

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

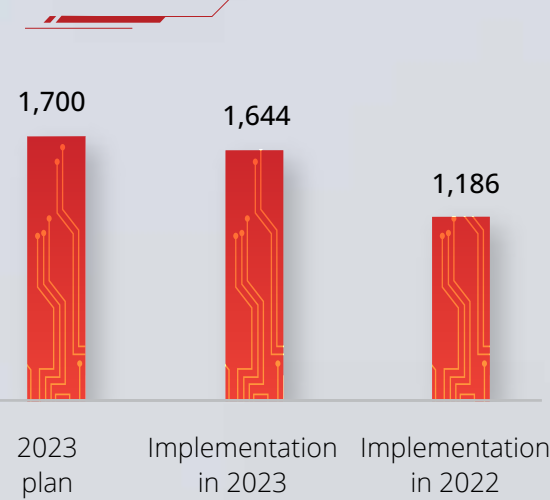
Indicator	2023 plan	Implementation in 2023		Implementation in 2022	
		Value	% / 2023 plan	Value	% increase/decrease 2023/2022
Signed contract value	1,500	1,116	74.40%	930	120.32%
Revenue	1,700	1,644	96.69%	1,186	138.59%
Earning after taxes	31.48	3.76	11.95%	(141)	103.50%

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



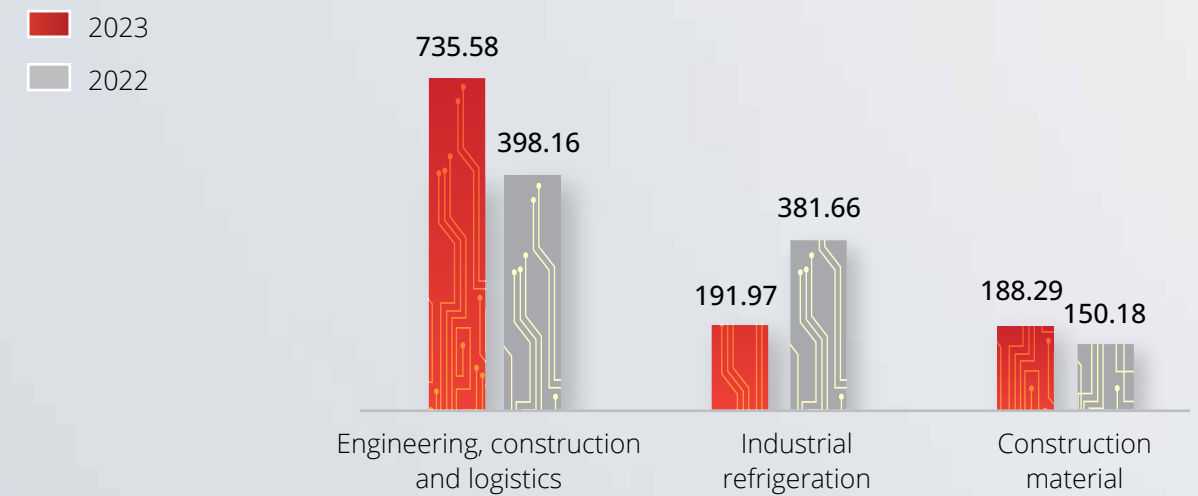
Earning after taxes



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

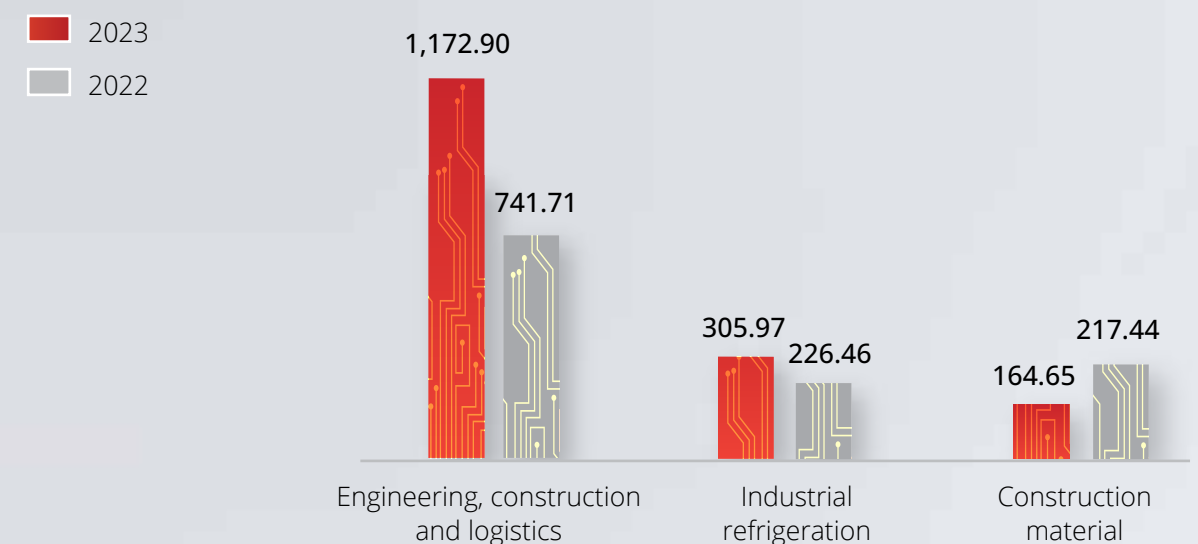
Signed contract by operating field



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.

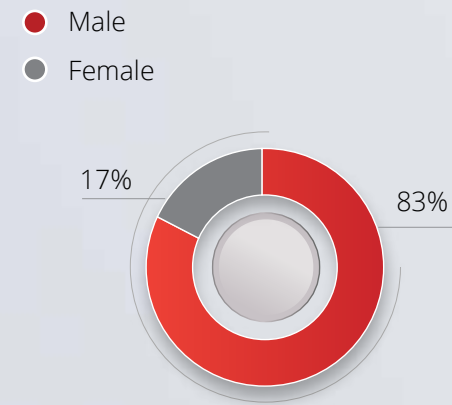
2.4. Personnel restructuring and policy changes applicable to the employees

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

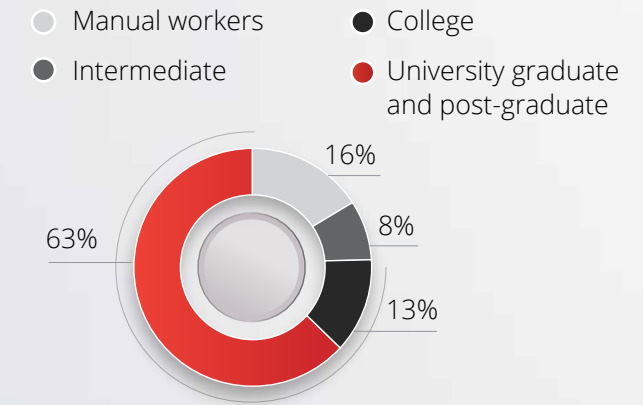
Item	Quantity	Percentage (%)
Total number of employees	451	100%
Educational level	451	100%
» University graduate and post-graduate	284	63%
» College	59	13%
» Intermediate	36	8%
» Manual workers (*)	72	16%
Personnel structure by gender	451	100%
» Male	373	83%
» Female	78	17%
Job role	451	100%
» Senior 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



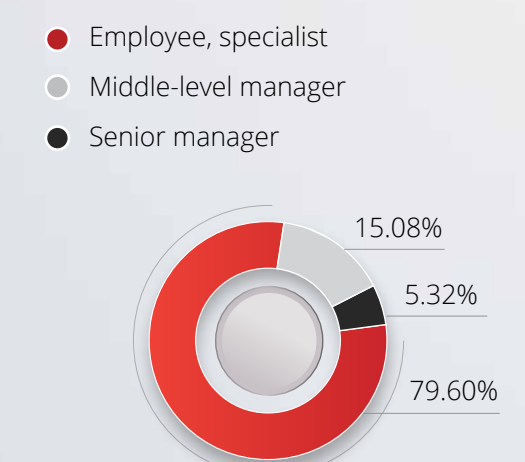
Personnel structure by educational level



Personnel structure by age



Personnel structure by role



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

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

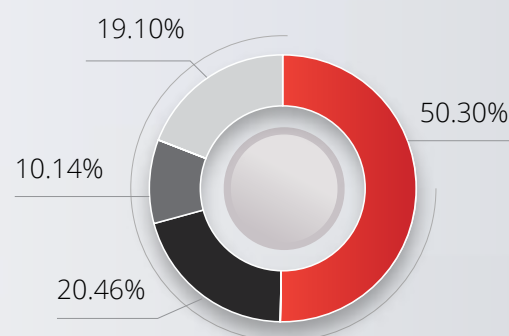
- » A candidate must pass a careful screening and recruitment process before being employed by Searefico. Besides the motto of "Lives Kindly - Works Hard", selected candidates must share the same vision, mission, and system of values with the Company.
- » In 2023, Searefico took ongoing efforts in affirming 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 SRF 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.

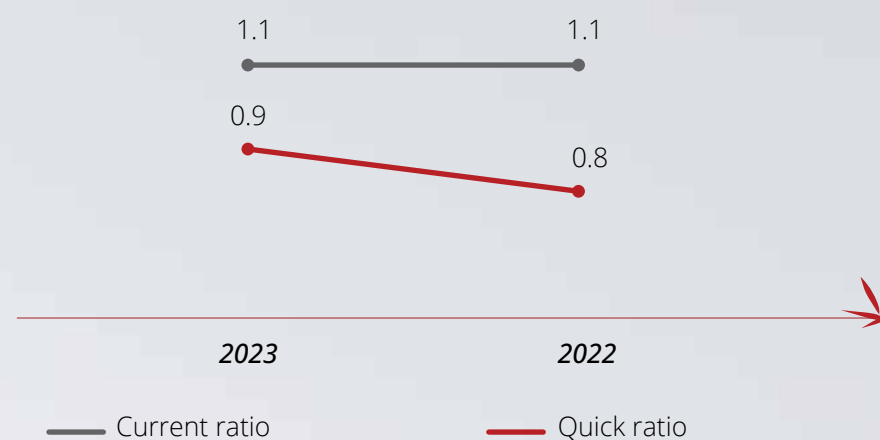
During the year, Searefico continued focusing on handling backlogs from previous years, reviewing the inventory, re-evaluating receivables, and setting aside provisions for certain investments in line with applicable accounting regimes and standards. Earning before taxes was 7.53 billion VND, a remarkable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

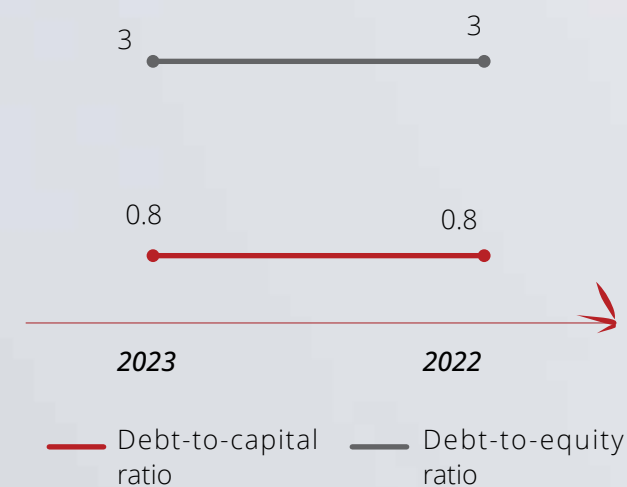
3.2. Major financial indicators

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)

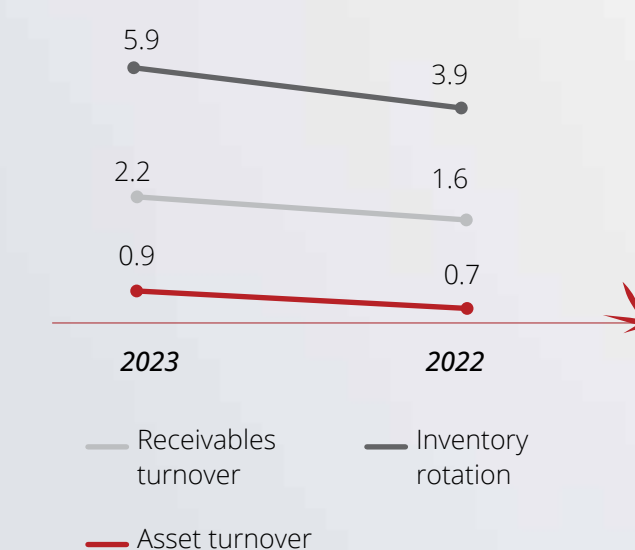
Despite many difficulties in 2023, such as cash flow shortage and slow payments from investors, we still managed to ensure the solvency and make timely payments to subcontractors and suppliers. Specifically, current ratio in 2023 was equivalent to that in 2022 while quick ratio grew from 0.8 times in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



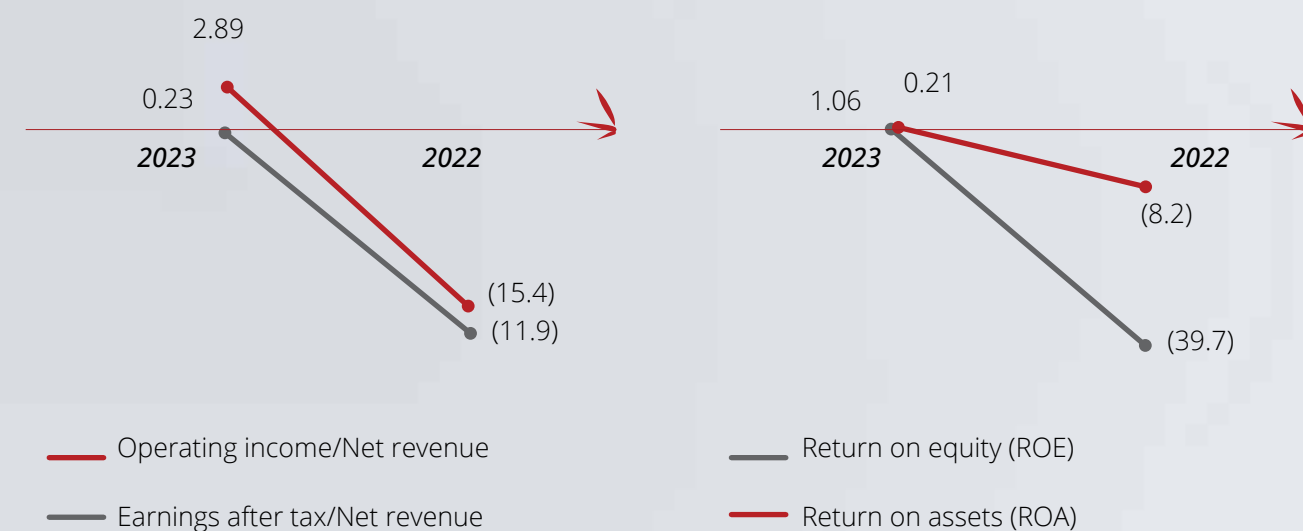
Regarding capital structure, we continued affirming our capacity and credibility with credit institutions, subcontractors, and suppliers. Our debt-to-capital and debt-to-equity ratio were maintained as stable as those in 2022.



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.

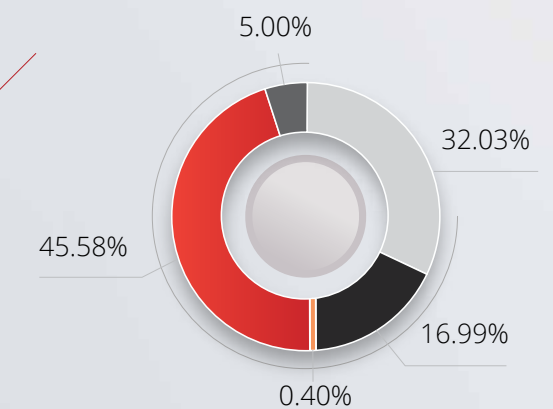
Treasury share transactions: There is no treasury share purchase or sale transaction in 2023.

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.