

**SEAPRODEX REFRIGERATION  
INDUSTRY CORPORATION  
(SEAREFICO)**

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No. 33/TB/KNL/17

**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

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*Ho Chi Minh City, 24 August 2017*

**Attention:** - **State Securities Commission of Vietnam**  
- **Ho Chi Minh Stock Exchange**

- Listing company name: Seaprodex Refrigeration Industry Corporation (Searefico)
- Security symbol: SRF
- Registered office: 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City
- Phone: (028) 3822 7260 Fax: (028) 3822 6001
- Information discloser: Nguyen Thi Thanh Huong – Deputy General Director
- Type of information: ☐24 hour ☐72 hour ☒extraordinary ☐requested-upon ☐regular

**Information disclosure:** Explanation of qualified conclusion of Auditor to the separate financial statements of Seaprodex Refrigeration Industry Corporation (“Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”) for the six-month period ended 30 June 2017 (hereinafter referred to as “the Separate Financial Statements” and “the Consolidated Financial Statements”).

The Company/the Group was sub-granted with machinery and equipment amounting to VND13,476,140,890 (the Separate Financial Statements)/VND29,899,921,570 (the Consolidated Financial Statements) by the Multilateral Fund according to the sub-grant agreement between the Company/the Group and the Vietnam HCFC (hydrochlorofluorocarbon, an ozone depleting substance) Elimination Project Management Unit Phase I, belonging to the Ministry of Natural Resources and Environment of Vietnam relating to the conversion of the Polyure Insulation Foam from HCFC-141B to cyclo-pentane foaming technology in an attempt to eliminate HCFC.

In accordance with the guidance under the Vietnamese Accounting Standard and Circular No. 200/2014/TT-BTC of the Ministry of Finance, this full sub-granted amount should be recorded into the income statement and tangible fixed assets should be recorded accordingly. These assets are depreciated in accordance with regulations (the Company/the Group depreciates these assets over 10 years). Accordingly, the Company/the Group should record fully the sub-granted amount of VND13,476,140,890 (the Separate Financial Statements)/VND29,899,921,570 (the Consolidated Financial Statements) to the income statement for the six-month period ended 30 June 2017, and record annual depreciation expenses of VND1,347,614,089 (the Separate Financial Statements)/VND2,989,992,157 (the Consolidated Financial Statements) in next 10 years.

At the date of preparation of these financial statements, we found that the above-mentioned accounting treatment would make the profit of this year increased suddenly, whilst the depreciation expenses would be recorded in next 10 years. Therefore, in order to facilitate shareholders and users of financial statements of the Company having their best assessment on the performance of the Company, we selected the option of recording the income aligning with expenses.

The above is the explanation of the Company to clarify the matter which resulted in the qualified conclusion of Auditor to the Separate Financial Statements and the Consolidated Financial Statements.

Announced with great pleasure.

**To:**

- As above;
- Internal storage.

**ON BEHALF OF THE COMPANY  
INFORMATION DISCLOSER**

*(Signed and stamped)*

**Nguyen Thi Thanh Huong**

**AUDITOR'S RESPONSE**

As stated in our report on review of interim separate and consolidated financial information dated 21 August 2017, we mentioned the matter described in the "Basis of qualified conclusion". The explanation in this Official letter of the Company is appropriate to those the Company provided to us during our review, which is the basis of our qualified conclusion as mentioned above.

Kind regards.

**PwC (Vietnam) Limited**

*(Signed and stamped)*

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**Mai Viet Hung Tran  
Deputy General Director**