

**REPORT OF THE BOARD OF DIRECTORS ON THE OPERATING
RESULTS OF 2024 AND THE OPERATING PLAN FOR 2025**

To: General Meeting of Shareholders

In 2024, the global economy continues to face numerous challenges and fluctuations due to political factors, global economic conditions, and the aftermath of the COVID-19 pandemic.

Many countries, especially the United States and European nations, continued to implement tight monetary policies to control inflation. This led to higher borrowing costs and slowed down the economic growth process.

The Russia-Ukraine war remained ongoing, causing instability in Europe and affecting global energy prices. In addition, trade confrontations between the US and China also affected international trade. The consequences of the pandemic and geopolitical tensions continued to disrupt global supply chains, especially in the manufacturing and technology industries.

Vietnam's economy in 2024, despite the continued international and domestic challenges (high inflation, prolonged geopolitical conflicts, and the slowdown of major economies), managed to overcome difficulties to achieve outstanding accomplishments: energy and food security were ensured; the labor market showed positive recovery. Vietnam remains among the countries with the highest economic growth in the region. Vietnam's success demonstrates the effectiveness of the Government's macroeconomic policies.

1. Implementation of the 2024 General Meeting of Shareholders' Resolution

In 2024, the Board of Directors (“**BOD**”) carried out the following tasks:

- The BOD and the Board of Management (“**BOM**”) of Son Ha Development of Renewable Energy Joint Stock Company (“**the Company**” or “**SHE**”) effectively managed and operated the Company, and implemented the Resolutions of the General Meeting of Shareholders (“**GMS**”) in accordance with the Charter and current laws, ensuring the preservation of capital and shareholders' rights.
- The BOD held regular meetings with the BOM to grasp the business operations situation and provide timely guidance, ensuring safe and economical business operations, compliance with the law, implementation of the Charter, Resolutions of the GMS, and the BOD, as well as the recommendations of the Supervisory Board at the 2024 Annual GMS. In 2024, the BOD convened 12 meetings and issued 12 Resolutions and Decisions, with the main contents approved regarding the organization of the GMS, short-term bank loans, salary approval, financial statement audits, contracts with related parties, and issues arising in business operations within their authority in accordance with the Company's Charter and current legal regulations.

In addition, several matters during the year have not yet been implemented, specifically:

At the Annual GMS on April 26, 2024, the plan for profit distribution for 2023 was approved according to Proposal No. 02/2024/TTr/HDQT/SHE dated April 3, 2024; the plan to issue shares to increase charter capital from the owner's equity according to Proposal No. 08/2024/TTr-HDQT/SHE dated April 3, 2024; the plan to issue additional shares to the

public and private placement of shares according to Proposal No. 09/2024/TTr-HDQT/SHE dated April 3, 2024 and the capital transfer transaction involving Sonha SSP Vietnam Sole Member Company Limited and Sonha International Corporation according to Proposal No. 10/2024/TTr-HDQT SHE dated April 3, 2024. However, due to the volatility of the stock market in 2024, which led to a decline in the price of SHE shares, the BOD recognized that the issuance of shares to increase share capital from owner's equity could result in share dilution and a further drop in SHE's market price. Therefore, the BOD has not yet carried out the share issuance and capital transfer transactions.

- With respect to the 2023 profit distribution plan, the content related to increasing share capital from the owner's equity (10%, equivalent to VND 11,502,516,000) according to Proposal No. 02/2024/TTr-HDQT/SHE dated April 3, 2024; the plan to issue shares to increase share capital from the owner's equity according to Proposal No. 08/2024/TTr-HDQT/SHE dated April 3, 2024 and the plan to issue additional shares to the public and via private placement according to Proposal No. 09/2024/TTr-HDQT/SHE dated April 3, 2024, were approved by the 2024 Annual GMS:

Reason for non-implementation: In the second half of 2024, the domestic stock market experienced negative fluctuations due to several influencing factors. As the market remained flat and declined, the stock prices of most companies, including SHE, dropped significantly, reducing the attractiveness of SHE shares to investors. The BOD determined that the likelihood of successfully conducting a public offering to existing shareholders and a private placement in 2024 was very low. Therefore, the BOD did not proceed with the plan approved under the Resolution of the 2024 Annual GMS.

The BOD respectfully reports to the GMS and proposes not to implement the plan for the additional public offering and private placement of shares as outlined in Proposal No. 09/2024/TTr-HDQT/SHE dated April 3, 2024, which was approved in 2024.

- Regarding the capital transfer transaction between Sonha SSP Vietnam Sole Member Company Limited and Sonha International Corporation, as stated in Proposal No. 10/2024/BC-HDQT/SHE dated April 3, 2024, and approved by the 2024 Annual GMS:

Reason for non-implementation: As the plans to issue shares to increase share capital from the owner's equity, to conduct a public offering, and to issue shares via private placement could not be carried out, the Company did not have sufficient financial resources to execute the capital transfer transaction between Sonha SSP Vietnam Sole Member Company Limited and Sonha International Corporation.

2. Activities of the BOD in 2024

2.1. General activities

In 2024, the BOD closely monitored both domestic and international situation, the management of the Company's BOM, and the activities of SHE to issue timely guidelines, resolutions, and decisions that supported the BOM in fulfilling its production and business (“P&B”) tasks. The BOD's resolutions and decisions focused on the following contents:

- Approval of the schedule and agenda for the 2024 Annual GMS.
- Preliminary reviews of operations after 3, 6, 9, and 12 months in 2024.
- Approval of borrowings, issuing guarantees, and the opening of LC at banks to meet credit needs for production and business activities.
- Approval of decisions on the dismissal and appointment of the Company's Director and Chief Accountant.
- Approval of changes to the Company's head office address and seal format.
- Approval of the audit contract for the 2024 financial statements with A&C Auditing and

Consulting Company Limited and disclosure of information in accordance with regulations.

- Close coordination with the BOM in implementing the 2024 business plan and preparing the 2025 business plan to achieve strategic goals.
- Regular coordination with the Supervisory Board on day-to-day operations, the Company's development direction, investment plans, risk management, and reporting on matters as required by state regulatory authorities.

In addition to the favorable conditions, there were several unmet targets, specifically:

- The production volume of electric motorcycles did not meet the annual plan: due to the prolonged impact of the post-COVID-19 economic downturn, businesses and individuals prioritized financial resources for reinvestment and recovery of production and business activities, while cutting back on consumer spending. This led to weak market demand and significant difficulties in sales.
- The decline in production volumes across product lines resulted in lower revenue and profit, failing to meet the annual targets.

In 2024, despite certain favorable conditions, there were still many objective difficulties. The Company's leadership proactively implemented timely and appropriate adjustments in response to the actual situation. Together with the continuous efforts of the BOD, the BOM, and all employees, the Company remained committed to its sustainable development goals, thereby laying a solid foundation for 2025 and the years to come.

2.2. Results of implementing some indicators in 2024

Unit: VND

No.	Indicator	Implementation
1	Net revenue from sale of goods and rendering of services	196,407,617,521
2	Net profit before tax	15,371,305,276
3	Net profit after tax	12,249,760,579
4	Basic earnings per share	1,065
5	TOTAL ASSETS (31/12/2024)	252,758,830,894
5.1	Current assets	228,801,939,056
5.2	Non-current assets	23,956,891,838
6	TOTAL LIABILITIES AND OWNERS' EQUITY (31/12/2024)	252,758,830,894
6.1	Liabilities	102,157,940,566
6.2	Owner's equity	150,600,890,328

Compared to the set plan

Unit: VND

No.	Indicator	Unit	2024 Plan	2024 Implementation	% Implementation/Plan
-----	-----------	------	-----------	---------------------	-----------------------

1	Net revenue	VND	200,000,000,000	196,407,617,521	98%
2	Profit after tax	VND	15,000,000,000	12,249,760,579	82%
3	Dividend	%	10%	0%	

The 2024 dividend payment plan will be implemented according to Proposal No. 02/2025/TTr-HDQT/SHE, the profit distribution plan for 2024 presented by the Board of Directors at the 2025 annual GMS. Accordingly, the net revenue achieved 98% and the profit after tax reached 82% of the 2024 plan.

Some factors affecting fluctuations in revenue and profit include:

- The solar water heater product line (“**Thai Duong Nang**”) maintained a solid performance in 2024, achieving 92% of the planned output. The year 2024 was favorable for the solar water heater manufacturing sector, as the prices of key materials declined compared to the previous year and the supply sources remained stable. This led to a corresponding decrease in product costs. Based on that, the Company promptly adjusted its selling prices to ensure output, revenue, and profit targets were met.
- The electric motorcycle product line did not meet the planned production volume in 2024 due to several factors: strong market competition from similar products, consumers' continued preference for gasoline-powered motorcycles, a lack of infrastructure for charging stations and battery swapping, and the absence of government support policies for electric vehicle users. For other operating expenses, the BOD and the BOM provided timely direction and effectively managed the Company’s costs.

In the context of an economic downturn, the Company’s P&B activities were inevitably affected. Although the results did not fully meet the expectations of the BOD and BOM, they reflect the concerted efforts of the leadership and all staff, and provide shareholders with strong confidence in the Company’s promising growth in the coming period.

2.3. Decisions/Resolutions of the Board of Directors

The Decisions/Resolutions of the Board of Directors in 2024 include:

No.	Resolution/Decision No.	Date	Content
1	No. 01/2024/NQ-SHE	02/01/2024	Decision on the dismissal of Mr. Hoang Manh Tan from the position of Director of the Company
2	No.02/2024/QD-SHE	02/01/2024	Decision on the appointment of Mr. Tran Ngoc Hung as Director of the Company
3	No. 01/2024/NQ-SHE	05/03/2024	Approval of the organization of the 2024 Annual GMS
4	No. 01/2024/NQ-DHDCD/SHE	26/04/2024	Resolution of the 2024 Annual GMS of Son Ha Development of Renewable Energy Joint Stock Company
5	No. 02/2024/NQ-SHE	13/06/2024	Approval of borrowing, issuing guarantees, and opening LC at BIDV bank

6	No. 03/2024/NQ-HDQT-SHE	27/06/2024	Approval of collecting shareholders' opinions in writing regarding the change of the Company's head office address
7	No. 04/2024/NQ-HDQT-SHE	28/06/2024	Resolution on the selection of an Independent Auditing Organization to review and audit the 2024 Financial Statements
8	No. 02/2024/NQ-DHDCD/SHE	30/07/2024	Resolution of the GMS (by written consultation) of Son Ha Development of Renewable Energy Joint Stock Company
9	No. 42/2024/QD-SHE	15/08/2024	Decision on the dismissal of Ms. Nguyen Ba Thi Hop from the position of Chief Accountant
10	No. 43/2024/QD-SHE	15/08/2024	Decision on the appointment of Ms. Trinh Thi Kim Anh as Chief Accountant
11	No. 08/2024/NQ-SHE	24/11/2024	Approval of changing the company's round seal
12	No. 09/2023/NQ-SHE	24/12/2024	Approval of borrowing and using assets as security at MB bank

2.4. Remuneration of the BOD and the SB in 2024

The remuneration for the BOD and SB was implemented in accordance with the Resolution of the 2024 Annual General Meeting of Shareholders, based on the business results reflected in the audited financial statements and the duration of their respective terms of office. Specifically:

No.	Content	Position	Remuneration (VND/person/month)	Total remuneration (VND/person/year)	Note
I	BOARD OF DIRECTORS				
1	Le Vinh Son	Chairman of the BOD	3,000,000	36,000,000	
2	Hoang Manh Tan	Member of the BOD	1,500,000	18,000,000	
3	Tran Ngoc Hung	Member of the BOD	1,500,000	12,263,736	Appointed from April 26, 2024
4	Nguyen Dinh Quy	Member of the BOD	1,500,000	18,000,000	
5	Nong Thi Thanh Van	Member of the BOD	1,500,000	18,000,000	
6	Luong Dieu Cam	Member of the BOD	1,500,000	18,000,000	
	Total I			120,263,736	
II	SUPERVISORY BOARD				

7	Nguyen Thi Gam	Head of the SB	2,000,000	24,000,000	
8	Le Thi Thao	Member of the SB	1,000,000	12,000,000	
9	Tran Van Thi	Member of the SB	1,000,000	12,000,000	
	Total II			48,000,000	
	Total I + II			168,263,736	

2.5. Salary of the BOD and Board of Management implemented in 2024

No.	Full name	Chức danh	Salary (VND)
1	Hoang Manh Tan	Vice Chairman of the BOD	1.468.577.028
2	Tran Ngoc Hung	Director	293.491.304
3	Dinh Duc Tuan	Deputy Director	554.584.452
	Total		2.316.652.784

2.6. Activities of the independent member of the BOD and the independent member's evaluation of the BOD's performance.

- Regarding the activities of the independent member of the BOD: In 2024, the independent member of the BOD performed duties in accordance with legal regulations and the Company's Charter: actively participated in strategic planning and compliance oversight, and provided important opinions in shaping the Company's strategy and development. They also contributed to reviewing and monitoring business objectives to ensure common interests, while sharing knowledge with the BOM to support market development and the expansion of P&B activities.
- Regarding the independent member's evaluation of the BOD's performance:
 - The BOD has operated with a high sense of responsibility and transparency in corporate governance, in full compliance with the regulations applicable to public companies. BOD meetings were convened in a timely manner and conducted in accordance with the procedures stipulated in the Company's Charter and internal corporate governance regulations. All meeting agendas were thoroughly discussed and carefully evaluated by BOD members to propose directions and solutions that bring the greatest benefits to the Company.
 - Matters related to business strategy, market expansion, technology investment, and the development of management systems were regularly reviewed and evaluated by the BOD during periodic meetings.
 - Decisions made by the BOD in these meetings were approved based on majority voting, and minutes were properly prepared and documented.

2.7. Other activities

Coordination with the Supervisory Board in overseeing the activities of the BOM.

3. Board of Directors' activity plan for 2025

In 2025, the global economy is forecasted to face many uncertainties. While inflation is expected to be under control and central banks are gradually easing monetary policies to support economic growth, trade tensions and geopolitical volatility will continue to pose major challenges.

In the context of the global economy in 2025 being highly uncertain, commodity prices may

fluctuate significantly, competition among superpowers is increasing, the 4.0 industrial revolution and digital transformation continue to develop strongly, Vietnam's economy may have important opportunities.

In Vietnam, despite a mixture of opportunities, favorable conditions, difficulties, and challenges, the economy is forecasted to continue facing numerous obstacles in 2025. Although domestic consumption is expected to grow, the increase will likely be modest, resulting in weak overall demand. The lingering impact of the global economic downturn, which has been accumulating since the pandemic era, is likely to continue affecting Vietnam's economy. However, Vietnam still has the potential for a more positive recovery if support policies introduced in 2025 produce clearer impacts on the economy. Growth drivers such as investment (including private investment, FDI, public investment, and state-owned enterprises), consumption, tourism, and exports are expected to continue receiving strong promotion. In addition, long-standing issues and structural bottlenecks may see more focused efforts for resolution and positive transformation in 2025, especially in areas such as enterprise-related obstacles, investment projects, the real estate market, and corporate bonds...

The BOD outlines the Company's strategic direction for 2025 as follows:

- ❖ For traditional product lines:
 - Diversify product designs while ensuring high product quality, excellent warranty and after-sales services, and strong customer care;
 - Proactively seek out, approach, and develop new customer sources, introduce products to international clients, and promote exports of Thai duong nang product line;
 - Improve production processes and cost management to maintain product quality control, keep defective product rates at a low level, reduce costs, and eliminate unnecessary waste in purchasing, production, sales, transportation, inventory, and installation stages.
- ❖ Implement policies to attract and retain talented, experienced, and capable personnel, while continuously providing training to enhance the qualifications of existing staff. Regularly evaluate employees based on their competencies and work performance to optimize human resources.
- ❖ To minimize the risk of supply chain disruptions, the Company will continuously monitor global, regional, and domestic market developments in order to proactively and promptly propose solutions to ensure a stable supply of imported inputs for production. The Company will adopt an effective procurement strategy to gain a competitive advantage in input material pricing.
- ❖ Expand the national distribution and sales network for electric motorcycles; improve the distribution system and customer care services, including after-sales support. Develop a diverse range of models with good quality and reasonable pricing to offer customers a wide selection.
- ❖ In 2025, the BOD will continue striving to operate effectively in setting strategic directions for the Company's development, strengthening corporate governance, maintaining close and regular coordination with the Supervisory Board, and providing active support to the Board of Management in production and business operations to ensure safety, reasonableness, and efficiency.

The above is the report on the activities of the Board of Directors in 2024 and its activity plan for 2025.

We respectfully submit this report to the General Meeting of Shareholders for review, feedback, and approval./.

Best regards!

Recipients:

- As above;
- Archived: BOD, Office;
- CBTT.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

Le Vinh Son