

AMERICAN VIETNAMESE  
BIOTECH INC

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

No. 40/2025/CV - AMV

*Explanation of exceptions of the audited  
consolidated financial statements for 2024*

*Ho Chi Minh City, May 28, 2025*

**To:**                   - THE STATE SECURITIES COMMISSION;  
                              - HANOI STOCK EXCHANGE.

Company Name     : AMERICAN VIETNAMESE BIOTECH INC  
Stock Code         : AMV  
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Persons who       : Dang Nhi Nuong                   Position: Director  
make information  
disclosures

Type of disclosure: ☐ 24 hours ☐ abnormal ☐ On Request ☒ periodically

Content of information disclosure (\*):

Implementing the disclosure of information in accordance with Circular No. 96/2020/TT-BTC dated 16/11/2020 of the Ministry of Finance, American Vietnamese Biotech Inc would like to report to the Board of Directors and the Department on the explanation of audit opinions except in the 2024 Consolidated Financial Statements which have been audited by Human Audit Co., Ltd. Tam Viet is as follows:

**1. On the consolidated financial statements for 2024 audited by Nhan Tam Viet Auditing Co., Ltd., there are the following exceptions:**

**\* Basis of conclusion except**

*"We were unable to participate in witnessing the cash inventory on December 31, 2024, the cash fund balance was VND 1,885,137,331 because at that time we had not been appointed as an auditor. Therefore, we do not give an opinion on the accuracy, existence and adequacy of the cash at the time mentioned above."*

**Explanation of the reason:** As of December 31, 2024, the Company has not signed an audit service contract with the audit unit, so the audit unit has not been appointed and cannot attend the cash inventory at the end of the year. Failure to be present to witness the cash inventory results in the auditor being unable to collect adequate and adequate audit evidence of the cash item at the time of making the financial statements. Therefore, conclusions were made except in the audit report.

**\* Basis of conclusion except**





*"Some associated companies have been established but have not yet formed or insignificant assets for production and business activities. The amount of capital contribution to these companies is 323,520,000,000 VND (explanation No. V.13). By the applicable audit procedures, we do not have sufficient basis to assess the reasonableness of the above investments as well as their impact on the 2024 consolidated financial statements."*

**Explanation of the cause:** Up to now, a number of affiliated companies are in the process of completing relevant procedures, and at the same time implementing the procurement of machinery and equipment for business activities in accordance with the set plan. With continuous efforts, the Company is focusing on accelerating the implementation of necessary steps to bring these associated companies into operation soon.

**\* Basis of conclusion except**

*"The parent company and its subsidiaries have prepaid for goods and services to the seller but have not received the goods and services according to the terms of the contract. By the time of issuance of this financial statement, the Company has not received the goods or recovered the prepaid money with a value of VND 419,809,600,000 (as of January 1, 2024, it is VND 399,840,000,000). We have undertaken additional audit procedures but have not been able to gather sufficient appropriate evidence to assess the recoverability of these prepayments at the aforementioned times. Therefore, we are unable to give an opinion on the recoverability of this advance payment as of 31/12/2024 as well as the impact of this issue on the Company's accompanying Consolidated Financial Statements."*

**Explanation of causes:** Advance payments to the seller arising from contracts for the purchase of machinery, equipment, goods and services between the parent company, subsidiaries and suppliers. However, due to the influence of a number of objective factors such as delays in delivery progress from suppliers, market fluctuations, as well as adjustments to the handover plan, so far some goods and services corresponding to prepaid payments have not been handed over or withdrawn.

The company is continuing to work closely with suppliers to ensure delivery progress and timely recovery of the above-mentioned prepayments.

**\* Basis of conclusion except**

*"On December 31, 2024, Viet My Hospital Investment Joint Stock Company is cooperating to invest in the medical waste centralized treatment area project with Sara Vung Tau Joint Stock Company in the amount of VND 61,717,000,000. By the time of the issuance of this report, the above project has not completed the procedures to come into operation. By audit procedures, we did not assess the effectiveness and recoverability of the above investments and their impact on the consolidated financial statements for the fiscal year ended December 31, 2024."*



**Explanation of the cause:** Due to the long time to approve legal documents related to the project, including construction permits, environmental impact assessment and trial operation, the project has not been able to complete the necessary procedures to go into official operation. The company is currently actively coordinating with partners and working with competent agencies to speed up the progress and put the project into operation soon.

**\* Basis of conclusion except**

*"The company has invested in and installed RIS-PACS machines, equipment, software systems for storing and transmitting medical images under lease contracts, cooperation with hospitals and medical centers with an investment cost of VND 80,255,898,895 as of December 31, 2024 (of which the value handed over to the hospital for use is 59,564,895,987 VND, not yet handed over to the hospital is 20,691,002,908 VND). At some hospitals, there has been revenue, but due to the lack of specific and uniform guidance on payment for diagnostic imaging services based on the PACS system, the Company still does not have enough reliable basis to fully determine the economic benefits obtained from the lease. the above-mentioned cooperation. However, the Company has recorded depreciation expense for the assets handed over in the business results of the years, the accumulated depreciation value as of December 31, 2024 is VND 20,811,796,801 (of which accumulated until December 31, 2023 is VND 16,526,054,590, depreciation in 2024 is 4,285,742,211 VND). By the applicable audit procedures, we have not yet determined their impact on the financial statements for the fiscal year ended December 31, 2024."*

**Explanation of the cause:** Currently, the Ministry of Health has not yet issued specific regulatory documents and guidelines related to payment for diagnostic imaging services using the PACS system (not printing film). Therefore, the Company does not have sufficient legal basis and reliable data to clearly identify the economic benefits from related investment, association, leasing or cooperation activities.

Immediately after receiving official instructions from the competent authority, the Company will actively coordinate with partners to complete and agree on an appropriate implementation mechanism, ensure compliance with regulations and have a full basis for determining the economic efficiency of this business investment activity.

**\* Basis of conclusion except**

*"As of December 31, 2024, the value of unfinished capital construction costs for the procurement of machinery and equipment operating at clinics with an amount of VND 6,227,155,144 has not been accepted and handed over for a long time and put into use. By audit procedures, we did not estimate the fair value of this capital construction cost nor its impact on the Consolidated Financial Statements for the fiscal year ended December 31, 2024."*



**Explanation of the cause:** Due to the influence of a number of objective factors, the completion of investment in some clinics has been delayed and cannot be put into operation as planned. Currently, the Company is actively reviewing and accelerating the completion progress to soon put these clinics into official deployment and operation.

**\* Basis of conclusion except**

*"As of December 31, 2024, the receivables for short-term loans are VND 48,133,050,000. By audit procedures, we were unable to gather sufficient evidence to assess the recoverability of the loans at the aforementioned times. Therefore, we cannot give an opinion on the recoverability of this loan as of 31/12/2024 nor the impact of this matter on the Company's attached Consolidated Financial Statements."*

**Explanation of the cause:** Currently, the Company has re-examined the loan contracts, payment terms and payment time. In addition, the Company is also increasing work with partners to fully collect debt confirmations and repayment plans. It is expected to recover part or all of the loan in 2025 according to the specific roadmap set out.

2. **The Consolidated Financial Statements for 2024 and the above information have been published by the Company on the Company's website at the following link:**

<https://amvibiotech.com/bao-cai-tai-chinh>

American Vietnamese Biotech Inc commits that the information provided above is honest and accurate.

***Thank you very much!***

**Recipient:**

- Ditto.
- Save.

