




SEAREFICO

POWER UP

KẾT TINH SỨC MẠNH

2021 ANNUAL REPORT



*The extraordinary creates the exceptional.
The solid foundation creates the everlasting stability.
The concentrated effort creates overwhelming strength.*

Great minds DON'T think alike.
Legendary players DON'T play the same.

ROAD TO THE GOAL

JOURNEY OF AMBITION

The orbit of balls is rotated rhythmically from the home field to the end of the journey after the goal line, challengers seem monotonous but enchanting. Many hearts, the same beat, millions of soccer followers burn with every dramatic moment of dribbling on the field.

Overcoming all challenges with tenacious motivation, aiming for fast, stable and sustainable growth, putting the profit ball on the right trajectory. We strengthen the power that creates SEAREFICO's reputation in the minds of customers, partners, shareholders and the community.





STRATEGIES

ARE BASED ON

CIRCUMSTANCES

TACTICS

ARE BASED ON

THE POSITIONS

The beauty of soccer emphasizes the typical style. Every opponent is a challenger, and each match is a fight. There is no universal formula for winning. From the Total Soccer philosophy to improvisational or pragmatic play, all shape the varied tactics of the king sport.

A strong SEAREFICO is the condensate of the efforts of each individual who aspires to win. To look forward to the future as a business reaching the heights of scale and value, we invest persistently in innovation from the inside.



STRATEGIES

MAKES IDENTITY

INNOVATION

CREATES VICTORIES

To win the match for the country, the bravery and prudence of a cold head are crucial for a master player to calmly handle the ball.

Nonetheless, it is the courage from a burning heart readily putting the team above one's ego that creates an image of a competitive team that screams "WE ARE ONE".



Passing on from the top leadership to every level of personnel, we transform internal forces even in the most challenging times of the market – Reinventing the organisation, rejuvenating the leadership team, raising the level of Professionalism, the efficiency of the management system, continuing to perfect the corporate culture and developing appropriate human resources, are our goals in the new normal.

TURNAROUND **THE MATCH**

ASCEND **THE IMPOSSIBLE**

Balls never stop rolling, legs never stop running. The goals in injury time always make the audience satisfied. That is the beauty of the spirit of NOT GIVING UP. The team doesn't give up faith, and the fans don't give up hope.



Steadfastly overcoming the pandemic, the brave warriors of SEAREFICO always turn the tide of battle and change strategy in the context that the increasingly traditional business is becoming riskier. Searching for new profit zones, proactively implementing a series of targeted interventions with a clear roadmap, aiming for sustainable growth to optimally adapt and create new opportunities.

THE SEAREFICO BRIGADE

TREKS THE GREEN FIELD

On the green field of the market, the SEAREFICO Brigade steadily deploys fitting business strategies accordingly to the stratagem. The victory is the fruit for those who plant the seed of desire. The godspeed steps start from one common goal: THE DESIRE FOR THE GOLDEN TITLE. In soccer, nothing is impossible. Only when forced into the corner, courage can create a miracle.

Speed, steadfastness, and not giving up. All harden the strength and identity of the SEAREFICO BRIGADE.

Entering a new stage of development, we set a great ambition, ready to break old limits and shape a higher stature, thereby creating a superior value chain for customers, shareholders, partners and themselves, gradually building an era of inner strength and capacity, marking the magnificent aspiration towards the leading National Brand in Engineering and Technology.



MESSAGE

FROM CHAIRMAN OF BOD

DEAR PRECIOUS SHAREHOLDERS, CUSTOMERS, PARTNERS, AND ALL EMPLOYEES,

We have concluded a 2021 full of unprecedented events and unavoidable losses. The impact of COVID-19 has left long-lasting damage to people's lives, disconcerting all business habits and practise and draining the economy.

Looking back at the both the achievements and the losses, rather than the ability to endure and minimise risk, it is the ability to realise the one in a lifetime chance for "the carp leaping over the dragon's gate" that allow Searefico to make a difference. The Company saw this as an opportunity to reinvent and develop the organisation. Willing to change, the BOD and BOM have actively implemented a series of targeted interventions with specific roadmaps and goals to rejuvenate the Company.

The Spirit of Warriors overcoming challenges and the Strength of the Endogenous Resources of the Searefiers bounced back like a compressed spring. Despite the 37% drop in revenue due to 05 months of social distancing and 03 months of limited operation, and our human resources had to be cut by 25%, the Company still scored the dual goals, receiving many prestigious awards such as Top 100 Best Places to Work in Vietnam, Top 10 Enterprises with Excellent Business Culture, Top 500 Largest Private Enterprises in Vietnam (VNR 500), Top 5 Prestigious M&E Contractors, and many other certificates of merit for our achievements in contributing to support the community and the whole country in the fight against Covid-19.

The strategy of increasing the total ratio of production over total revenue, combined with automation of the production process using 4.0 technology, is not only helping to stabilise our income, but also contributing to the creation of world class Made in Việt Nam products. The undeniable proof for this steady transformation is the revenue from the new building materials segment - the Greenpan PIR Panel with

the characteristics of heat-sound-moisture insulation, fire resistance, and antibacterial which has been expanding rapidly in the past two years and became profitable from the very first year of operation. With the traditional M&E segment, our leading position is affirmed with a series of success winning of big contracts worth trillions of VND, including the largest EPC projects for smart warehouses in Việt Nam in terms of both scale and capacity.

Once again, the courage, dedication, responsibility, and adaptability under the core values of Searefico, nurtured in business culture, are the best vaccines to firmly boost our Company over the pandemic.

Entering 2022, despite the variables in the economy, I have never felt so excited and hopeful than ever when transferring power to a younger generation of Searefico leaders who know how to maintain core values and ignite ambitions.

I believe that the successor generation will be able to make strong impact to shine under any circumstances, fulfilling the Group's common goal of increasing profits for the Company and income for the employees, distributing better dividends to shareholders, joining hands to build a better future for our colleagues, partners, and families.

Best regards,



LÊ TẤN PHƯỚC
Chairman of Searefico

“

Stably overcome the pandemic with the courage and flexibility of a generation of 5K LEADERS, I trust that the Searefiers will strongly connect the action to shine under every circumstances.



VISION

We aim at becoming the leading corporation in engineering and technology

MISSION

We strive for excellence to offer customers the best products and service.

MOTTO

Lives Kindly - Works Hardly - Leaves Legacy



Small Enough to Listen – is humble enough to listen, sympathise, and learn from our colleagues, partners, and customers.

To assume our greatness is to make us puny. Only when we know we are small can we truly grow up. Being a good listener is one of the main qualities of a pioneer. To listen is to remove the “blind spots”, thus better accompany the team, thereby doing greater every day.

Both parts of the motto are connected and mutually integrated into a whole, representing our commitment to ourselves, our colleagues, and our customers.

Big Enough to Deliver – is brave and capable enough to realise the promises, to keep the PRESTIGE established from the beginning of SEAREFICO.

When the customers believe, they will entrust us with more works. When the colleagues believe, they will collaborate. And when the employees believe, they will stick together. Level 4 & 5 leaders gain lasting engagement from their colleagues, not only for what they do for others, but also for the very values that they stand for.

DESIRE OF PIONEER

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

SPIRIT OF WARRIORS

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

CORE VALUES

SINCERITY AND KINDNESS

The motto of live kindly & work fairly to take heartfelt actions filled with honesty, sympathy, understanding, and cooperation.

FLEXIBILITY TO ADAPT

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

DEDICATION AND RESPONSIBILITY

The heart of an everlasting dedication to always put oneself forward in work with the top-notch responsibility.

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ABBREVIATION GLOSSARY

Company	SEAREFICO Corporation	M&E	Mechanical & Electrical
BOD	Board of Directors	IQF	Super-speed Freezing Equipment
BOM	Board of Managements	PIR	Polyisocyanurate
BOS	Board of Supervisors	EPC	Engineering, Procurement, and Construction
CEO	Chief Executvie Officer	D&B	Design and Build
AC	Audit Committee	HCMC	Hồ Chí Minh City
CB&ODC	Compensations & Benefits, and Organisation Development Committee	HI	Health Insurance
BM	Board of Members	SI	Social Insurance
Group	Searefico Group	AI	Accident Insurance
JSC	Joint Stock Company	CC	Charter Capital
		Ltd.	Limited



NEW

NORMAL
MINDSET

There is no shortcut to success.

From the starting line to the achievement is a journey of many hardships
with MANY FIRSTS AND BESTS.

SECTION I OVERVIEW

Steadfast in our goals and our minds, the red certificate MADE IN VIETNAM
is our pride and the driving force behind our determination to overcome
the ups and downs, reaching regional and global reach.

More than that mindset, it's also a responsibility.

1

OVERALL INFORMATION

SEAREFICO JOINT STOCK COMPANY

Business registration certificate No. 0301825452

Issued by the Department of Planning and Investment of Hồ Chí Minh city, first registration on 18/09/1999 and registration on changes for 20th times on 02/11/2021.

Address No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward,
District 3, Hồ Chí Minh City

Phone number +84 28 3822 7260

Fax No. +84 28 3822 6001

Website www.searefico.com

Stock code (HoSE)

SRF

Charter capital

VND 355,667,800,000

Paid-in capital

VND 355,667,800,000

2

HISTORY OF FOUNDATION AND DEVELOPMENT

MILESTONES

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 SEAREFICO.

IPO to existing shareholders, staff, employees and strategic Partners through auction, increasing its charter capital to 46.4 billion VND.

Establishing ARICO subsidiary with 100% of SEAREFICO's investment capital.

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

Acquiring 36% of charter capital of Thừa Thiên Huế Construction Joint Stock Corporation (HCC). HCC became an Associate of SEAREFICO.

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.

Marking the successful transfer of generations and conversion of the operational model into Holdings Company.

Establishing the SEAREFICO Engineering and Construction JSC (SEAREFICO E&C) by converting all the current operation of the M&E sector. Establishing the SEAREAL Real Estate Joint Stock Company.

Sanyo Vietnam officially became Searefico's major shareholder.

Continuing the transfer of generations and conversion of the operational model into Pure Holdings.

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.

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

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

1999

2007

2010

2014

2017

2019

2021

2005

2009

2013

2015

2018

2020

Being restructured into 4 main business units: M&E Division, Industrial Refrigeration Division, Panel Factory, and SEAREE Đà Nẵng.

On October 21, 2009, 8,020,066 SRF shares were listed and traded at Hồ Chí Minh City Stock Exchange (HOSE).

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

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

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

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

Establishing Searee Refrigeration Electrical Engineering Corporation (SEAREE).

Establishing GREENPAN JSC.

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



10

HIGHLIGHTS
OF 2021



1

TOP 10 ENTERPRISES WITH EXCELLENT BUSINESS CULTURE IN VIETNAM

Proudly being honoured in Top 10 Enterprises with Excellent Business Culture in Vietnam, we have fully satisfied the criterias of Business Culture of Vietnam.

This set of criterias is promulgated by Vietnam Association of Business Culture Development (VNABC) in cooperation

with the Central Propaganda Department, Organising Board of Vietnam Corporate Culture Movement, Ministry of Industry and Trade, Ministry of Culture, Sports and Tourism, Central Committee of Youth Union, and Vietnam Chamber of Commerce and Industry as directed by the Prime Minister and appraised by the State Council.



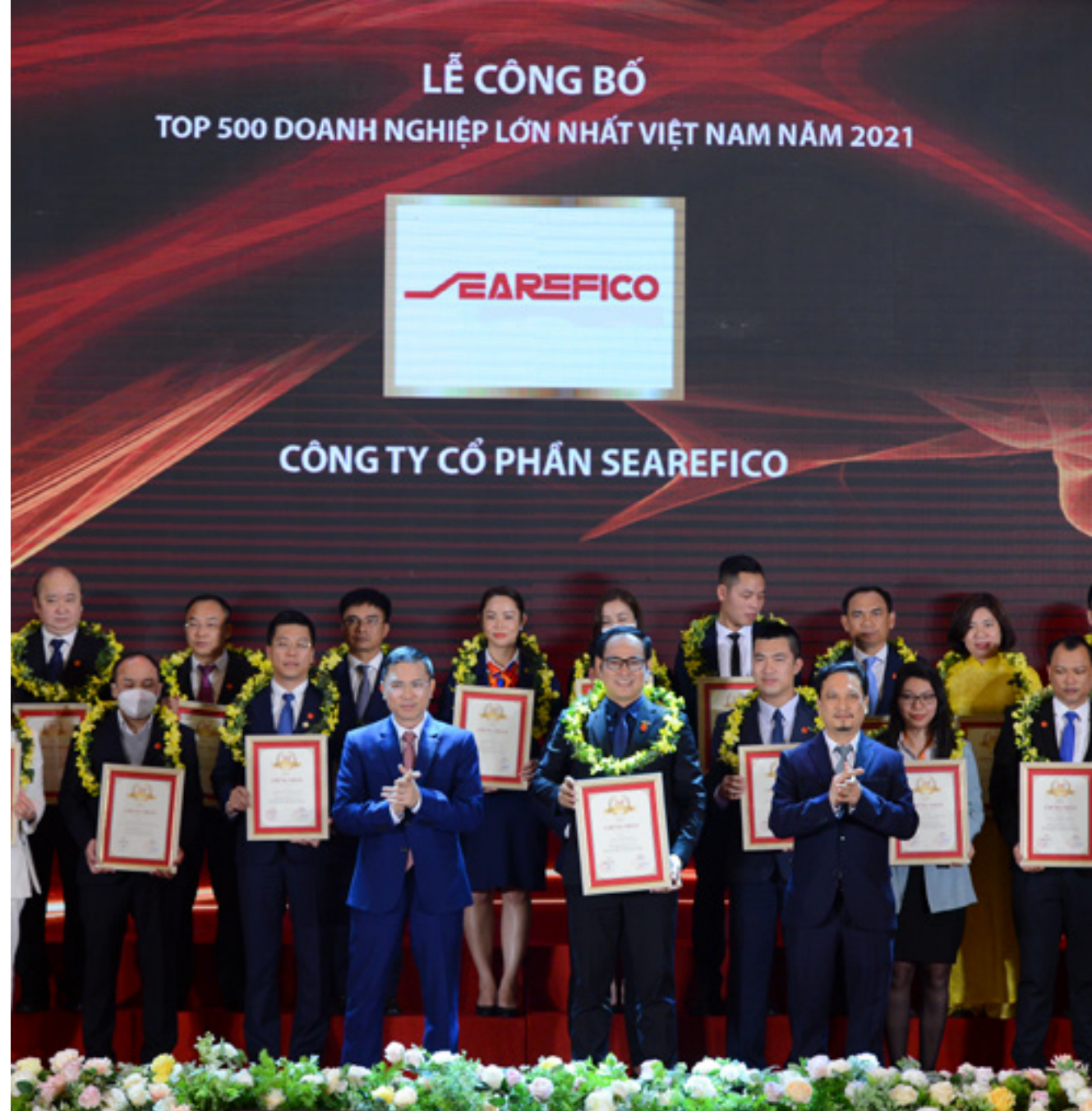
2

TOP 100 VIETNAM BEST PLACES TO WORK 2021

Awarded by Anphabe professional career network and Intage market research company.

This award is an objective and valuable recognition of the Company'sfor our efforts over 26 years of creating a happy

working environment, where all employees of Searefico are motivated to work and receive adequate benefits for their devotion, thus promoting a sense of security to work and loyal with the Company.



3

TOP 500 LARGEST PRIVATE ENTERPRISES IN VIETNAM – VNR500

Maintained the position in the Top 500 Largest Private Enterprises in Vietnam – VNR500, awarded by Vietnam Report Joint Stock Company (Vietnam Report) in collaboration with VietNamNet Newsnetwork.

Despite the adversaries and challenges of a tumultuous year with the historic lockdown, Searefico continues being listed among Top 500 Largest Private Enterprises in Vietnam – VNR500 for the 7th time in a row.

Amidst a gloomy picture of the economy painted by the Covid-19 outbreak, facing the obstacles brought forth by fluctuations in the construction and real estate market, Searefico's M&E sector also suffered from great impacts. Nevertheless, as one of the “industry leaders”, we have flexibly adapted to new circumstances, affirming our position in the market.



4

TOP 5 MOST PRESTIGIOUS MECHANICAL AND ELECTRICAL CONTRACTORS IN 2021

Honoured as Runner up in the Top 5 Prestigious Mechanical and Electrical Contractors in 2021. The program is organised by Vietnam Report in coordination with VietNamNet Newsnetwork - Ministry of Information and Communication.

Continuing to affirm our position as the leading M&E contractor in the market, we are proud to be the partner that all investors can award their contracts to with a

peace of mind as our technology platform is focused and promoted. It is said that Mechanical & Electrical system is the soul of a building and the key to a proper functioning, efficient, and safe construction project. Over the course of history, Searefico has undertaken thousands of domestic and international projects, including several largest and most famous buildings in Vietnam.



5

TOP 5 BEST ANNUAL REPORTS - SMALL CAPS CATEGORY

Continuously honoured in the Top 5 Best Annual Reports – Small Caps Category, awarded by Hồ Chí Minh City Stock Exchange, Hanoi Stock Exchange, Vietnam Investment Review Newsnetwork, and Dragon Capital Group.

Through the past 4 consecutive years, we have been emphasising on disclosure transparency and have been thriving to improve report quality to better provide information to our stakeholders. With our annual report

listed in Top 100 best annual reports for Small Caps, this award further emphasizes Searefico's robust transformation in responding to high standards of management and international practices of sustainable development to enhance the professionalism and transparency, expand the approach to information, build up the connections and trust of shareholders and investors in business activities, corporate management, and sustainable development orientations of Searefico.



6

RANK 27TH IN CONSTRUCTION INDUSTRY AND 282/389 IN IR AWARD 2021

Honoured in the IR Award 2021 as published in the comprehensive survey report on information disclosure on the stock market in 2021 with 389 companies that meet the standards of information disclosure jointly organized by Vietstock, VAFE, and FILI to acknowledge listed companies with the best IR performance in 2021.

Searefico has been listed on Hồ Chí Minh Stock Exchange (HoSE) under code SRF since October 2009. Over the course of our operations, we have been complying with and promoting IR activities to develop a company that is effective, transparent, responsive in a timely and professional manner in information disclosure, ensuring shareholders' interests.



7 BEING THE GENERAL CONTRACTOR OF AUXILIARY AND MEP SYSTEM FOR MASTERI CENTRE POINT PROJECT

Proudly entrusted by Masterise Homes the role of General Contractor of Auxiliary and MEP System for Masteri Centre Point Project the residential complexes project awarded with prestigious prizes in PropertyGuru Vietnam Property

Awards 2020, including 8 prizes in several major categories for projects to be launched in the market.

Masteri Center Point is a residential project of high-class apartments in the center of a large-scale urban center in Thu Duc City, HCMC.



8 CONTRIBUTION OF 12 COVID-19 SCREENING AND TREATMENT ROOMS OF OVER 2 BILLION VND IN VALUE TO 12 HOSPITALS IN HCMC

From the early days of Covid-19 outbreak in Vietnam, we had immediately utilised our strength in technology to develop negative-pressure rooms for Covid-19 treatment and donated those rooms to HCMC People's Hospital 115. In 2021, continue our previous charity efforts, we coordinated with Greenpan JSC to provide 12 screening rooms made of Greenpan PIR Panels to hospitals around HCMC , allowing them to safely perform screening,

flow distribution, isolation, testing, and treatment procedures, etc. while ensure the wellbeing for medical staff, patients, and family members during the pandemic.

After 2 months, we handed over 12 screening rooms to front-line hospitals in HCMC. These rooms were safely installed and deployed in compliance with 5K rules of the Ministry of Health.



9

ACCOMPANYING VIETNAMESE ARMS PROGRAM, OFFERING SUPPORT TO MINI-MARKET WITH 0 DONG

The Loving Arms Fund by Searefico offered a support of 120 million VND to 0 Dong Mini Supermarket. This fund was raised through voluntary contributions from all staff members and the Company's Welfare Fund as one of the relief efforts for the City's poverty during raging days of Covid-19.

Despite being challenged by the pandemic, we, together with Gold Businessman Club, in cooperation with HAWEE and PNJ (the program's owners), carried out charity efforts with the Department of Industry & Trade, Young Employee Assistance Center, Business Association of High Quality

Vietnamese Goods, and HCMC Young Businessman Association (YBA), to support workers, internal migrant labours, children, and homeless people in boarding houses, poor residential areas, industrial and export-processing zones, and heavily affected districts in HCMC that were lockdowned and quarantined due to Covid-19.

These meaningful acts touched the hearts of those in dire situations and lit up hope in tim of pandemic, offering them the opportunities to purchase neccessities at 0 Dong, relieving the worries about tomorrow. These also clearly show Searefico's responsibility and humane corporate culture to the community and society.



10

MERIT CCERTIFICATE FOR TEAM WITH EXCELLENT PERFORMANCE IN DISEASE CONTROL AND PREVENTION

Proudly receive the Merit Ccertificate for Team with Excellent Performance in Disease Control and Prevention awarded by the Standing Committee of HCMC Party Union and HCMC People's Committee.

Party Union of the Department of Agriculture and Rural Development recognised and praised Searefico for excellent performance in disease prevention and dedication to the citizens in overcoming difficulties. This support was extremely beneficial when the city dealt with the 4th wave and unprecedented outbreak of the pandemic.

BUSINESS COVERAGE

The Company's business coverage stretches across the nation from the North to the South, from mainland to islands. Our Industrial Refrigeration products are exported to foreign markets like Indonesia, Philippines, Cambodia, India, and South Pacific (Solomon Islands).

- INDONESIA
- PHILIPPINES
- CAMBODIA
- INDIA
- SOUTH PACIFIC
(SOLOMON ISLANDS)

LINEs OF BUSINESS

From a leading Vietnam's contractor in the Mechanical & Electrical (M&E) and Industrial Refrigeration System sector, we are transforming our operations into the Holdings Company model. With the supply chain integrated from the subsidiaries, our multi-utility services have brought customers and partners the advanced and optimal products, services, and technical solutions catering to each single demand.

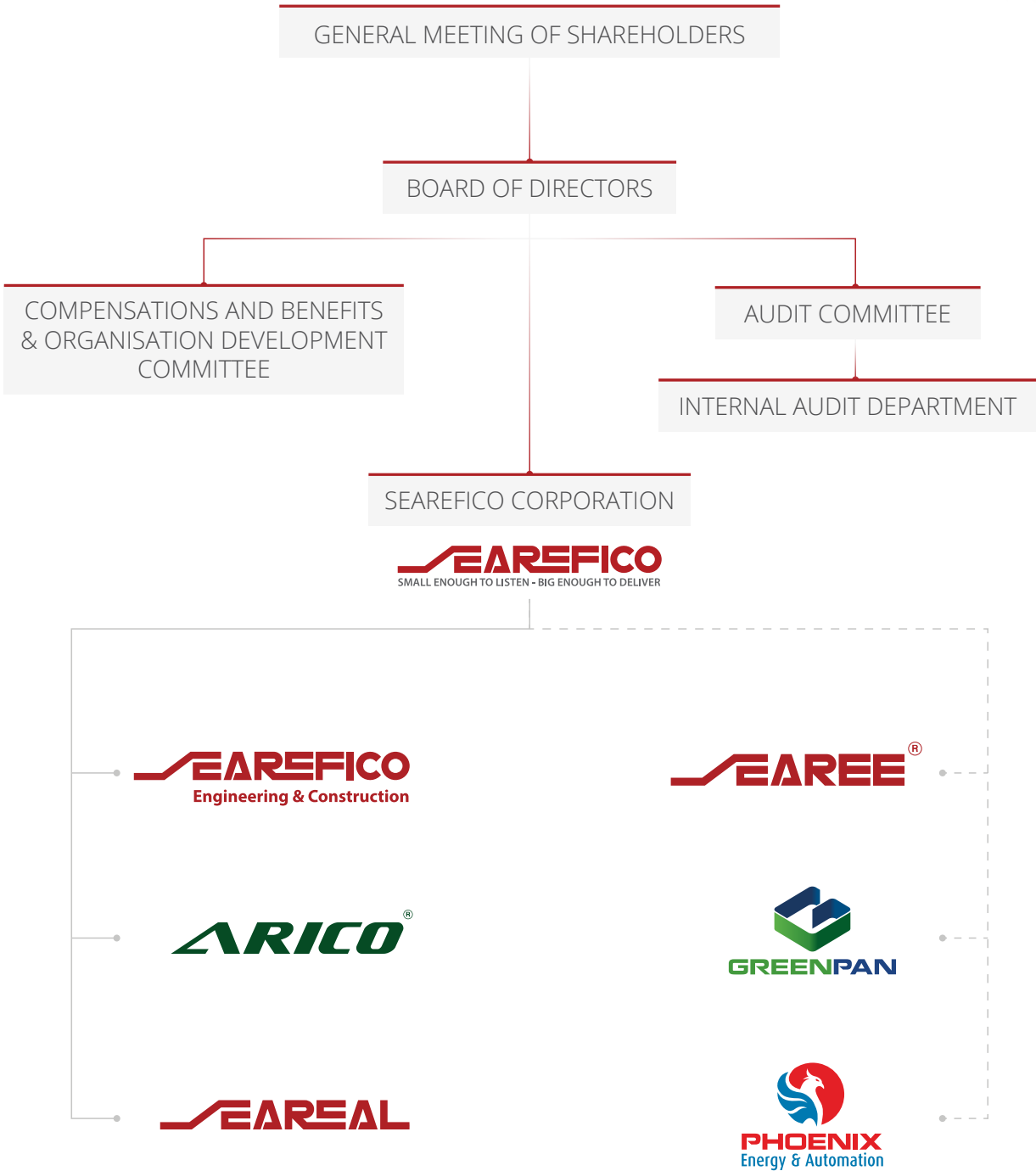
FINANCIAL INVESTMENTS	Focus on strategic investment activities and make financial investments in enterprises with development potential in engineering and technology sector; expand the scale and promote the strengths of Searefico ecosystem;
M&E SERVICES AND SOLUTIONS	Set up and construct air-conditioning and ventilating system, fire-alarming system, fire prevention and protection system, lighting, dynamical and control system, water supply and drainage system, communication system, security-monitoring and controlling camera, automation system for smart buildings, system of excavators, escalators and rolling ladders, etc.
INDUSTRIAL REFRIGERATION AND FOOD PROCESSING	Provide services and solutions for Industrial Refrigeration system, smart refrigerated storage and warehouses, boilers ad thermal equipment, insulated panels, insulated doors for refrigerated warehouses and clean rooms, uni-impingement steel belt IQF, uni-impingement mesh net IQF, IQF breaded equipment, air-blast freezers, contact freezers, flake-ice machines, autoclaving and cooling conveyors, breading and frying lines and other post-harvest processing equipment used for vegetables and agro-forestry products, etc.
DEVELOPMENT OF NEW CONSTRUCTION MATERIAL	Manufacture and provide PIR insulation panels are innovative products in the field of construction with the composition of two basic components, Polyol and Isocyanate, produced on the continuous line. With many outstanding features of thermal insulation, sound-proofing, fire-proofing and environmental friendliness, PIR panels have become the preferred insulation material in developed countries, replacing traditional building materials in current projects.
INDUSTRIAL CONSTRUCTION	Offer industrial construction and provision of various products and services in the role of EPC contractor for industrial projects.

We are also proud to be a prestigious contractor for the projects of green design (LEED certificate) and for construction of automated and smart control systems using such renewable energy as wind power and solar power, in which the Company has an opportunity to work as both Employer and Main Contractor.

3

GOVERNANCE MODEL, ORGANISATION OF BUSINESS AND MANAGEMENT APPARATUS

3.1 GOVERNANCE MODEL



3.2 SUBSIDIARIES AND AFFILIATES



SEAREFICO ENGINEERING & CONSTRUCTION
JOINT STOCK COMPANY (SEAREFICO E&C)

Telephone +84 28 3822 7260	Fax +84 28 3822 6001	Charter capital VND 150.000.000.000
Address No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	Email info@srfec.com	Ownership rate of SRF 99,31 %
Business lines Provide designs, supplies, construction, warranty and maintenance services for mechanical, electrical and refrigeration items of works; construct automated chains, smart warehouses and technology systems; implement the civil and industrial projects, and supply of other services in the role of general contractor (Turn-key, EPC and D&B) for industrial and civil projects.		



SEAREAL REAL ESTATE JOINT STOCK COMPANY

Address No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	Telephone +84 28 3822 7260	Charter capital VND 100.000.000.000
	Fax +84 28 3822 6001	Ownership rate of SRF 98,4 %
Business lines Manage and exploit real estates; cooperate with the investors for project development; Monitor and assess the real estate projects, particularly industrial zones.		



ASIA REFRIGERATION INDUSTRY
JOINT STOCK COMPANY (ARICO)

Telephone +84 28 3754 5678	Fax +84 28 3754 5679	Charter capital VND 120.000.000.000
Website www.arico.com.vn	Email info@arico.com.vn	Ownership rate of SRF 84 %
Address 25 – 27 Trung Tâm Street, Tân Tạo Industrial Zone, Tân Tạo A Ward, Bình Tân District, Hồ Chí Minh City		
Business lines Provide installation of industrial refrigeration works domestically and abroad, manufacture and process machineries, equipment and accessories for electric refrigeration industry; provide consultancy, design, provision, and installation of construction equipment, maintain and repair industrial and civil mechanical, thermal and electric refrigeration equipment and systems domestically and internationally.		



SEAREE REFRIGERATION ELECTRICAL
ENGINEERING CORPORATION (SEAREE)

Telephone +84 236 373 6251	Fax +84 236 373 6253	Charter capital VND 50.000.000.000
Website www.searee.com	Email info@searee.com	Ownership rate of SRF 73.19%
Address Road No. 10, Hòa Khánh Industrial Zone, Liên Chiểu District, Đà Nẵng City		
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, water supply and drainage, construction, internal and external decoration, civil and industrial works in and outside the country).		



GREENPAN JOINT STOCK COMPANY

Telephone +84 28 3754 5680	Fax +84 28 3754 5681	Charter capital VND 100.000.000.000
Website www.greenpan.com.vn	Email info@greenpan.com.vn	Ownership rate of SRF 48.64%
Address 25 – 27 Trung Tâm Street, Tân Tạo Industrial Zone, Tân Tạo A Ward, Bình Tân District, Hồ Chí Minh City	Business lines Produce light unbaked materials, panels and insulation boards, insulation doors and insulation materials for industry, civil construction, and refrigerated warehouses; provide consultancy, design, provision and installation of construction equipment; maintain and repair of industrial and civil mechanical, thermal and electrically refrigerated systems and equipment domestically and internationally.	



PHOENIX ENERGY & AUTOMATION JOINT STOCK COMPANY

Address No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	Telephone +84 28 3822 7260	Charter capital VND 5.000.000.000
	Fax +84 28 3822 6001	Ownership rate of SRF 37.8%
Business line Provide consultancy, survey, design, and installation of rooftop photovoltaic projects for industrial zones and households; develop automation measures for various fields as aquatics, agriculture and smart automatic refrigerated warehouses.		



THỪA THIÊN HUẾ CONSTRUCTION
JOINT STOCK CORPORATION

Telephone +84 234 382 1510	Stock code (HoSE) HUB	Charter capital VND 190,573,160,000
Email info@xaylaphue.com.vn	Address Lot 9, Phạm Văn Đồng Street, Huế City, Thừa Thiên Huế Province	Ownership rate of SRF 36 %
Website www.xaylaphue.com.vn	Business line Provide consultancy, survey, design and construction of civil and industrial, transportation and irrigation, water and electricity installation and internal decoration projects; processing work foundations; produce and trade in construction materials; invest and trade in infrastructure at the industrial zones, residential areas, newly-operated urban areas, trading of real estates, export and import, etc.	
Fax +84 234 382 5152		

(*) Divested on 21/03/2022

4

DEVELOPMENT ORIENTATIONS

4.1. MAJOR OBJECTIVES OF THE COMPANY

Develop the Company sustainably on the platform of a coherent, concentric and unanimous organisation; maintain the “HEARTINESS” with the employees, the “TRUST” with the customers, and maximize the benefits of the shareholders. The Company will always drive itself with the objective of becoming a place where a culture of transparency lasts forever.

SPECIFIC OBJECTIVES

- Continue to restructure the investment portfolio in Subsidiaries under the Pure Holdings model - The Parent Company only owns 51% of the Subsidiaries; improve and increase liquidity for SRF shares in the market, ensuring the interests of shareholders.
- Promote the field of smart warehouse construction to seize opportunities from the trend of shifting production and investment in logistics, which is on the rise in Vietnam; simultaneously maintain its position as one of the leading companies in the Industrial Refrigeration sector in Vietnam through the added-value services supplied to the customers.
- Increase the investments into production activities, expand its scope by means of establishment, acquisition, merger of manufacturing and technology companies, aiming to raise the proportion of production to 50% of revenue by 2025, increase the profit margin and improve the supply chain in Searefico Group's ecosystem.
- Enhance the effectiveness of branding activities and social responsibilities, focus on re-positioning Searefico brand to match the position of a leading multi-disciplinary group in engineering and technology sector in Vietnam.
- Continue developing SEAREFICO E&C under the Engineering-Procurement-Construction (EPC) model to become one of the leading companies in the field of engineering and technology, as well as a leading reliable “One Stop Service” supplier for both customers and investors.
- Continue to implement the roadmap to be in the TOP 100 best companies to work for in Vietnam within the next two years; create a better competitive environment; empower and provide better career opportunities, and increase income for the **SINCERE - STATURE - SKILLFUL**, who shares the same core values and create the consensus with the Company's cultural identities.

4.2 MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

The ultimate objective of Searefico is sustainable development. The Company continues taking the technology development platform as a focus for their medium and long-term orientations. In order to achieve this objective, the spirit “People go first, the work follows” is a top priority for the Company.



Human forward,
work follows is the
main factor that
our company
focus right now

Over the years, the Company has emphasized :

- The role of individual training, practicing, and recruitment while focused on building the team in accordance with the development orientations of the Company;
- Focused on building the team in accordance with the development orientations of the Company, improving the effectiveness of core activities, seeking the opportunities of investment, establishing joint-ventures or associations with domestic and foreign partners, expanding the cooperation into various fields;
- Prioritizing the development of green, environment-friendly industries and technological equipment that generate added-value in logistics, clean rooms, high-tech hospitals, tourism services combined with healthcare, food and processing sectors.

Particularly, the Company also focuses on promoting corporate governance and transparency in all activities and improving the Holdings Company model, thus generating resonating values in the operational fields of Searefico.



4.3 OBJECTIVES OF SUSTAINABLE DEVELOPMENT

“

Quality of products and services is the focus, the interests of customers are the key

TO OUR CUSTOMERS

Provide services and products for the high-quality segment at reasonable prices, together with professional customer-care policy, adhering to the business philosophy

“

Level the position in Top 100 Vietnam Best Places To Work

TO OUR EMPLOYEES

With the people-centric principle and objective to become one of TOP 100 Vietnam Best Places To Work, it expresses the determination of the BOM of Searefico in the journey of creating a cohesive, creative and humane working environment. The BOM always focuses on increasing labor productivity, raising living standards and income, and promoting the opportunities of promotion to the employees.

“

Preserve and develop capital to optimize shareholders benefits and value

TO OUR SHAREHOLDERS

We maintain and develop the capital to optimize the benefits and value of the shareholders.

“

From scheme on paper to the realistic action, from the initial concept to the long-term commitment, that is how we speak, understand and work for sustainable development

TO OUR ENVIRONMENT, SOCIAL, AND COMMUNITY

We commit to fulfill the responsibilities and obligations with the community and society, harmonize corporate interests with social benefits, actively contribute to community-oriented activities, demonstrate a sense of citizen responsibility, and continue the research and investment in green, clean and environmentally friendly technologies. Especially, Searefico projects must make social contributions and encourage the employees to actively participate in social activities.

5 RISK FACTORS

Risk management is the most important condition for corporate development process to go on track effectively and sustainably. Searefico always considers this as one of its core tasks.

5.1 ECONOMIC RISK

The outbreak of COVID-19 has caused unprecedented challenges and is forecast to continue having great influence on the growth rate and development of Vietnam's economy. Also, the spread of COVID-19 continues interrupting the operation of global supply chain, making it difficult for risk modeling and assessment.

In 2021, most of Vietnamese enterprises faced with the shortage of input production materials while most of supply relies on the import. This problem, coupled with disruption of labor supply due to social distancing and restricted movement measures among regions and localities, has resulted in increasing costs of logistics. Domestic market declines and, without steady connections, it is difficult for supply chains to switch to meet the domestic market.

Though global economies are recovering in post-pandemic period, it is forecast that the crisis related to unstable political situation in Eastern Europe may result in "significant risks" to the world. Moreover, as Vietnam's economy is connecting more to other economies, scenario and forecast related to impacts on Vietnam's economy are also relevant to impacts on the economies of other countries in the world.

To promote economic stimulus programs for post-COVID-19 recovery, it is necessary for Vietnamese government to maintain fiscal and monetary easing packages, promote investment activities, support enterprises, and promote consumption and business production. Consequently, this will result in considerable inflation risk.

Having overcome many ups and downs and changes of the economy over 26 years of development, the BOM of Searefico understands the difficulties and challenges from time to time. To turn challenges into opportunities, Searefico always chooses suitable roadmaps, strengthens its risk management, and maintains good control of resources.

5.2 INTEREST RATE RISK

With the major business sector of working as an EPC contractor, which accounts for 50% of its revenue, Searefico and its customers always have a demand for raising capital and controlling cash flows for each project. Without due care in raising capital for projects, however, Searefico may risk losing financial balance due to increased loans, slow turn of capital, and losing control over cash flows.

By maintaining its reputation over the years with high credit-ranking results, Searefico puts an emphasis on the control of risks prior to tendering acceptance by: choosing reputable investors with strong financial capabilities from early stage of bidding process; proposing debt control solutions in contract negotiation phase; reviewing contracts and legal documents during construction phase to ensure active response in case of any dispute; shifting customers into segments that quickly generate cash flows, such as Technological Industry; increasing the proportion of manufacturing sector, etc. All of these solutions help Searefico minimize the impacts of interest rate and ensure business performance.

5.3 EXCHANGE RATE RISK

As the Company's operation relates to import of equipment and materials from many countries, the fluctuations of exchange rates have impacts on the business results of the Company. In order to mitigate these impacts, Searefico has signed forward contracts for purchase and sale of foreign currencies with banks, in addition to closely monitoring exchange rate fluctuation, to develop an appropriate business plan.

5.4 LEGAL RISKS

As a Joint Stock Company being listed at the Hồ Chí Minh Stock Exchange (HoSE), Searefico is governed by legal documents, such as Corporate Law, Securities Law, Investment Law and guiding Circulars and other relevant documents.

To minimize legal risks caused by subjective factors, Searefico signed a regular consultancy contract with a law firm for providing the advices and monitoring the changes in the state policies and regulations to timely recommend any adjustment to internal regulations and procedures, and, at the same time, regularly reviews legal foundations in their contracts to ensure that its activities comply with the laws and achieve the effectiveness.

“

Having overcome many ups and downs and changes of the economy over 26 years of development, the BOM of Searefico understands the difficulties and challenges from time to time. To turn challenges into opportunities.



5.5 WORKING ENVIRONMENT RISKS

For the operational nature of the Company, environmental risks are those that may arise during the implementation of projects such as failure to ensure working conditions, health of the employees, and public safety and security, etc. Clearly acknowledging the significance of environment risk management, Searefico Group puts an emphasis on Safety and Quality Assurance (SQA), focusing on forecasting and mitigating the risks and their negative impacts on the health and safety of the employees and local communities surrounding Searefico projects.

5.6 COVID-19 RISKS

Having been well aware of the level of danger caused by COVID-19, to cope with the pandemic, the Board of Management has developed simulating scenarios and response actions to cope with risks, as well as set up an emergency response team. Moreover, Searefico also adopts the policies to support the employees that have to leave or suspend their jobs due to Covid-19 impacts. Thank to focusing on risk management and evaluating its risk tolerance level, Searefico has flexibly adapted and suffered from no major damage related to its identified and controlled risks.

5.7 BRAND RISKS

Brand risks are losses and damages as a result of external misinformation that may result in concerns about Searefico among the customers, shareholders, investors, and employees, etc. Therefore, Searefico highly regards the compliance with legal regulations on regular and abnormal disclosure of information; respects the values of its customers, shareholders, and investors; properly complies with PR, press media, and brand image management activities; maintains the transparency and integrity of actions and closely works with functional agencies to seek the best measures to deal with occurring crises.

5.8 OTHER RISKS

Several other risks may occur in the force majeure events such as natural disasters, flooding, fires, epidemics, etc. that may have impacts on construction works, such as delayed progress, complete or partial damages to construction works. These are rarely occurring risks but may cause significant material and unpreventable damages. In order to mitigate risks caused by force majeure, Searefico takes a proactive measure to procure non-mandatory insurance for its employees and all-risks insurance for its construction works and properties.



POWERFUL ACTIONS
FLEXIBLE ADAPTING

Attack to keep the ball, to defend. Active defence, seize the opportunity. Possessing many options to solve problems, helping masters to conquer surprises

SECTION II
BUSINESS OPERATION

From the threat of Covid-19, the SEAREFICO family may be distant but not isolated. Where there is no social distancing, there are people of SEAREFICO.

We were away from the office, but emails and texts kept going on. We persistently improve response solutions, ensure smooth cash flow, to protect health and maintain profitability, maintain growth and ensure operational efficiency.

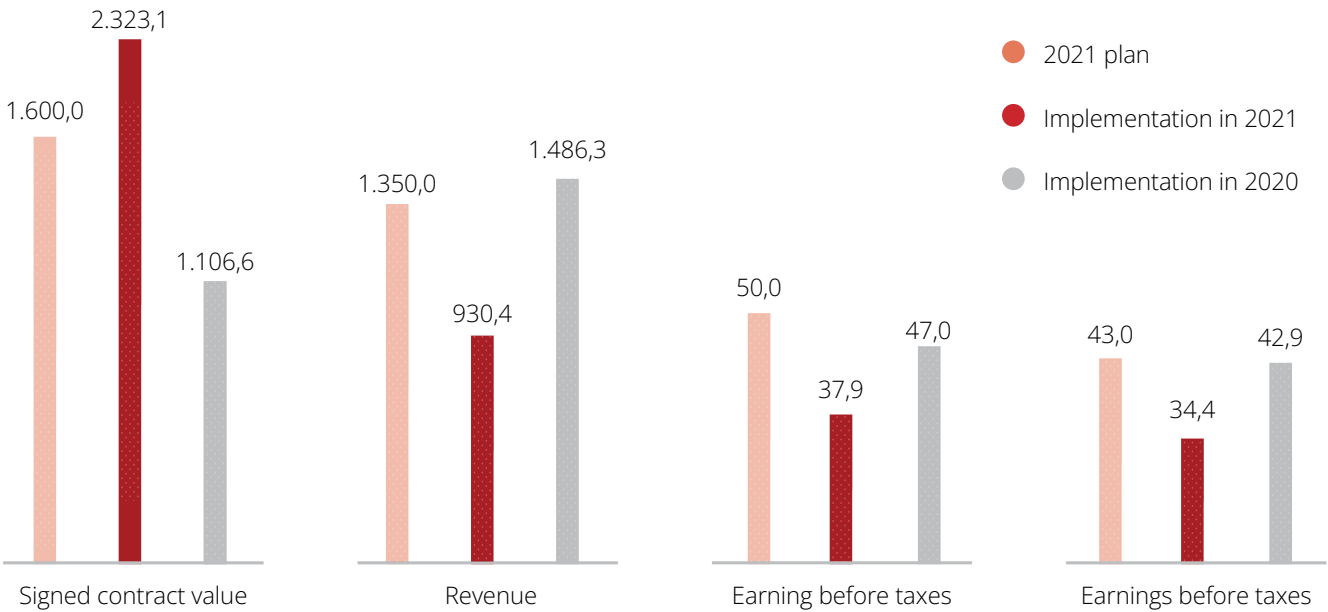
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BUSINESS OVERVIEW

By the end of 2021 Searefico Group had achieved the business results as follows: Unit: Billion VND

INDICATOR	2021 PLAN	IMPLEMENTATION IN 2021		IMPLEMENTATION IN 2020	
		Billion VND	%/2021 plan	Billion VND	%2021/2020 plan
Signed contract value	1.600,0	2.323,1	145,2%	1.106,6	209,9%
Revenue	1.350,0	930,4	68,9%	1.486,3	62,6%
Earning before taxes	50,0	36,3	72,6%	47,0	80,7%
Earnings before taxes	43,0	32,5	75,6%	42,9	80,0%

SITUATION OF BUSINESS



The unwavering nature of SEAREFICERS doesn't falter in all adversities. The spirit of ONE SEAREFICO unites to challenge difficulties. A smooth sea never made a skilled sailor. In the midst of hardship, a **GENERATION OF 5K LEADERS** from SEAREFICO was born again

PATIENT (KIÊN TÂM)

even if it's going to be a longer journey than expected. It's the reagent for our resilient leaders. And the furnace for our persistent leaders becomes "Tempered Steel"

PERSEVERANCE (KIÊN CƯỜNG)

is the warrior spirit that flexibly adapts and conquers challenges. Think differently to do differently. To be able to think is to be able to do. Be CREATIVE yet IDENTIFIABLE. That is the hallmark of the people of Searefico.

PRIDE (KIÊU HÃNH)

without arrogance, forever seeking opportunity to reach new height. As we Vietnamese are proud of our nation and race. Every problem has a solution, and there will always be Searefiers willing to take charge.

PRUDENCE (KHIÊM NHU)

of a simple heart encapsulating a great will. Neither drunk in victory nor discouraged under failures. We desire to succeed, but not scare of failure. We pursuit knowledge and lifelong learning (Learn-Unlearn-Relearn)

PERSISTENT (KIÊN QUYẾT)

to think differently and do stronger. Decisive in everything we do. We promote creativity, fuel passion with inspiration, and we walk the talk. Our courageous and enterprising leaders will always take responsibility. What we do becomes the inspiration for our Searefiers

2

ORGANISATION AND PERSONNEL

Mr. **NGUYEN HUU THINH**
BOD MEMBER

Mr. **LE QUANG PHUC**
BOD MEMBER

Mr. **RYOTA FUKUDA**
BOD MEMBER

Mr. **NISHI MASAYUKI**
BOD MEMBER

Mr. **PHAM KYLE TUAN ANH**
BOD MEMBER

Mr. **TRAN DINH MUOI**
DEPUTY GENERAL DIRECTOR

Mr. **PHAM NGOC SON**
DEPUTY GENERAL DIRECTOR

Mr. **NGUYEN QUOC CUONG**
DEPUTY GENERAL DIRECTOR

Mr. **HUYNH KHOI BINH**
DEPUTY GENERAL DIRECTOR







Mr. **PHAN THANH LONG**
CHIEF FINANCIAL OFFICER

Mr. **VUONG TRAN QUOC THANH**
CHIEF ACCOUNTANT

Mr. **LE TAN PHUOC**
CHAIRMAN OF BOD

Mrs. **NGUYEN THI THANH HUONG**
CEO

2.1 LIST OF MEMBERS OF THE BOARD OF DIRECTORS

					
Mr. LÊ TẤN PHƯỚC 1965 Chairman of the Board of Directors	Mr. NGUYỄN HỮU THỊNH 1958 Non-Executive Member of the Board of Directors	Mr. RYOTA FUKUDA 1969 Non-Executive Member of the Board of Directors	Mr. NISHI MASAYUKI 1952 Non-Executive Member of the Board of Directors	Mr. LÊ QUANG PHÚC 1966 Independent Member of the Board of Directors	Mr. PHẠM KYLE TUẤN ANH 1969 Independent Member of the Board of Directors
Educational level Thermal Engineer	Educational level Electric Engineer	Educational level Master of Business Administration	Educational level Electric Engineer	Educational level Master of Business Administration Construction engineer	Educational level Master of Business Administration Bachelor of Accounting
Number of shares held 944.798	Number of shares held 1.515.218	Number of shares held 0	Number of shares held 0	Number of shares held 0	Number of shares held 0
Ownership rate 2,66%	Ownership rate 4,26%	Ownership rate 0%	Ownership rate 0%	Ownership rate 0%	Ownership rate 0%
Position held in other organisations: Chairman of BOD of Asia Refrigeration Industry JSC (ARICO) Thừa Thiên Huế Construction Joint Stock Corporation	Position held in other organisations: Member of BOD of Greenpan JSC	Position held in other organisations: Deputy Executive Officer Overseas Business Division of Taisei Oncho Co., Ltd.	Position held in other organisations: Managing Director of SEC Inc. Director of SEC Mashibah SDN Bhd	Position held in other organisations: Chairman of BOD of BDSC Management Consulting Corporation Member of BOD of Phu Nhuan Jewelry JSC (PNJ) Phat Dat Real Estate Development Corporation (PDR) Tay Ho Investment & Construction JSC	Position held in other organisations: Chief Financial Officer of The Grand Ho Tram Golf, Resort & Casino

2.2 LIST OF MEMBERS OF THE BOARD OF MANAGEMENT



Ms. **Nguyễn Thị Thanh Hường**
1973
Chief Executive Director (CEO)

Educational level
M.A of Accounting and Finance

Number of shares held	29.066
Ownership rate	0,08%

Position held in other organisations:

Member of BOD of **Asia Refrigeration Industry JSC (ARICO)**
Thừa Thiên Huế Construction Joint Stock Corporation (HCC)
Frit Hue JSC

Member of BM of **Industrial Zone Infrastructure Development and Investment Co., Ltd.**



Mr. **Trần Đình Mười**
1971
Deputy General Director

Educational level
Thermal and Refrigerator Engineer

Number of shares held	110.001
Ownership rate	0,31%

Position held in other organisations:

Chairman of BOD of **SEAREFICO Engineering & Construction JSC (SEAREFICO E&C)**



Mr. **Phạm Ngọc Sơn**
1976
Deputy General Director

Educational level
Master of Business Administration

Thermal and Electric Refrigerating Technology Engineer

Number of shares held	48.772
Ownership rate	0,14%

Position held in other organisations:

Chairman of BOD of **Greenpan JSC**
SEAREAL Real Estate JSC



Mr. **Nguyễn Quốc Cường**
1965
Deputy General Director

Educational level
Mechanical Engineer

Number of shares held	70.528
Ownership rate	0,20%

Position held in other organisations:

Member of BOD of **Searee Refrigeration Electrical Engineering Corporation (SEAREE)**



Mr. **Huỳnh Khôi Bình**
1977
Deputy General Director

Educational level
Master of Business Administration

Mechanical Engineer

Number of shares held	147
Ownership rate	0,00%

Position held in other organisations:

Director of **Asia Refrigeration Industry JSC (ARICO)**



Mr. **Phan Thành Long**
1988
Chief Financial Officer

Educational level
Master of Business Administration, major in finance

Number of shares held	0
Ownership rate	0%

Position held in other organisations:

Member of BOD of **Searee Refrigeration Electrical Engineering Corporation (SEAREE)**

Asia Refrigeration Industry JSC (ARICO)

Head of BOS of **SEAREFICO Engineering & Construction JSC (SEAREFICO E&C)**

Thừa Thiên Huế Construction Joint Stock Corporation (HCC)



Mr. **Vương Trần Quốc Thanh**
1984
Chief Accountant

Educational level
Bachelor of Economics

Number of shares held	0
Ownership rate	0%

Position held in other organisations:

Head of BOS of **Searee Refrigeration Electrical Engineering Corporation (SEAREE)**

Asia Refrigeration Industry JSC (ARICO)

Member of BOS of **SEAREAL Real Estate JSC**

2.3 CHANGES IN THE BOARD OF MANAGEMENT

THE BOM EXPERIENCED
SEVERAL CHANGES
OF POSITIONS AS
FOLLOWS

Appointing Mr. Nguyễn Văn Lâm to hold the position of Standing Deputy General Director of SEAREFICO from January 25, 2021 under Resolution of BOD No. 001/NQ/HDQT/20 dated February 03, 2020.

Dismissing Mr. Nguyễn Văn Lâm from the position of Standing Deputy General Director of SEAREFICO from 2/24/2021 under Decision of BOD No. 023/NQ/HDQT/21 dated February 24, 2021.

Appointing Mr. Phan Thành Long to hold the position of Chief Financial Officer of SEAREFICO from 8/11/2021 under Resolution of BOD No. 009/NQ/SRF/HDQT/21 dated August 11, 2021.

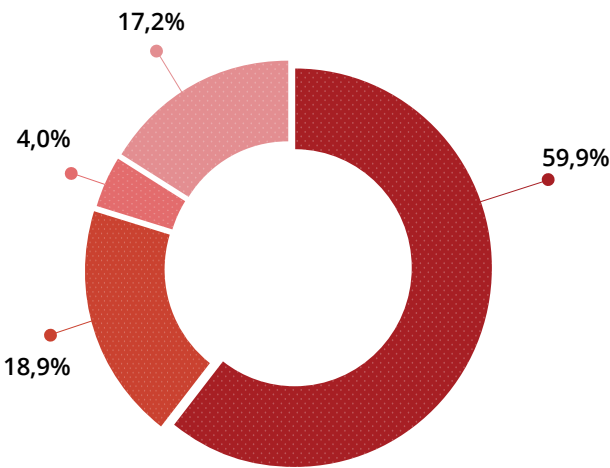
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Responding to the 4th wave of Covid-19, Searefico Group downsized the staff, promoted key personnel, empowered young members with management positions, and assigned responsibilities to excellent members to help Searefico flexibly adapt to the market.

2.4 PERSONNEL RESTRUCTURING AND POLICY CHANGES APPLICABLE TO THE EMPLOYEES

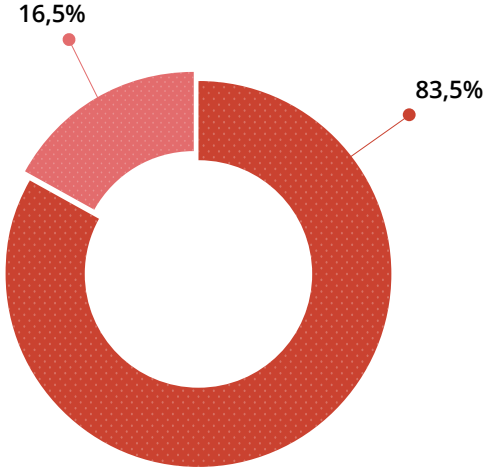
As of December 31, 2021, the total number of employees in the Company was 563 people with the specific structure as follows:

INDICATOR	DATA	PROPORTION %
I. Total number of employees (People)	571	
1. Educational level	571	100
University graduate and post-graduate	342	59,9
College and professional intermediary	108	18,9
Elementary level and technical worker	23	4,0
Manual workers	98	17,2
2. Gender	571	100
Male	477	83,5
Female	94	16,5
II. Average per capita income (million VND/month)	18,6	
III. Average age of leadership/managerial levels	43	
Level E	41	
Level F	47	
Level G	48	
IV. Number of employees under 40 at leadership level	5	
Level F	4	
Level G	1	



EDUCATIONAL LEVEL

- University graduate and post-graduate
- College and professional intermediary
- Elementary level and technical worker
- Manual workers



GENDER

- Male
- Female

As people are the most valuable asset, the Searefico has been focusing on developing sustainable personnel in both quantity and quality terms. Searefico is comprised of highly qualified personnel with professional knowledge, skills and experience to compete effectively with other enterprises in the same industry. Most importantly, they have positive thinking, good attitude, enthusiasm, passion and sense of responsibility.

Searefico has greatly improved the quality of its management system and qualifications of high and mid-level managers. In addition, the Board of Management of Searefico has planned and trained a team of succeeding leaders that are qualified, skillful, and suitable for the corporate culture in 2021. This is the result of its compliance with the objective to enhance internal force.

SUMMARY OF POLICY
CHANGES APPLICABLE TO
THE EMPLOYEES

Responding to market challenges caused by COVID-19, human resource management of Searefico Group has made a strong shift to solve human resource problems, retain talents, unify the organisation, step by step overcome organisation and step by step overcome the COVID-19 pandemic with the Company.

The Company promptly issued effective bonus policies on construction schedule, cash flow management, and debt collections. Besides, to fairly evaluate the performance of employees, the Company issued monthly, quarterly, and annual work performance assessment policy, as well as assigned KRA and KPI to each department and employee.

Throughout 2021, Searefico stayed close to its people-centric principle, restructured its existing staff with minimal downsizing efforts, and expanded the scope to recruit young candidates to take advantage of the potentials of succeeding leadership team, so that they are capable of leading the Company toward new objectives on the sustainable development pathway.

Aiming at building up a more equal working environment, Searefico has further improved its performance-based management mode, “finish all jobs even beyond work hours”, then raised working morale and contribution to workers. Searefico has also issued a number of incentive policies for exceptional performance and increased labor productivity so that its employees are always prepared to advance in their career paths.

WORKING ENVIRONMENT

For years, Searefico is proud of being one of companies with the best compensation policy and benefits in the market. In December 2021, Searefico marked an important milestone when it was first nominated in Top 100 Best Places to Work in Vietnam, as well as Top 2 Best Places to Work in Materials Industry.

Over 26 years of foundation and development in engineering and technology field, Searefico has one of leading working environments that attracts many talents, especially young and dynamic ones.



RECRUITMENT POLICY

The Company devises a new strategy in the planning and recruitment of human resources, which focuses on building a sustainable recruiter brand, accompanied by a team of professional recruiters and new recruiting tools developed in the era of 4.0.

Selecting suitable candidates is an important recruitment criteria of Searefico. Specifically, they must be suitable to the personalities, values, and guiding principles highly praised by the Company. Therefore, culture fit is regarded, before taking professional qualities into consideration, as the factor that ensure the consistency of values, morale, commitment of loyalty, and traits of a member of Searefico.

Over the past years, Searefico has actively promoted the media to communicate the corporate image of a valuable employer brand to potential candidates. Especially, it has focused on expanding the scope of recruitment and promoted restructuring activities to promote the professionalism and implementation speed, making important contributions to the corporate image of Searefico. As a result, Searefico employees are proud in sharing images of its activities on the social media, which further increases the attractiveness of the Company.

TRAINING AND
DEVELOPMENT POLICY

Facing many challenges in 2021, internal training became one of regular tasks for leadership and management levels in different forms. This task focused on following key objectives: improve financial management capacity; focus on fostering expertise in new techniques that the Company is targeting, and, at the same time, develop leadership thought in the new era.

- Complete and supplement training programs, including traditional training platforms and online classes, cultivate more knowledge for the employees;
- Focus on technology applications that support employees that frequently work remotely during the pandemic outbreak;
- Design the program to proactively build a training path with specific and necessary skills and knowledge for each individual's development path through online courses/webinar platform;
- Offer a series of lectures for management levels in association with Amber Education to provide fundamental and advanced knowledge on corporate financial management and governance capacity.

CAREER
DEVELOPMENT PLAN

At Searefico, each employee is required to develop his/her personal career development plan after fully analyzing his/her strengths and weaknesses, which helps the Company assign appropriate duties to maximize his/her abilities.

Motivated with the goal of becoming one of 100 best workplaces in Vietnam, the Company focuses on developing talents retention programs. The Company boldly promoted and appointed new factors, gave opportunities for talented employees to try, pursue their passion, and develop their careers under CDP (Career Development Plan) in the overall development picture of the Company, helping save costs and time for both the Company and employees.

SALARY POLICY

Facing Covid-19 waves in 2021, one after another, Searefico had many difficulties, including challenges in finance and cash flows. To resolve these, the Company continued its optimal solutions to preserve its human resources such as adjusting working hours, stabilizing salary policies to minimize management costs; maintaining and developing high-quality human resources through support policies, incentives, competitive pays with review for 01-02 pay raise per year, etc. for qualified employees with high performance.

During social distancing period, the Searefico synchronously and consistently communicated to its employees to help them understand the Company's situation, encourage them to share and sympathize with the Company, and overcome difficulties together.

BENEFIT POLICIES



Ensure maintenance of support policies, increase insurance coverage, implement a series of mental and physical care campaigns for employees

Though being one of those affected the most by Covid-19 pandemic, Searefico still put a priority on maintaining benefit policies for its employees. Searefico fully complied with its obligations to pay social, medical, and unemployment insurance to enable its employees to be entitled to insurance benefits in a timely and complete manner.

Since the outbreak in May 2021, Searefico has quickly adopted a number of policies to support its employees. During the period of lockdowns and disruption due to social distancing, Searefico adopted the policies to adjust working hours but still maintain support policies and provide further benefits to the employees with MIC Work Safe Plan, as well as a number of care programs for mental and physical health of the employees, including "Vaccination" Program for all employees, developing an online healthcare network for Searefiers, holding online seminars on health care methods during Covid-19, offering gifts to infected employees through Searefico United Hands Program, etc.

Besides, the Company switched to hybrid online and offline model to enable the employees to optimize their working hours and maintain the balance between effective performance and health safety. For those that are unable to work remotely, the Company provided medical equipment such as face masks, sanitizers, air filters, kept them safe at the workplace, factories, and project sites, and conducted regular screening tests for them to work with a peace of mind.

EVALUATION ON
THE EMPLOYEES'
ACHIEVEMENTS AND
REWARD POLICY



Improve the bonus policy based on the evaluation results of each individual's capacity, work efficiency and value of contribution to the Company.

COVID-19 pandemic was a challenge but also gave Seareficoers the opportunity to renew themselves, test their endurance, increase efficiency, and overcoming difficulties with unprecedented creativity. The Company also standardized the KPI evaluation system and personnel policies to both encourage and create pressure as well as motivating all employees to work harder and contribute to collective results.

- The Company designed a reward program for overcoming difficulties with a special bonus policy to encourage employees' spirit to overcome adversity, focusing on the results of cash flow management, bidding, projects settlement and debt collection. The effects from the program have greatly supported in keeping the enthusiasm for the activities of the Company.
- As a tribute to loyal employees that have contributed to long-term success of the Company, Searefico is also offering seniority bonus policy for employees with 05 years, 10 years, and 15 years of service. One with higher seniority will be entitled to bigger benefits

3

SUMMARY OF FINANCIAL SITUATION
OF SEAREFICO GROUP

3.1 FINANCIAL SITUATION

Unit: Billion VND

INDICATOR	2021	2020	%2021 / 2020
Total asset	1.853,3	1.956,4	94,7 %
Net revenue	930,4	1.486,3	62,6 %
Operation income	32,5	45,5	71,5 %
Other income	5,4	1,5	359,5 %
Earnings before tax	37,9	47,0	80,7 %
Earnings after tax	34,4	42,9	80,0 %
Dividend payout/charter capital rate (%)	5,0% (*)	10,0%	5,0 %

(*) Dividend payout rate for 2021 will be proposed at the General Meeting of Shareholders for official ratification on April 14, 2021



Together, we will make SEAREFICO stronger, more flexible and faster. Let us always be the FIRST & RELIABLE destination for our customers and partners, when they choose products and services in the field that we are offering. Please serve our community and society.

3.2 MAJOR FINANCIAL INDICATORS

Unit: Billion VND

INDICATOR	UNIT	2021	2020
Solvency indicators			
Current ratio	Time	1,1	1,1
Quick ratio	Time	0,9	0,8
Capital structure indicators			
Debt-to-capital ratio	Time	0,7	0,7
Debt-to-equity ratio	Time	2,6	2,2
Operating capacity indicators			
Receivables turnover	Turnover	1,6	1,1
Inventory turnover	Turnover	4,5	2,7
Assets turnover	Turnover	0,8	0,5
Profitability indicators			
Earnings after tax/Net revenue	%	3,1%	3,5%
Earnings after tax/Average equity	%	2,9%	3,7%
Earnings after tax/Total average asset	%	8,2%	6,2%
Operating income/Net revenue	%	2,2%	1,8%

REGARDING TO THE SHORT-TERM SOLVENCY

- Quick ratio
- Liquidity ratio
- Unit: Time(s)

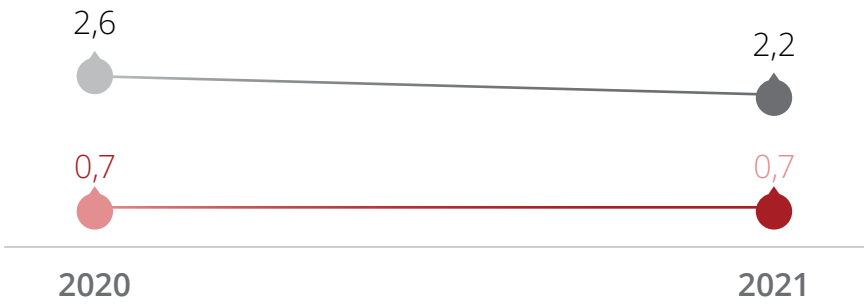
The liquidity ratio and quick ratio were respectively 1.1 times and 0.8 times in 2021, equivalent to those in 2020. Coping with cash flow difficulties before the influence of COVID-19, the Company still strives to maintain the amount of cash and deposit to ensure liquidity to be stable.



REGARDING TO THE CAPITAL STRUCTURE

- Debt-to-capital ratio
- Deb-to-equity ratio
- Unit: Time(s)

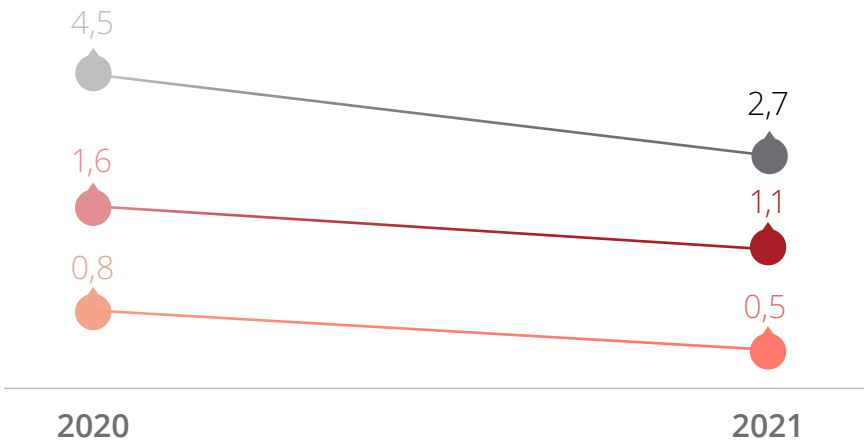
The debt-to-capital ratio and debt-to-equity ratio were respectively 0.7 times and 2.2 times in 2021. In addition to expanding and maintaining relationships with credit institutions, seeking loans with preferential interest rates to supplement the Company's operating capital, the Company has also taken advantage of the policy from the State Bank on loans extension for enterprises affected by COVID-19.



REGARDING TO THE OPERATIONAL CAPACITY

- Inventory turnover
- Receivables turnover
- Assets turnover
- Unit: Time(s)

The indicators showing the performance of the enterprise such as receivables turnover, inventory turnover and assets turnover were respectively 1.1 times, 2.7 times and 0.5 times. The indicators of receivables turnover and assets turnover decreased as compared to 2020 since the work of volume confirmation and debt collections are significantly influenced by the impact of the COVID-19 pandemic. The decline in inventory turnover ratio is also due to the impact of the pandemic.



REGARDING TO THE PERFORMANCE

Operating profit / Revenue of 2021

3,5%

INCREASE
0,4 % compared to 2020

Earning after taxes / Revenue of 2021

3,7%

INCREASE
0,8 % compared to 2020

Earning after taxes / Equity

6,2%

DECREASE
2,1 % compared to 2020

Earning after taxes / Average total assets

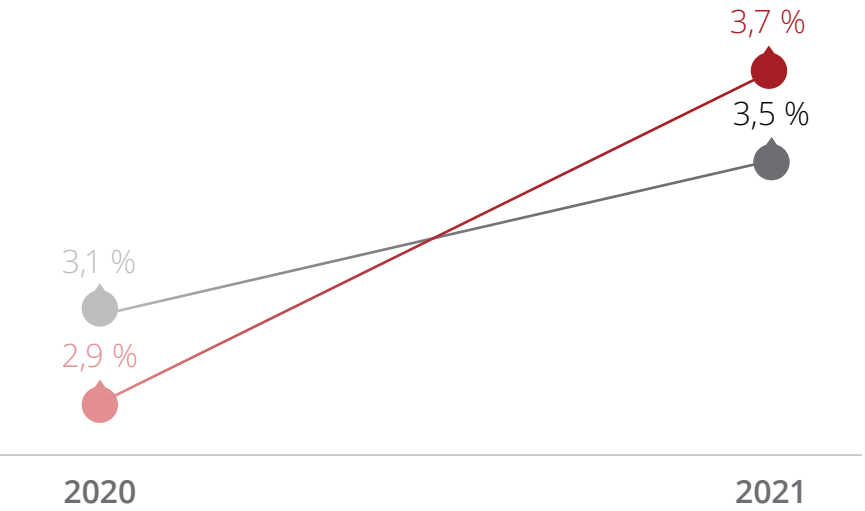
1,8%

DECREASE
0,4 % compared to 2020

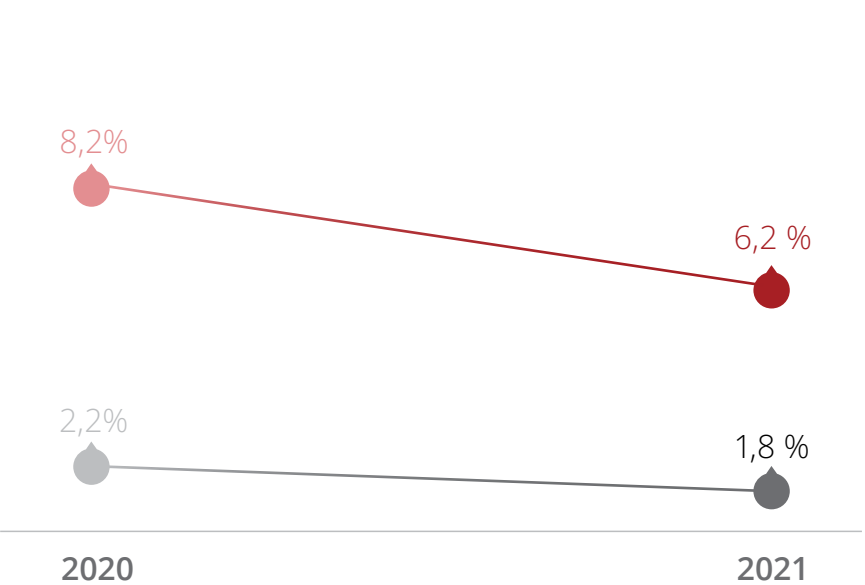
Operating profit/net revenue ratio was 3.5% in 2021, up by 0.4% over that in 2020. Earning after taxes/net revenue ratio was 3.7% in 2021, up by 0.8% over that in 2020; earnings after tax / equity reached 6.2%, down by 2.1% over that in 2020; earning after taxes / average total assets was 1.8%, down by 0.4% over that in 2020. This situation was mainly due to the impact of Covid-19 in 2021, which resulted in delayed confirmation of work volume and collection of revenue, affecting the revenue and profit recorded in the year.

EARNINGS POWER

- Earning after taxes / Revenue
- Operating profit / Revenue
- ĐVT: %

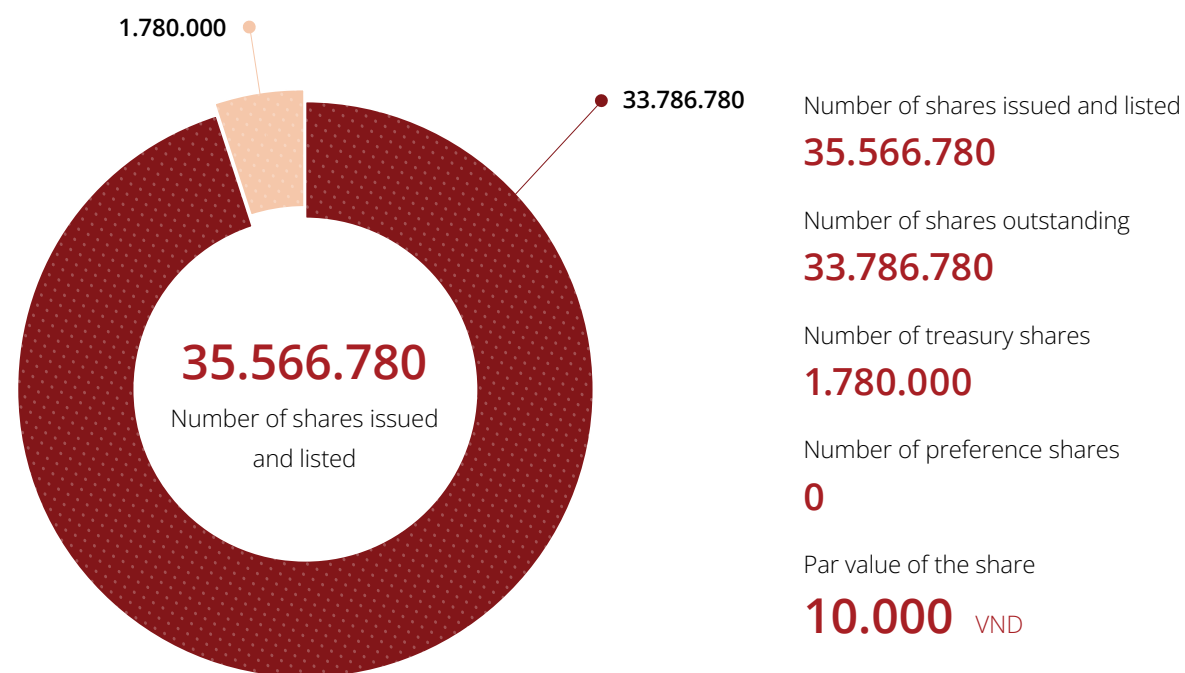


- Earning after taxes / Equity
- Earning after taxes / Average total assets
- ĐVT: %



4 SHAREHOLDER STRUCTURE AND EQUITY CHANGES

As of December 31, 2021, the number of shares in the Company was as follows:



A SUMMARY OF SHAREHOLDERS

(in accordance with the list of shareholders confirmed on March 15, 2022)

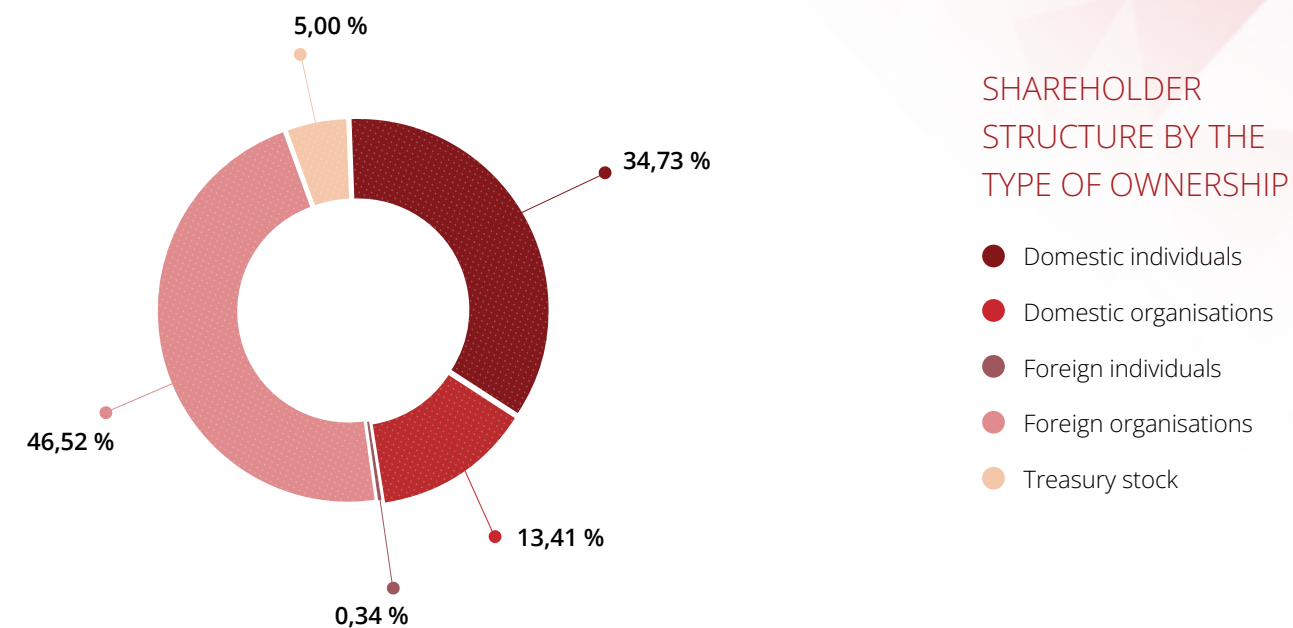
CATEGORY	DOMESTIC SHAREHOLDERS		FOREIGN SHAREHOLDERS		TOTAL	
	No. of shares	% of charter capital	No. of shares	% of charter capital	No. of shares	% of charter capital
Shareholders owning over 5% shares	6.424.471	18,06%	16.059.456	45,15%	22.483.927	63,22%
Shareholders owning from 1% to 5% shares	5.468.133	15,37%	0	0,00%	5.468.133	15,37%
Shareholders owning below 1% shares	5.229.774	14,70%	604.946	1,70%	5.834.720	16,40%
Treasury shares	1.780.000	5,00%	0	0,00%	1.780.000	5,00%
Total	18.902.378	53,15%	16.664.402	46,85%	35.566.780	100,00%

TREASURY SHARE TRANSACTIONS:

There is no treasury share purchase or sale transaction in 2021.

Number of treasury shares as of January 01, 2021: **1.780.000 SHARES**

Number of treasury shares as of December 31, 2021: **1.780.000 SHARES**



LIST OF STRATEGIC AND MAJOR SHAREHOLDERS

(in accordance with the list of shareholders confirmed on March 15, 2022)

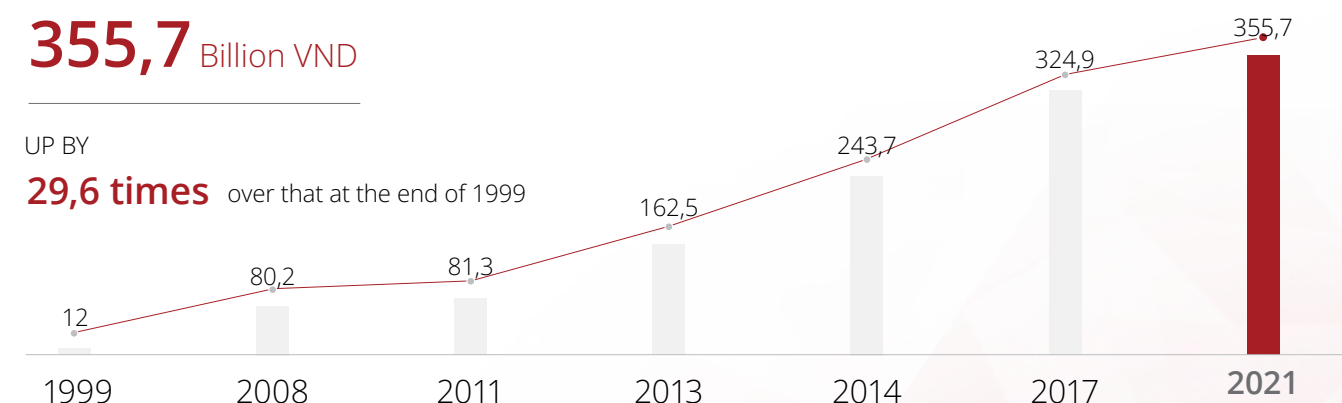
MAJOR SHAREHOLDERS		
Taisei Oncho Co., Ltd	8.909.456	25,05%
Sanyo Vietnam Engineering & Development Co., Ltd.	7.150.000	20,10%
Vietnam Seaproducts Joint Stock Corporation	4.567.200	12,84%
Nguyễn Hữu Thịnh (*)	1.515.258	4,49%
Nguyễn Thị Hồng (*)	1.857.271	5,50%
Nguyễn Hữu Ninh (*)	11	0,00003%

Note: (*) Mrs. Nguyễn Thị Hồng and Mr. Nguyễn Hữu Ninh are related persons of Mr. Nguyễn Hữu Thịnh - a none-executive member of BOD.

CHANGES OF THE EQUITY

Since the Company has operated as a Joint Stock Company, it experienced the capital raising process as follows:

Charter capital of the Company in 2021





CONQUER THE UNKNOWN OVERCOME ANY CHALLENGES

The soccer philosophy of using players shows maximum tactical flexibility, unleashing the hidden potential in each player thanks to the skilled eyes of the leaders.

Pioneering element daring to break the ruts, quickly adapting to the changes of the new times, reviving the leader's courage.

SECTION III

THE MANAGEMENT REPORT

Tactician loves beautiful soccer, builds a team that moves like a storm, moves the ball with resilience. The Coach appreciates the effectiveness of building a tight defensive attack and quick counterattack.

In the face of hardships, the bravery to overcome difficulties to shine in all circumstances of SEAREFICO people was strongly promoted - a symbol of the 5K Leader generation was born again.

REPORT OF THE BOARD OF MANAGEMENT

1 BUSINESS RESULT EVALUATION

The year 2021 continued posing a lot of challenges before complex developments of COVID-19. After 5 months of lockdown and 3 months of restrictions, Vietnamese enterprises faced a lot of difficulties, ranging from shortage of labor, increasing material price, increased testing and disease prevention costs, suspended projects, to delayed payment.

Facing with the negative impact of the COVID-19 pandemic, the Company proactively prepared a plan to cope with risks, such as adjusting business strategies, restructuring the management apparatus to be more streamlined, strengthening internal and external connections, reducing costs, promoting business development with focus on key, major projects, selecting reliable general contractors, and offering solutions to ensure smooth cash flows and maintain the creditworthiness with banks, employees, and partners.

Although revenue and earning results in 2021 failed to reach the plan, signed contract value reached 145% of the plan in 2021, which promised the potential for growth in 2022. Standing firm over the pandemic, the Company has successively won major packages, including the largest project in its history of foundation, which promises the prospect for a speedy growth in 2022 to seize the opportunity when the market recovers.

Besides, the Company continued affirming its position in new potential sectors, such as smart warehouse, refrigerating warehouse, supply of PIR panels, and EPC general contractor for factories in industrial zones. These are sectors that are expected to grow strongly after Vietnam's role in the global supply chain becomes more significant along with the increasing return of FDI.



REGARDING TO M&E WORKS

As most of construction works were suspended due to social distancing measures during Quarters II and III of 2021, this had a severe impact on revenue of the Company. However, thanks to the owners' trust, signed contract value in M&E sector still exceeded 120% of the plan, promising the recovery and growth in 2022.



thanks to the owners' trust, signed contract value in M&E sector still exceeded 120% of the plan, promising the recovery and growth in 2022.

Although M&E division failed to meet the revenue and earning plan, it should be noted that Searefico has completed symbolic construction works that have positive impact on the reputation of Searefico brand.

Immediately after the removal of lockdown measures, Searefico E&C won two major projects, including: M&E General Contractor Package for Masteri Centre Point High-End Apartment Building Project by Masterise Homes - the largest project that Searefico E&C and Searefico Group has ever taken over, and the package for Heritage West Lake High-End Apartment Building Project - Hanoi, one of the most luxurious projects in Northern region by Capitaland - also the largest package in Northern region in Searefico's history. Despite unprecedented difficulties, Searefico Group successively won 3 Smart Warehouse projects by Vietnam Dairy Products Joint Stock Company.

The pioneering steps in the field of smart warehouses and technology general contractor have affirmed Searefico Group as a qualified EPC general contractor to implement large-scale projects and the most complex technology, which opens up new growth opportunities for the entire ecosystem of Searefico Group.

REGARDING TO INDUSTRIAL REFRIGERATION



Export market development efforts gained remarkable recovery while contractual export revenue rose by 67% and revenue increased by 36% over those in 2020.

Positioning its technology strength, ARICO - a subsidiary of Searefico Group - shifted to developing automation solutions for other processing industries such as cattle, poultry, other agricultural products and beverage as well as other high-tech industries such as clean rooms and boosting the export. ARICO has become an enterprise with positive contributions to improving and enhancing the output quality of products of the food and seafood processing industry.

Despite the impacts caused by COVID-19 in 2021 were more severe than those in 2020, ARICO team showed their skills and qualifications to cope with difficulties in carrying out dual tasks of maintaining '3 on-site' production and safe disease prevention for the employees. Generally, in 2021, revenue of ARICO grew by 22% over that in 2020.

Especially, ARICO's revenue in 2021 was largely contributed by new products and technologies, focusing on technologies for producing and processing ultralight carbon hi-tech products. In addition, export market development efforts gained remarkable recovery while contractual export revenue rose by 67% and revenue increased by 36% over those in 2020. In the context of COVID-19 pandemic, ARICO made positive changes from the working environment to the executive management activities. ARICO made many improvements to product design and quality, provided tailor-made solutions tailored to existing platforms, equipment with advanced technology, more efficient, reliable, and productive workflows.



REGARDING TO THE PRODUCTION OF GREEN AND ENERGY SAVING MATERIALS



Signed contract value of Greenpan grew by 327%, revenue grew by 267% over that in 2020, significantly contributing to total revenue and earnings of the Group

Understanding the increasing demand for green materials for environment protection, contributing to combating climate change, and creating a premise for sustainable development, the Company made an investment without hesitation into equipment, machineries and production line of construction materials under the green technology for the world's most modern, environment-friendly and preeminently featured production line to restrict dependence on imports as well as creating green development.

Despite the difficulties due to prolonged social distancing period, Greenpan PIR Panel brand still gained customers' trust thanks to superior quality. In 2021, signed contract value of Greenpan grew by 327%, revenue grew by 267% over that in 2020, significantly contributing to total revenue and earnings of the Group. In addition, PIR Panel has been widely applied to health and pharmaceutical sector when it is selected by vendors for health projects, pharmaceutical factories, and clean rooms in hospitals.

In addition to manufacturing the lightweight unbaked construction materials with the most advanced technology around the world, Phoenix Energy & Automation Joint Stock Company, a subsidiary of Searefico specializing in renewable energy, has successively won rooftop solar energy packages for manufacturing plants. Phoenix is also investigating potential renewable energy markets such as Biomass, Hydrogen and, particularly, energy storage and transmission.

2 2021 BUSINESS PLAN SITUATION

2.1 SITUATION OF IMPLEMENTING THE PLAN

Unit: Billion VND

INDICATOR	2021 PLAN	IMPLEMENTATION IN 2021		IMPLEMENTATION IN 2020	
		Billion VND	% / 2021 plan	Billion VND	%2021/2020
Signed contract value	1.600,0	2.323,1	145,2%	1.106,6	209,9%
Revenue	1.350,0	930,4	68,9%	1.486,3	62,6%
Earning before taxes	50,0	37,9	75,8%	47,0	80,7%
Earning after taxes	43,0	34,4	79,9%	42,9	80,2%

Earning before taxes 2021

37,9 BILLION VND

Signed contract value 2021

2.323,1 BILLION VND

INCREASE

2 TIMES

compared to 2020

This result is adequate due to economic circumstances, including the impacts of social distancing measures in Quarters 2 and 3 of 2021 and strategic adjustments made by the Company. In 2021, signed contract value of the Company reached over 2,323.1 billion VND or 145.2% of the plan, equivalent to 209.9% over that in 2020. Due to the impacts of COVID-19 and prolonged period of social distancing that resulted in delayed volume, actual revenue in 2021 reached over 930.4 billion VND or 68.9% of the plan. Compared to 2020, actual revenue in 2021 reached 62.6% YoY. Compared to other enterprises in the same industry, the YoY rate of actual revenue of the Company in 2021 was less than average rate of 87.7% in the industry.

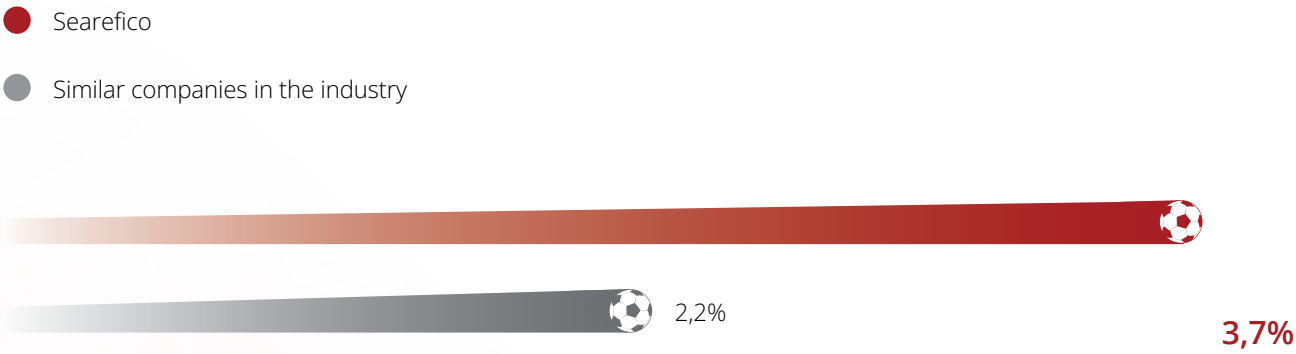
Regarding earnings, earning before taxes in 2021 was 37.9 billion VND, reaching 75.8% of the plan and equivalent to 80.73% of that in 2020; earnings after taxes was 34.4 billion VND, reaching 79.9% of the plan and equivalent to 80.0% of that in previous year. Compared to other enterprises in the same industry, the YoY rate of actual earnings of the Company in 2021 was less than average rate of 57.5% in the industry. Rate of earnings after taxes/revenue of Searefico was 3.7%, surpassing the average rate of 2.2% of enterprises in the same industry.

2.2 BUSINESS RESULTS IN 2022 IN COMPARISON WITH 2020

Unit: Billion VND

INDICATOR	2021	2020	% 2021/2020
Net revenue	930,4	1.486,3	62,6%
Cost of goods sold	843,9	1.364,2	61,9%
Gross profit	86,5	122,1	70,9%
Financial activities income	12,7	13,8	92,0%
Expenses for financial activities	36,7	49,4	74,3%
Selling expenses	3,6	1,7	209,8%
General and administration expenses	43,7	61,5	71,1%
Profit (loss) of the associates	17,4	22,3	77,8%
Net operating income	32,5	45,5	71,5%
Other income	5,4	1,5	359,5%
Earning before taxes	37,9	47,0	80,7%
Earning after taxes	34,4	42,9	80,0%

RATIO OF EARNING AFTER TAXES / REVENUE



STRUCTURE OF REVENUE

Unit: Billion VND

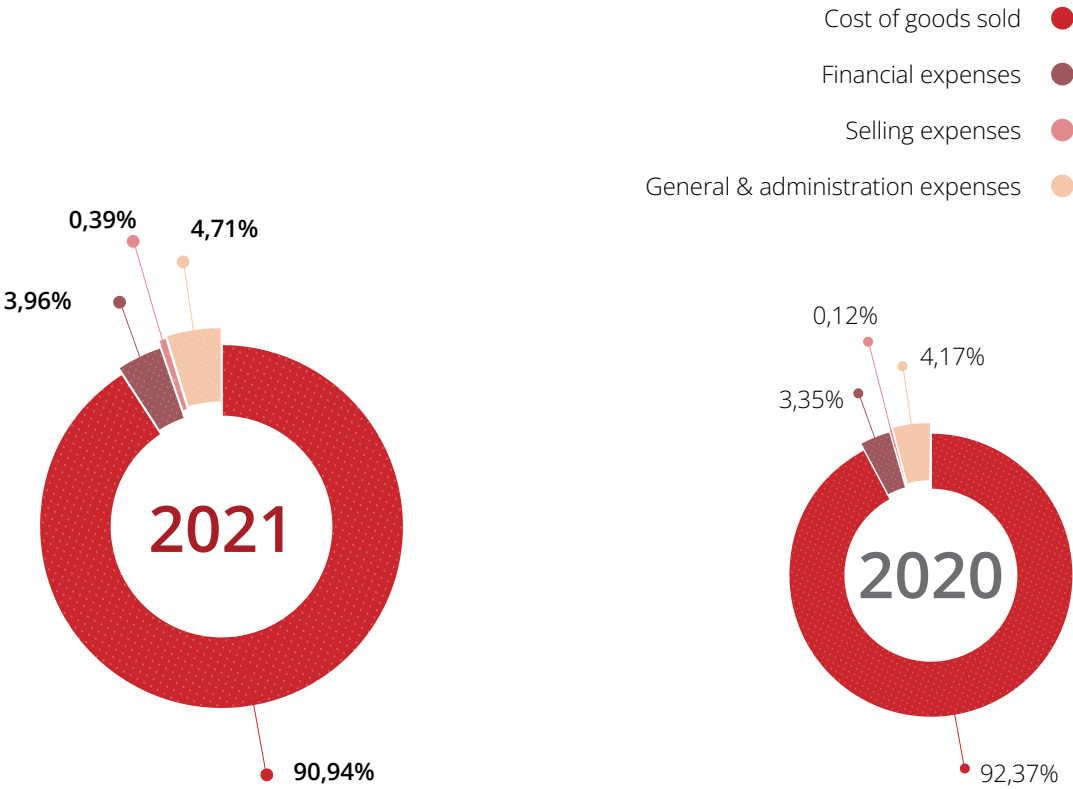
INDICATOR	2021		2020		% 2021/ 2020
	Value	Proportion	Value	Proportion	
Revenues from M&E, Industrial Refrigeration, Construction and installation	740,6	79,6%	1.338,9	90,1%	55,3%
Sales revenue	187,9	20,2%	146,4	9,9%	128,4%
Others	1,9	0,2%	1,0	0,1%	203,0%
Total	930,4	100,0%	1.486,3	100,0%	62,6%

In 2021, the revenue from M&E, industrial refrigeration and construction still accounted for the highest proportion of about 79.6% of the total revenue and was equivalent to 55.3% as compared with 2020.

Sales revenue reached 20.2% of total revenue on account of the recognition of revenue of GREENPAN factory. The contribution of production revenue well over that in 2020, reaching 9.9% of revenue. This is on the progress to reach the target of 50% of revenue.

STRUCTURE OF OPERATIONAL COSTS

The cost of goods sold always accounts for the highest proportion in the Company's structure of operational costs. In 2021, that proportion was 90.94%, a slight decrease of 1.55 percent as compared with 2020. On the other hand, the proportion of financial expenses, selling expenses and general and administration expenses were 3.96%, 0.39%, and 4.71%, respectively, a slight increase YoY.



PROFITABILITY

2021 was the 2nd successive year that construction and installation activities were heavily affected by pandemic, and the work of bidding faced price competition from competitors. Responding to the impact of the pandemic, the Company came up with timely solutions such as reducing management costs, cash flow management, etc. which contributed to improving business results in 2021. There was a reduction in the earnings before taxes in 2021 mainly because of social distancing measures in Quarters II and III, resulting in prolonged projects. Material and equipment prices were increasing from 2020, which had a remarkable impact on gross profit in addition to the impacts caused by costs of disease control and 3 on-site measures.

COLLECTION OF DEBTS


In 2021, the BOM made many great efforts to radically collect the debts, cooperated with financial companies, lawyers and other organisations to seek more effective debt collections measures and also changed the method of debt control since the stage of contract negotiation and conclusion and the process of construction to control the debts timely and protect the benefits of the Company.

The Company has focused on dealing with and settling some large and longstanding debts such as Gateway Tao Dien, Mong Tay Project.


2.3 THE COMPANY’S ACHIEVEMENTS

Overcoming the hardships in 2021, Searefico made exceptional achievements by completing the dual objectives of disease prevention and maintenance of business operations, won many reputable awards for management quality, business culture, and work environment, positively contributed to the community, and joined the country’s efforts in the prevention and control of the pandemic.


DEFINITIONS OF A DEVELOPED WORKPLACE




Leaders set an example, inspire and lead corporate culture




Toward sustainable development




Contributing to HCMC community in the prevention and control of Covid-19




Human role is the key



Specific and systematic actions programs to implement a sustainable cultural strategy



Promote the distinctive and humane DNA of Searefiers



Breakthrough innovation, find opportunity in danger

2021
OUTSTANDING
ACHIEVEMENTS



Top 10 Enterprises with Excellent Business Culture in Vietnam
in accordance with the Standards of Business Culture



Top 100 Vietnam Best Places To Work 2021,
Top 2 Best Places To Work in Materials Industry 2021



Top 500 Largest Private Enterprises in Vietnam
VNR500



Top 5 Best Annual Reports
Small Caps Category



Rank 2nd in Top 5 Most Prestigious Mechanical and Electrical Contractors in 2021



Rank 27th in Construction Industry
and 282/389 in IR Award 2021



Merit certificate for Team with excellent performance in disease prevention and control awarded
by the Standing Committee of HCMC Party Union and HCMC People’s Committee

HUMAN RESOURCE DEVELOPMENT

“

We choose our next generation by prioritising young people with innovative mindset and a taste for technology to the right position to make an impact and lead the crowd.

Employee engagement and coalition of the BOM and employees of Searefeco Group was the top priority of the Company in 2021. During the COVID-19 period, the Company organized many internal communication activities. Emails from the BOM are encouraging and motivating messages to spread positive thoughts, increase engagement, reduce resistance and optimistically move forward.

In the context of changing environment, the Company developed a flex human resource development strategy based on the principle of developing multiple skills to help employees adapt to different conditions and job requirements. Employees' multiple skills will also help them innovate and apply new technologies more easily.

At Searefeco, there are at least 3 human resource plans corresponding to new business scenarios:

- 🔗 Integrating the costs and benefits of HR activities into the Company's BSC, decentralizing them to department's KRAs and individual's KPIs: Indicators of revenue/employee, team development, personnel engagement
- 🔗 Converting fixed cost to variable cost
- 🔗 Redefining jobs according to the new situation

During the year, the Company also organized many talkshows and emulation programs on improving work efficiency and focusing on the digital transformation roadmap. With new perspectives and qualifications, innovative thought and tech-savvy taste, the Company expects the young leadership generation to continue and develop a thriving business.

CORPORATE CULTURE DEVELOPMENT

“

Adapting corporate culture with people as the key

In 2021, Searefeco has drastically re-created the corporate culture to promote innovation and creativity to flexibly and effectively cope with negative impacts of Covid-19 pandemic. As a result, Searefeco's corporate culture has formed a special resistance, which not only helps Searefeco protect system health but also enhances the team performance, reveals new opportunities, and maintains the growth. This indicates that, at Searefeco, corporate culture is constantly growing and moving towards a higher form and has brought into play a very special endogenous source of strength, becoming the core of soft power for effective personnel management. This is the “support” that has helped Searefeco continuously make strong breakthroughs over the past 32 years.

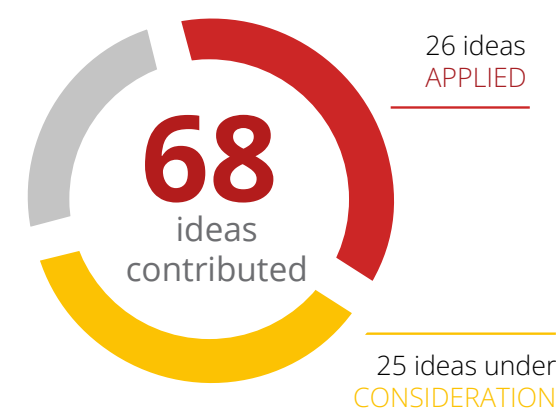
And in the coming 2022, the process of re-creating the corporate culture will continue to be strongly promoted to meet new requirements, and provide the best support for a new development phase in a new position, aiming to become the National Brand in engineering and technology field.

FOCUS ON ORGANIZATIONAL REGENERATION AND ENHANCEMENT OF OPERATIONAL PERFORMANCE

Throughout 2021, Searefeco focused on organisational regeneration to elicit and promote changes from within, maximizing the potential of Searefeco's endogenous energy through Organisational Regeneration Project, enhancing

operational performance, contributing to speeding up the development of the Company during and after the pandemic, empowering the employees work harder, faster, and more efficiently, without any interruption due to social distancing measures.

17 not yet possible



Searefeco quickly took a number of targeted intervention measures and specific roadmaps to improve the operational performance to flexibly adapt to the living-with-Covid era.

The subsidiaries, including Arico, Greenpan, Searee, and Searefeco E&C, together with Searefeco Holdings, took “cleansing and clearing” measures focusing on the systems, behaviors, habits, working processes, and plans, taking bold measures to cancel unnecessary ones, propose ideas for change, transform and adopt different approaches towards restructuring Searefeco Group to become streamlined, efficient, and responsive to risks in the new era.

🔗 Searefeco Holdings boldly restructured not only its personnel system but also corporate governance mechanism and corporate financial system.

🔗 Arico focused on improvement of production activities and innovation of administrative work.

🔗 Searefeco E&C actively changed its operating mindset and focused on implementing the “pivoting” bidding strategy in potential segments such as technology, industry, and renewable energy.

🔗 Searee Đà Nẵng merged with Searefeco E&C to synchronize the operating system, culture and leadership team, and rejuvenated the team for success. At Searee, the average age of BOD members decreased from 54 to 41. For BOM members, the average age decreased from 51 to 45. The average age of BOM members of Searefeco E&C also decreased from 42 to 36.

🔗 Greenpan improved Foam spray technology for PUR glue production line and designed an automatic paper wrapping machine when producing 2-sided stainless steel PIR Panels.



INVESTMENT IN BRAND DEVELOPMENT



To support business activities and protect and develop intangible assets, Searefico has made a relatively good investment in brand communication activities:

Promote the brand position

Searefico brand needs to be developed on a new level to match the new stature of the Company. Meanwhile, it is necessary to create the harmony and cohesion in the relationship among brands of the subsidiaries

Strengthen corporate culture

Searefico is oriented to build up a professional but cultural, family-like business environment. Over 32 years of foundation and development, Searefico has clearly defined the standards, qualities, and traits to be expected of its team in a practical and effective way

Strengthen internal communication

from one-way to multi-dimensional, building up a platform for communication of internal news so that each employee should be aware of the Company's problems, how the company operates, the risks that may be encountered (sectors, business activities of the Company, investment projects, and development orientations; personnel and organisational structure, how the business operates; cultural identity and core values; internal issues of the Company; changes; leaders' vision; organisational missions). When employees are encouraged to try their best efforts, this strength will become a great source of morale encouragement, indirectly creating growth and contributing profits to the Company

Increase the effectiveness of community - social activities

The process of implementing social responsibility needs to have more depth to contribute more value to the society. On the other hand, Searefico needs to develop its own activities to create new values for the community and unique impression of the Company.

Brand development through the media

Restructuring the media platform, renewing website interface, and establishing a professional social media network on Facebook, LinkedIn and YouTube to help increase the presence of Searefico's brand image and remind the community;

Participating in sponsoring business forums and related seminars for business community on human resource management to improve the accessibility for investors, partners, target customers, as well as the relationships with media organisations and authorities.

Promoting employer branding activities on recruitment platforms and encouraging each employee to become a brand ambassador.

Brand development of the subsidiaries

Enhancing the reputation with customers and investors by ensuring the commitments to quality, delivery schedule, project value, products, etc. then, significantly promoting the brand position in potential markets.

Maintaining community's belief in SEAREFICO brand by offering products and solutions that are committed to quality, efficiency and outstanding, long-term added values.

Repositioning Searefico brand in 2021-2023

As of the end of 2021, the Company still continued repositioning Searefico Holdings brand with the goal of enhancing brand value, creating a foundation for sustainable development, and demonstrating a strongly transformed image through structural synchronization of subsidiary brands of Searefico Group with a consistent, professional, and recognizable brand identity system to create the synergies and leverage for future breakthroughs.

BENEVOLENT AND CHARITY ACTIVITIES

0 VND MINI SUPERMARKET

When Saigon was in turmoil during the pandemic, SEAREFICO – Loving Arms Fund offered 120 million VND to support 0 Dong Mini Supermarket from voluntary contributions by all employees and Welfare Fund of the Company.

Within just 1 week, the Fund received a lot of support from benefactors across the group, lighting up the spirit of benevolence and compassion for Searefiers. The kind and loving hearts of Searefiers contributed to creating changes, sharing, caring and giving love to poor workers during the peak of a difficult era. The tradition of reciprocity, benevolence, and love for others as much as oneself has clearly demonstrated SEARFICO's responsibility and humane corporate culture to the community and society.



FUNDRAISING FOR HEART SURGERY ON “MIRACLE 1/6” EVENT

The baby of Pham Chanh Vuong, an employee of T&C, T&C Board of Searefico E&C, was born on May 14, but unfortunately, his little son was born with a congenital heart defect. When the baby was born, he was separated from his mother and taken to the intensive care unit. Each day, the baby demonstrated a strong will to live, keeping the life that his parents bravely gave him, not giving up hope even though the doctor said that he was not healthy when in his mother's womb.

Mr. Vuong had to seek everywhere for enough money to pay hospital fees before the day of surgery. Knowing his story, Searefico Union decided to accompany Mr. Vuong to solve the problem of hospital fees by raising the call for “The miracle of June 1 for children”. From the Union, the news was spread to reach benefactors and benevolent hearts. In just 3 days, the Union raised an amount of up to 211,850,000 VND from group companies and the staff that wanted to contribute to helping Mr. Vuong's family relieve their financial burden.



VOLUNTEER PROGRAM AT PHUC LAM SHELTER

Referred by a retired employee of Arico, the Company deduced an amount and, together with voluntary gifts from the Company and Union, gave them to 100 unlucky orphans that were abandoned because of poverty and parents' mistakes, and children with terrible diseases or birth defects at Phuc Lam Shelter.

Despite the lack of parental love, at Phuc Lam Shelter, the children are fully cared for and raised just like a big family. Older brothers and sisters take care of the younger ones, and so on. Children are taught to live a decent and respectful way of life.



SUPPORTING EMPLOYEES THAT DIED BECAUSE OF COVID

The Trade Union of Vietnam Agriculture and Rural Development coordinated with Local Union of Searefico to give a Bank Book of 10,000,000 VND issued by Vietnam Trade Union to Tang Ngoc Bao Chau (10 years old), the daughter of Mr. Tang Van Son - a Searefier at Arico - who unfortunately passed away because of Covid.

In addition, the Company also gave Mr. Son's family an amount of 70,000,000 VND donated by the staff and Board of Directors of Arico.

One year before, it was thought that the pandemic outbreak in 2020 had pushed Vietnamese health sector to the limit; however, we had to deal with an unimaginable situation in the last 6 months of 2021.

That once again reminds us of the efforts and sacrifices of the people working in the medical sector, especially doctors. We are extremely grateful to the team of Vietnamese doctors and nurses that have struggled with these breathtaking challenges. Everyday, night shifts turn into battles for survival.



8 CSR CAMPAIGNS within 6 months

3 CHARITY PROGRAMS

Donated medical supplies for HCMC Hospital for Tropical Disease

Contributed 12 screening & treatment rooms for front-line hospitals in HCMC

Donated 120 million VND for O Dong Mini Supermarket Program

4 EMPLOYEES SUPPORT PROGRAMS

Series of Mental Vaccine to increase mental resistance.

United Arms Campaign to help Employees in dire situations

MIC Insurance - Steadfast Working

Vaccine coverage for Employees

1 SOCIAL DEVELOPMENT PROGRAM

Contributed to the augmentation of the Set of Criterias for Việt Nam Business Culture and the Registration and Rating Processes for Vietnamese Enterprises with Excellent Business Culture

COMMUNITY AND SOCIAL RESPONSIBILITY

In the past 2 years (2020-2021), Searefico was also one of the enterprises heavily affected by Covid pandemic; however, it has always been pioneering in firmly implementing a series of support activities to support the city government to improve pandemic prevention and control measures, strive to ensure the stable operation of the Company in terms of revenue and profit, maintain the operations across the group subsidiaries, and help to keep all employees safe and secured at work.

SEAREFICO COOPERATED WITH GREENPAN TO SPONSOR 12 COVID-19 SCREENING CLINICS FOR HOSPITALS IN HỒ CHÍ MINH CITY

Facing complicated developments of Covid-19 pandemic that has lasted for many months, production and business activities of all enterprises and people had to cope with a lot of difficulties, especially in Hồ Chí Minh City, currently the center of the outbreak. Covid-19 prevention and control is not only the responsibility of medical staff but also common responsibility of the entire community. Searefico has always actively accompanied the Government, ministries, departments, branches, and people, since the outbreak of the pandemic in Hồ Chí Minh City. Searefico cooperated with Greenpan to provide 12 Covid-19 screening clinics for hospitals in Hồ Chí Minh City to minimize the spread of the disease, ensure the safety of medical staff, frontline doctors, and patients that came to the hospital for examination and treatment.

Each screening clinic comprises of a medical declaration area, a patient waiting area, screening table, and a temporary isolation room. Upon visiting the hospital, patients and their family members are required to fill in medical declaration forms and take screening tests here. If there is any sign of suspicion of Covid-19 such as cough or fever, a patient will be isolated immediately. This is considered a quick screening step to detect Covid-19 cases early in order to minimize the spread of the disease. Covid-19 screening clinics help medical staff of the hospitals to receive health care, work in a more spacious and safer environment, be free of any impact caused by rain and sun in an effort to protect patients' health and the community.



BUILT GIA AN 115 FIELD HOSPITAL WITH A SCALE OF 367 BEDS IN 14 DAYS

Facing urgent requirements on Covid-19 prevention and control and with the Investor's trust, Searefico E&C built Gia An 115 field hospital, completing all of solutions and preparations (platform, technical construction, management capacity, expert team), survey, fieldwork, and adjustments, to avoid the worst case scenario.

When an incident occurred, determination was much higher. This project mobilized only 13 workers during the first 7 days and 8 skilled workers in the next 7 days, working for 2 shifts (16/24 hours) to ensure the project handover progress. The field hospital was built in a land area of over 15,235 m2 with a scale of 367 patient beds. Gia An 115 Hospital has a total area of 15,235 m2 with a scale of 367 patient beds (9 levels, 7 normal ones and 2 Covid ones)

“

In this tough and fierce war, there have been many unexpected, unpredictable, and unavoidable developments. We bow our heads in memory of our compatriots that died because of Covid-19.

We'd like to thank the individuals, organisations, companies, and subcontractors that have accompanied us in this project, helping Searefico grasp the power of love that we evoke and have it multiplied by several times, and through that, supporting so many Covid patients in the moments of life and death.

PROVIDED SUPPORT WITH ESSENTIAL MEDICAL SUPPLIES FOR THE FRONTLINE FORCE

Searefico also supported Hồ Chí Minh City Hospital for Tropical Diseases with 35 boxes of essential medical supplies, joining hands to support frontline doctors and nurses in isolation, medical examination and treatment areas.

This is an activity to support pandemic prevention and control measures, showing Searefico's union and sharing of social responsibility towards the silently scarifying frontline medical staff. Medical force is not alone in the battle. More than ever, there are always companions that are ready to support and give strength to the white shirted soldiers with firm belief and will to complete their tasks and contribute to repelling the pandemic.



PROVIDED VACCINES COVERAGE TO THE EMPLOYEES OF SEAREFICO

Considering people as a prerequisite, the goal of the campaign focused on expanding the safe green map to Searefico employees. As “5K + vaccine” is not only the shield health but also the shield for mental condition, vaccination is a fundamental and long-term solution that is decisive and strategic for COVID-19 prevention. In less than 3 months of the third quarter of 2021, Searefico has completed vaccinating all employees, becoming one of the earliest companies to provide vaccines and mental health care to 100% of the employees, ensuring that they are healthy and safe to overcome the pandemic, and that personnel policies are maintained.



GREENING VIETNAM

Searefico demonstrates commitment and responsibility for Sustainable Development, making an important contribution to responding to climate change, improving the environment, balancing the ecosystem, ensuring the harmony between people and nature, protecting the environment through “Greening Vietnam Fund - For a Green Vietnam” together with Greenpan. For every square meter of panel used, the Company will contribute one tree to Greening Vietnam Fund for building flood-resistant houses.



ACCOMPANIED YBA
IN SPONSORING THE
CONTAINER LIBRARY

For purpose of creating a healthy environment for students to study and have fun and helping to develop good personality and reading culture for children from an early age, as well as spreading the value of reading books, etc., Greenpan, together with Young Entrepreneurs Association of Hồ Chí Minh City (YBA-HCM), is planning to implement YBA - Container Library Project to donate books, creative toys, and school equipment to primary and secondary schools in rural and poor areas in Eastern and Southwestern regions. This is one of the activities rich in humanity, demonstrating the responsibility to the community and society of YBA-HCM.



LAUNCHED SEAREFICO
UNITED HANDS PROGRAM



Searefico rapid response team was also established to mobilize the network, spread information in a timely manner, and increase resources to support Searefiers that faced difficulties during the pandemic

With the spirit of mutual affection and sharing of sorrow and happiness with each other, the Company launched SEAREFICO United Hands Program to provide financial support and supplies to employees in areas with Covid: unfortunate employees that became F0, those worked away from home, lonely families living in quarantine and isolation areas that required urgent support. The Program also aimed at sharing and easing the burden and anxiety of families for employees that worked in remote projects, lonely families, and areas heavily affected by the pandemic, to help them feel secure at work.

Searefico rapid response team was also established to mobilize the network, spread information in a timely manner, and increase resources to support Searefiers that faced difficulties during the pandemic, including the Union, Personnel Divisions, Searefico Covid Prevention Steering Committee, and Internal Communication Department.

- Officials, civil servants, public employees, and workers were assigned to participate in the fight against the pandemic in localities and cities: 30 people, mainly for disease control at the offices, factories, and project PMUs.
- 50 gift boxes were sent to employees in quarantine and isolation areas or those that worked in quarantined/isolated projects.
- The value of each gift box was 500,000 VND – 3,000,000 VND depending on the actual situation of employees. Number of supported employees: 60 employees (from July 27, 2021 to August 27, 2021). Total estimated value: VND 38,000,000
- Health care program for employees through health and accident insurance plans that the Company obtained for employees under the general welfare policy, the BOD of the Company also decided to obtain an additional Safe-At-Work insurance plan for all employees.



PUBLIC POLICY
DEVELOPMENT

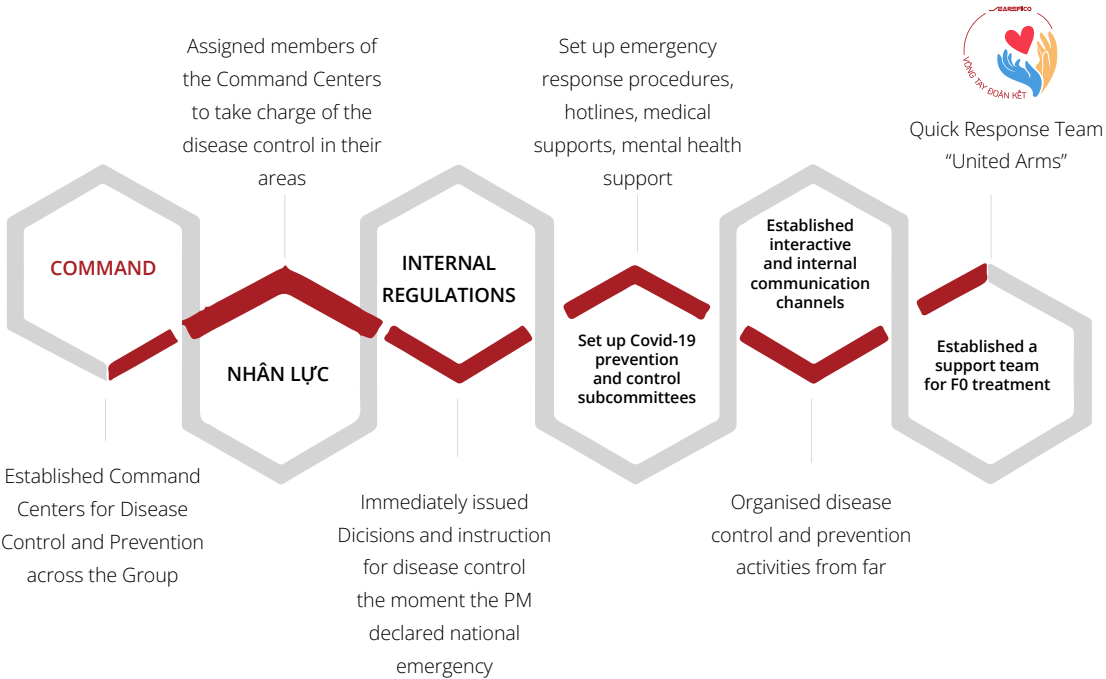
One of Searefico's important successes in 2021 was its contribution to the formulation and development of public policies, helping businesses recover and grow in the marketplace through jointly building the first set of Vietnam Standards of Business Culture, ratified by the Prime Minister, together with Mr. Lê Tấn Phước - Chairman of BOD of Searefico as the co-author. This set of standards is expected to establish a standard rating scale for business culture, contributing to orienting and leading businesses to develop in the right direction.



STRENGTHENED INTERNAL
COMMUNICATION ON
COVID PREVENTION AND
CONTROL

After nearly 3 normal months, the fourth wave of COVID-19 broke out and quickly spread to 30 provinces and cities at an unprecedented speed. Immediately, on May 4, 2021, Searefico Steering Committee for Covid-19 Prevention and Control made a timely decision to reactivate Covid-19 prevention and control system across the Group, initiating the disease response scenarios at the highest level.

The Steering Committee for Covid-19 Prevention and Control, led by the CEO and QMR, as the Head and Vice-Head, respectively, was established since the first Covid-19 outbreak at the end of March 2020 and tasked to provide daily and hourly updates under the motto that “fighting the pandemic is like fighting against the enemy”.



HEALTH CARE,
MEDICAL INSURANCE,
AND PERIODIC
HEALTH CHECK

During the period of Covid-19 outbreak, the Company conducted quick tests and organized quick and effective vaccinations for all employees, particularly to ensure the safety of employees when implementing 3 on-site principle. This activity was intended to meet the criteria and requirements of the Management Unit of Industrial Zones. It was a significant challenge to fully meet these criteria, but with the determination to protect the health of our staff, the Company got this done successfully.

ACCEPTED COST INCREASE
TO MAINTAIN 3-ON-SITE
PRINCIPLE EFFECTIVELY

Facing complicated developments of the pandemic in local districts and increased number of F0 cases in production floors and settlement areas, Searefico's subsidiaries (ARICO & GREENPAN) had to develop an on-site work plan. “3 on-site” mechanism was activated at the factories from July 19 for “dual goals” of maintaining both production activities and safety from the disease.

- The plan was suitable to actual situation of the company and the pandemic context;
- Employees' compliance with disciplines
- Timely changes to adapt to the context
- Consensus from the management and employees.



The first rule is to ensure “COVID-19 negative input”. Specifically, workers must be tested and screened before participating in centralized production activities. For groups of related employees with a high risk of infection, such as having family members in an outbreak area taking leave and returning to work, they will be required to isolate at home.

In addition, as personal items possibly contain pathogens, they must be allotted by the Company and employees may not bring in those from outside the Company. Employees may not contact with outsiders.

Documents are checked, signed, and verified by using digital application platform and surveillance camera for internal communication.

To motivate and encourage employees to participate in “3-on-site” production, in addition to full salary and overtime pay, the Company also provides living expense allowance. The Company also provides a full range of nutritious meals every day, allowing employees to rest after work and on weekends, etc.

“When the Company is really devoted to its employees, they will feel that the working environment is their home and perform their duties wholeheartedly.”

DIGITAL TRANSFORMATION - THE CENTER OF ENHANCING INTERNAL POWER

The global outbreak of COVID-19 pandemic has changed perception of businesses in many fields.

In which, businesses change from being forced to undergo the digital transformation to gradually and actively implement the transformation process under a new trend, from being “reluctant” to build an information technology foundation to being “actively and proactively” using the digital platform as a spearhead to increase their competitiveness.

Although Searefico has gradually adapted to maintain the business and find a way to recover after four Covid-19 waves, facing the complicated developments of the pandemic that forced the entire society to have to live with it, Searefico has to transform strongly and proactively to adapt to the new context.

Digital transformation is a task that has received the consensus and determination from the BOM of Searefico. If this task is successfully completed, it will contribute to promoting both the speed and sustainability of development.

DATA AND PROCESS DIGITALIZATION

Recognizing the global trend in general, in 2021, Searefico will strengthen its digital transformation to design a new way of working in the ‘new normal’ context and better promote its potential resources and development. From digitalizing management data and production and business systems to applying digital technology to automate and optimize business processes, report, or coordinate internal work, etc., Searefico has applied this into practice.

FOCUS ON AUTOMATION

- Attract young, talented and creative personnel that are capable of operating and handling work at any time and any place;
- Use management software to save time and costs and properly assess working capacity of employees; automatize and digitalize salary transfer system while ensuring high security and safety;
- Internal investment: Adopt digitalization for work-from-home employees;

ADEQUATE BUDGET INVESTMENT

- Set up budget based on actual requirements and specific roadmap of the digital transformation plan;
- Develop the solutions step by step and rotate;
- Empower individual entities to automatically make investments in technology.

DIGITAL CULTURE

In digital transformation, it is important to create a culture where everyone is tech-savvy, with synchronous participation by staff members, and each employee is more effectively connected to digital culture transformation initiatives. Therefore, all of leaders and employees of Searefico realize that it is a necessary and inevitable task to increase the level of readiness, and promote the application of technology in production and management under new context. There are 3 human factors that have been transformed by the Company in 2021 for promotion in 2022



Make changes starting from “hard” base, develop new solutions without any constraint or dependence on existing ones to become practical initiatives

Leadership mindset transformation

- Regarding the strategy:** focus on implementing high-tech products such as smart warehouse and new material technology such as PIR Panel, developing green technology in renewable energy, contributing to improving the quality and value of products of national brand;
- Regarding operation management:** remove the middle layer of functional scope in the organisational structure to optimize resources, flexibly improvise and improve the creativity of Searefico team, make changes starting from “hard” base, develop new solutions without any constraint or dependence on existing ones to become practical initiatives;
- Regarding the people:** empower and appoint young, innovative, tech-savvy leaders with the right positions to influence and lead the team.

Be ready to invest in management technology innovation

Invest in ERP management system and HRM software, be ready to replace outdated and inefficient technology and do research and apply new systems.

Recruit candidates for the future

Invest time and expenses to recruit suitable candidates, avoid recruiting a candidate based on immediate needs. “People come first, work comes later”.

3

FINANCIAL SITUATION

Facing the impacts caused by COVID-19, Searefico actively negotiated with banks and, at the same time, supported its Subsidiaries in taking the initiative in financial control. Searefico still managed to maintain its financial ratios in a safe window, ensure timely payment of debts, and maintain a high credit rating with banks.

3.1 ASSETS

Unit: Billion VND

INDICATOR	2021	2020	% 2021/ 2020
Current assets	1.332,5	1.442,7	92,4%
Non-current assets	520,7	513,7	101,4%
Total assets	1.853,3	1.956,4	94,7%

Facing the impacts caused by COVID-19, Searefico actively negotiated with banks and, at the same time, supported its Subsidiaries in taking the initiative in financial control. Searefico still managed to maintain its financial ratios in a safe window, ensure timely payment of debts, and maintain a high credit rating with banks.

COMPOSITION OF
CURRENT ASSETS

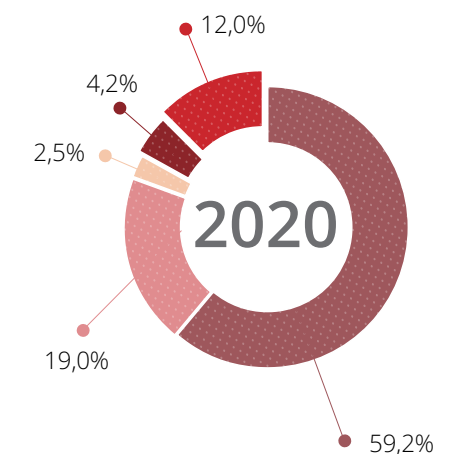
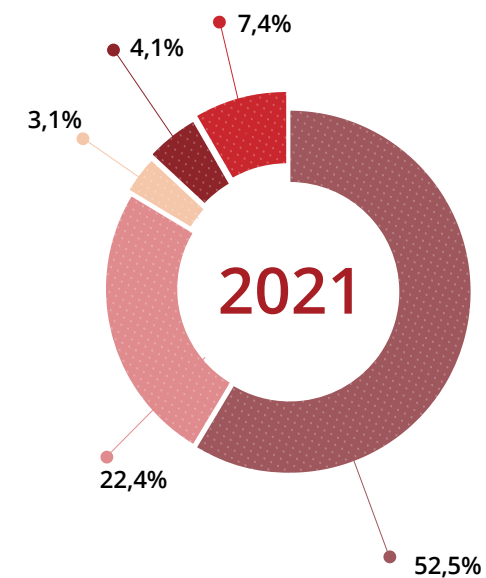
Short-term receivables accounted for 52.5% of current assets while values of inventories, short-term financial investments, and cash and cash equivalent accounted for 22.4%, 7.4%, and 4.1%, respectively. Receivables were reduced over that in previous year, which was mainly due to a decrease in revenue recognized in the period and the recovery of certain old debts.

COMPOSITION OF NON-
CURRENT ASSETS

Non-current assets consist of fixed assets, non-current financial investments, other non-current assets accounting for 52.4%, 31.9%, and 9.0%, respectively, in addition to others.

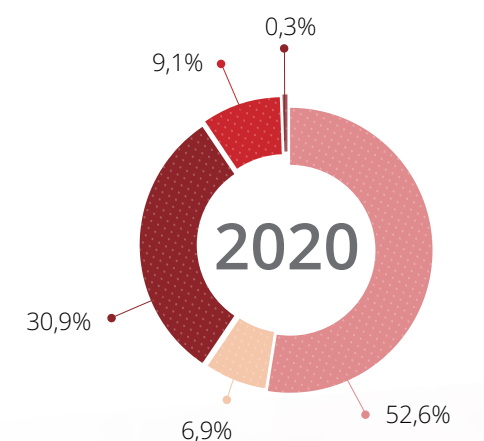
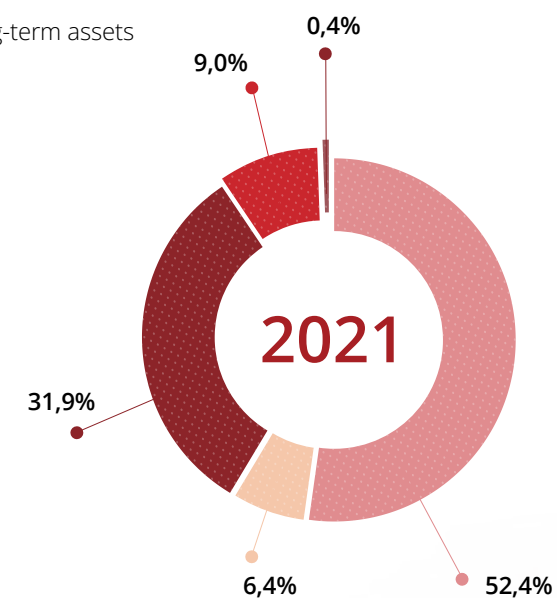
STRUCTURE OF SHORT-TERM ASSETS

- Account receivable
- Inventory
- Other short-term assets
- Cash and cash equivalent
- Short-term investment



STRUCTURE OF LONG-TERM ASSETS

- Long-term receivables
- Fixed assets
- Long-term assets in progress
- Long-term investment
- Other long-term assets



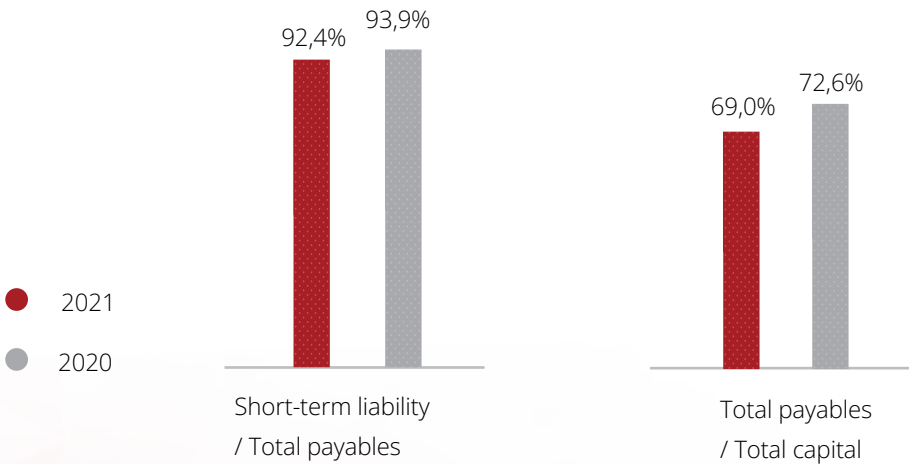
3.2 EQUITY

Unit: Billion VND

INDICATOR	2021	2020	% 2021/ 2020
Liabilities payable	1.279,6	1.419,6	90,1%
Current liabilities	1.182,9	1.332,4	88,8%
Non-current liabilities	96,7	87,3	110,7%
Owner's equity	573,7	536,7	106,9%
Total equity	1.853,3	1.956,4	94,7%

STRUCTURE OF THE CAPITAL

As of December 31, 2021, total liabilities payable of the Company was 1,279.6 billion VND, accounting for 69.0% of total equity, down by 72.6% over that in previous year. In 2021, Searefico took advantage of the policies of the state bank on restructuring debts and sought for new financial institution to actively apply for more credit limits and operating cash flows of the Company. It sought for and negotiated financial amounts at lower loan interest rates to optimize loan interest. Regarding the structure of liabilities payable, current and non-current liabilities accounted for 92.4% of total liabilities, respective.



3.3 INTEREST EXPENSE AND LOAN INTEREST

Unit: Billion VND

INDICATOR	UNIT	2021	2020
Short-term borrowings	Billion VND	607,2	710,9
Long-term borrowings	Billion VND	90,6	80,7
Interest expenses	Billion VND	36,5	44,8
Current ratio	Time	2,0	2,0

In 2021, interest expense of the Company was 36.5 billion VND, down by 8.3 billion VND over that in 2020. Ratio of interest expense to net revenue was 3.9%, an increase over that in 2020 (3.0%).

The main reason was due to delayed validation of volume, and project owners had financial difficulties due to the impact of the pandemic. This posed a challenge for the Company in terms of recovering debts, reducing debt burden, and improving profits.

4 IMPROVEMENTS IN ORGANISATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

COVID-19 has shown that every process, regulation, policy, or institution in any organisation needs to be minimalistic and flexible to adapt. In this year, Searefico carried out a comprehensive renewal of the system of policies and procedures in a leaner, more flexible and more efficient manner.

Changes and initiatives were encouraged with the introduction of Searefico Reinvention Project (SRP) by the Company in 2021, which has attracted enthusiastic participation from members of the entire Group. Many ideas for improvement and development of Searefico have been sent to SRP Board, including a lot of ideas and proposals that have been put into practice, helping the Company to improve its operations to be faster and more flexible.

5

FUTURE DEVELOPMENT PLAN

INDICATORS OF THE 2022 BUSINESS PLAN

Unit: Billion VND

INDICATOR	UNIT	2022 PLAN
Signed contract value	Billion VND	2.000
Revenue	Billion VND	1.800
Pre-tax profit	Billion VND	50
Earning after taxes	Billion VND	120
Expected rate of dividend / par value	%	15

“With positive signs in bidding process, Searefico expects its revenue to grow nearly double that in 2021.

With positive signs in bidding process, Searefico expects its revenue to grow nearly double that in 2021. The target of reaching 60 billion VND in earning before taxes is still lower than in the years before the pandemic, but this is a reasonable number in the post-COVID period when it is forecast that there are still many challenges. Although the economy in 2022 has recovered in the first two months of the year, there are still many risks affecting the Company's business activities such as complicated disease developments, rising inflation, and especially rapid increase in price of raw materials.

Along with focusing on increasing the performance in traditional business areas, Searefico will continue focusing on expanding the profit range in order to increase the benefits in the medium and long term for shareholders and looking for more opportunities to invest in industrial parks and for M&A deals to complete the value chain revolving around Searefico Group ecosystem. Searefico already has several M&A goals this year.

“Searefico will continue focusing on expanding the profit range in order to increase the benefits in the medium and long term

To achieve these goals, Searefico will continue the path of restructuring and handling the backlogs in 2021, including consolidating both financial and human resources. In particular, the task of replenishing human resources and forming a talented team with young, “tech-savvy” individuals is an urgent task to accompany Searefico Group to move forward faster and stronger.



RE-STRUCTURING THE SHAREHOLDERS AND INVESTMENT PORTFOLIO, INCREASING FINANCIAL RESOURCES

Regarding 2022 as the breakthrough year, Searefico aims at completing the plan to restructure its shareholders into an investment portfolio, and using capital in a smart and efficient way, focusing on investment in hi-tech and manufacturing sectors.

Specifically:

- Searefico sets the goal to mobilise 500 billion VND through raise capital, restructure investment portfolio, focusing on completing selling treasury shares, offering private shares to strategic partners this year. Increase the size and market capitalization of the Company to 1,000 billion VND based on real growth rate, improve the liquidity of SRF shares in the market, ensure the rights and benefits of shareholders.
- Restructure the investment portfolio in subsidiaries under Pure Holdings model, in which the Parent Company owns only 51% of the subsidiaries while inviting strategic partners to expand the market and engaging with professional and reputable investors to help the subsidiaries develop and expand their scale, as well as increase the scale of the Parent Company.
- In M&E and EPC general contractor fields, Searefico will look for more reputable investors and foreign contractors. For Arico and Greenpan, Searefico will choose strategic investors to strongly develop logistics, food processing, and auxiliary industrial machinery production fields. Seareal is oriented to become an investment company and the link connecting the investors in industrial park infrastructure field and, together with Searefico E&C, Arico and Greenpan, become an EPC general contractor ecosystem that supports each other for development.
- Meanwhile, in order to increase capital efficiency, Searefico will focus on restructuring the system, building a strong financial structure, aiming for subsidiaries to be self-sufficient in terms of capital sources and credit limits with banks, drastically recovering overdue, outstanding debts in a

“Increase the size and market capitalization of the Company to 1,000 billion VND based on real growth rate, improve the liquidity of SRF shares in the market, ensure the rights and benefits of shareholders.



INCREASE THE PROPORTION OF MANUFACTURING AND TECHNOLOGY PRODUCTION OVER 50% OF TOTAL REVENUE



In 2022, the Company will focus resources on this area with the expectation of reaching a higher profit margin. At the same time, the Company will continue to expand production activities with high engineering and technology content to catch up with technology trend of 4.0.

Vietnam is playing an increasingly important role in the global supply chain, attracting over 31 billion USD of FDI in 2021 with a strong growth rate of total import-export value, which creates many opportunities for logistics sector. Logistics activities were still quite fragmented as before, but the trend of shifting to centralized warehouse model, smart and extremely smart warehouses are growing at a very rapid pace following the trend of 4.0 and online selling nowadays. This is a sector which Searefico Group fully satisfies the needs and owns EPC technology.

In 2020 and 2021, many investors looked to Searefico Group for seeking investment cooperation opportunities. Some investors have been planning to build smart warehouses with a trillion-dong scale. However, this plan was delayed due to extended social distancing and travel restrictions imposed by the state. In 2022, the Company will focus resources on this area with the expectation of reaching a higher profit margin. At the same time, the Company will continue to expand production activities with high engineering and technology content to catch up with technology trend of 4.0.



The Company is also undertaking joint projects with domestic and foreign partners focusing on manufacturing machines and equipment in the field of air conditioning, fire protection, smart-home, 3D printing, electrical appliances, etc.

Besides Logistics, the Company will continue “switching” to new potential markets such as Data Center, Wind Power, and Heavy Industry. For the field of EPC technology general contractor, the Company will increase the focus on Industrial Technology and Construction while decrease the focus on Civil Works. It has set objectives for 2022 that revenue from Industrial Technology, Construction, and Civil Works will account for 50%, 20%, and 30%, respectively.

Under the impact of climate change, the government’s promotion and encouragement to switch to using green materials is a major shifting trend in building materials sector. After witnessing Greenpan’s revenue skyrocket, the Company is confident with its plan to set up a second Panel factory in the North, the region that has attracted the largest FDI in the past 2 years, aiming at production revenue in 2022 up by 35% and production value of 50% of total revenue by 2025.

Besides, the Company is also researching and developing new products to diversify its portfolio and increase competitive advantage. Promote insulation door business: The Company is also undertaking joint projects with domestic and foreign partners focusing on manufacturing machines and equipment in the field of air conditioning, fire protection, smart-home, 3D printing, electrical appliances, etc. The Board of Management of the Company is seriously working with these partners, in order to open up potential green oceans for future development.

Renewable energy field has confirmed its long-term trend in the development of the economy and society. However, being aware of the “supply” sources in the context of saturated energy generating projects and increased risks for newcomers, the Company has found potential markets related to energy transmission and storage, which will become a large market with lot of room for development. The promotion of market research with domestic and foreign partners is being actively carried out and promised to be a growth factor in technology field of the Company in the future.

DEVELOP
MANAGEMENT TEAM

Besides the target of capital mobilization, the Company continues to orient to attract qualified personnel from outside to raise internal strengths. In 2021, the Company actively recruited middle and senior management positions, but some positions still have not yet been filled.

Searefico has also built up and continue improving the system of career-oriented training programs to develop the succeeding leadership team in “tailor-made” direction for each leader and employee. This is the key to help Searefico Group affirm its position as a leading corporation in engineering and technology field.

- Recruit a sufficient number of senior personnel and successors to CEOs/ middle managers to complete the structure of Searefico Holdings.
- Arrange the right people with the right job, develop salary policy in accordance with the new strategy and with VUCA situation;
- Improve the quality of human resources, especially project management personnel;
- Design a career development roadmap for each group of positions and enhance effectiveness of training and development;
- Standardize the processes and instructional documents in a streamlined and effective spirit;
- Develop a Compensation and Benefits policy for CEOs and members of the Board of Management in compliance with VUCA situation, focusing on business efficiency and long-term commitment.
- Build an effective system of BSC/KRA/KPIs to motivate the Board of Management and employees so that they will be proactive and responsible at work.
- Share with and update financial and corporate governance knowledge for CEOs in Subsidiaries; support Subsidiaries’ CEOs to be proactive in financial control and corporate governance.



ENHANCE COMPETITIVE
CAPABILITY

The Company has been strongly transforming to enhance its competitive capability, effectively integrate the capability of each member unit in the entire Group’s value chain.

In 2022, the Company will focus resources on manufacturing and hi-tech fields. The ultimate goal is to create high-value products and services at more affordable prices in potential markets such as automation, cold storage, smart warehouse, new technologies in manufacturing field such as HVAC, BMS, F&B processing devices, pharmaceutical products, 3D printing, etc.

- Develop MAS/MIS management information system in 3 layers: Board of Directors, Board of Management, and Middle Management;
- Systematize the database, build up Data Warehouse “in the cloud” (iCloud), prepare for digital transformation;
- Select and apply appropriate task management software and other application software to increase the governance efficiency of Company;
- Speed up information processing to help the administrators make decisions quickly to adapt to new situations.

6 BOM’ EXPLANATIONS FOR THE
AUDITING OPINIONS

Not available.

REPORT OF THE BOARD OF DIRECTORS

1 OVERALL ASSESSMENT BY THE BOARD OF DIRECTORS

With the outbreak of the COVID-19 pandemic, the year of 2021 continues to be a challenging year to test the bravery and will of the BOD, the BOM and the entire staff of Searefico Group. Despite facing many difficulties and challenges, the warrior spirit, responsible dedication, and flexible adaption, which are known as core values of Searefers, have become the best vaccine to help the Company stand firmly and overcome the pandemic.

The BOD has always stood by and supported, along with the BOM to adjust business strategies and improve management efficiency. Many solutions have been implemented to flexibly adapt to changes in business environment, optimize costs, restructure the organisational apparatus in a streamlined manner, as well as recruit and develop high quality human resources for the future.

Despite the decrease in revenue and profit due to 5 months of lockdown and 3 months of travel restrictions, the Company still achieved remarkable results compared to average performance in the industry, completed the dual objectives of disease prevention and control and maintenance of business operations, taking care of employees' health, and keeping the promise and reputable with customers, banks, and partners.

Particularly, despite a year of great impact on the economy caused by Covid-19, the Company still excellently received a number of reputable awards, such as Top 100 Best Places to Work, Top 10 Enterprises with Excellent Business Culture in Vietnam, Top 500 Largest Private Enterprises in Vietnam, Top 5 Most Prestigious Mechanical and Electrical Contractors, as well as other merit certificates and awards for enterprises with positive contributions to the market and joining hands in the disease control and prevention efforts.

1.1 EVALUATION ON THE CONSOLIDATED BUSINESS AND PRODUCTION RESULTS IN 2021

Unit: Billion VND

INDICATOR	2021 PLAN	IMPLEMENTATION IN 2021	IMPLEMENTATION/PLAN
Signed contract value	1.600,0	2.323,1	145,2%
Revenue	1.350,0	930,4	68,9%
Earning before taxes	50,0	37,9	75,8%
Earning after taxes	43,0	34,4	79,9%

Like man enterprises in construction sector, traditional business lines of the Company suffered from great impacts when the supply chain is interrupted and projects are delayed or suspended as a result of the disease. Nevertheless, Searefico still affirmed its position by winning many high-value bid packages and iconic projects in Quarter 4 of 2021.

In 2020, as the traditional business sectors such as M&E and industrial refrigeration were severely affected by COVID-19, the Company actively adjusted mid- and long-term development plans, shifted focus to smart warehouse and EPC general contractor services to focus on potential customers in the technology and industry field.

During the year, the Company won the package for the largest smart warehouse in both terms of scale and capacity, which demonstrated its superiority in smart warehouse technology and EPC technology general contractor fields. These are fields with high engineering and technology content, implemented in the direction of becoming the leading company in engineering and technology field.

The strategy of increasing the proportion of production to 50% of total production and business revenue, which the Board of Directors has oriented since the years before the construction and tourism real estate markets began to face difficulties, has brought positive results. Greenpan factory with PIR panel as its main product – a new generation of building materials with the attributes of heat insulation, sound insulation, moisture insulation, fire resistance, and antibacterial effect, produced by a synchronous line using the most modern technology in the world – recorded strong growth in revenue and earnings in 2021.

Besides PIR products, with the determination to create leading products and services for global launch and the pride in Made in Vietnam, in 2021, Arico, a subsidiary of Searefico, launched many new products in F&B, Food Industry and carbon fiber bicycle frame sectors. These initial successes have helped the Company confidently plan to expand its portfolio of products and services with higher technology content.

These achievements help enhance Searefico's competitiveness thanks to:

Consistent strategy with flexible application

Be consistent with the orientation of sustainable development combined with the strategy of re-structuring the organisation following a flexible adaptive model, increasing the speed, improving working efficiency

Internal communication

Activities are focused on creating the motivation for employees and evoking the spirit of overcoming difficulties and increasing the engagement of employees. After overcoming a lot of challenges, the Company's staff is still full of fighting spirit with aspirations and ambitions.

Take care of building a leadership team

The Board of Directors is directly involved in recruiting senior personnel and helps with rejuvenating the leadership team. Changes to personnel recruitment policy and development philosophy, such as: future recruitment, potential-based appointment, assignment of difficult tasks to skillful ones, entrusting in future talents.

Corporate governance and business management capability is improved day by day

In 2021, many important reforms have been implemented from top to bottom (Top Down). First, the Board of Directors was restructured to ensure that one third of the members were independent in accordance with the requirements for listed companies. Then, the Board of Directors adopted the Audit Committee model to strengthen internal audit and risk management capacity and established the Salary and Compensation and Organisational Development Committee to improve and clarify the personnel policy system;

Take corporate culture as the foundation

The Board of Directors continued to direct and orient the Board of Management to build Searefico as a development environment with union, consensus, and determination in the spirit of One Searefico. The core values and cultural attributes of Searefiers are communicated daily to employees and relevant stakeholders. The Company also contributes to building a set of business culture criteria and joins the community of businesses that meet Vietnamese business culture standards, supports and learns from peer organisations, and contributes to revealing new perceptions about new governance method.

1.2 EVALUATION BY THE BOARD OF DIRECTORS ON THE OPERATION OF THE BOARD OF MANAGEMENT

The Board of Management faced the pandemic with perseverance, resilience and flexible adaptability - taking many efforts to overcome difficulties and timely help the Company balance cash flows, stabilize production and business activities and make breakthrough in bidding activities to achieve the largest contract sales ever.

Upon the transition from Operating Holdings to Pure Holdings model, the Board of Management has step by step streamlined the entire management apparatus, initially promoting the role of a connection and value-adding center for satellites in the ecosystem of Searefico Group. Under the direction of the Board of Directors, the Board of Management has made deliberate interventions with specific roadmaps and goals to create new, better versions of the Company's organisational development roadmap.

The Company has organized many emulation programs and Restructuring Projects (SRP) to promote change and encourage creativity and motivation for employees' career development. Many internal communication activities and emails from the BOM are encouraging and motivating messages to spread positive thoughts, increase engagement, reduce resistance and optimistically move forward.

As a result, after a year of harsh challenges, the team of Searefico Group remains cohesive, united, dedicated, and responsible. The warrior spirit to overcome difficulties and the strength from endogenous resources of Searefiers helped the Company bounce back strongly like a compressed spring.

1.3 POINTS OF IMPROVEMENT

An important task in the transition from Operating Holdings model to Pure Holdings model is to develop the succeeding leadership team up to the level of new tasks with higher goals and greater challenges. During the year, the Company has appointed a number of young leaders that, though still being inexperienced, are bold, tech-savvy, and updated with new mindsets and technological trends. The existing problem is that the Company has not yet recruited sufficient number of mid-level and senior-level personnel according to the plan. Many projects such as Restructuring, Digital Transformation, and Knowledge Management were delayed due to insufficient human resources.

Implementing the policy of the Board of Directors, the Board of Management is set to promote financial restructuring plans, adjust the investment portfolio towards the goal

of increasing the proportion of production, improving the profitability, and maximizing profits and benefits for shareholders... but in general, progress and results have not been as expected, partly due to the impact of the pandemic, and, as a result, the Company missed many investment and M&A opportunities in a number of fields in line with the Company's core competencies.

In 2021, the Board of Management has made great efforts in debt recovery, but there are still some doubtful debts that have not been completely resolved as most of investors face difficulties due to the prolonged pandemic. Prolonged outstanding debt made it difficult for the Company to balance its cash flows. The Board of Management needs to drastically change its debt collection method to be more creative and flexible, minimize risks, and protect the interests of the Company.

2 PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

2022 is a special year in the "new normal" context after a number of severe post-COVID events, impacts, and consequences. Searefico has prepared "New Mindset" to quickly adapt and respond to changes. The traditional ways of thinking and doing things many years ago must be replaced. New habits requiring greater flexibility and faster speed should be adopted.

A culture of lifelong learning, creative thinking, and innovative spirit must be strongly promoted. It is essential to actively anticipate opportunities, boldly invest in high-tech fields, new materials and new technologies, strengthen international cooperation, and continually seek for opportunities for M&A, joint venture and association.

People and management systems are a challenge for any business on the journey of development. The Company will focus on consolidating its management system and fostering human resources and retaining talents. The strategy of diversifying the fields of activities, expanding the markets, and increasing the proportion of production also requires to re-design the organisation, re-evaluate core competencies, as well as adapt to cultural change processes, etc. so that there are practical solutions to build and develop new endogenous resources besides external ones.

Searefico aspires for sustainability and longevity. This is an important stage to establish important foundations for future development requirements.

2.1 SHORT-TERM PLANS

Regain the momentum of increasing revenue and profit after the pandemic

Reach the targets of contracted sales of 2,000 billion VND, revenue of 1,800 billion VND and earnings after taxes of 50 billion VND in 2022. The Company aims to focus resources on projects with fast execution time to optimize the cash flows, such as projects in the fields of industry and technology.

Focus on organisational development activities

Complete the management information system to help the Board of Management and the Board of Directors to make quick and accurate decisions. Management By Objective with performance management and measurement tools focuses more on results than processes. Improve the management system and deploy digital applications to improve labor productivity.

2.2 LONG-TERM ORIENTATIONS

In order to continue the development in a speedy and sustainable manner, the Company needs greater efforts in many aspects in the coming years. The Board of Directors sets out a number of strategic orientations for 2022 as follows:

Increase the Company's value

Through Restructuring Project (SRP Phase 2), Smart Digital Platform (SDP) Transformation, Knowledge Management, PR activities and promotion of new brand image

Corporate culture development

Further emphasize the identity of Searefico and standardize activities related to the first and second levels of culture, build up a brand identity system according to Pure Holdings model, and publish a Culture Manual together with the Code of Conduct of the Company.

Develop the employer brand

With the goal of maintaining the position in Top 100 Best Places to Work in Vietnam with modern, civilized workspace, clear work processes and instructions, competitiveness, bonus and welfare policies, richful career development opportunities, to become the top sought-after employer for candidates in the industry.

Permanently resolve outstanding issues

Actively settle and collect all overdue and doubtful debts during the year. Recruit employees for missing positions and complete the personnel apparatus. Replace the unfinished but ineffective ERP system with a new system that is more flexible and suitable with Cloud Base trend.

Expand the shareholder structure and investment portfolio according to Pure Holdings model

Seek for suitable strategic partners, raise the charter capital to meet investment and M&A needs, increase the proportion of production, and complete the business ecosystem of Searefico Group

Improve operational efficiency and governance practices

In accordance with international standards, improve professional qualifications and leadership capacity to promote the development.

Development of investor relations

Be proactive and transparent in information disclosure, diversify the channels for disclosing information to shareholders, ensuring the rights and equality for investors/shareholders.

Become a community-driven business

Continue maintaining the sponsorship from 10% of annual welfare fund of the Board of Directors for environmental protection programs and community activities. Implement charitable and social work activities with priority given to programs that offer long-term benefits in various forms.

3

REPORT ON OPERATIONS OF INTERNAL AUDIT IN 2021

The General Meeting of Shareholders on 04/20/2021 adopted the organisational, governance, and control structures of Searefico, including: GMS, BOD with Audit Committee under BOD, and CEO. This was an important change in the reform of the governance of the Company in compliance with good practices for listed companies. At the same time, in compliance with Decree No. 05/2019/ND-CP dated 04/14/2021, the Board of Directors established the Internal Audit Department to implement the internal audit function in the listed company.

In 2021, when the Audit Committee was not yet established, the Board of Directors decided to assign Mr. Lê Quang Phúc - an independent member of BOM, to be directly responsible for directing and supervising the activities of the Internal Audit Department.

ABOUT INTERNAL AUDIT DEPARTMENT

The Internal Audit Department ("Internal Audit") is a functional unit that serves as the third line of defense in terms of internal control for Searefico Group.

MAIN TASKS OF INTERNAL AUDIT DEPARTMENT


To independently and objectively inspect and evaluate the truthfulness of quarterly, semi-annual and annual financial statements, the compliance with provisions of law and internal regulations of the Company; the effectiveness and efficiency of the Internal Control system, management processes, and risk management processes; the implementation of strategic/operational objectives, plans and expectations of the Board of Directors.


To propose measures to correct and resolve errors, and to promote and improve the effectiveness and efficiency of the Internal Control System.

To perform other duties as decided by the Board of Directors/Audit Committee, in accordance with the Internal Audit Regulations.

ACTIVITIES OF INTERNAL AUDIT DEPARTMENT

During the year, the Internal Audit Department prepared 02 documents for internal audit activities approved by the Board of Directors, including:

 Internal Audit Regulations setting out the regulations on objectives, scope of activities, positions, tasks, powers and responsibilities of Internal Audit.

 Internal Audit Process and Methods, which is the manual for Internal Auditors to use and follow to ensure consistent and satisfactory audit quality.

To check the compliance with the provisions of law, the Company's Charter, Internal Rules, internal management regulations of the units.

To check the compliance with tax obligations, mandatory insurance and other financial obligations.

To inspect and evaluate the quarterly, semi-annual and annual financial statements of the Company and its subsidiaries.

To discuss with independent audit entities about newly arising problems and risks discovered through the audit process, along with solutions to limit and prevent risks.

RESULTS OF CHECKING
THE INTERNAL AUDIT'S
PERFORMANCE

To evaluate the implementation of business goals in the year of the Company and its subsidiaries.

To propose solutions to repair and resolve errors and measures to improve the internal control system and corporate governance while monitor and speed up the implementation of post-audit recommendations.

To report to the Board of Directors on activities and issues discovered through the audit and recommendations of the Internal Audit.

Results of checking the compliance with laws and internal regulations

- The Company and its subsidiaries have fully fulfilled their financial obligations to the State, employees and other requirements as prescribed by Law.
- No individual or entity was found to have failed to comply with the provisions of law and internal regulations of the Company.

Results of checking risk management

- Internal Audit highly appreciates the role of timely prevention, detection, and resolution of risks that the Internal Control of the Company and its subsidiaries has performed. There was no significant loss in relation to identified and controlled risks during the past year.
- The Board of Management of the Company has flexibly responded to the risks caused by the Covid pandemic; published simulating scenarios and response actions to cope with risks, as well as set up an emergency response team. Moreover, Searefico also adopts the policies to support the employees that have to leave or suspend their jobs due to Covid-19 impacts.

Results of checking the financial statements

- The independent audit firm has audited the consolidated financial statements and separate financial statements of the Parent Company for 6 months and the whole year. The Internal Audit Department has reviewed the quarterly, biannual, and annual financial statements and agreed with the independent auditor's assessment.
- Transactions with related parties were fully controlled and disclosed, no problem was detected. During the year, there was no transaction between the insiders and their related persons with the subsidiaries and entities controlled by the Company.
- The financial statements are prepared and presented honestly, in compliance with VAS accounting standards and applicable regulations; no material misstatement was detected that would falsify the financial statements.

RESULTS OF KEY INDICATORS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Unit: Billion VND

NO.	ITEM	2021	2020	% 2021/ 2020
1	Total assets	1.853,3	1.956,4	94,7%
2	Owner's equity	573,7	536,7	106,9%
3	Net revenue	930,4	1.486,3	62,6%
4	Earning before taxes	37,9	47,0	80,7%
5	Earning after taxes	34,4	42,9	80,1%
6	Earnings after taxes / average owner's equity (ROE)	6,2%	8,2%	-2,0%
7	Earnings after taxes / average total assets (ROA)	1,8%	2,2%	-0,4%
8	Earnings after taxes / net revenue	3,7%	2,9%	0,8%

Comment

Due to impacts of Covid-19 pandemic and social distancing period, the Company's revenue for the year decreased, reaching only about 62.6% of that in 2020. However, thanks to flexible risk management solutions and measures to adapt to volatile situation and the pandemic, the Company's consolidated earnings reached 80.1% of that in previous year. Ratio of earnings after taxes to net revenue reached 3.7%, up by 0.8% and owner's equity grew by 6.9% over that in 2020.

ASSESSMENT OF INTERNAL
AUDIT ACTIVITIES

- Internal audit function has only been implemented since April 2021, but initially it has made a significant contribution to the improvement of internal control and risk management system.
- The coordination between the CEO and the Board of Directors in managing Internal Audit function has helped the Internal Audit to promote its role properly and support other divisions in risk management and compliance matters before, during and after the operations.
- Internal audit results show that the audited entities comply with the procedures properly.
- Recommendations made by Internal Audit are recognized and implemented by relevant parties, and are monitored by the Internal Audit for renew or closure.
- Evaluation results show that internal audit is playing an important role and has sufficient capacity to implement the approved internal audit plan, contributing to the improvement of the internal control system.

4 ACTIVITIES OF MEMBERS OF THE BOARD OF DIRECTORS

In 2021, the BOD of Searefico has 6 members, including 1 independent member and 5 non-executive members. Members of the BOD actively participate in strategic planning, compliance control, and monitoring activities of the CEO and the Board of Management to ensure the compliance with laws and internal regulations on corporate governance.

RECOMMENDATIONS BY THE INDEPENDENT MEMBERS OF BOD

The BOD is recommended to streamline the operational system of the Internal Audit

The BOD is recommended to orient and set up the mechanism, resources, and budget to:

- Strengthen and enhance the performance of risk management system and Internal Control of Searefico Group.
- Strengthen the quality of human resources in relation to risk management and internal control of the Internal Audit.
- Complete risk control procedures of Searefico Group.

Recommendations to the Board of Management:

- Continue improving and completing the existing document management system in line with the Holdings Company model and in compliance with the requirements on risk management under 3-line model.
- Organize continuous and periodic communication about business goals, Company culture, risk management and document management system of the Company.
- Continue deploying and controlling risk management activities across Searefico Group.

GENERAL ASSESSMENT OF ACTIVITIES OF THE BOARD OF DIRECTORS

- The BOD carried out its activities in accordance with the operation plan of the Board of Directors in 2021, in compliance with the Company's Charter and the Internal Regulations on Corporate Governance; completed most of the programs and action matters of the BOD.
- Meetings of the BOD were convened and carried out with specific schedules and careful preparation of documents. Meeting content was carefully discussed and evaluated by the members of the BOD to make the best decisions for the Company.
- All members of the BOD have a high sense of responsibility and are cautious in performing their roles, rights and responsibilities.
- The BOD regularly exchanged and discussed with the BOM to promptly support the BOD in the operation of the Company, and perform well the supervision and control of the operations.
- The 4th wave of Covid-19 pandemic with nearly 5 months of social distancing, has had a profound impact on the Company's production and business activities. However, the BOD has led and managed flexibly, helping the Company overcome the pandemic and achieve satisfactory sales, revenue and earning targets; properly fulfill the obligations to the State budget and generate a relatively stable income for employees.
- The Chairman of the BOD actively participated in the activities of building up corporate culture, internal communication and organisational development of the Company.

EVALUATION OF THE SUPERVISION OVER THE CEO AND THE BOARD OF MANAGEMENT

- In general, the BOD has done a good job of supervising the CEO, ensuring that the Company's activities are always under control, in compliance with appropriate strategic direction and actual situations.
- The Chairman of the BOD and some members of the BOD regularly attended meetings of the Board of Management. Several decisions of the CEO have been analyzed, critiqued and consulted by the BOD to achieve optimal results for the Company.
 - The BOD also regularly reviewed the reports BOM to understand the Company's operations as well as get the most up-to-date business information.
 - The Chairman of the BOD and some members actively supported the CEO and the BOM in a number of areas and activities; especially in risk management field, to early identify issues that need to be handled, maintain sustainable and continuous business operations, and protect the interests of shareholders and investors.



UNITED WE FIGHT

UNITY WE STAND

The playing style of a soccer team reflects the mindset and characteristics of the Coach. The organisational culture of a business echoes the DNA genome and the integrity of the Team. The history of soccer has many times recorded the overwhelming comebacks, knocking down the giants.

SECTION IV

CORPORATE GOVERNANCE

Corporate governance will reach a higher level when people of SEAREFICO on all fronts always work together fluently, remove obstacles, and aim for the goal ahead.

1 MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors of the Company comprises of 6 members, including 02 independent members. On 12/31/2021, Mr. Lee Men Leng resigned and on 02/25/2022, the General Meeting of Shareholders elected Mr. Phạm Kyle Tuấn Anh as an independent member of the Board of Directors to replace Mr. Lee Men Leng.

NO.	FULL NAME	POSITION	NATIONALITY	OWNERSHIP RATIO
1	Lê Tấn Phước	Chairman of BOD	Vietnamese	2,66%
2	Nguyễn Hữu Thịnh	Non-Executive Member of BOD	Vietnamese	4,26%
3	Ryota Fukuda	Non-Executive Member of BOD	Japanese	0%
4	Nishi Masayuki	Non-Executive Member of BOD	Japanese	0%
5	Lee Men Leng	Non-Executive Member of BOD (Resigned on 12/31/2021)	Malaysian	0%
6	Phạm Kyle Tuấn Anh	Independent member of BOD (Additionally elected on 02/25/2022)	Australian	0%
7	Lê Quang Phúc	Independent member of BOD	Vietnamese	0%

2 SUBCOMMITTEES OF THE BOARD OF DIRECTORS

MEMBERS OF THE AUDIT COMMITTEE

OPERATIONS OF THE AUDIT COMMITTEE

MEMBER OF THE COMMITTEE

OPERATIONS OF THE COMMITTEE

AUDIT COMMITTEE

NO.	Member of the Audit Committee	Position	Start date
1	Mr. Phạm Kyle Tuấn Anh	Chairman of the Audit Committee	09/03/2022
2	Mr. Nguyễn Hữu Thịnh	Member of the Audit Committee	09/03/2022

The Audit Committee was founded by the Board of Directors on 03/09/2022. When it was not yet founded, the Board of Directors assigned independent members of BOD to supervise the operations of Internal Audit Department. For details of Internal Audit operations, please refer to the Report of the independent member of BOD on internal audit operations

COMPENSATION & BENEFITS AND ORGANISATION DEVELOPMENT COMMITTEE

NO.	Member of the Committee	Position	Start date
1	Mr. Lê Quang Phúc	Chairman of the Committee	15/12/2021
2	Mr. Nguyễn Hữu Thịnh	Member of the Committee	15/12/2021

To chair the development of compensation and benefits policies for members of BOD and other personnel of sub-committees of BOD, Compensation and Benefits policies for corporate executives and managers. To give advice to BOD regarding compensation and bonus policies for executive officers.

3

OPERATIONS OF THE BOARD OF DIRECTORS

Periodically, the 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 BOD are held in either online or offline formart and election votes on discussed matters are collected directly or via email.

In 2021, the BOD held 11 meetings and issued Resolutions/ Decisions. All of meetings of BOD were attended by 100% of members of BOD.

Details of Resolutions/Decisions issued during the year are as follows:

NO.	RESOLUTION NUMBER	DATE	CONTENT
1	001/NQ/HĐQT/21	25/01/2021	Appointing the Standing Deputy General Director
2	002/ NQ/HĐQT/21	01/03/2021	Held the 2020 Annual General Meeting of Shareholders
3	002A/ NQ HĐQT/21	14/04/2021	Established the Internal Audit Department
4	003/ NQ/HĐQT/21	15/04/2021	Relieved debts in Nghi Son, Gain Lucky, and P&G projects
5	004/ NQ/HĐQT/21	15/04/2021	Raising the charter capital of SEAREAL Real Estate Joint Stock Company
6	005/ NQ/HĐQT/21	15/04/2021	Merged HR Department and Administrative Department
7	005A/NQ/HĐQT/21	15/04/2021	Merging SEAREE into SEAREFICO E&C
8	005B/ NQ/HĐQT/21	15/04/2021	Rejected the raise of charter capital of SEAREE from 50 billion VND to 70 billion VND
9	006/ NQ/HĐQT/21	20/04/2021	Remuneration of BOD and Board of Supervisors in 2021
10	007/NQ/SRF/HĐQT/21	15/07/2021	Carried out the stock issuing plan for payment of dividends in 2020
11	008/NQ/SRF/HĐQT/21	28/07/2021	Issued the framework for evaluation of performance of members of BOD

NO.	RESOLUTION NUMBER	DATE	CONTENT
12	009/NQ/SRF/HĐQT/21	11/08/2021	Appointed Mr. Phan Thành Long to hold the position of Chief Financial Officer of SEAREFICO
13	010/NQ/SRF/HĐQT/21	21/08/2021	Issued the decentralization of power of BOD
14	011/NQ/SRF/HĐQT/21	08/09/2021	Collected shareholders' written opinion on adjusting the registered business lines of the Company to respond to the procedures on adjustment of foreign investors' holding ratio to 100%.
15	012/NQ/SRF/HĐQT/21	08/09/2021	Strategy to shift production and business activities
16	013/NQ/SRF/HĐQT/21	08/09/2021	Resolved and collected debts
17	014/NQ/SRF/HĐQT/21	08/09/2021	Sought strategic partners for subsidiaries
18	015/NQ/SRF/HĐQT/21	08/09/2021	Publishing the regulations on operation of the Audit Committee
19	016/NQ/SRF/HĐQT/21	08/09/2021	Transactions of the Company, branches and subsidiaries at banks
20	017/NQ/SRF/HĐQT/21	08/09/2021	Issued the Regulations on the representative of Searefico's capital in other companies
21	018/NQ/SRF/HĐQT/21	08/09/2021	Assigning the representative of Searefico's capital in SEAREFICO E&C
22	019/NQ/SRF/HĐQT/21	08/09/2021	Registered to increase charter capital, amend the Company's Charter, depository and additional listing of shares
23	020/NQ/SRF/HĐQT/21	08/09/2021	Amending business lines and Charter of the Company
24	021/NQ/SRF/HĐQT/21	08/09/2021	Issued the regulations on legal representative of the Company
25	022/NQ/SRF/HĐQT/21	08/09/2021	Established Compensation and Benefits and Organisational Development Committee
26	023/NQ/SRF/HĐQT/21	08/09/2021	Resolved and collected debts with Au Vung
27	024/NQ/SRF/HĐQT/21	08/09/2021	Resolved and collected debts with Descon

NO.	RESOLUTION NUMBER	DATE	CONTENT
1	001-022/QĐ/HĐQT/21	24/02/2021	Decisions on compensation and bonus
2	023/QĐ/HĐQT/21	24/02/2021	Dismissed the Standing Deputy General Director
3	024/QĐ/HĐQT/21	10/03/2021	Assigned the plan and BSC for 2021
4	025/QĐ/HĐQT/21	14/04/2021	Appointed the Alternate Head of Internal Audit Department
5	026/QĐ/HĐQT/21	10/03/2021	Established the Organisational Reconstruction Project Committee
6	026A/QĐ/HĐQT/21	07/06/2021	Separated Industrial Refrigeration Division of SEAREE M&E and merged into ARICO
7	027/QĐ/SRF/HĐQT/21	01/07/2021	Changed the tasks and supplementing members of Organisational Reconstruction Project Committee
8	029/QĐ/SRF/HĐQT/21	11/08/2021	Salary of Mr. Phan Thành Long as the Chief Financial Officer
9	030/QĐ/SRF/HĐQT/21	19/08/2021	Last registration date for fixing the list of shareholders to receive stock dividends in 2020
10	031/QĐ/SRF/HĐQT/21	25/10/2021	Adjusted salary and allowance of Mr. Trần Đình Mười - Vice CEO of Searefico
11	032/QĐ/SRF/HĐQT/21	31/12/2021	Adjusted salary and allowance of Mr. Nguyễn Quốc Cường - Vice CEO of Searefico

4

CORPORATE GOVERNANCE TRAINING

Some members of the BOD have graduated with a Master of Business Administration.

In addition, the members of the BOD and BOM regularly research and update their knowledge of corporate governance through courses and legal documents on corporate governance, specifically Mr. Nguyễn Hữu Thịnh - Member of the BOD, Ms. Nguyễn Thị Thanh Hương - CEO and Mr. Trần Đình Mười - Vice CEO attended the course and received the Certificate of Member of the BOD issued by VIOD.

5

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

NO.	FULL NAME	2021 (VND/YEAR)
I Board of Directors		1.560.000.000
1	Lê Tấn Phước	360.000.000
2	Nguyễn Hữu Thịnh	240.000.000
3	Ryota Fukuda	240.000.000
4	Nishi Masayuki	240.000.000
5	Lee Men Leng	240.000.000
6	Lê Quang Phúc	240.000.000
II Board of Supervisors		113.666.667
1	Nguyễn Châu Trần	55.000.000
2	Bùi Văn Quyết	29.333.333
3	Dương Thị Kim Thoa	29.333.333
TOTAL		1.673.666.667

6

STOCK TRADING BY INSIDERS

NO.	PERSON	RELATIONSHIP WITH INTERNAL SHAREHOLDER(S)	NUMBER OF SHARES HELD AT THE START OF THE PERIOD		NUMBER OF SHARES HELD AT THE END OF THE PERIOD		REASON INCREASE/DECREASE
			Quantity	Proportion	Quantity	Proportion	
1	Nguyễn Thị Hồng	Mr. Nguyễn Hữu Thịnh's wife	668.816	2,06%	867.697	2,44%	Increased ownership ratio
2	Hà Hạnh Hoa	Mr. Phạm Ngọc Sơn's wife	16.000	0,05%	196.471	0,55%	Increased ownership ratio

7

CONTRACTS OR TRANSACTIONS
WITH RELATED PARTIES

NAME OF ORGANISATION	RELATIONSHIP WITH THE COMPANY	HEAD OFFICE	TRANSACTION METHOD
SEAREE JSC	Subsidiary	Road No. 10, Hòa Khánh IZ, Liên Chiểu District, Đà Nẵng City	Purchase of construction services Deinvestment Interest expenses Provision of construction services Provision of other services
SEAREFICO E&C	Subsidiary	No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	Purchase of construction services Interest income Provision of other services Sales of SEAREE stock Capital contribution
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Lot 25-27, Central Road, Tân Tạo IZ, Tân Tạo Ward, Bình Tân District, Hồ Chí Minh City	Receiving dividends Interest expenses Purchase of other goods Capital contribution Provision of other services
GREENPAN Joint Stock Company	Subsidiary	Lot 25-27, Central Road, Tân Tạo IZ, Tân Tạo Ward, Bình Tân District, HCMC	Purchase of goods Interest expenses
Thừa Thiên Huế Construction Joint Stock Corporation	Associate	Lot 9 Phạm Văn Đồng, Huế City, Thừa Thiên Huế Province	Receiving dividends Purchase of construction services
Phoenix Energy & Automation Joint Stock Company	Associate	No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	Interest income

Transaction details:

RELATED PARTY	RELATIONSHIP	CONTENT OF THE TRANSACTION	2021 (VND)
Purchase of goods, services, and other transactions			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Debt	65.300.000.000
		Repayment	65.300.000.000
		Capital contribution	16.800.000.000
		Dividend profit	8.568.000.000
		Interest expense	513.883.693
		Purchase of goods	2.040.000
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Capital contribution	79.670.000.000
		Transfer of Searee's shares	36.850.000.000
		Interest income	2.373.597.017
		Lendings	1.000.000.000
		Selling of goods	688.875.000
		Purchase of construction services	72.855.376.288
Thừa Thiên Huế Construction Joint Stock Corporation	Associate	Receipt of dividends	10.291.050.000
		Purchase of construction services	3.786.555.830
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Other income	903.566.015
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Payback	36.850.000.000
		Lendings	1.450.000.000
		Loan collection	1.300.000.000
		Debt	404.000.000
		Repayment	16.887.321.856
		Interest expense	412.636.548
		Capital contribution	200.000.000
		Purchase of construction services	8.672.175.939
GREENPAN Joint Stock Company	Subsidiary	Deb	4.560.000.000
		Interest expense	1.399.233
		Purchase of goods	26.618.577

RELATED PARTY	RELATIONSHIP	CONTENT OF THE TRANSACTION	2021 (VND)
Sales of goods and services			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Other services	4.962.814.164
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Construction services Other services	740.250.443 2.087.291.909
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Other services	1.692.809.122
Short-term receivables from customers			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Provision of other services	2.020.205.012
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Provision of other services	2.893.370.153
GREENPAN Joint Stock Company	Subsidiary	Provision of other services	248.658.795
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Sales	9.443.700.011
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Provision of other services	1.021.794.967
Advanced payments to suppliers			
GREENPAN Joint Stock Company	Subsidiary	Purchase of goods	2.679.957.113
Formtek Engineering Joint Stock Company	Related party	Purchase of construction services	200.999.662

RELATED PARTY	RELATIONSHIP	CONTENT OF THE TRANSACTION	2021 (VND)
Other current receivables			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Receipt of dividends Others	6.048.000.000 53.003.077
International Water Investment and Technology JSC	Related party	Interest income	658.643.288
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Receipt of dividends Others	1.694.166.667 225.855.475
GREENPAN Joint Stock Company	Subsidiary	Others	195.777.411
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Others	239.059.085
SEAREAL Real Estate Joint Stock Company	Subsidiary	Others	20.039.763.000
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Others	8.249.168.612
Payables to customers			
Thừa Thiên Huế Construction Joint Stock Corporation	Associate	Purchase of construction services	5.019.707.215
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Purchase of construction services	62.640.468.020
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Purchase of construction services	38.823.787.273
Prepayment from buyers			
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Purchase of construction services	9.269.000.000

RELATED PARTY	RELATIONSHIP	CONTENT OF THE TRANSACTION	2021 (VND)
Short-term borrowings			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Borrowings	500.000.000
GREENPAN Joint Stock Company	Subsidiary	Borrowings	4.560.000.000
Short-term			
Asia Refrigeration Industry Joint Stock Company (ARICO)	Subsidiary	Interest expenses	163.472.414
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Pay on behalf	5.673.510
GREENPAN Joint Stock Company	Subsidiary	Interest expenses	1.399.233
Short-term loan receivables			
SEAREFICO Engineering & Construction Joint Stock Company (SEAREFICO E&C)	Subsidiary	Lendings	1.000.000.000
SEAREE Refrigeration Electrical Engineering Corporation (SEAREE)	Subsidiary	Lendings	150.000.000
Long-term repayments to suppliers			
GREENPAN Joint Stock Company	Subsidiary	Construction service	3.000.000.000

8

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 and strictly applied them to the Company's internal management. Corporate governance reports are submitted to the State Securities Commission and Hồ Chí Minh City Stock Exchange and published on the Company's website in accordance with regulations.



SETTING THE PRESENT SHAPING THE FUTURE

From the field, the small street to the largest soccer mecca on the planet, the round ball is still rolling to carry out the mission of connecting like-minded hearts. The desire has never cooled down the power of the king sport spreads phenomenally, inspiring dedication to a better world.

SECTION V

SUSTAINABLE DEVELOPMENT REPORT

Crystallizing the values of LIVES KINDLY - WORK HARDLY - LEAVES LEGACY, after decades of business development, we have set an aspiration to 2030, striving to turn social responsibility and responsibility for environmental protection into an integral part of a sustainable business strategy.

To overcome complex challenges requiring long-term coordination, building a society where all of us can work together is the goal that we are dedicated to.



“

We build a strong foundation to prepare for the future. At Searefico, we are aware of our mission to create general value to stakeholders - customers, partners, the environment, the community, the country and the world.

Leveraging the power of engineering and technology, Searefico persistently implements its commitments and promotes all efforts to prioritize the implementation of sustainable development plans to increase positive impacts on people, community, environment and society.

The legacy we want to leave behind is the humanity and compassion in each of our actions as it will be untouched by time.

1 COMMIT TO EMPLOYEES WITH A HEALTHY AND POSITIVE DEVELOPMENT ENVIRONMENT

To Searefiers, the cohesion come from the harmony between vision, mission, core values and beliefs, emotions, thus motivating and stimulate creativity, contributing to the creation of a strong team with organisational structure focusing on right person with right job at the right time is the key to create strength, unlock the potential for each person to develop more comprehensively, making Searefico Group a continuous development environment in the journey of sustainable development.



2 COMMIT TO THE SHAREHOLDERS WITH MAXIMUM AND SUSTAINABLE BENEFITS

The first priority of the Company is to maximize the value of the business in a sustainable way. Along with the culture of transparency, which is always focused on preserving, the interests of shareholders are always fulfilled by the Company as committed by maintaining a stable dividend payout ratio.

FOR EXISTING SHAREHOLDERS

Not only complying with the regulations on information disclosure of a listed public company, the Company also listens and responds as quickly as possible to all comments and requests of shareholders.

FOR STRATEGIC SHAREHOLDERS

With the strategic cooperation with Taisei Oncho and Sanyo Engineering & Construction - 02 leading mechanical & electrical Japanese contractors which are reputable in domestic and foreign markets, 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 for EPC, D&B in construction and M&E.

In addition, the investment in Greenpan factory with the main product, PIR - new material panel, has helped enhance the position of Searefico Holdings's industrial refrigeration industry.

Information transparency is always the top criteria of the Company. The information about audited financial statements, business plans, winning information, share issuance plans, etc. is always quickly and accurately communicated to shareholders and investors through communication channels and mass media:

EXCHANGE ACTIVITIES WITH INVESTORS AND SHAREHOLDERS

Exchange activities, direct and indirect contact with investors and shareholders through the website of the Company, State Securities Commission, and Hồ Chí Minh City Stock Exchange. In addition, the Company regularly meets with investors wishing to learn about Company activities and seek investment cooperation opportunities.

MEDIA CHANNELS OF THE COMPANY

Through website and social network, etc. For important information, the Company posts on newspapers with nationwide distribution scope and sends directly to shareholders.

3

COMMIT TO THE OWNERS WITH HIGH QUALITY AND PRESTIGE






All processes of management, design, fabrication, installation, M&E execution, T&C and associated services are standardized through a comprehensive Total Quality Management (TQM) with the right Quality policy", HSE policy published.

"Prestige" has always been a guideline in business activities of the Company. Each project or each product, process, progress and quality are always focused on ensuring and performing in the best way, bringing value to customers is how the Company enhancing the position in the industry.

4

COMMIT TO SUBCONTRACTORS, SUPPLIERS AND CONSTRUCTION TEAMS TO SHARE COMMON VALUES

Win - Win strategy always accompanies Searefico Group in long term cooperation with subcontractors, suppliers and construction team. The company always commits with:

-  Quick and convenient payment process.
-  Training for subcontractors and construction team personnel.
-  Developing roadmap for cooperation, share opportunities and reap success.
-  Cooperation under a spirit of joy, respect and understanding for a common goal.
-  Sharing technology to ensure quality.

5

COMMIT TO CONTRIBUTE TO THE COMMUNITY AND THE ENVIRONMENT

In 2021, the 4th wave of COVID-19 pandemic had a catastrophic impact on global economy, including Vietnam. The global supply chain was disrupted while many businesses had to close, operate at a moderate level, or go bankrupt. Many workers lost their jobs. The number of patients with COVID-19 was increasing.

The pandemic causes direct impact on all production and business activities of the Company, especially in the 2nd half of the second quarter and the entire third quarter of 2021. Nationwide, many projects, especially in 19 southern provinces and cities, and 03 factories of subsidiaries had to take appropriate and quick response measures to both ensure the health and safety of workers and maintain production activities to prevent from any interruption and minimize the damages and risks caused by the pandemic.

Total Quality Management System (TQM) integrated with many management tools, such as Quality Management System (ISO 9001: 2015), Occupational Health and Safety Management System (ISO 45001: 2018), Social Accountability (SA 8000), BSC, KRA, KPI, etc. have been intensively applied to control the process and measure and assess damages and performance.

In particular, Searefico Holdings and its subsidiaries, such as SEAREFICO E&C, Searee, Arico, and Greenpan, were certified for the second time with Quality Management System and Occupational Health and Safety Management System (ISO45001-2018/OHSAS 1800) by BSI UK.

During the pandemic, the System has contributed to the planning, inspection, supervision, and raising of awareness for the employees, contractors, and customers of the Company on the prevention of COVID-19 pandemic. In 2021, Searefico Group was honored to receive a certificate of merit from the People's Committee of Hồ Chí Minh City for its exceptional achievements in the prevention of COVID-19 pandemic, demonstrating the leadership's commitment to occupational safety, health and social responsibility (SA 8000) policy.

In addition, Searefico has always been a typical enterprise in environmental protection. In the past 5 years, the Group has recorded no special environmental incident and has not been fined by any environmental management agency or organisation. Especially in terms of waste management, classification, and transfer of factories and projects, Searefico Group is strictly compliant in its production and construction activities.

On the other hand, the Company has always complied and controlled the criteria related to environmental activities such as: environmental impact assessment, monitoring assessment, waste source registration, waste collection and classification, domestic wastewater discharge in accordance with the standard requirements: implementing preventive measures, identifying hazards and assessing environmental risks in accordance with state regulations and internal management system (OH&S and EMS).



The Company has always taken specific actions to improve the ability to respond to emergency situations, handle incidents, ensure a green, clean, beautiful workplace environment, a friendly working environment, and eliminate factors harmful to workers, communities and society through environmental activities along with preventive measures and labor protective equipment. S

Searefico Group is proud to be the leader in investing in depth in the safety and environmental management and monitoring systems among the M&E, Construction and Production industry. The safety and environmental hygiene control apparatus is professionally organized from the Parent Company to the Subsidiaries.

In each company, there are functional departments specialized in managing and monitoring Health – Safety – Environment (HSE). The force of occupational and health safety is standardized according to Decree 39/2016/ND-CP with an instruction from the Chairman of the BOD and the BOM to have safe production and construction at anytime, anywhere.

Searefico Group has many domestic and foreign partners, enables great trade opportunities when the country integrates into the global economy. Therefore, the parent company and subsidiaries have to proactively comply with the law on environmental protection, the law on occupational safety and health, the labor law, etc. in order to adjust healthy business behavior, effectively control the environmental aspects, associate with the community and social responsibilities, increasing the Company's position, reputation, and competitiveness

CONSOLIDATE
DEFINE

THE ABILTIES THE REMARK

Each game leaves a remark. Amidst the circle of winning and losing, the fairplay spirit and the unwavering will to play with heart is left the truest and most touching impression on the heart of millions of soccer fans.

SECTION VI

TYPICAL PROJECTS

The harder the fight, the greater the joy of victory.

The pride lies not only in the title, but the happiness of the warriors of Searefico through overturning the situation and make the game their own. Only by reversing the trajectory and tempering the will to win regardless of the circumstances, we can expand our horizon and look forward to the challenges in the future.



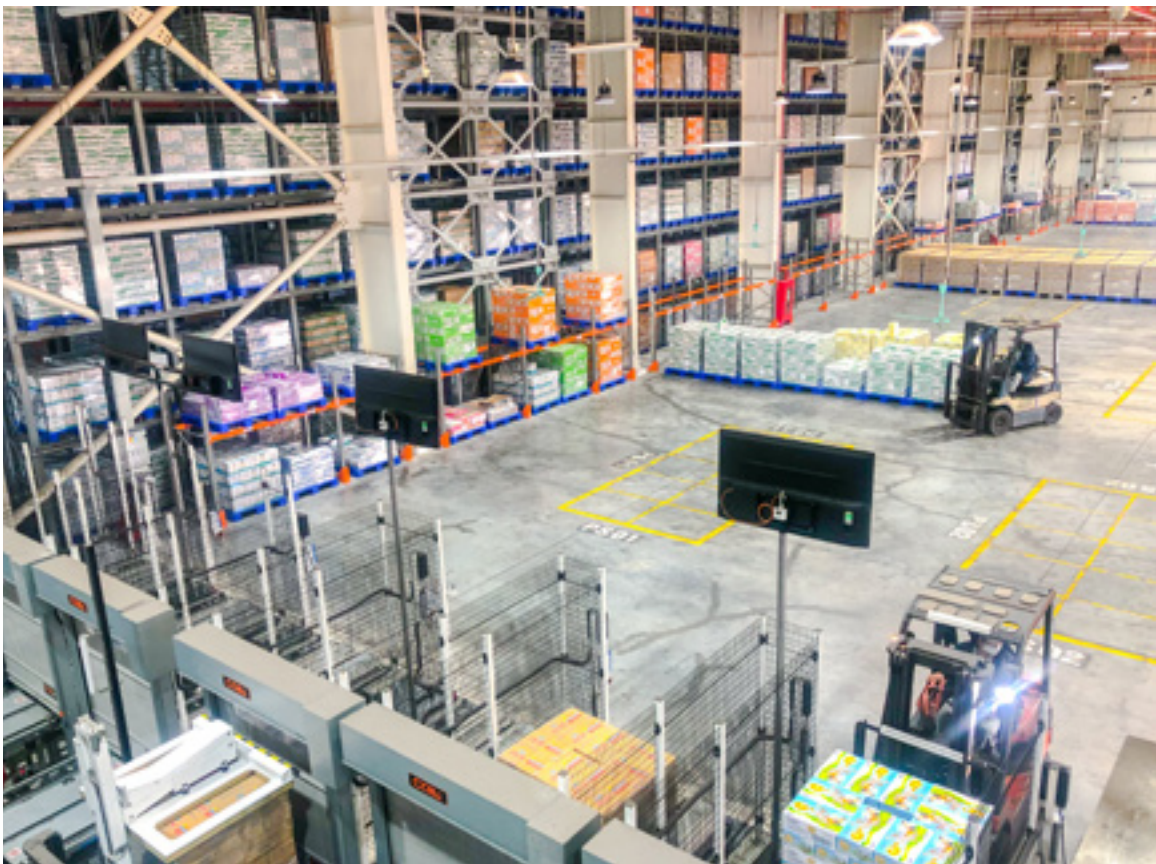
HERITAGE WESTLAKE HANOI
Ha Noi



THE RIVANA
Binh Duong



NOVAWORLD HO TRAM
Ba Ria Vung Tau



TIEN SON MILK FACTORY'S SMART WAREHOUSE - VINAMILK
Bac Ninh



MEYHOMES CAPITAL
Phu Quoc



KHANH AN INDUSTRIAL ZONE
Ca Mau



RANG ĐÔNG HEALTHCARE FACTORY
Long An



PHU AN THANH COLD STORAGE
Long An



NGHI SON FOOD
Thanh Hoa



VINFAST

Hai Phong



DAN ON FOODS FACTORY

Binh Duong



MINH PHU HAU GIANG

Hau Giang



• **WORLD TRADE CENTER**
Binh Duong



• **MASAN HA NAM**
Ha Nam



• **SOLAR PANEL NHÀ MÁY ARICO**
Hồ Chí Minh City



• **SOLAR PANEL SEA MINH HAI**
Bac Lieu



INVEST IN **STABILITY**

RESONATE WITH **SUCCESS**

The teamwork spirit represents an immersive virtue and strength. In the game for one's home country, it is not the individual but the combined force of a collaborative and cohesive team that will give them the trophy. Under a great team, the weaknesses become smaller and the strengths double.

If we all move forward together, success will come on its own.

PART VII

FINANCIAL REPORT

We have established a long-term vision and a great desire for sustainability and longevity. It became our guiding principle and laid the foundation for how we think about this new stage of our journey.

CORPORATE INFORMATION

ENTERPRISE REGISTRATION CERTIFICATE JOINT STOCK COMPANY	No. 0301825452 dated 18 September 1999 was initially issued by the Department of Planning and Investment of Hồ Chí Minh City on and the latest 20th amendment dated 2 November 2021.	
Board of Directors	Mr. Lê Tấn Phước	Chairman
	Mr. Nguyễn Hữu Thịnh	Member
	Mr. Ryota Fukuda	Member
	Mr. Nishi Masayuki	Member
	Mr. Lê Quang Phúc	Member
	Mr. Phạm Kyle Tuấn Anh	Member (from 25 February 2022)
	Mr. Lee Men LengMember	Member (until 25 February 2022)
Board of Supervision (until 20 April 2021)	Mr. Nguyễn Châu Trân	Chief Supervisor
	Ms. Dương Thị Kim Thoa	Member
	Mr. Bùi Văn Quyết	Member
Audit Committee	Mr. Phạm Kyle Tuấn Anh	Chairman
	Mr. Nguyễn Hữu Thịnh	Member
Compensation & Benefits and Organisation Development Committee	Mr. Lê Quang Phúc	Chairman
	Mr. Nguyễn Hữu Thịnh	Member
Board of Internal Audit under Board of Directors (from 14 April 2021)	Mr. Nguyễn Châu Trân	Acting Chief Supervisor
Board of Management	Ms. Nguyễn Thị Thanh Hường	Chief Executive Officer
	Mr. Nguyễn Quốc Cường	Deputy General Director
	Mr. Trần Đình Mười	Deputy General Director
	Mr. Phạm Ngọc Sơn	Deputy General Director
	Mr. Huỳnh Khôi Bình	Deputy General Director (from 26 March 2022)
	Mr. Phan Thành Long	Chief Financial Officer
	Mr. Vương Trần Quốc Thanh	Chief Accountant
Legal Representative	Mr. Lê Tấn Phước	
	Ms. Nguyễn Thị Thanh Hường	
Registered Office	14th Floor, Centec Tower, 72-74 Nguyễn Thị Minh Khai Street, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT
OF THE COMPANY IN RESPECT OF CONSOLIDATED FINANCIAL
STATEMENTS

The Board of Management of Searefico Corporation (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 53 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Nguyễn Thị Thanh Hường

Chief Executive Officer

Hồ Chí Minh City, SR Vietnam
28 March 2022



INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF SEAREFICO CORPORATION

We have audited the accompanying consolidated financial statements of Searefico Corporation (“the Company”) and its subsidiaries (together, “the Group”) which were prepared on 31 December 2021 and approved by the Board of Management on 28 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 53.

The Board of Management’s Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the 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 ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to 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 an 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 Group’s preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’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 Management, 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.



Auditor’s Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau

Audit Practising Licence No:
0875-2018-006-1
Authorised signatory

Report reference number: HCM11910
Hồ Chí Minh City, 28 March 2022

Tran Thi Cam Tu

Audit Practising Licence No:
2713-2018-006-1

CONSOLIDATED BALANCE SHEET

Form B 01 – DN/HN
As at 31 December

CODE	ASSET	NOTE	2021 (VNĐ)	2020 (VNĐ)
100	CURRENT ASSET		1.332.532.232.066	1.442.693.668.585
110	Cash and cash equivalents	3	60.499.313.356	63.100.216.101
111	Cash		59.714.313.356	48.600.216.101
112	Cash equivalents		785.000.000	14.500.000.000
120	Short-term investment		110.359.200.000	178.250.000.000
123	Investment held to maturity	4(a)	110.359.200.000	178.250.000.000
130	Short-term receivables		782.001.895.799	881.517.658.909
131	Short-term trade accounts receivable	5	726.004.583.852	868.149.262.839
132	Short-term prepayments to suppliers	6	49.671.980.022	31.438.431.267
136	Other short-term receivables	7(a)	37.664.977.608	37.948.303.119
137	Provision for doubtful debts – short-term	8	(31.339.645.683)	(56.018.338.316)
140	Inventories	9	333.318.564.993	282.877.169.953
141	Inventories		334.185.494.833	283.880.853.961
149	Provision for decline in value of inventories		(866.929.840)	(1.003.684.008)
150	Other current assets		46.353.257.918	36.948.623.622
151	Short-term prepaid expenses	10(a)	2.582.141.019	2.253.591.300
152	Value Added Tax ("VAT") to be reclaimed	15(a)	42.787.280.422	34.695.032.322
153	Tax and other receivables from the State	15(a)	983.836.477	
200	LONG-TERM ASSETS		520.729.143.686	513.662.283.969
210	Long-term receivables		1.836.601.000	1.720.901.840
216	Other long-term receivables	7(a)	1.836.601.000	1.720.901.840
220	Fixed assets		272.811.914.314	270.436.976.642
221	Tangible fixed assets	11(a)	269.843.368.020	268.712.710.154
222	Historical cost		385.602.156.131	372.541.060.227
223	Accumulated depreciation		(115.758.788.111)	(103.828.350.073)
227	Intangible fixed assets	11(b)	2.968.546.294	1.724.266.488
228	Historical cost		5.941.197.119	4.082.980.563
229	Accumulated amortisation		(2.972.650.825)	(2.358.714.075)
240	Long-term asset in progress		33.417.126.812	35.697.071.058
242	Construction in progress	12	33.417.126.812	35.697.071.058
250	Long-term investments		165.955.372.698	158.888.384.841
252	Investments in associate	4(b)	161.498.655.336	154.431.667.479
253	Investments in other entities	4(c)	4.456.717.362	4.456.717.362
260	Other long-term assets		46.708.128.862	46.918.949.588
261	Long-term prepaid expenses	10(b)	31.983.351.721	34.316.048.081
262	Deferred income tax assets	22	14.724.777.141	12.602.901.507
270	TOTAL ASSETS		1.853.261.375.752	1.956.355.952.554

CONSOLIDATED BALANCE SHEET (CONTINUED)

Form B 01 – DN/HN
As at 31 December

CODE	RESOURCES	NOTE	2021 (VNĐ)	2020 (VNĐ)
300	LIABILITIES		1.279.580.524.672	1.419.608.518.042
310	Short-term liabilities		1.182.852.743.920	1.332.354.037.038
312	Short-term trade accounts payable	13	306.522.366.234	276.790.632.369
312	Short-term advances from customers	14	109.448.135.163	51.661.736.949
313	Tax and other payables to the State	15(b)	8.622.944.187	16.764.953.557
314	Payables to employees	16	14.636.229.315	12.276.594.991
315	Short-term accrued expenses	17	90.617.043.576	229.497.091.326
319	Other short-term payables	18(a)	31.005.707.596	16.645.015.341
320	Short-term borrowings	19(a)	607.247.979.184	710.891.757.538
321	Provision for short-term liabilities	20(a)	1.376.538.681	2.011.567.497
322	Bonus and welfare funds	21	13.375.799.984	15.814.687.470
110	Long-term liabilities		96.727.780.752	87.254.481.004
111	Other long-term payables	18(b)	3.625.454.585	3.959.331.252
112	Long-term borrowings	19(b)	90.578.404.417	80.682.148.002
111	Provision for long-term liabilities	20(b)	2.523.921.750	2.613.001.750
400	OWNERS' EQUITY		573.680.851.080	536.747.434.512
410	Capital and reserves		573.680.851.080	536.747.434.512
411	Owners' capital	23,24	355.667.800.000	324.953.970.000
411a	- Ordinary shares with voting rights		355.667.800.000	324.953.970.000
412	Share premium	24	284.019.059	284.019.059
414	Owners' other capital	24	4.415.811.246	4.415.811.246
415	Treasury shares	24	(29.238.407.099)	(29.238.407.099)
418	Investment and development funds	24	8.308.963.938	8.308.963.938
421	Undistributed earnings	24	144.650.123.767	151.993.358.462
421a	- Undistributed post-tax profits of previous years		115.185.462.889	112.114.243.417
421b	- Post-tax profits of current year		29.464.660.878	39.879.115.045
429	Non-controlling interests	25	89.592.540.169	76.029.718.906
440	TOTAL RESOURCES		1.853.261.375.752	1.956.355.952.554

Nguyen Thi
Preparer

Vuong Trần Quốc Thanh
Chief AccountantNguyễn Thị Thanh Hương
Chief Executive Officer
28 March 2022

CONSOLIDATED INCOME STATEMENT

Form B 02 – DN/HN
Year ended 31 December

CODE	NOTE	2021 (VNĐ)	2020 (VNĐ)
01	Revenue from sales of goods and rendering of services	930.440.139.439	1.486.296.551.053
10	Net revenue from sales of goods and rendering of services	930.440.139.439	1.486.296.551.053
11	Cost of goods sold and services rendered	(843.891.078.275)	(1.364.223.503.248)
20	Gross profit from sales of goods and rendering of services	86.549.061.164	122.073.047.805
21	Financial income	12.668.515.570	13.776.557.999
22	Financial expenses	(36.730.691.545)	(49.422.761.071)
23	- Including: Interest expenses	(36.489.486.150)	(44.762.801.785)
24	Profit sharing from associates	17.358.037.857	22.305.113.365
25	Selling expenses	(3.574.053.547)	(1.703.306.932)
26	General and administration expenses	(43.736.291.813)	(61.546.759.674)
30	Net operating profit	32.534.577.686	45.481.891.492
31	Other income	6.577.174.740	2.102.893.807
32	Other expenses	(1.201.250.624)	(607.709.922)
40	Net other income	5.375.924.116	1.495.183.885
50	Net accounting profit before tax	37.910.501.802	46.977.075.377
51	Business income tax ("BIT") - current	(5.672.588.879)	(10.877.135.022)
52	BIT - deferred	2.121.875.634	6.823.699.431
60	Net profit after tax	34.359.788.557	45.481.891.492
61	Attributable to: Owners of the Company	29.464.660.878	39.879.115.045
62	Non-controlling interests	4.895.127.679	3.044.524.741
70	Basic earnings per share	738	838
71	Diluted earnings per share	738	838

Nguyen Thi
Preparer

Vương Trần Quốc Thanh
Chief Accountant

Nguyễn Thị Thanh Hường
Chief Executive Officer
28 March 2022

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Form B 03 – DN/HN
Year ended 31 December

CODE	NOTE	2021 (VNĐ)	2020 (VNĐ)
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	37.910.501.802	46.977.075.377
	Adjustments for:		
02	Depreciation and amortisation	11	16.866.016.999
03	(Reversal of provisions)/provisions		(8.874.750.919)
04	Unrealised foreign exchange (gains)/losses	31,32	(3.087.573.219)
05	Profits from investing activities		(26.174.486.989)
06	Interest expense	32	36.489.486.150
08	Operating profit before changes in working capital	53.129.193.824	79.568.536.390
09	Decrease in receivables		97.137.497.748
10	(Increase)/decrease in inventories		(50.304.640.872)
11	Decrease in payables	31,32	(38.163.430.152)
12	Decrease in prepaid expenses		2.004.146.641
14	Interest paid		(36.234.562.456)
15	BIT paid	15(b)	(9.132.132.328)
17	Other payments on operating activities		(9.102.698.473)
20	Net cash inflows from operating activities	9.333.373.932	6.380.379.876
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(16.910.289.291)
22	Proceeds from disposals of fixed assets		1.184.541.334
23	Term deposits at banks		(10.359.200.000)
24	Collection of term deposits at banks		78.250.000.000
25	Investments in other entities		-
26	Proceeds from divestment in other entities		-
27	Dividends and interest received		19.388.249.325
30	Net cash inflows/(outflows) from investing activities	71.553.301.368	(45.871.892.078)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares		10.769.040.000
32	Payments for share repurchases		-
33	Proceeds from borrowings	19	1.503.870.183.391
34	Repayments of borrowings	19	(1.597.617.705.330)
36	Dividends paid		(526.611.250)
40	Net cash (outflows)/inflows from financing activities	(83.505.093.189)	51.163.788.817
50	Net (decrease)/increase in cash and cash equivalents	(2.618.417.889)	11.672.276.615
60	Cash and cash equivalents at beginning of year	3	63.100.216.101
61	Effect of foreign exchange differences		17.515.144
70	Cash and cash equivalents at end of year	3	60.499.313.356

Nguyen Thi
Preparer

Vương Trần Quốc Thanh
Chief Accountant

Nguyễn Thị Thanh Hường
Chief Executive Officer
28 March 2022

We hope that our 2021 Annual Report will be able to convey the new message about SEAREFICO in the new age.

Using the metaphor of a soccer team, we want to express the meaning of SEAREFICO BRIGADE with everlasting perseverance to fight for the colour of our flags, the unwavering concentration, belief in the team, and the will to never give up.

As soccer is not limited to the legs, we have never stopped our passion of dedicating to the greater.





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