

**REPORT OF THE SUPERVISORY BOARD  
ON ACTIVITIES IN 2024**

**To: General Meeting of Shareholders**

- *Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, and its guiding documents;*
- *Pursuant to the Charter on organization and operation of Son Ha Development of Renewable Energy Joint Stock Company;*
- *Pursuant to the Resolution of the 2024 Annual General Meeting of Shareholders of Son Ha Development of Renewable Energy Joint Stock Company.*

The Supervisory Board (**SB**) of Son Ha Development of Renewable Energy Joint Stock Company (“**the Company**”) would like to report on the activities of the SB, the performance of the Board of Directors (“**BOD**”) and the Board of Management (“**BOM**”), and the business results of the Company in 2024, with the main contents as follows:

**I. Activities of the Supervisory Board in 2024**

The Supervisory Board carried out inspections and supervision of the Company’s compliance with the provisions of the Law on Enterprises, the Law on Securities, the Law on Accounting, and other relevant legal documents; monitored the adherence to the Company’s Charter, Regulations on organization and operation, and the Resolutions of the 2024 General Meeting of Shareholders (“**GMS**”), specifically:

- Reviewed the appropriateness of the Resolutions/Decisions issued by the BOD and the Board of Management (BOM) regarding the management and operation of the Company’s business activities; supervised the content, order, and procedures for the issuance of documents related to corporate governance;
- Inspected and evaluated the development and implementation of key operational procedures of the Company to identify potential risks or deficiencies and proposed remedial solutions;
- Supervised the BOD and BOM in implementing the Resolutions of the GMS;
- Reviewed and monitored quarterly Financial Statements to assess the accuracy and reasonableness of financial data; coordinated with the Independent Auditor to assess the impact of significant accounting and auditing errors on the Financial Statements; monitored the Company’s leadership in implementing the Auditor’s recommendations;
- Supervised the Company’s compliance with laws.

**II. Supervision results of the activities of the BOD and Board of Management**

**1. Resolutions of the BOD in 2024:**

No.	Resolution/Decision No.	Date	Content	Approval rate
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	100%
2	No.02/2024/QĐ-SHE	02/01/2024	Decision on the appointment of Mr. Tran Ngoc Hung to the position of Director of the Company	100%
3	No. 01/2024/NQ-SHE	05/03/2024	Approval of the organization of the 2024 Annual GMS	100%
4	No.02/2024/NQ-SHE	13/06/2024	Approval of borrowing, issuing guarantees, and opening LC at BIDV bank	100%
5	No.03/2024/NQ-HĐQT-SHE	27/06/2024	Approval of collecting shareholders' opinions in writing regarding the change of the company's head office address	100%
6	No.04/2024/NQ-HĐQT-SHE	28/06/2024	Resolution on the selection of an Independent Auditing Organization to review and audit the 2024 Financial Statements	100%
7	No. 42/2024/QĐ-SHE	15/08/2024	Decision on the dismissal of Ms. Nguyen Ba Thi Hop from the position of Chief Accountant of the Company	100%
8	No. 43/2024/QĐ-SHE	15/08/2024	Decision on the appointment of Ms. Trinh Thi Kim Anh to the position of Chief Accountant of the Company	100%
9	No. 08/2024/NQ-SHE	24/11/2024	Approval of changing the company's round seal	100%
10	No. 09/2023/NQ-SHE	24/12/2024	Approval of borrowing and using assets as security at MB bank	100%

## 2. Assessment of BOD meetings and the implementation of resolutions of the GMS

- Meetings of the BOD were convened and organized in accordance with the provisions of the Law on Enterprises, the Company's Charter, and the Regulations on organization and operation;
- The minutes of BOD meetings fully reflected the content of the meetings and the opinions of members, and were prepared in compliance with regulations;
- Resolutions and Decisions of the BOD and the Chairman of the BOD were issued in the correct order and procedures, in accordance with the provisions of the law, the Company's Charter, and the Resolutions of the GMS;

- Resolutions and Decisions of the BOD and the Chairman of the BOD were implemented by the Company in accordance with the time and legal regulations.

### 3. Evaluation of the performance of the BOD and BOM

- The BOD and BOM have complied with legal regulations in the management and operation of the Company’s business activities. Members of the BOD, BOM, and other managerial staff have performed their assigned functions and duties in accordance with the Law on Enterprises, the Law on Securities, the Law on Accounting, the Company’s Charter, and the Resolutions of the GMS;
- The decisions of the BOD and the Chairman of the BOD have been primarily focused on implementing the 2024 GMS Resolution and directing business operations. These decisions were issued in a timely manner, meeting governance requirements and facilitating the BOM in managing business activities effectively;
- Based on the GMS Resolution, the BOD and BOM have relatively closely followed the economic situation and the stock market, flexibly managed the Company's business activities, and timely adjusted the structure of the Company’s business management apparatus and personnel in accordance with the developments of the stock market to save costs and maintain business operations at an appropriate scale;
- The BOM’s decisions on managing business operations were aligned with the situation and developments of the market;
- The BOM fully and strictly complied with the provisions of the law, the regulations of the State Securities Commission, and the Stock Exchanges regarding the reporting and information disclosure regime.

## III. Regarding the appraisal of the 2024 Financial Statements

### 1. Preparation and audit of the 2024 Financial Statements

- The Company’s 2024 financial statements were prepared in accordance with the Vietnam Accounting Standards, the Vietnamese Accounting Policy for Enterprises, and other relevant legal regulations on the preparation and presentation of financial statements.
- The 2024 financial statements were audited by A&C Audit and Consulting Company Limited, which has been approved by the State Securities Commission to audit listed companies.
- The auditor’s opinion on the Company’s 2024 Financial Statements: *“In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as of December 31, 2024, as well as the results of its operations and cash flows for the fiscal year then ended, in accordance with the Vietnam Accounting Standards, the Vietnamese Accounting Policy for Enterprises, and relevant legal regulations related to the preparation and presentation of financial statements”.*
- The SB has reviewed the 2024 financial statements: The statements have fully, clearly, and accurately reflected the financial situation of the Company.

### 2. The basic financial indicators the Company has achieved in 2024 are as follows:

#### Summary Balance Sheet for 2024

Unit: VND

No.	Item	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance
-----	------	----------------	-------------------	----------------	-------------------

		( 31/12/2024)	( 01/01/2024)	% of Total Assets - Liabilities & Owners' Equity	% of Total Assets - Liabilities & Owners' Equity
<b>1</b>	<b>TOTAL ASSETS</b>	<b>252,758,830,894</b>	<b>221,722,841,077</b>	<b>100%</b>	<b>100%</b>
1.1	Current Assets	228,801,939,056	195,131,732,561	91%	88%
1.2	Non-current Assets	23,956,891,838	26,591,108,516	9%	12%
<b>2</b>	<b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>	<b>252,758,830,894</b>	<b>221,722,841,077</b>	<b>100%</b>	<b>100%</b>
2.1	Liabilities	102,157,940,566	83,036,814,633	40%	37%
2.2	Owner's Equity	150,600,890,328	138,686,026,444	60%	63%

### Business performance results in 2024

Unit: VND

No.	INDICATOR	2024	2023	%/ Net Revenue		Increase (decrease) comparison between 2024 and 2023	
						Value	Percentage (%)
1	Revenue from sale of goods and rendering of services	197,559,826,258	184,975,558,124			12,584,268,134	6.8%
2	Deductions	1,152,208,737	218,846,174	0.59%	0.12%	933,362,563	426.5%
3	Net revenue from sale of goods and rendering of services	196,407,617,521	184,756,711,950	100.00%	100.00%	11,650,905,571	6.3%
4	Costs of goods sold and services rendered	167,299,979,301	146,911,424,207	85.18%	79.52%	20,388,555,095	13.9%
5	Gross profit from sale of goods and rendering of services	29,107,638,220	37,845,287,743	14.82%	20.48%	-8,737,649,524	-23.1%

6	Income from financial activities	230,859,886	825,196,061	0.12%	0.45%	-594,336,175	-72.0%
7	Expenses from financial activities	4,447,582,259	5,838,682,499	2.26%	3.16%	-1,391,100,240	-23.8%
8	In which: Interest expenses	4,263,508,191	5,736,266,710	2.17%	3.10%	-1,472,758,519	-25.7%
9	Selling expenses	3,309,670,500	5,129,266,729	1.69%	2.78%	-1,819,596,229	-35.5%
10	General and administrative expenses	9,843,240,664	8,762,636,136	5.01%	4.74%	1,080,604,528	12.3%
11	Operating profit	11,738,004,683	18,939,898,440	5.98%	10.25%	-7,201,893,758	-38.0%
12	Other income	3,719,301,304	3,725,344,579	1.89%	2.02%	-6,043,275	-0.2%
13	Other expenses	86,000,711	92,126,112	0.04%	0.05%	-6,125,401	-6.6%
14	Other profit	3,633,300,593	3,633,218,467	1.85%	1.97%	82,126	0.0%
<b>15</b>	<b>Net profit before tax</b>	<b>15,371,305,276</b>	<b>22,573,116,907</b>	<b>7.83%</b>	<b>12.22%</b>	<b>-7,201,811,632</b>	<b>-31.9%</b>
16	Current corporate income tax expense	3,121,544,697	4,683,447,453	1.59%	2.53%	-1,561,902,756	-33.3%
<b>18</b>	<b>Net profit after tax</b>	<b>12,249,760,579</b>	<b>17,889,669,454</b>	<b>6.24%</b>	<b>9.68%</b>	<b>-5,639,908,876</b>	<b>-31.5%</b>
21	Basic earnings per share	1,065	1,540			128	8.3%
22	Diluted earnings per share	1,065	1,540			128	8.3%

### Cash Flow Statement for 2024

Unit: VND

No.	Description	Current Year	Previous Year
I	Net cash flow from operating activities	-8,859,637,191	29,375,607,501
II	Net cash flow from investing activities	-3,808,609,512	19,549,874,208
III	Net cash flow from financing activities	14,666,367,474	-49,951,748,451
	<b>Net cash flow for the year</b>	<b>1,998,120,771</b>	<b>-1,026,266,742</b>
	Cash and cash equivalents at the beginning of year	1,958,467,618	2,984,734,360

Cash and cash equivalents at the end of year	3,956,588,389	1,958,467,618
--	---------------	---------------

#### Some key financial indicators

No.	Indicator	2024	2023
1	ROA	4.8%	8.1%
2	ROE	8.1%	12.9%
3	ROS	6.2%	9.7%

### 3. Evaluation of financial indicators in 2024

Based on a general assessment of the Company through basic financial indicators, the SB has the following general comments:

#### ***Regarding assets:***

- Total assets at the end of the year decreased by 14% compared to the beginning of the year, equivalent to VND 31 billion. In the structure of current assets: cash and cash equivalents increased by 102%, equivalent to VND 1.9 billion, receivables from customers increased by 41%, equivalent to VND 37.6 billion, advances to suppliers decreased by 23%, equivalent to VND 1.9 billion, and inventory decreased by 5%, equivalent to VND 4.2 billion, due to the Company actively selling goods and reducing inventory.
- The short-term receivables ratio to total assets is 53%. Increased by 7% compared to the 2023 structure, mainly due to higher sales in 2024 compared to 2023, leading to an increase in receivables.

#### ***Regarding liabilities and owner's equity:***

- The ratio of liabilities to total capital stood at 40%, an increase of 3% compared to 2023. Among these, payables to suppliers accounted for a significant portion at 11%, and loans and finance lease liabilities made up 25%. This indicates that the Company is utilizing external resources to expand its business and production activities.

#### ***Regarding the correlation between a company's assets and capital:***

- The ratio of current assets to current liabilities is 2.3, and the ratio of non-current assets to non-current liabilities is 6.2. These figures indicate that the Company's asset and capital structure is maintained at a safe level, ensuring its solvency.

#### ***Regarding revenue, expenses, and profit:***

- Compared to 2023, the Company's net revenue in 2024 increased by VND 12.5 billion (*a 7% increase*), while profit after tax decreased by VND 5.6 billion (*a 32% decrease*).
- The operating profit margin and gross profit margin both declined compared to 2023.
- Interest expenses decreased by 24% compared to 2023, as the Company actively collected debts to pay off financial loans.
- The cost of goods sold to revenue ratio in 2024 was 85%, an increase of 5.66% compared to 2023 (79%).
- Selling expenses decreased by VND 1.8 billion compared to 2023, equivalent to a 35% reduction.

- General and administrative expenses increased by VND 1 billion compared to 2023, representing a 12% rise.
- Profit after tax in 2024 decreased by 32% compared to 2023.
- Key financial indicators: Return on Assets (ROA) decreased by 3.2% compared to 2023; Return on Equity (ROE) decreased by 4.8% compared to 2023; and Return on Sales (ROS) decreased by 3.5% compared to 2023.

**Regarding cash flow:**

- Net cash flow from operating activities in 2024 was negative.

**4. Control of legal compliance at the Company:**

All of the Company's activities are in accordance with its Business Registration Certificate issued by the Department of Planning and Investment, the Company's Charter, and comply with the laws of Vietnam. The Company has adhered well to legal regulations, fulfilled its tax obligations to the State, complied with social and health insurance requirements for employees, and properly performed the borrowing and repayment of principal and interest to banks.

**Assessment of the implementation of the Resolution of the GMS and the 2024 business plan**

**Business performance results:**

*Unit: VND*

No.	Indicator	Plan	Implementation	Completion rate
1	Net Revenue	200,000,000,000	184,756,711,950	98%
2	Profit After Tax	15,000,000,000	17,889,669,454	82%
3	Dividend (VND)	10%		

In 2024, despite being in the recovery phase after being affected by the pandemic, the macroeconomic environment still faces many difficulties, with interest rate hikes and rising material prices, the Company has taken good steps to control costs and operate well, profit after tax reached 89% of the planned target.

**5. Evaluation of the SB's activities in 2024:**

The SB has fulfilled its responsibility of overseeing the Company's financial situation and the legality of the activities of the BOD, the Director, and other Managerial staff of the Company. The coordination between the SB and the BOD, as well as the Director, is in compliance with the law and the Company's Charter.

In 2024, the SB conducted several meetings related to the evaluation of business operations and other Company activities, including:

- Evaluate the financial statements for the first half of the year and the business operations for the first half of the year, reviewing the data on the mid-year accounting period's business results;

- Evaluate the 2024 financial statements and the business operations for the 2024 fiscal year, the company's year-end business results, and agree on the basic content of the SB's activity report to be presented at the 2024 annual GMS.

The SB's activity report has been presented in detail in sections I, II, III, IV, V of this Report.

#### **IV. Recommendations:**

The SB would like to make the following recommendations to the BOD and the BOM:

##### **1. Regarding business strategy:**

Currently, the economy still faces many difficulties and challenges. The Company needs to develop a strategy to strengthen the development of existing key sales channels, expand the market share, and open new distributors.

Concentrating resources to enhance efficient production and business activities as a solid foundation for developing new investment sectors.

##### **2. Regarding financial and cost management:**

- Develop appropriate budgeting and cash flow plans to ensure a secure capital source for the Company's production and business activities in each period.
- Tightly control the cash flow plan, flexibly aligned with the Company's business and investment strategies.
- In 2024, general and administrative expenses increased compared to 2023. Therefore, the Company should strengthen the control of arising expenses to ensure compliance with the financial plan and strive to exceed the targets set for the following years.

##### **3. Regarding governance and risk management systems:**

- Maintain and enhance the quality of corporate governance by developing an appropriate management reporting system to provide a specific and detailed picture of the market, products, advantages, and risks to the Company's BOM, enabling them to formulate suitable business plans and strategies for each period and in the context of many current difficulties, risks, and challenges.
- Review the Company's system of processes and regulations to ensure the smooth operation of business activities, with clear responsibilities, authorities, and benefits for each department.

##### **4. Regarding organizational structure and human resource management:**

- The company's leadership is conducting a review of the KPI system to ensure it is suitable for each staff position (especially in the company's electric motorcycle sector).
- Internal training and external training methods should be combined to enhance the professional skills of employees.

The above is the SB's Report on the 2024 operational activities of Son Ha Development of Renewable Energy Joint Stock Company, respectfully submitted to the Annual GMS.

**Sincerely thank you!**

***Recipients:***

*As above;*

*Archived: SB, Office;*

*CBTT.*

**ON BEHALF OF THE SUPERVISORY BOARD**

**HEAD OF THE BOARD**

