.

FINANCIAL INVESTMENTS	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.
ENGINEERING AND CONSTRUCTION	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.
INDUSTRIAL REFRIGERATION	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.
MANUFACTURE CONSTRUCTION MATERIALS	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.
RENEWABLE ENERGY	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.



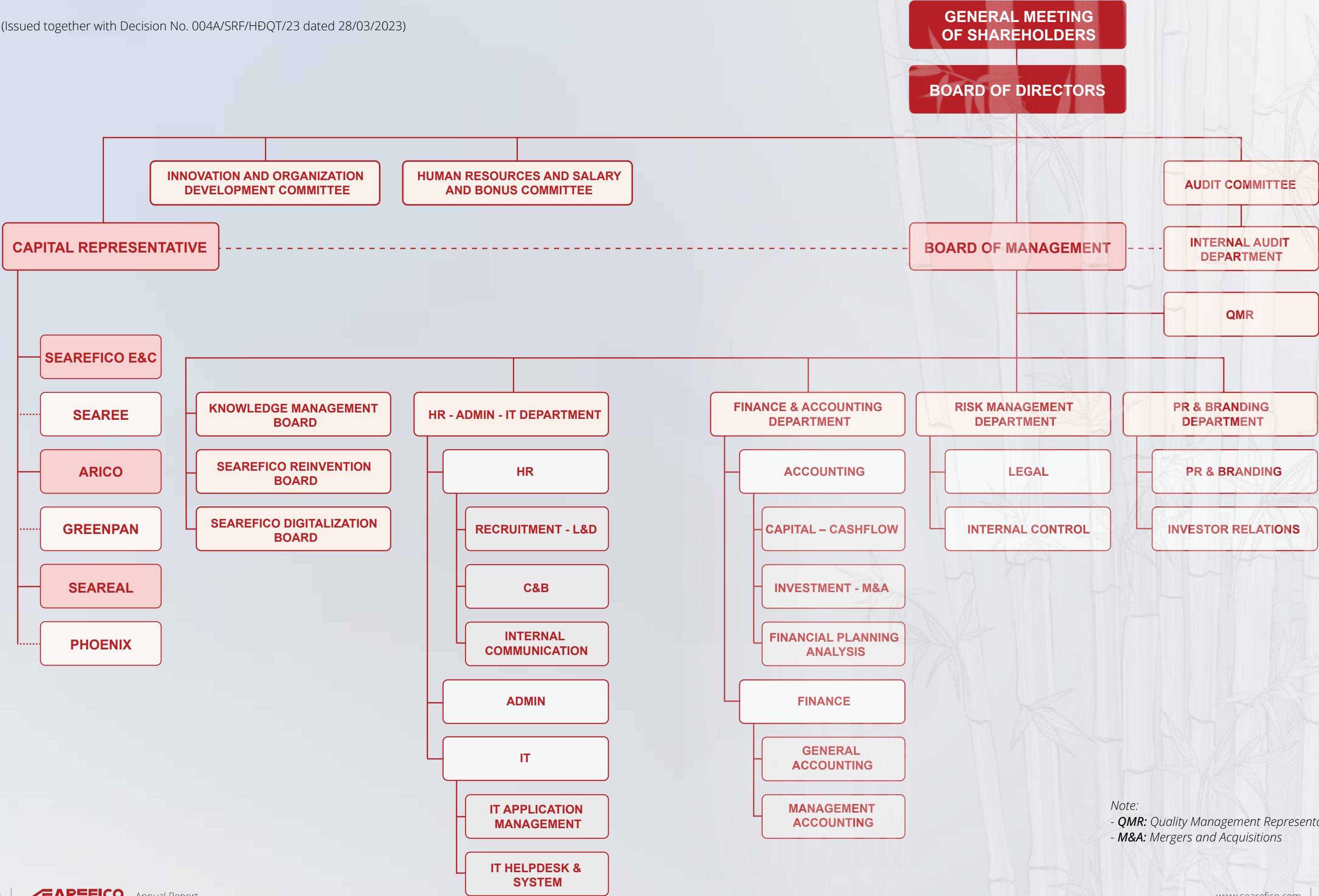
SEAREFICO operates under the Holding model, in which SRF Corp.

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



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



Company Name	Searefico Engineering & Construction Joint Stock Company
Address	No. 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, HCMC
Charter Capital	150 billion VND
SRF voting rights ratio	99.31%
Business lines	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.



Company Name	Searee Refrigeration Electrical Engineering Corporation
Address	Road No. 10, Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City
Website	www.searee.com
Charter Capital	50 billion VND
SRF voting rights ratio	73.70%
Business lines	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.



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



Company Name	Asia Refrigeration Industry Joint Stock Company
Address	25 – 27 Trung Tam Street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, HCMC
Website	www.arico.com.vn
Charter Capital	120 billion VND
SRF voting rights ratio	84.00%
Business lines	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.



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



Company Name	Phoenix Energy & Automation Joint Stock Company
Address	No. 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, HCMC
Charter Capital	5 billion VND
SRF voting rights ratio	57.00%
Business lines	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 CO₂e 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.

SUCCESSFULLY OVERCOME THE STORM

Bamboo has “firm roots, sturdy trunk, and flexible branches,” being both supple and resilient, flexible yet indomitable. With steadfast determination and a spirit of innovation, Searefico, like bamboo, is gentle but decisive; flexible, creative, yet disciplined and compliant. Searefico effectively leverages resources, maximizes the advantages of its multi-industry ecosystem, adapts to a volatile business environment, and promotes sustainable growth.



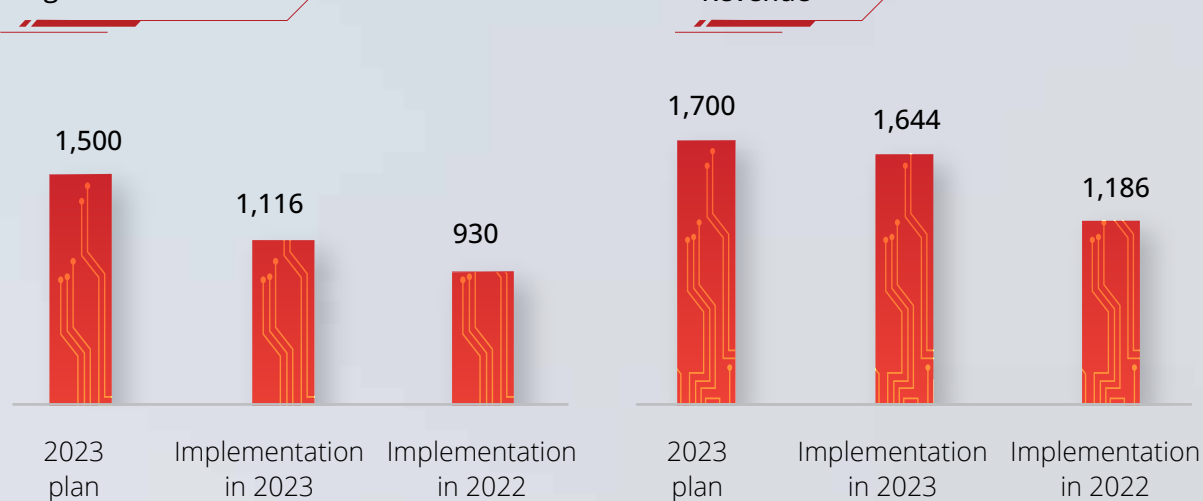
1. BUSINESS OVERVIEW

Unit: billion VND

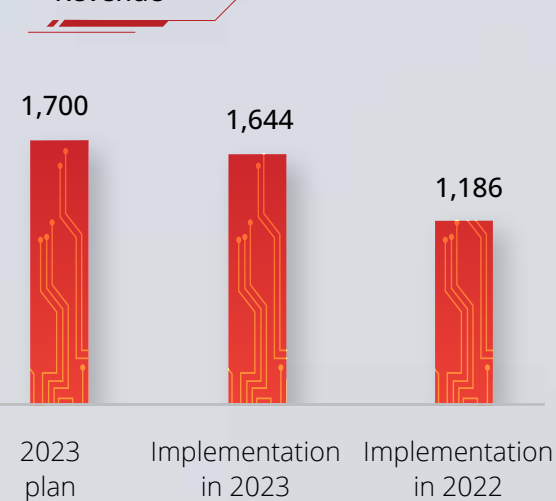
Indicator	2023 plan	Implementation in 2023		Implementation in 2022	
		Value	% / 2023 plan	Value	% increase/decrease 2023/2022
Signed contract value	1,500	1,116	74.40%	930	120.32%
Revenue	1,700	1,644	96.69%	1,186	138.59%
Earning after taxes	31.48	3.76	11.95%	(141)	103.50%

Compared to 2022, operating results have improved with revenue of 1,644 billion VND, up by more than 38% YoY and signed contract value of more than 1,116 billion VND despite difficult market situation and fierce competition.

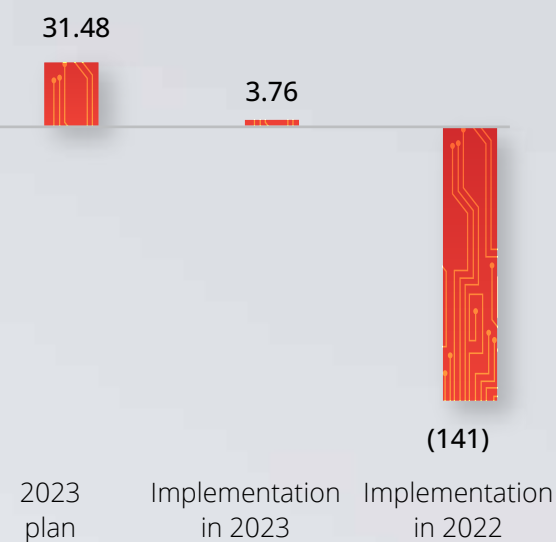
Signed contract value



Revenue



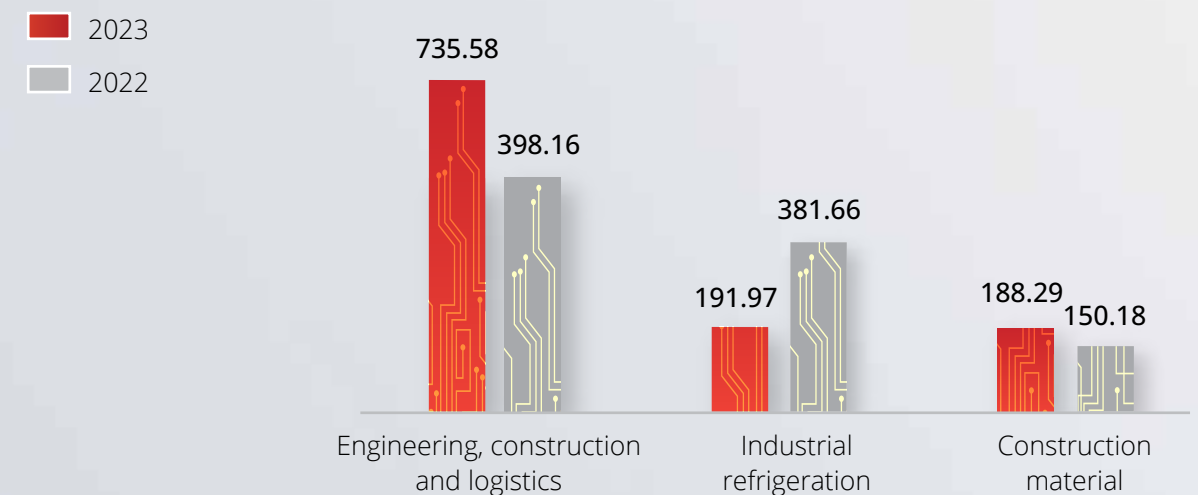
Earning after taxes



Unit: billion VND

Signed contract value	Engineering, construction and logistics	Industrial refrigeration	Construction material
2023	735.58	191.97	188.29
2022	398.16	381.66	150.18

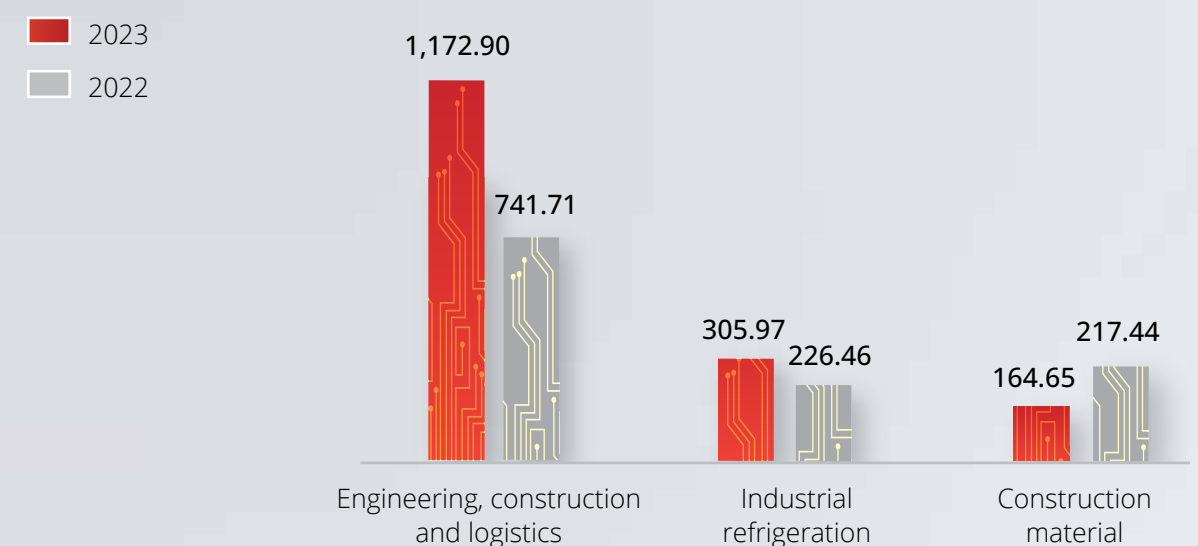
Signed contract by operating field



Unit: billion VND

Revenue	Engineering, construction and logistics	Industrial refrigeration	Construction material
2023	1,172.90	305.97	164.65
2022	741.71	226.46	217.44

Revenue by operating field





2. PERSONNEL ORGANIZATION

2.1. List of members of the Board of Directors

MR. LE TAN PHUOC

Position: Chairman of the Board of Directors

Year of birth: 1965

Professional qualification: Thermal Engineer

Number of shares held: 944,798 shares, accounting for 2.66% of the Company's charter capital.

ACHIEVEMENTS

Mr. Le Tan Phuoc currently holds the position of Chairman of the Board of Directors and is a founding shareholder of Searefico.

With the aspiration to create the top “Made in Vietnam” products in the world, he and the Board of Directors are determined to develop Searefico into a National Brand in the field of engineering and technology, and gradually affirm our position in Vietnamese and global markets.

Focusing on building a sustainable business, he is also the leader in developing Vietnamese business community with healthy business culture, aiming to contribute practical values to the society.

POSITION HELD IN OTHER ORGANISATIONS

- » Chairman of BOD of Arico
- » Member of BOD of Greenpan
- » Besides, he is also the Vice Chairman of Vietnam Association of Business Culture Development, Vice Chairman of YBA - Gold Entrepreneur Club and Head of Competence Committee of Dale Carnegie Leadership Club.



2.1. List of members of the Board of Directors



Mr. NGUYEN HUU THINH

Position:
Non-Executive Member of the BOD

Year of birth: 1958

Professional qualification:
Electrical engineer

Number of shares held:
1,515,258 shares, accounting for 4.26% of CC of the Company

Position held in other organisations:

- » Member of BOD of Greenpan

Mr. LE QUANG PHUC

Position:
Independent member of the BOD

Year of birth: 1966

Professional qualification:
Master of Business Administration

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Chairman of the BOD of Searee
- » Chairman of BOD of BDSC Management Consulting Corporation
- » Member of BOD of Phu Nhuan Jewelry JSC (PNJ)
- » Member of BOD of Phat Dat Real Estate Development Corporation (PDR)
- » Member of BOD of Tay Ho Investment & Construction JSC

Mr. RYOTA FUKUDA

Position:
Non-Executive Member of the BOD

Year of birth: 1969

Professional qualification:
Master of Business Administration

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Deputy Executive Officer, Overseas Business Division, Taisei Oncho CO., LTD

Mr. YOSHIHIKO SHIOTSUGU

Position:
Non-Executive Member of the BOD

Year of birth: 1960

Professional qualification:
Bachelor of Economics

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Director of International Planning Division

Mr. PHAM KYLE ANH TUAN

Position:
Independent member of the BOD

Year of birth: 1969

Professional qualification:
Master of Business Administration

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Financial Director of The Grand Ho Tram Golf, Resort & Casino



2.2. List of members of the Board of Management



Mr. VU XUAN THUC

Position:
Chief Executive Director (CEO)

Year of appointment: 2022

Year of birth: 1986

Professional qualification:
Bachelor's in accounting and Auditing

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Member of the BOD of Searefico E&C
- » Chairman of the BOD of Seareal
- » Member of the BOD of Searee
- » Members of the BOD of Phoenix



Mr. TRAN DINH MUOI

Position:
Deputy General Director

Year of appointment: 2017

Year of birth: 1971

Professional qualification:
Thermal and Refrigerator Engineer

Number of shares held:
110,001 shares, accounting for 0.31% of CC of the Company



Mr. DINH NGOC TRIEN

Position:
Chief Accountant

Year of appointment: 2022

Year of birth: 1986

Professional qualification:
Bachelor's in accounting and Auditing

Number of shares held:
0 shares, accounting for 0% of CC of the Company

Position held in other organisations:

- » Member of the BOS of Searefico E&C
- » Member of the BOS of Searee
- » Member of the BOS of Seareal
- » Member of the BOS of ARICO

2.3. Changes in the Board of Management

The BOM experienced a change of positions as follows:

» Appointed Mr. Nguyen Kinh Luan to hold the position of Deputy General Director of Searefico from 01/10/2023 according to the BOD's Decision No. 012/QD/SRF/HDQT/23 dated 29/9/2023.

2.4. Personnel restructuring and policy changes applicable to the employees

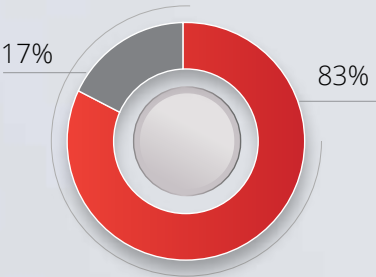
As of 31/12/2023, the total number of employees in the Company was 451 people with the specific structure as follows:

Item	Quantity	Percentage (%)
Total number of employees	451	100%
Educational level	451	100%
» University graduate and post-graduate	284	63%
» College	59	13%
» Intermediate	36	8%
» Manual workers (*)	72	16%
Personnel structure by gender	451	100%
» Male	373	83%
» Female	78	17%
Job role	451	100%
» Senior manager	24	5.32%
» Middle-level manager	68	15.08%
» Employee, specialist	359	79.60%
Annual per capita income (million VND/month)	19.4	
Average seniority (years)	5.4	
Average age (years)	35.8	

(*) Manual workers: Workers without vocational training certificates

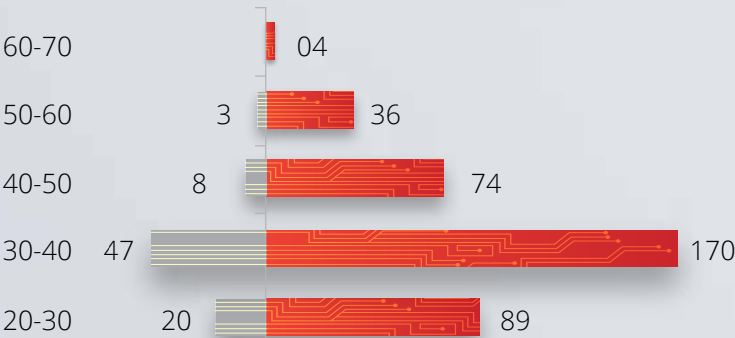
Personnel structure by gender

- Male
- Female



Personnel structure by age

- Male
- Female



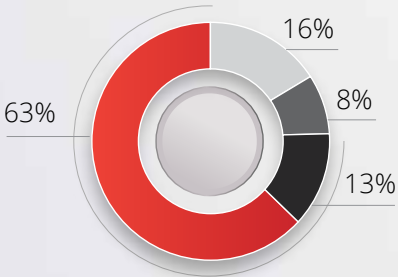
a. The human element is the center of development

Our approach prioritizes the cultivation of talent, understanding that it is the individuals who drive the creation and growth of successful companies. Searefico always aims at developing a sustainable team in both quantity and quality aspects. In particular, core values, corporate culture, and legacy inherited from previous generations are the roots of this sustainable development.

- » Core values help form and maintain the corporate culture, operational direction and strategy; are fundamental to making decisions and building the relationships with customers, partners and employees; building trust and strengthening internal bonds, and making the Company stand out among competitors.
- » Corporate culture is formed and passed down through generations, which shapes and leads

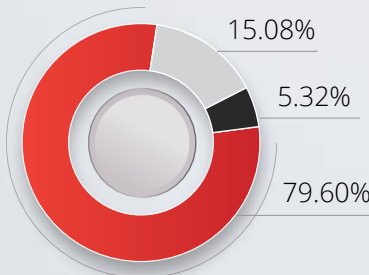
Personnel structure by educational level

- Manual workers
- College
- Intermediate
- University graduate and post-graduate



Personnel structure by role

- Employee, specialist
- Middle-level manager
- Senior manager



the Company's business strategy, influences the mindset and working style of all employees, and serves as the guideline for the employees' behaviors.

- » Respect for differences is demonstrated regardless of gender, religion, or region. Each individual has their own mission and personal traits, but they all share the same goal of inheriting and promoting good values of previous generations and the same system of values.
- » The One Searefico spirit refers to a collective with shared values, unity, and collaboration, where everyone works together and supports each other for mutual progress. This spirit is rooted in the principle that individual benefits align with the company's benefits, and the company's benefits align with the overall interests of the entire Group.

b. Attract suitable candidates and formulate a succession plan

Attract suitable candidates

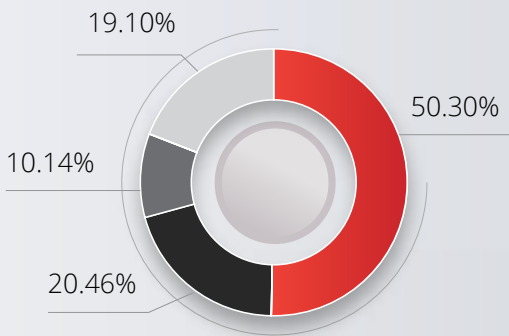
- » A candidate must pass a careful screening and recruitment process before being employed by Searefico. Besides the motto of “Lives Kindly - Works Hard”, selected candidates must share the same vision, mission, and system of values with the Company.
- » In 2023, Searefico took ongoing efforts in affirming its reputation as an employer to attract suitable candidates by maintaining its ranks in Top 100 Best Places to Work in Vietnam and Top 05 Most Preferred Employers in the Electrical - Electronics - Refrigeration Industry.

Formulate and develop a succession plan

- » Searefico not only focuses on attracting suitable candidates, but also enables them to realize their values for development. In addition, Searefico also focuses on developing a team of successors with appropriate qualities and capabilities, which is one of the Company’s sustainable HR development strategies.
- » Searefico focuses on building a positive learning culture, encouraging research and creativity from all employees, organizing a variety of tailor-made training courses for specific job positions. In 2023, Searefico organized 93 training courses with total duration of 591.5 hours, focusing on improving professional knowledge, leadership skills, and management competencies.

Training hours by subject

- Professional knowledge and expertise
- Leadership skills
- Management skills
- Orientation, soft skills, etc.



c. Transparent and fair salary, reward and welfare policy

Searefico consistently honours our commitment to building a fair, transparent, flexible and competitive salary, reward and welfare policy in order to attract and retain talents. This not only ensures competitive salaries and welfare benefits, but also creates an environment where employees are valued and recognized for their contributions and achievements.

- » Make salary and reward payments in compliance with our commitments to the employees.
- » A fair and transparent salary and reward policy is designed in a diverse way and closely associated with performance to improve collective and individual contributions. In 2023, despite the

market trends of laying-off and salary reduction, we still managed to grow our employee average income by 3% over that in 2022.

- » With the goal of increasingly improving our welfare policies in compliance with market trends and meeting the employees’ needs, we have coordinated with Trade Union Executive Committee to hold a Labour Conference to collect and listen to employees’ opinions and feedback. Since then, a number of welfare policies have been formulated and integrated in the Collective Labour Agreement, thereby demonstrating our determination in implementing Searefico’s commitments to the employees.

3. SUMMARY OF FINANCIAL SITUATION OF SARF GROUP

3.1. Financial situation

Unit: billion VND

Indicator	2023	2022	%2023/2022
Total asset	1,753	1,731	100.46%
Net revenue	1,644	1,186	138.45%
Operating income	3.58	(128)	-
Other income	3.95	0.6	-
Earnings before taxes	7.53	(127)	-
Earning after taxes	3.76	(141)	-
Dividend payout/charter capital rate (%)	0%	0%	

In 2023, Vietnam’s real estate market took a major hit as many investors and developers were forced to reduce their product prices and even accept heavy discounts to stimulate sales demand. This situation reflected a challenging and volatile market. Many real estate businesses had to downsize and restructure their organizations, wind up certain subsidiaries, cut down on their workforce, and temporarily suspend the operations. Typically, a number of big market players had to downsize 50-75% of their workforce.

In 2023, due bond pressure and cash flow shortage greatly affected the construction progress and delayed the payments to contractors. In that context, however, Searefico still managed to carry out our projects on schedule and speed up payment progress with remarkable achievements, e.g., total revenue reached 1,644 billion VND in 2023, up by more than 38% YoY.

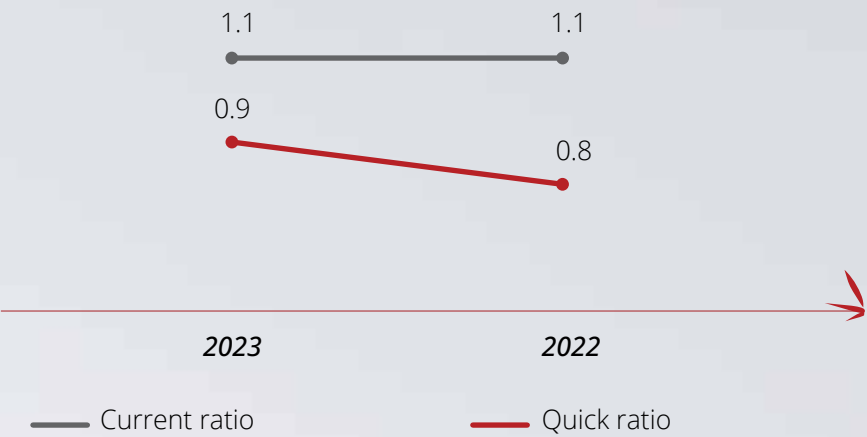
During the year, Searefico continued focusing on handling backlogs from previous years, reviewing the inventory, re-evaluating receivables, and setting aside provisions for certain investments in line with applicable accounting regimes and standards. Earning before taxes was 7.53 billion VND, a remarkable result compared to the loss of 127 billion VND in 2022.

In particular, in 2023, for the first time after 4 years of incorporation, Searefico E&C made prepayment of dividends to shareholders at rate of 3.3% of par value despite many difficulties in the real estate market. Meanwhile, Phoenix also paid dividends to its shareholders at rate of 20% of par value. The long-term investment in Searefico E&C and Phoenix has born fruits, promising to provide Searefico with a stable source of income in the future. This is the proof for the correct direction set by the BOD for the 3rd restructure, conversion of the operational model into Holdings Company with initial success.

3.2. Major financial indicators

Indicator	UNIT	2023	2022
Solvency indicators			
Current ratio	Times	1.1	1.1
Quick ratio	Times	0.9	0.8
Capital structure indicators			
Debt-to-capital ratio	Times	0.8	0.8
Debt-to-equity ratio	Times	3.0	3.0
Operating capacity indicators			
Receivables turnover	Cycle	2.2	1.6
Inventory rotation	Cycle	5.9	3.9
Asset turnover	Cycle	0.9	0.7
Profitability indicators			
Operating income/Net revenue	%	2.89	(15.4)
Earnings after tax/Net revenue	%	0.23	(11.9)
Return on equity (ROE)	%	1.06	(39.7)
Return on assets (ROA)	%	0.21	(8.2)

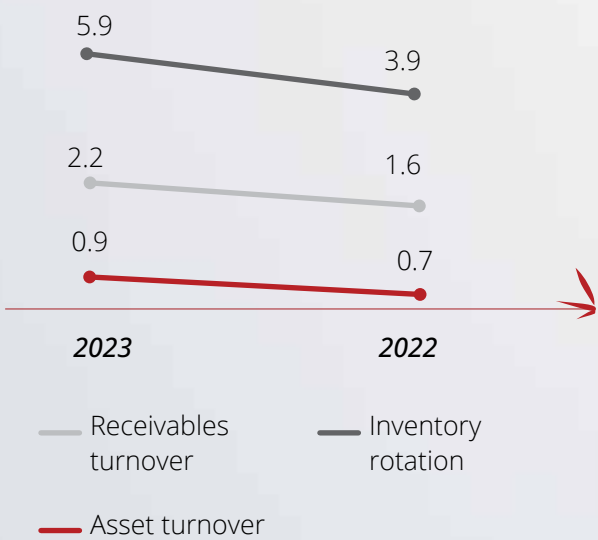
Despite many difficulties in 2023, such as cash flow shortage and slow payments from investors, we still managed to ensure the solvency and make timely payments to subcontractors and suppliers. Specifically, current ratio in 2023 was equivalent to that in 2022 while quick ratio grew from 0.8 times in 2022 to 0.9 times in 2023.



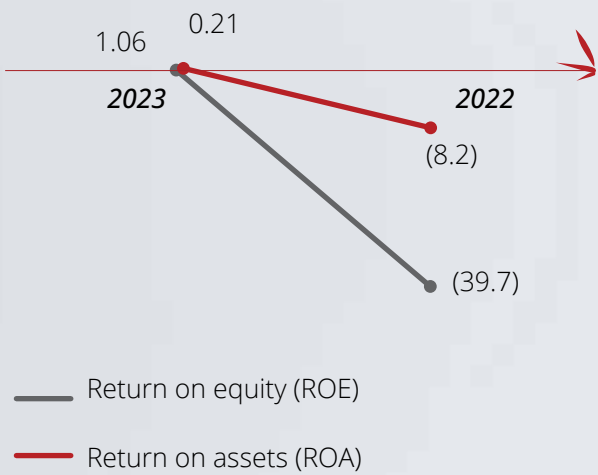
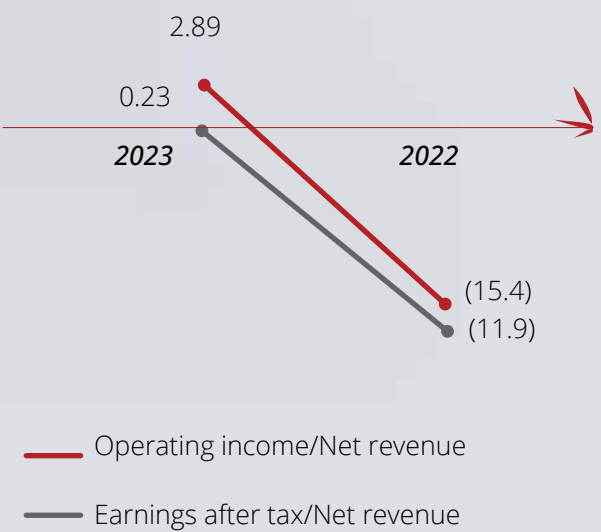
Regarding capital structure, we continued affirming our capacity and credibility with credit institutions, subcontractors, and suppliers. Our debt-to-capital and debt-to-equity ratio were maintained as stable as those in 2022.



Regarding operational efficiency, we continued maintaining and promoting effective debt collection and inventory management practices. Asset turnover ratio continued growing from 0.7 cycle in 2022 to 0.9 cycle in 2023.



In 2023, the BOM has strengthened risk management and flexibly adapted to market fluctuations. Our profitability indicators were all positive, proving again the BOD's correct direction and effectiveness of management work performed by the BOM. Searefico has proven that 2023 was the starting point for implementing our pivot strategy and successfully navigating the storm on the road to a new cycle of success.



4. SHAREHOLDER STRUCTURE AND EQUITY CHANGES

As of 31/12/2023, the number of shares in the Company was as follows:

Number of shares issued and listed:

35,566,780 shares

Number of shares outstanding:

33,786,780 shares

Number of treasury shares:

1,780,000 shares

Par value of the share:

10,000 VND

Changes of the equity: There was no change in the equity in 2023 over that in 2022.

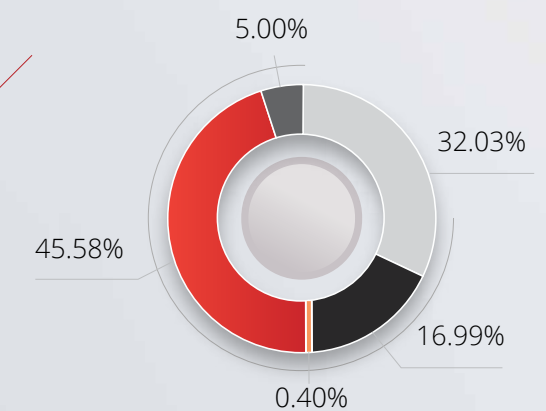
Treasury share transactions: There is no treasury share purchase or sale transaction in 2023.

List of shareholders

Category	Domestic shareholders		Foreign shareholders		Total	
	Number of shares	% CC	Number of shares	% CC	Number of shares	% CC
Shareholders with over 5% shares	6,424,471	18.0%	16,059,456	45.2%	22,483,927	63.2%
Shareholders owning from 1% to 5% shares	6,185,436	17.4%	-	-	6,185,436	17.4%
Shareholders owning below 1% shares	4,822,460	13.6%	294,957	0.8%	5,117,417	14.4%
Treasury shares	1,780,000	5.0%	-	-	1,780,000	5.0%
Total	19,212,367	54.0%	16,354,413	46.0%	35,566,780	100.0%

Shareholder structure by the type of ownership

- Domestic individuals
- Domestic organisations
- Foreign individuals
- Foreign organisations
- Treasury stock



List of strategic and major shareholders

Major shareholders	Number of shares	Ownership ratio (%)
Taisei Oncho Co., Ltd	8,909,456	25.05%
Sanyo Vietnam Engineering & Development Co., Ltd.	7,150,000	20.10%
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.84%
Nguyen Huu Thinh	1,515,258	4.26%
Nguyen Thi Hong (*)	1,857,271	5.22%

Note: (*) Mrs. Nguyen Thi Hong is a related person of Mr. Nguyen Huu Thinh - a non-executive member of the BOD.

UNLEASHING INTERNAL STRENGTH

Bamboo shoots, symbolizing continuity and perpetuity, represent the concept of “the old bamboo dies, the young shoots grow,” akin to the inheritance and evolution through generations. With accumulated knowledge, innovative thinking, and the valuable traditions passed down from previous generations of leaders, Searefico ignites ambitions and aspirations, fostering individuals who dare to think, dare to act, and dare to take responsibility, creating a new version of Searefico.

1. BUSINESS RESULT EVALUATION

The year 2023 ended with many difficulties and challenges. During this period, the spirit of “ONE SEAREFICO” has become stronger and clearer among subsidiaries of Searefico Group. Searefico’s executives met and communicated more frequently, shared resources, and sought new opportunities in the midst of a volatile market while formulating a development strategy for the next 5 years with ambitious goals and aspirations. We also paid special attention to consolidating and improving operational efficiency and management in all aspects, from finance, human resources, and management system to communication strategy.

Facing market difficulties, Searefico recorded actual revenue of over 1,600 billion VND, up by more than 38% compared to 2022. Particularly, for the first time since our incorporation and development, there has been a subsidiary of Searefico recording its revenue of over 1,000 billion VND, demonstrating our sustainable development.

Signed contract value in 2023 failed to meet the planned target (74.4%) due to the impacts of global geopolitical disruptions, uncertain factors, and force majeure. Though with the modest, less-than-expected profit, we successfully overcame the storm.

We have strengthened our position in promising sectors, such as smart warehouses and automation, and developed PIR panels meeting FM standards to meet market needs with the best quality products. In addition, we also constantly expanded into new sectors with high added value such as logistics, high-tech M&E, and industrial real estate. In this way, we aim to prepare for a period of strong growth, overcoming the disruptions from the domestic to international markets in the past two years.



For Engineering and construction

While housing, resort and office real estate market sectors were lagging behind, Searefico shifted the focus toward industrial real estate and FDI projects and expanded the cooperative relationships with general construction contractors and partners to increase the operational efficiency. Searee, a subsidiary in the ecosystem, adjusted its business strategy by focusing on developing high-tech clean warehouse projects, construction, and logistics business.

In 2023, Searefico won the bid for large FDI projects requiring high technology content, such as Logos Cu Chi Logistics Warehouse, Can Tho Irradiation Factory.



For industrial refrigeration

In 2023, there was a significant decrease in the number of projects in the industrial refrigeration sector. Nevertheless, Searefico still managed to stand out as one of the leading providers in this field by signing a contract for a foreign-invested project (Carlsberg). Our revenue grew by more than 34% compared to 2022.

Typical projects awarded in 2023: Carlsberg Brewery; Sapu Dong Thap Factory; and cold storage projects of Vinamilk, etc.



For construction material production

Despite the real estate market struggling with its recovery in 2023, Greenpan - a subsidiary of Searefico Group, has demonstrated impressive adaptability and innovation. Greenpan has been successful in approaching and selling products to projects with investment capital from Japan and Korea with strict quality standards. In addition, Greenpan also expanded its international market by exporting PIR panels to the Philippines and Singapore for the first time, laying a solid foundation for further development in the near future.

1.1. Business plan situation in 2023

Unit: billion VND

Indicator	2023 plan	Implementation in 2023	Implementation/Plan
Signed contract value	1,500	1,116	74.40%
Revenue	1,700	1,644	96.69%
Earning after taxes of Parent Company	5.46	1.32	24.18%
Consolidated earnings after taxes	31.48	3.76	11.95%

In 2023, there were few positive signs in the real estate market, and as a result, Searefico Group failed to achieve its targets for signed contracts and revenue. Nevertheless, its total revenue grew by more than 38% year-over-year, and notably, the Group had its first subsidiary achieve a revenue of over 1,000 billion VND, setting a solid foundation for sustainable development in the future.

Searefico’s production and business activities were still consistently maintained thanks to the large number of contracts carried over for implementation in 2024. We continued to cooperate more intensively and comprehensively with long-term customers and entered into contracts with leading Asian partners for foreign-invested projects or those with high technological content.



View of the Panel Manufacturing Plant – Greenpan Joint Stock Company at Tan Tao Industrial Park, Binh Tan, Ho Chi Minh City



View inside the fabrication and assembly workshop – Manufacturing Plant of the Asia Refrigeration Industry Joint Stock Company (ARICO) at Tan Tao Industrial Park, Binh Tan, Ho Chi Minh City.



The Panel (PIR) production line, sourced from ITALY, with modern technology is currently operational at the Panel Manufacturing Plant – Greenpan Joint Stock Company.



Images of Searefico E&C employees performing operations and installing equipment at the Smart Cold Storage project undertaken by the company.



At peak times, Searefico E&C can mobilize hundreds to thousands of workers to participate in projects to ensure progress. The image above shows a safety rules briefing session at a construction site.

1.2. Outstanding activities and typical achievements in 2023



On the path toward sustainable development, Searefico has been constantly affirming its role by carrying out strategic activities.

a. Outstanding activities

- » Searefico signed a joint venture cooperation agreement to develop rooftop solar power with CMESolar - one of the leading companies in Vietnam in the field of solar energy. This cooperation is part of Searefico's sustainable development strategy, providing numerous business development opportunities and contributing green value to the community through future solar energy projects.
- » Searefico celebrated 10 years of cooperation with Taisei Oncho. This event was an opportunity for both parties to strengthen their relationship, express gratitude for their cooperation, endeavor towards sustainable development, and commit to supporting future goals.

» Searefico participated as a speaker in the Culture & Business Forum (CBF 2023) coordinated by the Ministry of Culture, Sports and Tourism, the Ministry of Industry and Trade, and the Central Propaganda Department. Our participation not only made a good impression at CBF 2023 but also demonstrated the Company's commitment to the development of Vietnamese business culture.



This is the first time that a subsidiary's revenue has exceeded the mark of

1,000 billion dong

b. Typical achievements

Despite difficult and challenging situations in 2023, Searefico has made remarkable achievements, marking an important step on the path of development to the new heights.

- » Operating activities:
 - This is the first time that a subsidiary's revenue has exceeded the mark of 1,000 billion dong in a year.
 - All the subsidiaries earned profits, with some even paying dividends, marking a recovery to stable development after a challenging year.
 - Cooperated with new global brand customers, maintained and promoted extensive cooperation with strategic partners.
- » Management system:
 - Consolidated and standardized the system by building and improving the processes and regulations, applying good management practices, and focusing on daily production and business activities.
 - Continued to be certified by BSI Vietnam – British Standards Institute for a suitable quality management system in compliance with ISO 9001:2015 standards.
- » Human resources: Strengthen the human resource system by employing candidates with devotion, ambition, and talent, while orienting HR development towards the principles of mindful leadership, motivated employees, and cohesive teams to realize the goal of sustainable development.



Continued to be certified by BSI Vietnam – British Standards Institute for a suitable quality management system in compliance with ISO 9001:2015 standards.

ISO 9001:2015





Through remarkable efforts to overcome difficulties, the Project Management team of Searefico E&C, a member of Searefico Corp, was determined to meet the overall schedule to ensure the topping-out ceremony of the Heritage West Lake Office Tower in Hanoi was on time.



This is one of the regular training activities at Searefico Group aimed at organizational development and enhancing organizational knowledge. Speakers at these training sessions are often reputable experts and entrepreneurs from various fields, both domestically and internationally.



The event of presenting gifts by the Trade Union and the Company to employees on the occasion of the Lunar New Year 2023 is one of the many activities recognizing the company's concern for the spiritual and material well-being of employees during holidays such as Tet, International Children's Day, and Vietnamese Women's Day.



Searefico's Day is celebrated annually on October 26th to honor the values and legacy of the company. In 2023, this traditional day will be grandly organized in Ba Ria - Vung Tau Province, combined with the event of announcing the strategy and setting the business plan targets for the 2024-2028 period for the parent company and its subsidiaries.



The year 2023 marked the Searefico Group Trade Union Congress for the 2023-2028 term. The Congress was solemnly and successfully held as the company transitioned to a Holding Company model, reflecting the leadership's commitment to Trade Union activities and the workers' movement across the Group.



As an expression of care and gratitude towards employees after three years of the pandemic, the Trade Union and the Executive Board coordinated a short trip to Thailand in August 2023.

» With continuous innovation efforts in improving the management and operations activities towards the goal of sustainable development, Searefico has proven our capacity, reputation, and service quality and affirmed our brand position by winning a number of awards:



- Top 5 Listed Companies (Small-Cap Category) with the best corporate governance in 2023: again, this award serves as the testament to our reputation, professionalism, and transparency, and promotes the ability to convey information to the investors with focus on management efficiency and sustainable development;



- Top 3 prestigious M&E Contractors in 2023: this award affirms our effective operations, experience, and fundamental position, making a positive contribution to the overall development of the entire industry and being a brand trusted by many investors and customers in the market.

» Searefico puts people at the center and creates a friendly working environment where employees can share their knowledge and develop their careers, and is proud of being awarded with reputable prizes in HR sector:



- Top 500 Largest Private Enterprises in Vietnam in 2023 – VNR500: This 9th consecutive award is the proof that Searefico always growing stably, demonstrating our inner strengths, appropriate orientation and resilience against unexpected fluctuations in the international context and declining economic growth rate;



- Top 100 Best Places to Work in Vietnam 2023, by Anphabe Career Community Network;



- Top 05 Most Preferred Employers in the Electrical - Electronics - Refrigeration Industry by CareerViet.

2. FINANCIAL SITUATION

2.1. Assets

Unit: Billion VND

Indicator	2023	2022	% increase/decrease over 2022
Current assets	1,383	1,382	-
Cash and cash equivalents	254	239	6%
Short-term financial investments	68	118	(43)%
Current receivables	787	727	8%
Inventory	246	275	(10)%
Other short-term assets	28	23	18%
Non-current assets	370	349	6%
Total asset	1,753	1,731	1%

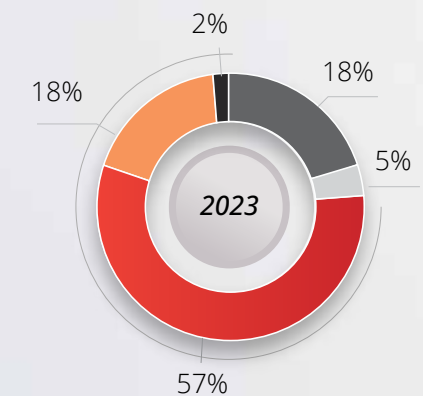
As of the end of 2023, total assets amounted to VND 1,753 billion, equivalent to the previous year. Short-term assets remained comparable to the same period, with short-term receivables increasing by 8%, cash on hand increasing by 6%, and inventory decreasing by 10% compared to the end of 2022. These changes reflect the company's effective asset management and enhanced financial security.

Composition of current assets

Total current assets include the following: Cash and cash equivalents 18%, short-term financial investments 5%, inventory 18%, and other current assets 2%. Short-term receivables grew slightly by 8% YoY and accounted for 57% of current assets.

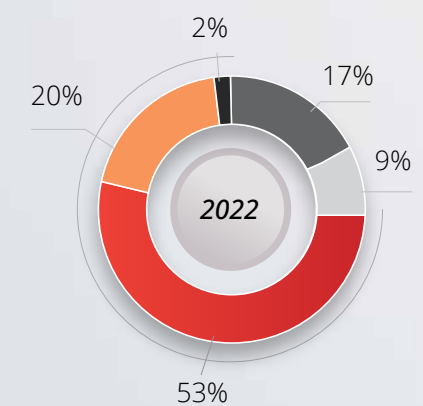
Composition of current assets

- Cash and cash equivalents
- Short-term financial investments
- Current receivables
- Inventory
- Other short-term assets



Composition of current assets

- Cash and cash equivalents
- Short-term financial investments
- Current receivables
- Inventory
- Other short-term assets



Composition of non-current assets

For non-current assets, fixed assets, long-term construction in progress and other long-term assets accounted for the highest proportions, i.e. 67%, 18% and 12%, respectively.

In 2023, Searefico invested in developing logistic business and, to do this, it was required to develop warehouses and assets resulting in the increase of over 50% YoY of construction in progress.

2.2. Equity

Unit: Billion VND

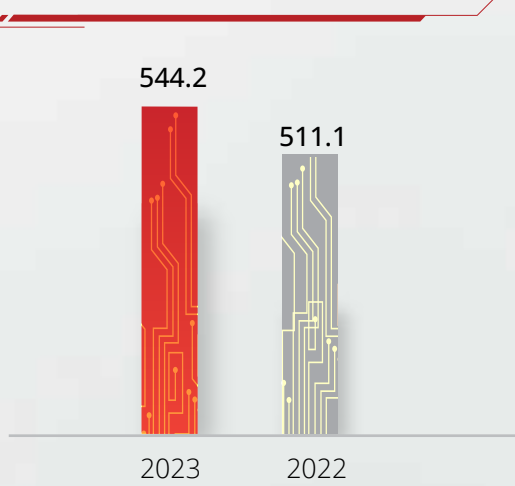
Indicator	2023	2022	% increase/decrease over 2022
Liabilities payable	1,321	1,302	1%
Current liabilities	1,247	1,221	2%
Long-term liabilities	74	80	(8)%
Owner's equity	432	429	1%
Total equity	1,753	1,731	1%

By the end of 2023, total liabilities of the Company were 1,321 billion VND, accounting for 75% of total capital, equivalent to that in 2022. Nevertheless, long-term borrowing was down by 8% YoY. Searefico consistently maintained timely payment of debts, increased its bank creditability, and controlled financial costs effectively.

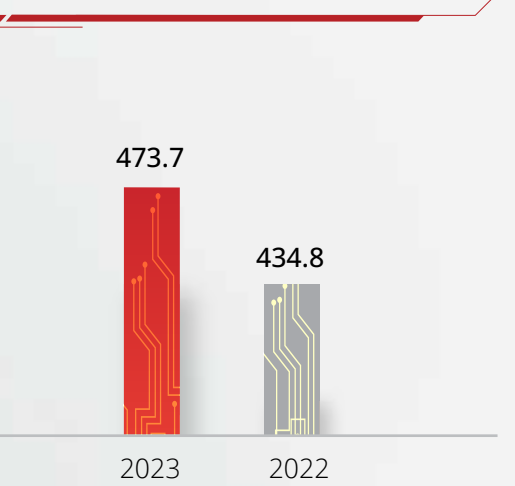
2.3. Interest expense and loan interest

Indicator	Unit	2023	2022	% increase/ decrease over 2022
Total outstanding debts	Billion VND	544.2	511.1	6%
Short-term borrowings	Billion VND	473.7	434.8	9%
Long-term borrowings	Billion VND	70.5	76.3	(8)%
Interest expenses	Billion VND	42.9	38.9	10%
Interest expense/revenue	%	2.6	3.3	
Current ratio	Times	1.1	2.3	

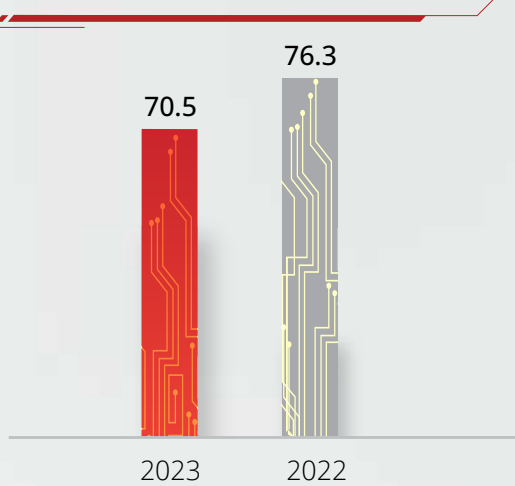
Total outstanding debts



Short-term borrowings



Long-term borrowings



Interest expenses



In 2023, interest expense of the Company was 42.9 billion VND, up by 10% over that in 2022. However, with revenue growth of over 38%, the ratio of interest expense to revenue was only 2.6%, down from 3.3% in 2022, indicating effective management and use of financial leverage. Total outstanding debts were 544.2 billion VND, accounting for 31% of total equity.

3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

In an increasingly competitive and volatile business market, we have continuously improved Searefico's organizational structure, personnel policies, and management systems to meet current challenges while making positive contributions to the overall development of the industry.

» One of Searefico's major changes in 2023 was in our leadership team, with the addition of a member to the Board of Management who holds a PhD in Civil Engineering and has extensive experience in the construction, real estate, and finance sectors. This has helped Searefico improve our competitiveness and promises rapid development in the future.

» Searefico has always focused on developing our workforce by not only training and enhancing their skills to improve their capabilities and meet increasingly complex work requirements but also by developing an ownership mechanism to enable internal business startups, promote their

entrepreneurial spirit, and enhance their pride and dedication to the Company. Despite the difficult economic situation, employees were still provided with job security, as Searefico established this as a requirement in the Collective Labour Agreement.

» Working towards the goal of comprehensive digital transformation, Searefico has gradually implemented new technology in work management to optimize operational efficiency. In 2023, Searefico began operating the Fast Business Online (FBO) system in Finance and Accounting Management and deployed several centralized HR information management software solutions throughout the Searefico Group.

With such efforts and commitments, Searefico is on track for sustainable development and actively contributes to the overall development of Vietnam while generates benefits to our shareholders, employees, customers, and stakeholders.

4. FUTURE DEVELOPMENT PLAN

By implementing the pivot strategy, we aim to gradually realize the goal of becoming a multi-industry corporation in the engineering and technology sector, targeting industries with high technological content and market potential. We continue to regard the technology development platform as the focal point for our future development plans. We are increasing the efficiency of our traditional operations while making investments in expanding into value-added and low-risk sectors, such as logistics, industrial real estate, smart warehouses and automation, new construction materials,

new energy, data centers, and biotechnology, among others. We place great emphasis on the spirit of "People go first, the work follows" and always carefully prepare for succession to ensure that our culture and inner strengths are consistently maintained. Particularly in the coming years, we will focus on promoting good corporate governance, improving the risk management framework to guide our risk-based decisions, enhancing transparency in our activities and disclosures, and maximizing benefits for shareholders and investors.

5. BOM' EXPLANATIONS FOR THE AUDITING OPINIONS

5.1. Auditor's Qualified Opinion on Receivables and Payables Balances

Qualified Opinion on Receivables Balance:

As of the date of issuance of this audit report, we have not been able to collect sufficiently confirmation letters on receivable balances as at 31/12/2023 and as at 31/12/2022, as well as not being able to obtain sufficient and appropriate audit evidence to assess the recoverability of the receivables at the respective times with a total value of VND 114,246,541,992 and VND 130,499,402,491, respectively.

Therefore, we cannot determine whether it is necessary to adjust the figures related to the provision for doubtful debts, as well as the impact of the above issue on other related items in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023. Details of balances of items are as follows:

	Code	31/12/2023 VND	31/12/2022 VND
Short-term trade receivable	131	94,821,407,951	111,026,152,574
Short-term prepayments to supplies	132	9,817,342,091	9,810,545,391
Other short-term receivable	136	9,607,791,950	9,662,704,526

Qualified Opinion on Payables Balance:

In addition, as of the date of issuance of this audit report, we have not been able to collect sufficiently confirmation letters on the balance of payable balances as at 31/12/2023 and as at 31/12/2022 with a total value of VND 117,311,283,790 and VND 120,658,153,676, respectively. Therefore, we cannot determine whether it is necessary to adjust the impact of the above issue on the relevant items in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023. Details of balances of items are as follows:

	Code	31/12/2023 VND	31/12/2022 VND
Short-term trade payables	311	101,017,042,766	98,997,315,758
Short-term prepayments from customers	312	7,794,600,089	10,480,605,174
Other short-term payables	319	8,499,640,935	11,180,232,744

Regarding the Receivables and Payables, the Company records them in accordance with actual occurrences. Detailed tracking of debts is conducted for each individual entity, with contracts, invoices, and payment documents as required by regulations. Confirmation letters are issued fully and promptly in accordance with audit requirements and have been communicated to Customers, Suppliers, and Subcontractors for reconciliation and submission back to the auditing entity. The receivables and payables presented in the Financial Statements accurately reflect the rights and obligations of the Customers, Suppliers, and Subcontractors. However, due to objective reasons, the Company could not ensure the confirmation letters were returned within the stipulated timeframe, leading to the aforementioned audit conclusion.

5.2. Auditor's Qualified Opinion on the Inventory account

Qualified Opinion: Due to being appointed as auditor after the end of the fiscal year 2023, despite performing additional audit procedures, we were still unable to obtain sufficient and appropriate audit evidence to evaluate the validity of the audit. The complete and net realizable value of construction works in progress is presented in the item "Inventory" (Code 141) with the value as at 31/12/2023 and as at 31/12/2022 was VND 100,542,031,326 and VND 101,065,561,892, respectively. Therefore, we cannot determine whether it is necessary to adjust these figures and other related indicators in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023 or not.

Regarding construction projects, all actual costs incurred related to these projects have been fully recorded by the Company. The acceptance and settlement with the Investor for the recognition of revenue and cost of goods sold are entirely appropriate. The value for work in progress at the end of the period, presented under the Inventory account, represents the value of the work completed that the Company is currently working on with the Investor for acceptance/settlement of these projects.

5.3. Auditor's Qualified Opinion on the Liability with Construction Joint Stock Company No. 1 (COFICO)

Qualified Opinion: Construction Joint Stock Company No. 01 (COFICO) is recording the joint venture fine as notified to the Corporation of the amount of VND 22,038,757,467 that the Corporation must pay including late fines and other costs related to the Gateway Thao Dien project, however the Corporation has not yet recorded it due to disagreement on the value. As of the date of issuance of this audit report, we have not been able to obtain sufficient and appropriate audit evidence regarding the uncertainty of the Corporation's obligations to COFICO, and therefore cannot determine whether it is necessary to adjust these figures, as well as its impact on related items on the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023.

The Company has entered into Agreement No. 27/COF/2015/P.TM/HCM-GAT-1519 dated October 24, 2016, between the Company and Construction Joint Stock Company No. 1 (COFICO) - the General Contractor, related to the joint venture to execute the Gateway Thao Dien residential project, with Son Kim Real Estate Joint Stock Company as the investor. COFICO is recording a joint venture penalty, which includes late completion penalties and other costs related to this Project. However, the value of the penalty unilaterally recorded by COFICO lacks sufficient basis and has not been agreed upon by all parties. Currently, the Company is still working with COFICO to clearly determine the benefits and obligations of the joint venture parties involved in the project construction contract mentioned above.



EVALUATION BY THE BOARD OF DIRECTORS ON THE OPERATION OF THE COMPANY

GROWING NEW HEIGHTS

The slender and delicate bamboo trunk, though thin, is tough and divided into sections to create branches, rich in vitality and easily adaptable to the environment, making bamboo unique compared to other plants. Similarly, at Searefico, the differences in abilities and personalities of individuals are regarded as valuable assets. Guided by a leadership team that is both conscientious and competent, sharing common values and business philosophy – “Maintaining trust, Valuing relationships, Balancing interests” – new opportunities are opened for Searefico to transform, break through, and grow new heights.

1. GENERAL ASSESSMENT BY THE BOARD OF DIRECTORS



In 2023, the global economy faced numerous difficulties and challenges. The Russia-Ukraine war continued to escalate unpredictably, while new conflicts between Israel and Hamas and the Red Sea crisis in the latter months of the year increased inflation forecasts and disrupted the global supply chain. Against this backdrop, many countries decided to maintain their tight monetary policies to control their economies, prioritizing curbing inflation and addressing weak trade growth and the slow recovery of consumer confidence. Vietnam's economy was no exception, affected by fluctuations in both the global and domestic economies. Tight credit policies for high-risk sectors, a gloomy corporate bond market, and negative impacts from major projects led to a domino effect, causing further difficulties as companies closed old projects and launched new ones. Nevertheless, during the economic downturn and the low point of the construction and real estate industries, Searefico's core values bravery in facing difficulties, flexible adaptability, dedication to responsibility, and a spirit of sacrifice helped the company to survive, overcome crises, maintain its values, and seize opportunities in adversity to make a breakthrough. It can be said that we have "successfully navigated the storm."

By regularly updating reports on domestic and global economic and political situations, the BOD has consistently supported and worked alongside the BOM in providing timely responses to unpredictable market fluctuations, thereby enhancing operational efficiency and achieving positive results. This has laid

the groundwork for preparing internal resources to bounce back when the market recovers, regain growth momentum, and achieve a breakthrough in alignment with the "pivot" strategy associated with the Searefico Group's 5-year plan for the 2024-2028 period.

The BOD has outlined specific directions and instructions to assist the BOM in restructuring the organization towards greater efficiency, improving corporate governance and internal control, and continuing to innovate and develop the organization through committees under the BOD, such as the Audit Committee, the Human Resources and Salary and Bonus Committee, and the Innovation and Organizational Development Committee. The BOD has stood by and supported the BOM in adjusting business strategies and enhancing corporate governance and management efficiency. Various measures have been implemented to optimize resources, reduce costs, manage cash flows effectively, and actively collect debts.

Thanks to efforts to overcome difficulties, Searefico continues to hold prestigious awards: Top 500 Largest Private Enterprises in Vietnam (VNR500); Top 3 prestigious M&E Contractors; Top 10 Enterprises with Excellent Business Culture in Vietnam; Top 100 Vietnam Best Places To Work. Notably, in 2023, Searefico was nominated for the first time among the Top 5 Listed Companies (Small-Cap Category) for the best corporate governance and received numerous merit certificates and awards for its positive contributions to the community.

1.1. Assessment of business activities of the Company

Unit: billion VND

Indicator	2023 plan	Implementation in 2023	Implementation/Plan
Signed contract value	1,500	1,116	74.40%
Revenue	1,700	1,644	96.69%
Earning after taxes of Parent Company	5.46	1.32	24.18%
Consolidated earnings after taxes	31.48	3.76	11.95%

In contrast to the forecasts in the business plan prepared at the end of 2022 and early 2023, 2023 continued to be the year when the real estate market was at its lowest, as many of our subsidiaries failed to meet the targets for signed contracts and profit margins. Nevertheless, our consolidated revenue grew by more than 38% YoY, and, particularly, we had our first subsidiary, Searefico E&C, achieve revenue of over 1,000 billion VND with more expectations in the ecosystem to reach this mark in the 5-year plan for 2024-2028 period.

Our production and business activities were still consistently maintained thanks to the relatively large number of contracts carried over for implementation in 2024. We continued cooperating more intensively with long-term customers and enter into contracts with leading partners for domestic and foreign-invested projects, those with high technological content, serving as a testament to our management qualifications, professional capacity, and ability to lead the industry in our fields of operation.



1.2. Assessment of operations of the Board of Management

- a. The BOM has made significant efforts to implement the policies of the BOD, promptly taking action to strengthen internal resources and flexibly respond to market fluctuations. One of the outstanding achievements in implementing this pivot strategy is that we have won many large projects in the fields of industry - technology, automation, logistics, green buildings, and FDI projects, and reaffirmed our position in the pharmaceutical, biological and irradiation industries and projects with high technology content.

b. The BOM has maintained effective control over operating costs, coordinated and strictly managed the cash flows, promoted credit relationships with banks, flexibly regulated the sources of income and expenditure, and promptly responded to cash demand of the Group.

c. The BOM has supported Group subsidiaries in many activities, particularly business and bid operations, to win major projects, acquire
- new customers/fields of business, expand the markets, strengthen customer relationships, and seek M&A and joint venture deals with partners.

d. The BOM has persistently applied integrated solutions in risk management, financial management, and resource optimization, such as loan restructuring, inventory control, debt reduction, and control of costs within the approved budget, preventing impact on production and construction activities.

e. The BOM has gradually improved the system of internal regulations, upgraded HR and accounting software, and relocated the office, assuring that our operations were secured and smooth.

f. Despite many difficulties, in 2023, the BOM prioritized taking good care of personnel welfare and maintaining a positive working environment where leaders know how to empower and employees are motivated.



2. RECOMMENDATIONS FOR IMPROVEMENT



- a. The BOM should focus on increasing their influence and leadership capacity to lead the Group into a new period and regain high growth momentum with a challenging 5-year plan for 2024-2028 period. The BOM also needs to elevate the relationship between the BOM and BOD by proactively seeking support from members of the BOD in certain key areas.

b. While it did a good job in saving costs in 2023, the BOM has set a major goal to optimize costs in 2024 by identifying and minimizing unnecessary expenses and focusing on those costs that offer significant value and benefits or have positive long-term impacts.

c. The BOM should prioritize SRF's core activities of financial investment and capital control, with a key focus on risk management and debt collection, aiming to improve profitability indicators in the model of a Pure Holding, and promoting shareholder value, brand reputation, and recognition as a market leader.

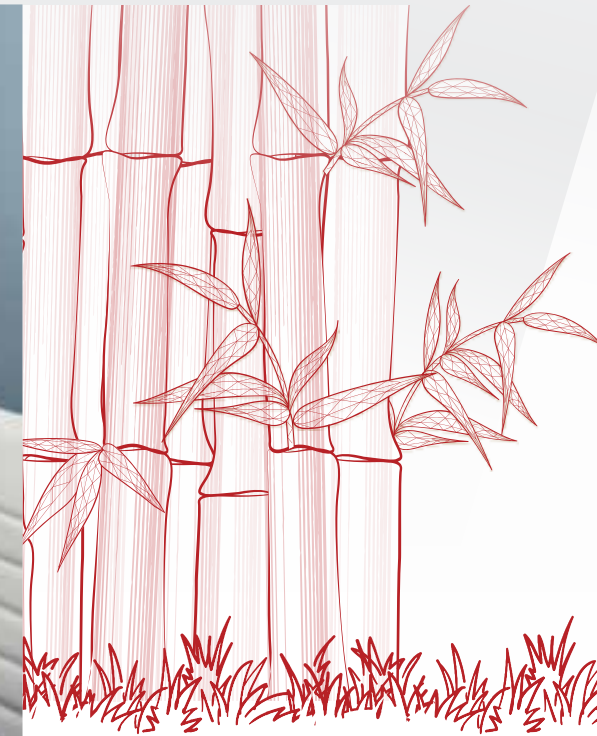
d. The BOM should consolidate the management information system, learn and apply good standards of practice in the world, improve management reports in line with the requirements, ensure regular and consistent compliance
- among the subsidiaries and Parent Company to promptly and accurately reflect the situations of cash flows, inventory, warehouse, debt, progress, and budget. Additionally, it should complete the Company's risk management framework to ensure the effectiveness and substance of risk management and compliance control.

e. The BOM should restructure the team of IT leaders and set up a unified method for IT management within the Group to ensure the unity, integrity and security of IT system under all circumstances, promote digital transformation (SDP project), and apply technological advancements to business operations.

f. The BOM should rearrange internal resources with external experts to promote Knowledge Management Project (KMP), and Searefico Reinvention Project (SRP), and continually improve internal processes as required by the BOD.

g. The BOM should implement the "management by culture" strategy, provide the guidance and ongoing communication on the vision, mission, corporate philosophy, and business goals to all employees.

3. PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS



3.1. Short-term plans

- a. 2024 Plan: Reach the targets of signed contract of 2,200 billion VND, revenue of 2,000 billion VND, and consolidated earning after taxes of 22 billion VND; focus on projects with good revenue and reputable investors and those in industrial sector or niche markets, or those with high technology content and short time-to-market to optimize the cash flow and returns.
- b. Develop a specific plan for the pivot strategy, expand the market, and find new directions to increase returns.
- c. Strengthen R&D for new environmentally friendly products/solutions and apply smart tech solutions and automation to increase our competitive advantage.
- d. Endeavour to completely resolve outstanding debts and continue resolving bad debts. Strictly control and manage cash flows to ensure healthy financial health and minimize risks.
- e. Maintain and develop the corporate culture, promote core values, and strengthen organizational development activities to build a friendly and positive working environment and increase employee motivation and engagement.
- f. Focus on improving corporate governance and standardization of processes to achieve optimal performance; focus on recruiting young employees and strengthening the management system; focus on applying technology to improve the efficiency and labour productivity, an innovative and advanced approach to business and production management.
- g. Take advantage of all opportunities with the potential to expand Searefico Group ecosystem through M&A, business cooperation, joint ventures, and partnerships.

3.2. Long-term orientation

- a. As a multi-sector corporation in the field of Engineering - Technology, Searefico focuses on the industries with high technology content and market potential. Searefico is well known by domestic and foreign customers and partners for top class quality (advanced solutions and technology) in line with global development trends;
- b. Increase the operational efficiency in traditional sectors while expand the investment into sectors with high technology content and market potential, such as logistics, industrial real estate, smart warehouses and automation, new construction materials, biotechnology, new energy, and data center.
- c. Searefico may not be the largest brand, but we are highly reputable among domestic and foreign partners for our top quality and corporate philosophy of seeking profit and serving the society by creating national brands of international standards built on customers' and partners' trust and respect.
- d. "Build to Last" is the guideline throughout our governance, management, and investment activities.
- e. Develop corporate culture to further promote Searefico's core values and standardize our activities related to the first and second layers of culture. Build a brand identity system under the Pure Holding model and publish the Corporate Culture Guide, including the Company's Code of Conduct.
- f. Develop investor relations, be proactive and transparent in information disclosure, diversify the channels for disclosing information to shareholders and ensuring the rights and equality for investors/shareholders.
- g. Focus 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, which shall enable the employees to realize the values of their works and the organization's expectations by offering promotion opportunities to them; build a learning organization and promote employee engagement through a sharing and support culture; develop human resource for a succession plan; innovate the competitive compensation and welfare policies; and set out specific career development roadmap.

CORPORATE GOVERNANCE



UNIFIED EFFORT - UNIFIED HEART

The image of bamboo tubes stylized into interconnected gear rings represents a flexible operational mechanism, unity, and mutual support in all activities, striving to achieve goals and aiming for a leading position. The company persistently invests in internal organizational innovation with unity, consensus, and determination from the leadership team to the employees; building a cohesive, creative, and humane working environment.

1. BOARD OF DIRECTORS

1.1. Members and structure of the Board of Directors

The BOD of the Company has 6 members, including 2 independent member, 3 non-executive members and 1 executive member. On 31/03/2023, the GMS elected Mr. Yoshihiko Shiotsugu to replace Mr. Nishi Masayuki as a non-executive member of the BOD.

No.	Full name	Position	Nationality	Ratio
1	Le Tan Phuoc	Chairman of the Board of Directors	Vietnamese	2.66%
2	Nguyen Huu Thinh	Non-Executive Member of the BOD	Vietnamese	4.26%
3	Ryota Fukuda	Non-Executive Member of the BOD	Japanese	0%
4	Yoshihiko Shiotsugu	Non-Executive Member of the BOD	Japanese	0%
5	Le Quang Phuc	Independent member of the BOD	Vietnamese	0%
6	Pham Kyle Anh Tuan	Independent member of the BOD	Australian	0%
7	Nishi Masayuki	Non-Executive Member of the BOD (Dismissed on 31/03/2023)	Japanese	0%

1.2. Sub-committees of the Board of Directors

1.2.1. Audit Committee

a. Members of the Audit Committee

No.	Member of the AC	Position	Start date
1	Mr. Pham Kyle Anh Tuan	Chairman of the AC	09/03/2022
2	Mr. Nguyen Huu Thinh	Member of the AC	09/03/2022

b. Operations of the Audit Committee

The Audit Committee is a specialized body directly under the Board of Directors and has the following functions: Independently and objectively supervise the truthfulness of the Company's quarterly, bi-annual and annual financial statements; monitor the Company's compliance with legal regulations; monitor the effectiveness and efficiency of internal policies, regulations and processes; review the implementation of strategic goals, operational objectives, and operational plans of the Company; give recommendations on measures to resolve and overcome errors, as well as measures to improve the internal control and corporate governance system in order to improve the effectiveness of risk prevention, detection and resolution practices; perform other tasks in accordance with the Regulations on operation of the Audit Committee to contribute to improving operating performance of the Company.

1.2.2. Human Resources and Salary and Bonus Committee

a. Members of the Human Resources and Salary and Bonus Committee:

No.	Member of the HRSBC	Position	Start date
1	Mr. Le Quang Phuc	Chairman of HRSBC	15/12/2021
2	Mr. Nguyen Huu Thinh	Member of HRSBC	15/12/2021

b. Activities of the Human Resources and Salary and Bonus Committee

The Human Resources and Salary and Bonus Committee is a specialized body directly under the Board of Directors and has the following functions: Develop policies on human resource management, salary and bonus in compliance with the directions set out by the Board of Directors; Support the Board of Directors of subsidiaries to implement human resource strategies, including human resource planning, training, salary and bonus, remuneration, performance appraisal, and talent attraction and retention policies.

1.2.3. Innovation and Organizational Development Committee

No.	Member of the IODC	Position	Start date
1	Mr. Le Tan Phuoc	Chairman of the IODC	13/04/2022
2	Mr. Nishi Masayuki	Member of the IODC	13/04/2022

(*) Mr. Nishi Masayuki was no longer a member of the Innovation and Organizational Development Committee from 31/03/2023.

Activities of the Innovation and Organizational Development Committee

The Innovation and Organizational Development Committee is a specialized body directly under the Board of Directors and has the following functions: Plan, implement and control investment strategies to develop the operations and expand the market in relevant industries; Develop the policies, give advice and opponency opinions on issues related to scientific research, technology development, new features for new products, research and improvement of old products, research and development of management tools and systems to optimize costs and increase operational efficiency.

1.3. Activities of BOD

Periodically, CEO reports on the Company's operations and upcoming plans for the BOD to monitor the results of the management and operation of the Company. Meetings of the BOD are held in either online or offline format and election votes on discussed matters are collected directly or via email.

In 2023, BOD held 08 meetings and issued Resolutions/Decisions. All of meetings of the BOD were attended by 100% of members of the BOD as follows:

No.	Member of the BOD	Number of attended meetings	Ratio	Reason for not attending
1	Le Tan Phuoc	08/08	100%	
2	Nguyen Huu Thinh	08/08	100%	
3	Ryota Fukuda	08/08	100%	
4	Nishi Masayuki	03/08	37.5%	Dismissed on 31/03/2023
5	Le Quang Phuc	08/08	100%	
6	Pham Kyle Anh Tuan	08/08	100%	
7	Yoshihiko Shiotsugu	05/08	62.5%	Appointed on 31/03/2023

Details of Resolutions issued during 2023 are as follows:

No.	Resolution Number	Date	Content
1	001/NQ/SRF/HĐQT/23	01/02/2023	Approved the plan to hold the 2022 Annual General Meeting of Shareholders
2	002/NQ/SRF/HĐQT/23	01/04/2023	Authorized Mr. Vu Xuan Thuc to perform transactions of the Company, branches and subsidiaries at banks.
3	003/NQ/SRF/HĐQT/23	17/04/2023	Assigned tasks to members of the Board of Directors of Searefico Corporation
4	004/NQ/SRF/HĐQT/23	02/06/2023	Approved the transactions between the Company and relevant persons in 2023
5	005/NQ/SRF/HĐQT/23	31/07/2023	Content of the meeting of the BOD on 31/07/2023
6	006/NQ/SRF/HĐQT/23	12/12/2023	Supplemented the content for shareholders' written opinions on change of head office of the Company

Details of Decisions issued during 2023 are as follows:

No.	Decision No.	Date	Content
1	001/QĐ/SRF/HĐQT/23	12/01/2023	Assigned the representative of Searefico Corporation's capital in Searefico E&C
2	001A/QĐ/SRF/HĐQT/23	13/01/2023	Changed the plan on using the funds from deinvestment in Thua Thien Hue Construction Joint Stock Corporation (2 nd instalment)
3	002/QĐ/SRF/HĐQT/23	19/01/2023	Rewarded to recognize Mr. Nguyen Dinh Giang's contributions
4	002A/QĐ/SRF/HĐQT/23	14/03/2023	Assigned the representative of Searefico Corporation's capital in Seareal Real Estate Joint Stock Company
5	002B/QĐ/SRF/HĐQT/23	01/03/2023	Changed the plan on using the funds from deinvestment in Thua Thien Hue Construction Joint Stock Corporation (3 rd instalment)
6	003/QĐ/SRF/HĐQT/23	24/03/2023	Promulgated the Regulations on organization and operations of the Human Resource and Salary and Bonus Committee
7	004/QĐ/SRF/HĐQT/23	28/03/2023	Renamed and promulgated the regulations on organization and operations of the Innovation and Organizational Development Committee
8	004A/QĐ/SRF/HĐQT/23	28/03/2023	Modified the organizational chart of Searefico Corporation
9	005/QĐ/SRF/HĐQT/23	01/04/2023	Remuneration of Members of the BOD in 2023
10	006/QĐ/SRF/HĐQT/23	01/04/2023	Assigned the business plan and BSC, set aside and allocated performance-based salary fund for 2023
11	007/QĐ/SRF/HĐQT/23	17/04/2023	Dismissed and appointed members of the Innovation and Organizational Development Committee
12	008/QĐ/SRF/HĐQT/23	05/07/2023	Assigned the representative of Searefico Corporation's capital in Searefico E&C
13	009/QĐ/SRF/HĐQT/23	31/07/2023	Announced the share-based bonus policy
14	010/QĐ/SRF/HĐQT/23	07/08/2023	Changed the members of SDP Project
15	011/QĐ/SRF/HĐQT/23	17/08/2023	Announced the Policy on reward for debt collection
16	012/QĐ/SRF/HĐQT/23	29/09/2023	Appointed Mr. Nguyen Kinh Luan to hold the position of Vice CEO of Searefico Corporation
17	013/QĐ/SRF/HĐQT/23	16/11/2023	Dismissed Ms. Huynh Nhu Phuong from the position of Head of Internal Audit Department
18	014/QĐ/SRF/HĐQT/23	30/11/2023	Collected shareholders' written opinions on changing the Company's head office and amending the charter related to changing the Company's head office.

1.4. Activities of independent members of the BOD

In the financial year 2023, the Board of Directors of the Company was comprised of 6 members, including 2 independent members. In this report, the independent members of the BOD evaluated their performance and activities of the BOD as follows:

- a. Two independent members of the BOD were appointed by the BOD as Chairman of the Audit Committee (AC) and Chairman of the Human Resources and Salary and Bonus Committee (HRSBC). The AC and HRSBC fully performed their tasks in compliance with the Company's governance mechanisms and regulations (see also the activities of the Committees in the Report of Activities of the BOD).
- b. Independent members of the BOD actively participated in controlling the strategy/ business and budget/cash flow plans, providing

comments/criticisms/proposals of solutions, supervising the activities of the CEO and BOM, supporting and providing training of basic knowledge on corporate governance and risk management for the Company's executives and subsidiaries. Independent members of the BOD also participated in developing customer network and markets and providing bid support for subsidiaries in the ecosystem.

- c. Activities of independent members of the BOD significantly assisted the BOD in complying with corporate governance in many aspects, such as monitoring the activities of the CEO/BOM and increasing the operational efficiency of the BOD. Their positive attitude, independent perspective and competencies significantly contributed to the application of good management practices to the Company, as well as to our operating process and business results.

Assessment of activities of the Board of Directors

a. Holding the meetings of the BOD

- » Meetings of the BOD were convened and carried out with specific schedules and careful preparation of documents in compliance with regulations. Meeting content was carefully discussed, reviewed, and evaluated by the members of the BOD to make the best directions and solutions for the Company.
- » Matters related to strategy, corporate culture, management system, etc. were comprehensively discussed between the BOD and BOM.

b. Monitoring the CEO and other members of the Board of Management

- » Generally, the BOD, in collaboration with the Board of Management, properly performed its monitoring duties, ensuring that activities of the Company were closely controlled to follow the strategic orientations and decisions were timely made to respond to actual requirements.

- » Members of the BOD attended periodic meetings of the BOM. Decisions of the BOM were made in consultation with the BOD to provide the optimal solutions for the Company's interest. As a result, BOD was fully aware of Company's activities and situations and received latest updates of actual requirements.
- » Chairman of the BOD and Chairman of the HRSBC evaluated the CEO's performance and provided comments and suggestions to help the BOM improve leadership capacity and efficiency of the Company's activities.
- » Members of the BOD played a proactive role in supporting the BOM and sharing experience with other management levels.
- » The BOD paid special attention to providing risk management solutions to support the BOM in detecting risks early and taking effective risk response plans to help the Company maintain the sustainability and stability of our operations, and protect the investors' interests.

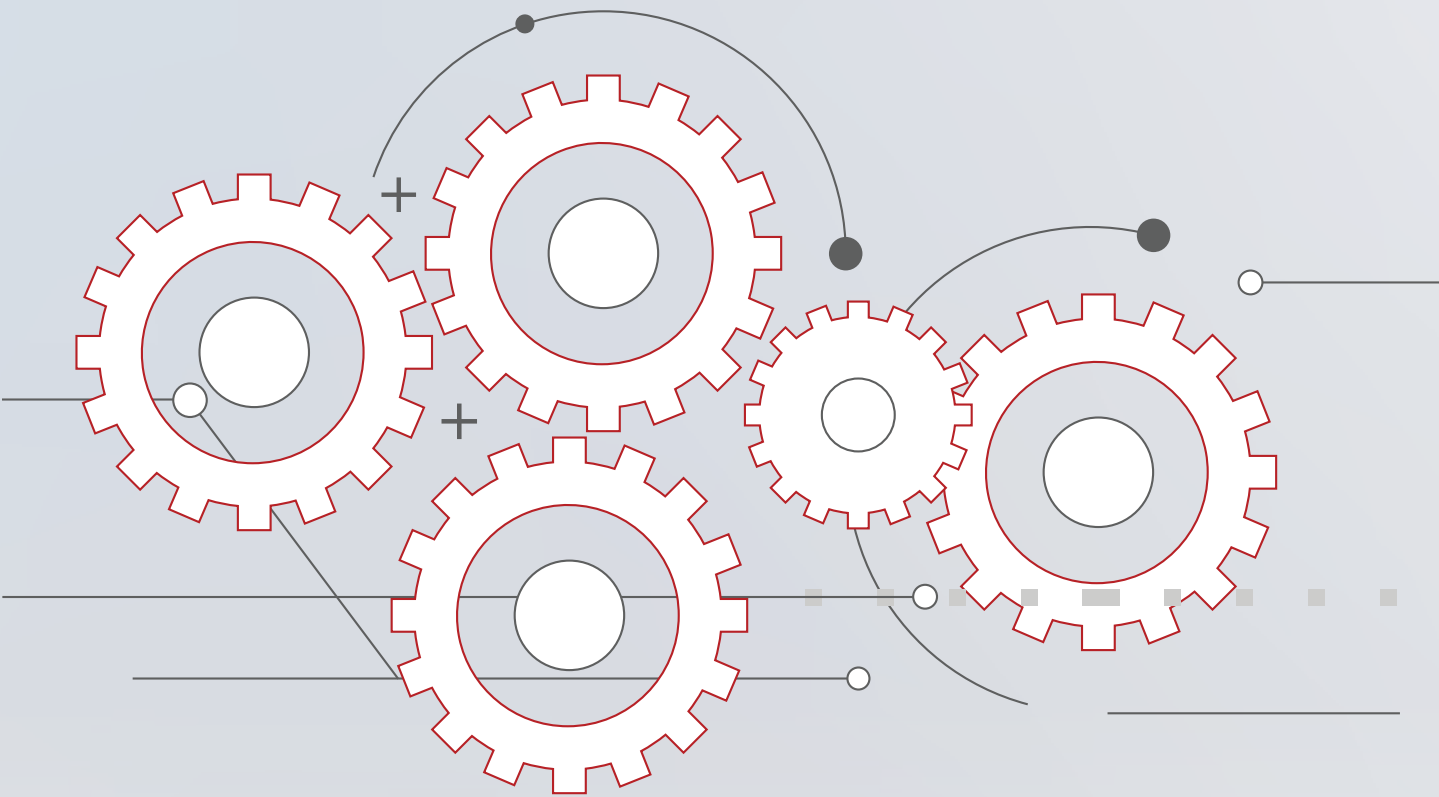


c. General assessment of activities of the Board of Directors

- » The BOD's performance in 2023 focused on Resolutions of the 2023 Annual GMS in compliance with the Company's Charter, Corporate Governance Regulations and Regulations on Organization and Operation of the BOD.
- » All members of the BOD have expressed high sense of responsibility and professionalism and been careful in performing their assigned roles and responsibilities to clearly protect the interests of the Company and our shareholders.
- » Chairman of the BOD and certain members of the BOD frequently participated in meetings of the BOM and helped analyse and advise a number of issues within the BOM's competence to ensure optimal results for the Company.

- » The implementation of Company's operations has been directed by the BOD and always subject to analysis and detection of risks in a timely manner to accomplish the goals set by the BOD and GMS and ensure the Company's ability to stabilize our operations and comply with legal regulations.
- » The BOD worked with the BOM in conducting activities to build and maintain corporate culture, perform a good role in building sustainable values for the business in the strategic period of 2024 - 2028.
- » The BOD proposed many effective and timely solutions to help the BOM overcome challenges in the management process, especially in areas of financial and risk management, and properly monitored and maintained the control over BOM's performance.

1.5. Corporate governance training



Searefico is always committed to building an ongoing human resource development policy for the BOD.

- a. In 2023, members of the BOD actively participated as speakers and guests in forums for BOD members to improve their knowledge, skills, and expertise, promote effective corporate governance, and maintain BOD members' standards in performing their duties and responsibilities.
- b. Searefico has been holding periodic corporate governance communication sessions for the entire Group.

- c. Executive members and secretaries of the BOD of Searefico and its subsidiaries participated in the Workshop for Secretaries - The Profession Connecting the Corporate Governance Ecosystem on 12/09/2023 held by VIOD, to raise their awareness of management, improve their responsibilities, knowledge, and governance performance.
- d. Other members of the BOD and BOM independently updated their knowledge of corporate governance in compliance with best practices and provisions of applicable laws.

2. AUDIT COMMITTEE

The Audit Committee functions in compliance with the Regulations on operations of the Audit Committee issued by the BOD, the Company's Charter and applicable laws (Law on Enterprise 2020, Law on Securities 2019, Decree 155 guiding the implementation of the Law on Securities, Circular 116 guiding the implementation of the Law on Enterprises 2020, and Decree 155, as well as good practices for listed companies.

2.1. Organizational structure and activities of the Audit Committee in 2023

Members of the Audit Committee

No.	Member of the AC	Job title	Start date
01	Pham Kyle Anh Tuan (*)	Chairman of the AC	09/03/2022
02	Nguyen Huu Thinh	Member of the AC	09/03/2022

(*) Mr. Pham Kyle Anh Tuan was no longer a member of the Audit Committee since 31/12/2023.

Meetings of the Audit Committee

No.	Member of the AC	Job title	Sessions of participation	Ratio of participation	Voting ratio
01	Pham Kyle Anh Tuan	Chairman of the AC	4	100%	No matter to vote on
02	Nguyen Huu Thinh	Member of the AC	4	100%	



2.2. Remuneration and operating expenses of the Audit Committee in 2023

a. Regarding the remuneration of the Audit Committee in 2023: details of the remuneration of the Audit Committee are shown in the Report on Activities of the BOD. Besides this, members of the Audit Committee did not receive any other benefits or remuneration.

b. Activities of the Audit Committee in 2023: Comply with the rules and internal regulations of the Company.

2.3. Supervision over the BOD and CEO by the Audit Committee

The AC supervises the activities of the BOD through meetings, discussions, resolutions of the BOD, as well as through the observance of the resolutions of the BOD and the mechanism of decentralization between the BOD and CEO.

Supervision activities of the Audit Committee are conducted in a variety of ways through reporting and communication channels with the Chief Accountant, Head of Internal Audit Department, Head of Risk Management, and the Independent Auditor, i.e. PwC Vietnam Co., Ltd.

In the process of performing its tasks, the Audit Committee always cooperates well with members of the BOD, CEO, members of the BOM, and relevant managers and always receives the cooperation from the BOD.

2.4. Results of supervision by the Audit Committee

The Audit Committee would like to report the results of supervision in the period from 01/01/2023 to 31/12/2023 ("2023" or "report period") as follows:

a. Activities of the BOD and CEO

» All of important issues were discussed openly and democratically at meetings of the BOD. Issues were evaluated and discussed thoroughly and carefully to reach a unified decision before a Resolution was issued. The CEO always closely followed and strictly carried out the resolutions issued by the BOD.

» The person in charge of corporate governance performed the task of monitoring, speeding up the implementation, and reporting on the implementation of the resolutions of the BOD.

b. Financial Statements

» In 2023, the AC reviewed the Q1-Q3 and semi-annual financial statements on the basis of the independent auditor's report on the audit results and agreed with the audit conclusion that the financial statements for the report period were prepared and presented in a true and fair view in compliance with Vietnamese accounting standards and applicable regulations.

» During the report period, the Company consistently applied our accounting policies and principles for determining accounting estimates from the previous year's accounting period.

No sign of fraud or potential fraud risks has been identified in the financial statements.

» Periodically, the AC discussed with the BOM to clarify important matters of the AC's interests. Changes in revenue, earnings or key items in the financial statements in the report period have been clarified by the BOM and the Independent Auditor and feedback has been provided to the AC.

c. Check the compliance with legal regulations and the results of reviewing transactions with related persons under the approval competence of the BOD or the GMS

» No significant non-compliance with legal regulations, regulatory requirements and internal regulations of the Company has been identified.

» There has not been any case of non-compliance in transactions between the Company and related persons in accordance with the regulations under the approval competence of the BOD or the GMS.

d. Internal control and risk management system

In 2023, under the supervision of the AC, the Internal Audit Department assessed the internal control and risk management system of the Company and subsidiaries in accordance with COSO standards with results as follows:

» The internal control system related to the financial and accounting system, especially management reporting system, should be updated and

improved to provide timely information to meet management and financial needs of the BOD and BOM.

» In 2023, the BOM has taken efforts to upgrade the Company's accounting system. Nevertheless, the BOM should set up appropriate controls to promptly detect errors and limit the disruptions that may arise during the transition and use of new software in the subsequent phases.

» In 2023, receivables from customers and advance payment to employees remained at high levels. The BOM should establish more appropriate controls to improve debt collection ability and solvency of the Company.

e. Internal Audit

» For expertise, the AC assessed that Internal Audit had such a position and operational method that were close to good practices and international standards on Internal Audit, and consistent with the provisions of law and guidelines on Internal Audit issued by the Ministry of Finance.

» Internal audit results showed that audited units continued their compliance with processes, but control points should be improved and updated to adapt to existing operating situation and future development direction of the Company.

f. Independent Audit Service

On August 8, 2023, Searefico and PwC signed the audit engagement letter for the 2023 audit services. However, during the audit process, there were several disagreements between Searefico and PwC. As a result, Searefico initiated procedures to change the auditor for the 2023 financial statements from PwC to the Branch of AASC Auditing Firm Co., Ltd ("AASC").

AASC has completed its tasks; fully performed its obligations under the audit contract signed with the Company, and met the expectations of the AC on key criteria such as:

» Ensure the reliability, truthfulness and quality of the audit report for the financial statements.

» Comply with the required audit deadline.

» Comply with professional regulations and ensure the independence and objectivity of the audit opinions.

g. Tax audit

In November 2023, Ho Chi Minh City Tax Department performed a tax audit at the Company for 2017 and 2018. As of 31/12/2023, Searefico didn't received any official audit results from Ho Chi Minh City Tax Department yet.

2.5. Recommendations of the Audit Committee

While economic and business activities are facing many difficulties and risks, the AC recommends that the BOD should strengthen the direction and supervision over the BOM to carry out the following tasks:

» Complete the management reporting system of the Company and its subsidiaries

» Focus on improving the comprehensive risk management system for the Company and its subsidiaries, including necessary policies, processes, standards and tools to manage and minimize risks.

» Train employees on risk identification, assessment and management to increase their awareness of the importance of risk management.

» Strengthen/foster internal control activities (second line of defence) to improve and enhance the efficiency of the Company's management system.



3. TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOD AND AC

3.1. Remuneration and allowance of members of the BOD in 2023

Unit: VND

No.	Full name	Job title	Remuneration of the BOD	Allowance (*)
1	Le Tan Phuoc	Chairman of the BOD Chairman of the IODC	420,000,000	84,000,000
2	Nguyen Huu Thinh	Non-executive Member of the BOD	300,000,000	
3	Ryota Fukuda	Non-executive Member of the BOD	300,000,000	
4	Nishi Masayuki	Non-executive Member of the BOD (Dismissed on 31/3/2023)	75,000,000	
5	Yoshihiko Shiotsugu	Non-executive Member of the BOD (Appointed on 31/3/2023)	225,000,000	
6	Le Quang Phuc	Independent member of the BOD Chairman of HRSBC	300,000,000	60,000,000
7	Pham Kyle Anh Tuan	Independent member of the BOD Chairman of the AC	300,000,000	60,000,000
Total			1,920,000,000	204,000,000

(*) In addition to monthly remuneration for the BOD, the Chairman of Committees under the BOD are entitled to an allowance at the rate of 20% of monthly remuneration of members of the BOD.

3.2. Internal share transactions

None.

3.3. Transactions with related parties

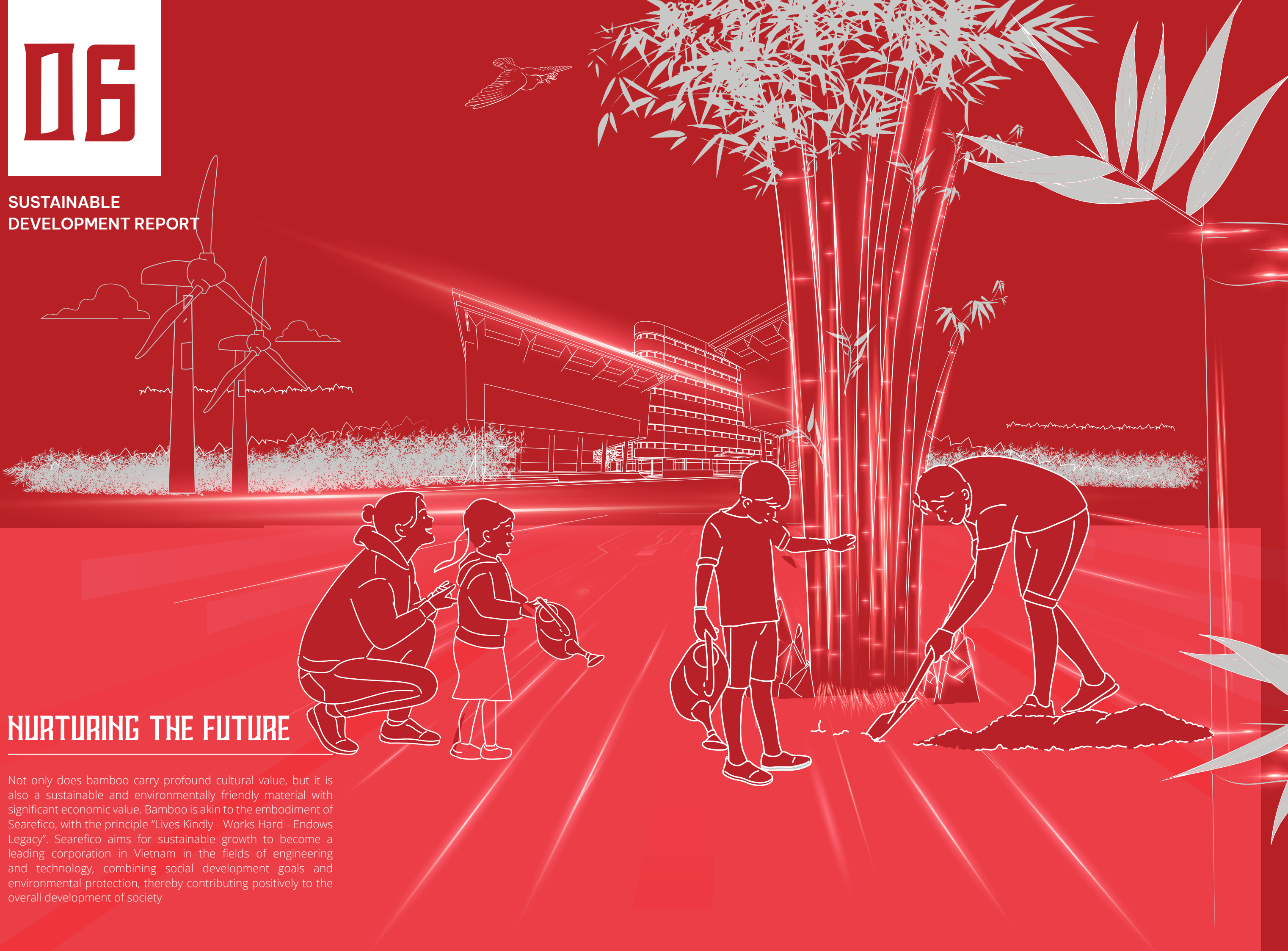
Unit: VND

No.	Name of individual / organization	Relationship with the Company	Transaction value	Notes
1	Asia Refrigeration Industry JSC (ARICO)	Subsidiary	3,872,161,846	Revenue from management consultancy
			24,500,000,000	Loan
			8,500,000,000	Collection of debts
			3,900,371,864	Interest income
2	SEAREFICO Engineering & Construction Joint Stock Company	Subsidiary	10,563,933,510	Revenue from management consultancy
			44,043,911,767	Purchase of construction services
			23,500,000,000	Loan
			12,400,000,000	Collection of debts
			1,920,220,865	Interest income
			2,739,473,775	Interest expenses
3	SEAREE M&E JSC	Subsidiary	4,916,010,000	Dividends Distributed
			28,689,329,683	Purchase of construction services
			1,292,054,104	Interest expenses
4	Greenpan JSC	Subsidiary	16,900,000,000	Loan
			13,700,000,000	Collection of debts
			1,526,075,754	Interest income
			62,274,254	Interest expenses
5	Phoenix Energy & Automation JSC	Subsidiary	10,490,275,882	Convert Receivables to Loans
			375,431,288	Interest Income
			298,085,772	Other Income

3.4. Evaluation of the implementation of the provisions on corporate governance

Participating in the stock market since 2009, the Company has always maintained the update of regulations issued by the State Securities Commission (SSC) and strictly applied them to the Company's internal management. Report on the corporate governance of the Company is submitted to SSC and HOSE and published on the website of the Company.

SUSTAINABLE DEVELOPMENT REPORT



NURTURING THE FUTURE

Not only does bamboo carry profound cultural value, but it is also a sustainable and environmentally friendly material with significant economic value. Bamboo is akin to the embodiment of Searefico, with the principle "Lives Kindly - Works Hard - Endows Legacy". Searefico aims for sustainable growth to become a leading corporation in Vietnam in the fields of engineering and technology, combining social development goals and environmental protection, thereby contributing positively to the overall development of society

1. OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT

The approach to sustainable development at Searefico is based on the goal of sustainable growth and becoming Vietnam's leading corporation in the field of engineering and technology, in addition to our social development goals of protecting the environment and positively contributing to the overall development of the entire society:



Continue maintaining, developing, and strengthening the management system by applying good practices and complying with general development trends in the world.



Closely follow the requirements of the State Securities Commission (SSC), guidance of the International Finance Corporation (IFC) and World Bank (WB) for sustainable development, and requirements of the Intergovernmental Panel on Climate Change (IPCC), National Program on Green and Sustainable Growth, and Vietnamese laws.



Organize the system of controls for greenhouse gas (GHG) emissions and consider this as a new requirement in the production and business activities of the Searefico Group. Develop internal regulations/procedures/guidelines for GHG emission control activities.



Develop sustainable human resources through the inheritance of knowledge from previous generations and apply the cultural handbook into practice so that employees are fully aware of Searefico's cultural identity. Meanwhile, Searefico should strengthen training activities and apply advanced technology to ensure the employees' flexibility and readiness to adapt to market changes.

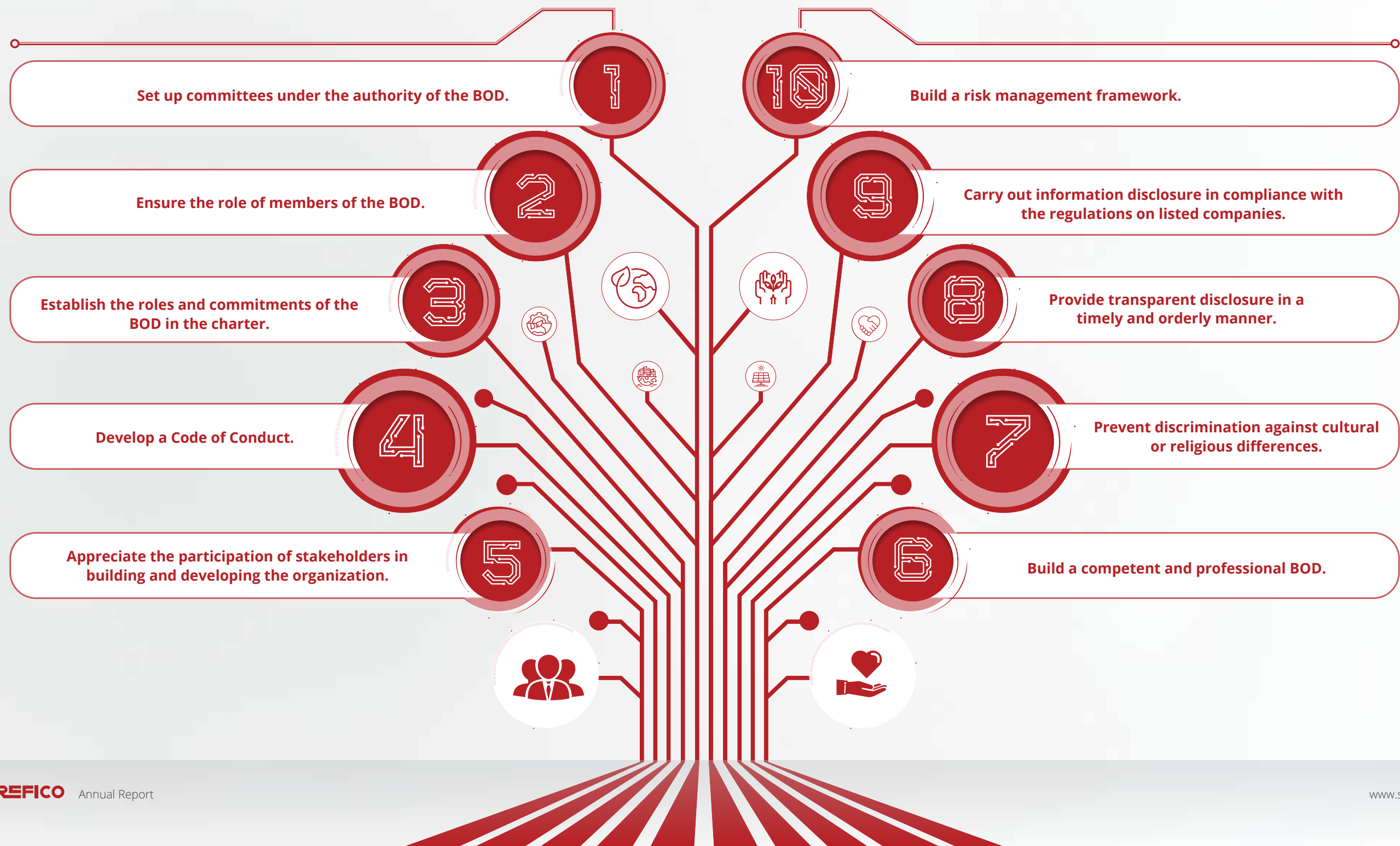


Consider Searefico's development mission in association with the interests of the community and society, balancing the stakeholders' interests by offering opportunities for union activities and providing material and mental support with time and resources to community activities, social security, and charity works. All activities are specified in the Cultural Handbook and implemented through processes/regulations. Searefico commits to setting aside 10% of the BOD's bonus and welfare fund for environmental protection programs and community protection activities.

2. GOVERNANCE WITH FOCUS ON SUSTAINABLE DEVELOPMENT

2.1. Foundational factors

- » Board of management of Searefico Reinvention Project (SRP) completes the framework for Governance and Management Documents to decentralize and define the roles between administrative activities and operating activities.
- » Continuously update and adjust the governance and management documents to timely adapt to production and business activities in compliance with the Group's new management model.
- » Management model with focus on sustainable development:



2.2. Total Quality Management/TQM

- » In the process of organizational restructuring and implementation of the pivot strategy to achieve sustainable development goals, Searefico Group focuses on modern management methods. In 2023, Searefico continued being re-certified for ISO 9001 Quality Management System: 2015 by the British Standards Institute (BSI).
- » Occupational Health and Safety Management System (ISO 45001: 2018) and Environmental Management System (ISO 14001: 2015) continued being upgraded to improve the efficiency of management of occupational health, safety, and environment (HSE) control processes.
- » Regarding social responsibility: Gradually apply the Social Responsibility Management System (SA 8000: 2014) into activities for the benefit of the community and harmonize the interests of employees, shareholders, and stakeholders.

3. REINVENTION, KNOWLEDGE MANAGEMENT, DIGITALIZATION



Searefico Reinvention Project (SRP)

Searefico Reinvention Project (SRP): In 2023, SRP project streamlined the governance and management document system in compliance with 6 principles set out by the BOD to ensure streamlined, efficient, and suitable operations. As a result, Searefico managed to reduce from 110 to less than 60 document categories. This task was designed in a project model to promote creative capability. In 2024-2025, Searefico will continue streamlining its entire document system in the ecosystem.

Reduce more than



document categories

Knowledge Management Project (KMP)

Once again, we reaffirm that “Knowledge is an asset” of the Company. Therefore, the BOD continues promoting activities related to knowledge management and reading culture. With strict and close supervision and high determination, during the year, we organized 4 seminars on management science and organizational development; gave away monographs to individuals and working groups; maintained the operation of the Hoa Tri Thuc virtual library with more than 7,000 books on science and technology, management science, society, foreign languages, industry standards, design, materials, etc., in the model of sociological practice; and organized internal knowledge sharing sessions to turn tacit knowledge into explicit knowledge.



Searefico Digitalization Project (SDP)

The BOD has identified digital transformation as a crucial trend for businesses in the era of industry 4.0. The year 2023 set many milestones for our digitalization activities, especially in relation to human resource management, control and optimization of resources. We have digitalized our document system in the new management model. The key task assigned for the 2023-2024 period is to digitally manage the document system (phase 1) and work towards digitalization of the operating process (phase 2) from 2024 to 2028.



4. APPLICATION OF BUILDING INFORMATION MODELLING (BIM)



Since the middle of the last decade, the BOD and BOM have identified BIM as a good practice management method with many advantages. Acknowledging this fact, Searefico applied BIM to the implementation of many foreign-invested and high-end projects from 2014 until now, prior to the effect of Decision No. 258/QĐ-TTg of the Prime Minister on 17/03/2023 on the approval of the roadmap for applying building information modeling (BIM) in construction activities.

In 2023, our subsidiaries have strengthened their design, monitoring, and IT teams. Currently, we have 27 engineers that are proficient in using REVIT (AutoDesk's 3D design software), of which 3 have been trained and certified about BIM by the British Standards Institute (BSI).

In our opinion, BIM changes the way we work and is the upcoming trend in the construction industry. Thus, our subsidiaries will continue investing resources to increasingly improve the efficiency of project management by using BIM to increase bidding opportunities and achieve long-term goals.

5. PRODUCTION AND BUSINESS ACTIVITIES ASSOCIATED WITH ENVIRONMENTAL PROTECTION

With a balanced and sustainable development orientation and business philosophy of maintaining our credibility, gratitude, and balancing interests, we have established a tracking and monitoring system for all production and construction activities in various sectors to comply with the regulations on reducing GHG emissions to protect our Ozone layer. Specifically:

5.1. Regarding environmental protection activities in various fields

a. Supply and installment of air conditioning system and industrial refrigeration equipment

In the activities of refilling, maintaining, and serving the air conditioning system, we completely stopped using HCFC-22 (R22) gas and replaced it with R123, R134A, R467A, or equivalent gases that cause no harm to the Ozone layer, require no refrigerant oil, and save energy.



b. Production of PIR panels

In order to raise the product position in the market, especially to develop the production field and use of light, unburned materials, to meet the increasingly strict requirements of the market for sound and heat insulation, resistance against erosion, moss, and mold. Greenpan's PIR Panel is the most modern production technology line imported from Europe.

In the process of production and construction, PIR Panels of Greenpan generate no emissions such as HCFCs and VOCs that damage air quality and ozone layer.



c. Solar solution (SOLAR) to neutralize GHG emissions

We commit to the implementation of COP26 on a national scale. To this end, Phoenix, a subsidiary in our ecosystem operating in the field of solar energy, rent the roofs and walls of factories and buildings to turn them into generator sets with generating capacity of 500KWpeak to 1,000KWpeak. Within its ecosystem, the projects undertaken by Phoenix have resulted in electricity production reaching nearly 2.2MW (equivalent to 330,000KWh annually). Additionally, Phoenix has deployed projects nationwide to contribute to the neutralization of greenhouse gas emissions. Despite certain challenges, the company has operated efficiently, profitably, and distributed dividends to shareholders in 2023.



5.2. Achievements from environmental impact reduction activities

a. Monitoring the production environment

All environmental monitoring test samples conducted by competent testing agencies met the requirements on temperature, humidity, light, noise, dust, magnetic field, ergonomics, and toxic gases such as CO_x, NO_x, SO_x. Specifically, Arico tested 97 samples and Greenpan tested 108 samples.

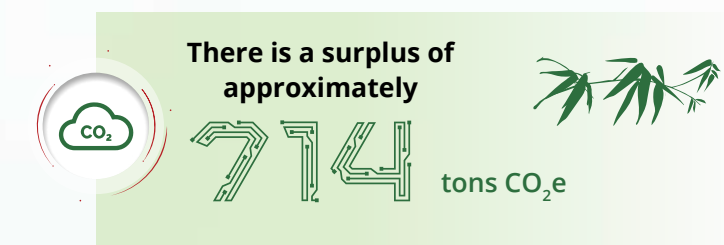
Regarding the collection, sorting of solid waste, household waste, hazardous waste; preventing chemical leaks in industrial production; fire prevention and fighting compliance; water sources for living and production are treated according to the Environmental Protection Law and current regulations at locations with offices and factories of the Searefico Group.

b. Greenhouse gas emissions report

Searefico has been organizing a system to control fuel and energy consumption levels to measure and evaluate CO₂e emissions. The determination of the total CO₂e is carried out in accordance with Decision No. 2626/QĐ-BTNMT dated October 10, 2022, by the Ministry of Natural Resources and Environment on the announcement of the emission factor list for greenhouse gas inventory, and the guidelines issued by the State Securities Commission (SSC) and the International Finance Corporation (IFC), a member of the World Bank Group (WB).

All data are periodically reported and strictly controlled by the subsidiaries in our ecosystem with references to the use of raw materials, fuel, energy, and chemicals to create products, and other emission sources in the annual production process. The total CO₂e for Scope 1 and Scope 2 in 2023 is 936.2 tons of CO₂.

Therefore, with the annual electricity production of 330,000 KWh, the CO₂e offset from Solar projects is calculated to be 1,650 tons of CO₂e. After offsetting, there is a surplus of approximately 714 tons of CO₂e. This confirms that Searefico has demonstrated a high responsibility for growth coupled with sustainable development, in line with the general policy of Vietnam signed at the United Nations Climate Change Conference (COP-21)



6. SENIOR MANAGEMENT COMMITMENT

The direction, strategy, and operating activities must always be associated with the commitments to promoting all efforts, prioritize the implementation of sustainable development plans, and enhance positive impacts on the environment, society, and governance (ESG).

To the employees

- » Build a positive and healthy working environment that has a profound impact and facilitates the employees to improve their personal and professional development pathway in compliance with the laws.
- » The Company is committed to fulfilling our obligations to the employees and complying with labor laws in a transparent, complete, and comprehensive manner: Offer welfare, health insurance, social insurance, and allowance programs to ensure timely and due payment of salary and benefits with a transparent reward and evaluation mechanism.
- » The Company always takes efforts to overcome difficulties to maintain continuous production and business activities, create jobs and stabilize incomes for employees to cope with the challenges and fluctuations in 2023.
- » Action plans are always associated with our vision, mission, core values, and principles. The Board of Directors of the Company always motivates and promotes creativity, and builds a strong team in accordance with the spirit of "We don't build companies, but we build people, and then people will build companies".
- » In 2023, the BOM and Searefico Trade Union Standing Committee organized a Labour Conference. The parties reached an agreement on promulgating the Internal Labour Regulations and Collective Labour Agreement with many improved clauses for employees over the applicable Labour Code.

To the investors and shareholders

- » To the shareholders: We always comply with the regulations on information disclosure, listen and respond to all comments and requests of shareholders, remain careful and responsible in business management to preserve capital and increase value for shareholders.
- » To the strategic shareholders: With the shareholders of Taisei Oncho and Sanyo Engineering & Construction - 2 leading mechanical & electrical Japanese contractors, the Company has increased the energy in core business activities of the Company, especially training a team of quality engineers to meet the increasing requirements of the market, improve competitiveness, increase chances of winning bids for bidding packages.
- » We pursue advanced governance models and management systems that are in compliance with good practices in the world.

To the subcontractors and suppliers

We always commit to accompanying the subcontractors and suppliers for mutual benefits:

- » Share the technology and construction method to ensure the quality;
- » Train subcontractor's personnel;
- » Develop the roadmap for cooperation, share opportunities and reap success;
- » Cooperate under a spirit of joy, respect, and understanding for a common goal;
- » Quick and convenient payment process.

To the customers

- » All processes are standardized in compliance with the standard requirements of QMS, OH&S, EMS, SA management systems, etc., in line with global good practices. Especially in project management, many clauses of the Professional Project Management (PMP) model have been applied. From mobilization of resources to control of progress, quality, operating environment, procurement, design, manufacturing, installation, and construction, all of which are compliant with the commitments set out in the policies on quality, safety, and environment.
- » "Prestige over gold" has always been a guideline in business activities of the Company. Over the past year, many traditional customers have put their trust and chosen Searefico and subsidiaries as the supplier and joint venture partner to implement large projects.

To the state

- » Properly and fully comply with the requirements of the State Securities Commission on listing and information transparency mechanism.
- » Make a declaration of taxes and payment to the state budget in compliance with applicable regulations.
- » Make other payables related to social insurance, health insurance, and trade union fees in accordance with regulations.

To the community and society

- » The Safety - Health - Environment Department of each subsidiary in the Group periodically propagandizes and monitors the activities of factories and projects where production and construction activities are located to ensure compliance with environmental laws and regulations and minimize negative impacts on the ecosystem.
- » Apply monthly KPIs for managers and employees to improve their awareness in the fields of Safety - Health - Environment.
- » Develop the regulations on reward and punishment for internal violations in the fields of safety, environment, security, fire prevention, and fighting.
- » Strictly comply with the regulations on fire prevention and fighting, emergency incidents and rescue, set up emergency incident response teams, and provide first aid on the scene.

7. ACHIEVEMENTS FROM SUSTAINABLE DEVELOPMENT ACTIVITIES



- » Despite the difficulties of the economy, Searefiers' average income in 2023 grew by 3% over that in 2022. Our revenue from production and business activities has improved and recovered to be equivalent to that before the Covid-19 pandemic.
- » In the past 5 years, there have been no strikes, slowdowns, or violations of labor laws resulting in any escalated complaints.
- » There were no administrative sanctions for violations of labor laws and other administrative codes related to project management, construction, industrial production, labor safety, fire and explosion, and the environment.
- » For 3 consecutive years 2021, 2022, and 2023, Searefico was praised as one of the Top 100 Best Places to Work in Vietnam in addition to many other prestigious awards.
- » Created a solid foundation for the breakthrough journey of **"Firmly Rooted - Growing High"**. The year 2023 is a pivotal year in the 5-year strategy (2024-2028) as set out by the Board of Directors.



TYPICAL PROJECTS

SUSTAINING VALUE

The heritage of Vietnamese bamboo has proven its profound role and significance in the life and culture of the Vietnamese people throughout the ages. Just like bamboo, the values of Searefico have been nurtured and steadily developed over the years. The projects executed by Searefico meet high standards, fulfilling technical, quality, and progress requirements, thereby receiving high appreciation from both domestic and international investors.



**TRANSIMEX LONG AN
COLD STORAGE**

LONG AN



**RANG DONG HEALTHCARE
WAREHOUSE**

LONG AN



MASTERISE CENTER POINT

HCMC



THE HERITAGE WESTLAKE

HA NOI



THE RIVANA

BINH DUONG



DHG PHARMACEUTICAL
FACTORY

HAU GIANG



MAINTAINING TRUST

The characteristics of bamboo are simplicity, straightforwardness, and modesty. We at Searefico embody these traits, reflecting honesty and transparency in our business operations through financial figures. "Reputation is more valuable than gold" has always been the guiding principle in our business activities. Over the past year, many long-standing customers have placed their trust in Searefico, choosing us as their provider of products and services or partnering with us to execute major projects.



REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Searefico Corporation (“the Corporation”) presents its report and the Corporation’s Consolidated Financial Statements for the fiscal year ended as at 31 December 2023.

THE CORPORATION

Seaferico Corporation is a joint stock company which was established under Vietnam Law on Enterprise, operating activities under Business License No. 0301825452 issued by the Ho Chi Minh City Department of Investment and Planning for the first time on 18 September 1999, and the latest amendment was 22nd on 12 January 2024.

The Corporation’s shares are listed on the Ho Chi Minh City Stock Exchange (“HOSE”) with the stock trading code SRF under Listing License No. 117/QD-SGDHCM dated 29 September 2009 and the first trading date of the Corporation’s shares was 21 October 2009.

The Corporation’s head office is located at No. 253 Hoang Van Thu Street, Ward 02, Tan Binh District, Ho Chi Minh City.

BOARD OF MANAGEMENT

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr.	Le Tan Phuoc	Chairman	
Mr.	Nguyen Huu Thinh	Member	
Mr.	Ryota Fukuda	Member	
Mr.	Le Quang Phuc	Member	
Mr.	Yoshihiko Shiotsugu	Member	(Appointed on 31/03/2023)
Mr.	Nishi Masayuki	Member	(Resigned on 31/03/2023)
Mr.	Pham Kyle Anh Tuan	Member	(Resigned on 09/01/2024)

BOARDS/DEPARTMENTS UNDER THE BOARD OF MANAGEMENT

The members of the Audit Committee are:

Mr.	Pham Kyle Anh Tuan	Chairman	(Resigned on 09/01/2024)
Mr.	Nguyen Huu Thinh	Member	

The members of the Organizational innovation and Development Committee are:

Mr.	Le Tan Phuoc	Chairman	
Mr.	Le Quang Phuc	Member	(Appointed on 17/04/2023)
Mr.	Nishi Masayuki	Member	(Resigned on 17/04/2023)

The members of the Compensation and Organization Development Committee are:

Mr.	Le Quang Phuc	Chairman	
Mr.	Nguyen Huu Thinh	Member	

Board of Internal Audit under the Board of Management

Mrs.	Huynh Nhu Phuong	Chief Supervisor	(Resigned on 16/11/2023)
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BOARD OF GENERAL DIRECTORS

The members of The Board of General Directors during the year and to the reporting date are:

Mr.	Vu Xuan Thuc	Chief Executive Officer	
Mr.	Tran Dinh Muoi	Deputy General Director	
Mr.	Nguyen Kinh Luan	Deputy General Director	(Appointed on 29/09/2023) (Resigned on 01/06/2024)
Mr.	Dinh Ngoc Trien	Chief Accountant	

LEGAL REPRESENTATIVE

The Legal representative of the Corporation during the year and to the reporting date are:

Mr.	Le Tan Phuoc	Chairman	
Mr.	Vu Xuan Thuc	Chief Executive Officer	

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Corporation.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Consolidated Financial Statements which give a true and fair view of the financial position of the Corporation, its operating results and its cash flows for the year. In preparing those Consolidated Financial Statements, the Board of General Directors is required to:

- » Establish and maintain an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- » Select suitable accounting policies and then apply them consistently;
- » Make judgments and estimates that are reasonable and prudent;
- » State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- » Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the Consolidated Financial Statements;
- » Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

REPORT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Corporation, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of General Directors confirms that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023, its operation results and cash flows in the year 2023 of the Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

Other commitments

On 22/05/2024, the Board of General Directors issued Official Dispatch No. 030/CV/SRF/BTGD/24 explaining the situation of overcoming late submission of Financial Statements for the fiscal year ended as at 31/12/2023 has been audited of the Corporation. The Corporation's Board of General Directors has committed to fully disclosing all information according to regulations before 05/06/2024.

Except from the above content, the Board of General Directors pledges that the Corporation complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Corporation does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market.

Ho Chi Minh City, 04 June 2024
On behalf of The Board of General Directors
Chief Executive Officer



Vu Xuan Thuc



No. 040624.002/BCTC.HCM

INDEPENDENT AUDITORS' REPORT

TO: **SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF GENERAL DIRECTORS SEAREFICO CORPORATION**

We have audited the accompanying Consolidated Financial Statements of Searefico Corporation prepared on 03 June 2024, as set out on pages 124 to 129, including: Consolidated Statement of Financial position as at 31 December 2023, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to the Consolidated Financial statements for the fiscal year then ended.

THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY

The Board of General Directors responsible for the preparation and presentation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards and ethical requirements; 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 auditor's 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 presentation of Consolidated Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

BASIS FOR QUALIFIED OPINION

As of the date of issuance of this audit report, we have not been able to collect sufficiently confirmation letters on receivable balances as at 31/12/2023 and as at 31/12/2022, as well as not being able to obtain sufficient and appropriate audit evidence to assess the recoverability of the receivables at the respective times with a total value of VND 114,246,541,992 and VND 130,499,402,491, respectively. Therefore, we cannot determine whether it is necessary to adjust the figures related to the provision for doubtful debts, as well as the impact of the above issue on other related items in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023. Details of balances of items are as follows:

	Code	31/12/2023 VND	31/12/2022 VND
Short-term trade receivables	131	94,821,407,951	111,026,152,574
Short-term prepayments to suppliers	132	9,817,342,091	9,810,545,391
Other short-term receivables	136	9,607,791,950	9,662,704,526

In addition, as of the date of issuance of this audit report, we have not been able to collect sufficiently confirmation letters on the balance of payable balances as at 31/12/2023 and as at 31/12/2022 with a total value of VND 117,311,283,790 and VND 120,658,153,676, respectively. Therefore, we cannot determine whether it is necessary to adjust the impact of the above issue on the relevant items in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023. Details of balances of items are as follows:

	Code	31/12/2023 VND	31/12/2022 VND
Short-term trade payables	311	101,017,042,766	98,997,315,758
Short-term prepayments from customers	312	7,794,600,089	10,480,605,174
Other short-term payables	319	8,499,640,935	11,180,232,744

Due to being appointed as auditor after the end of the fiscal year 2023, despite performing additional audit procedures, we were still unable to obtain sufficient and appropriate audit evidence to evaluate the validity of the audit. The complete and net realizable value of construction works in progress is presented in the item "Inventory" (Code 141) with the value as at 31/12/2023 and as at 31/12/2022 was VND 100,542,031,326 and VND 101,065,561,892, respectively. Therefore, we cannot determine whether it is necessary to adjust these figures and other related indicators in the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023 or not.

Construction Joint Stock Company No. 01 (COFICO) is recording the joint venture fine as notified to the Corporation of the amount of VND 22,038,757,467 that the Corporation must pay including late fines and other costs related to the Gateway Thao Dien project, however the Corporation has not yet recorded it due to disagreement on the value. As of the date of issuance of this audit report, we have not been able to obtain sufficient and appropriate audit evidence regarding the uncertainty of the Corporation's obligations to COFICO, and therefore cannot determine whether It is necessary to adjust these figures, as well as its impact on related items on the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31/12/2023.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" paragraph, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Searefico Corporation as at 31 December 2023, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

OTHER MATTER

The Consolidated Financial Statements of Searefico Corporation for the fiscal year ended as at 31 December 2023 were audited by another auditor and PwC (Vietnam) Limited. Auditor expressed an unqualified opinion on those statements on 15 March 2023.

AASC Auditing Firm Company Limited
Deputy General Director


Ngô Minh Quy
Certificate of registration for audit practising
No. 2434-2023-002-1

Ho Chi Minh City, 04 June 2024
Auditor


Dao Trung Thanh
Certificate of registration for audit practising
No. 4700-2024-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Code	ASSETS	Note	31/12/2023 VND	01/01/2023 (Re-classified) VND
100	A. CURRENT ASSETS		1,382,956,220,834	1,381,724,918,285
110	I. Cash and cash equivalents	03	253,943,689,842	238,793,514,210
111	1. Cash		93,743,150,225	77,806,479,608
112	2. Cash equivalents		160,200,539,617	160,987,034,602
120	II. Short-term financial investments	04	67,834,618,164	117,992,162,805
123	1. Held-to-maturity investments		67,834,618,164	117,992,162,805
130	III. Short-term receivables		787,181,290,793	726,681,910,174
131	1. Short-term trade receivables	05	714,327,053,128	646,969,825,711
132	2. Short-term prepayments to suppliers	06	60,669,420,696	52,038,328,293
135	3. Short-term loan receivable		166,666,664	-
136	4. Other short-term receivables	07	32,875,049,743	42,563,598,323
137	5. Provision for short-term doubtful debts		(20,856,899,438)	(14,889,842,153)
140	IV. Inventories	09	246,465,022,073	274,965,147,940
141	1. Inventories		248,613,341,895	278,025,157,540
149	2. Provision for devaluation of inventories		(2,148,319,822)	(3,060,009,600)
150	V. Other short-term assets		27,531,599,962	23,292,183,156
151	1. Short-term prepaid expenses	15	3,495,005,793	4,031,449,826
152	2. Deductible VAT		23,437,913,237	18,038,625,008
153	3. Taxes and other receivables from State budget	19	598,680,932	1,222,108,322

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

Code	ASSETS	Note	31/12/2023 VND	01/01/2023 (Re-classified) VND
200	B. NON- CURRENT ASSETS		370,431,034,754	348,839,766,969
210	I. Long-term receivables		2,698,035,500	2,613,729,919
216	1. Other long-term receivables	07	2,698,035,500	2,613,729,919
220	II. Fixed assets		247,084,790,248	253,592,959,916
221	1. Tangible fixed assets	11	241,277,085,435	249,941,796,646
222	- Historical cost		366,533,863,761	378,478,094,034
223	- Accumulated depreciation		(125,256,778,326)	(128,536,297,388)
224	2. Finance lease fixed assets	12	962,033,332	1,030,750,000
225	- Historical cost		1,030,750,000	1,030,750,000
226	- Accumulated depreciation		(68,716,668)	-
227	3. Intangible fixed assets	13	4,845,671,481	2,620,413,270
228	- Historical cost		8,450,207,417	5,774,279,119
229	- Accumulated depreciation		(3,604,535,936)	(3,153,865,849)
230	III. Investment properties	14	5,913,999,000	6,199,011,000
231	- Historical cost		7,410,312,000	7,410,312,000
232	- Accumulated depreciation		(1,496,313,000)	(1,211,301,000)
240	IV. Long-term assets in progress	10	65,899,267,348	33,630,897,821
242	1. Construction in progress		65,899,267,348	33,630,897,821
250	V. Long-term financial investments	04	3,656,717,362	5,556,717,362
252	1. Investments in joint ventures and associates		2,100,000,000	2,100,000,000
253	2. Equity investments in other entities		3,456,717,362	3,456,717,362
254	3. Provision for devaluation of long-term investments		(1,900,000,000)	-
260	VI. Other long-term assets		45,178,225,296	47,246,450,951
261	1. Long-term prepaid expenses	15	29,972,770,502	32,693,859,713
262	2. Deferred income tax assets	36	15,205,454,794	14,552,591,238
270	TOTAL ASSETS		1,753,387,255,588	1,730,564,685,254

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

Code	CAPITAL	Note	31/12/2023 VND	01/01/2023 (Re-classified) VND
300	C. LIABILITIES		1,320,905,700,735	1,301,575,884,207
310	I. Current liabilities		1,247,326,685,062	1,221,362,611,541
311	1. Short-term trade payables	17	454,164,560,266	381,177,211,923
312	2. Short-term prepayments from customers	18	90,932,512,029	207,837,260,842
313	3. Taxes and other payables to State budget	19	4,166,515,182	14,179,234,589
314	4. Payables to employees		6,404,477,444	8,743,231,640
315	5. Short-term accrued expenses	20	134,815,824,575	143,284,462,930
318	6. Short-term unearned revenue	22	412,500,000	247,500,000
319	7. Other short-term payables	21	75,198,365,177	23,317,044,624
320	8. Short-term borrowings and finance lease liabilities	16	473,664,335,784	434,826,585,553
321	9. Provisions for short-term payables	23	1,311,444,827	612,019,662
322	10. Bonus and welfare fund		6,256,149,778	7,138,059,778
330	II. Non-current liabilities		73,579,015,673	80,213,272,666
331	1. Long-term trade payables	17	238,200,000	635,200,000
337	2. Other long-term payables	21	919,750,000	1,160,000,000
338	3. Long-term borrowings and finance lease liabilities	16	70,544,253,923	76,305,660,916
342	4. Unearned revenues	23	1,876,811,750	2,112,411,750
400	D. OWNER'S EQUITY		432,481,554,853	428,988,801,047
410	I. Owner's equity	24	432,481,554,853	428,988,801,047
411	1. Contributed capital		355,667,800,000	355,667,800,000
411a	Ordinary shares with voting rights		355,667,800,000	355,667,800,000
412	2. Share premium		284,019,059	284,019,059
414	3. Other capital		8,514,811,246	4,415,811,246
415	4. Treasury shares		(29,238,407,099)	(29,238,407,099)
418	5. Development investment funds		8,308,963,938	8,308,963,938
421	6. Retained earnings		413,275,433	412,708,023
421a	RE accumulated till the end of the previous year		(2,573,321,800)	141,706,737,915
421b	RE of the current year		2,986,597,233	(141,294,029,892)
429	7. Non – Controlling Interest		88,531,092,276	89,137,905,880
440	TOTAL CAPITAL		1,753,387,255,588	1,730,564,685,254

Ho Chi Minh City, 04 June 2024

Preparer

Chief Accountant

Chief Executive Officer

Nguyen Thanh Tam

Dinh Ngoc Trien

Vu Xuan Thuc

CONSOLIDATED STATEMENT OF INCOME

For the fiscal year ended as at 31/12/2023

Code	ITEMS	Note	Year 2023 VND	Year 2022 (Re-classified) VND
01	1. Revenue from sales of goods and rendering of services	26	1,643,645,360,726	1,186,120,853,680
02	2. Revenue deductions	27	132,002,000	512,431,710
10	3. Net revenue from sales of goods and rendering of services		1,643,513,358,726	1,185,608,421,970
11	4. Cost of goods sold and services rendered	28	1,534,757,426,244	1,204,372,883,631
20	5. Gross profit from sales of goods and rendering of services		108,755,932,482	(18,764,461,661)
21	6. Financial income	29	14,632,506,072	104,618,916,125
22	7. Financial expenses	30	54,575,959,163	48,794,021,825
23	In which: Interest expense		42,913,966,605	38,066,786,864
24	8. Share of joint ventures and associates' profit or loss		-	-
25	9. Selling expenses	31	1,808,373,720	4,140,041,538
26	9. General administrative expenses	32	63,425,923,853	160,426,807,631
30	10. Net profits from operating activities		3,578,181,818	(127,506,416,530)
31	11. Other income	33	6,106,408,780	3,679,981,308
32	12. Other expenses	34	2,156,569,134	3,066,750,369
40	13. Other profit		3,949,839,646	613,230,939
50	14. Total net profit before tax		7,528,021,464	(126,893,185,591)
51	15. Current corporate income tax expense	35	4,550,867,320	14,264,767,864
52	16. Deferred corporate income tax expense	36	(784,646,707)	172,185,903
60	17. Profit after corporate income tax		3,761,800,851	(141,330,139,358)
61	18. Profit after tax attributable to owners of the parent		2,986,597,233	(141,294,029,892)
62	19. Profit after tax attributable to non-controlling interest		775,203,618	(36,109,466)
70	20. Basic earnings per share	37	79	(4,182)

Ho Chi Minh City, 04 June 2024

Preparer

Chief Accountant

Chief Executive Officer

Nguyen Thanh Tam

Dinh Ngoc Trien

Vu Xuan Thuc

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fiscal year ended as at 31/12/2023 (Indirect method)

Code	ITEMS	Note	Year 2023 VND	Year 2022 (Re-classified) VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		7,528,021,464	(126,893,185,591)
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		17,617,364,899	16,875,130,755
03	- Reversal of provisions/ Provisions		7,688,077,579	79,846,466,459
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign		3,825,474,917	1,673,920,556
05	- Gains/losses from investment		(13,731,865,743)	(102,786,291,514)
06	- Interest expense		42,913,966,605	38,869,072,408
07	- Other adjustments		(481,904,099)	-
08	3. Operating profit before changes in working capital		65,359,135,622	(92,414,886,927)
09	- Increase or decrease in receivables		(73,351,635,574)	4,226,602,282
10	- Increase or decrease in inventories		29,411,815,645	56,199,080,306
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(7,679,865,214)	207,646,264,488
12	- Increase or decrease in prepaid expenses		3,697,729,544	(1,087,220,708)
14	- Interest paid		(41,869,650,363)	(39,242,862,844)
15	- Corporate income tax paid		(14,649,206,034)	(8,310,132,863)
17	- Other payments on operating activities		(881,910,000)	(9,819,160,881)
20	Net cash flows from operating activities		(39,963,586,374)	117,197,682,853
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(43,360,589,095)	(6,984,243,598)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	191,850,000
23	3. Loans and purchase of debt instruments from other entities		(121,201,655,359)	(267,226,841,189)
24	4. Collection of loans and resale of debt instrument of other entities		171,192,533,336	259,593,878,384
26	5. Proceeds from equity investment in other entities		-	247,985,199,980
27	6. Interest and dividend received		15,394,284,239	15,118,221,503
30	Net cash flows from investing activities		22,024,573,121	248,678,065,080

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fiscal year ended as at 31/12/2023 (Indirect method - continued)

Code	ITEMS	Note	Year 2023 VND	Year 2022 (Re-classified) VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		1,365,116,112,200	851,627,429,735
34	2. Repayment of principal		(1,331,741,996,740)	(1,039,129,674,867)
35	3. Repayment of financial principal		(297,772,222)	(82,460,000)
40	Net cash flows from financing activities		33,076,343,238	(187,584,705,132)
50	Net cash flows in the year		15,137,329,985	178,291,042,801
60	Cash and cash equivalents at the beginning of the year		238,793,514,210	60,499,313,356
61	Effect of exchange rate fluctuations		12,845,647	3,158,053
70	Cash and cash equivalents at the end of the year	03	253,943,689,842	238,793,514,210

Ho Chi Minh City, 04 June 2024

Preparer

Chief Accountant

Chief Executive Officer



Nguyen Thanh Tam



Dinh Ngoc Trien



Vu Xuan Thuc

Our 2023 Annual Report aims to convey a positive message about Searefico in its new phase of development. Using the metaphor of bamboo, we hope to communicate the significance of the internal strength that the company has nurtured and cultivated, combined with modern thinking and continuous innovation, which will create new momentum to propel Searefico further and higher in the future.





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

Phone No.: +84 28 3822 7260

Website: www.searefico.com

Stock code (HoSE): SRF