**AMV: Information disclosure and explanation on the auditor’s qualified opinion on the Separate and Consolidated Financial Statements 2023**

On March 30, 2024, American Vietnamese Biotech Incorporation announced Official Dispatch No. 09/2024/AMV on disclosing information and explaining the auditor’s qualified opinion on the Separate and Consolidated Financial Statements 2023 as follows:

1. There is an auditor’s qualified opinion on the Consolidated Financial Statement for the financial year of 2023 audited by TTP Auditing Company Limited as follows:

* “According to Footnotes No. 5, as of December 31, 2023, at American Vietnamese Biotech Incorporation, the balance of advance payment to suppliers of some subsidiaries has been overdue but the goods has not been delivered as per the contracts (balance of prepayment to sellers at subsidiaries: Công ty CP Phòng khám Hà Đông (tentatively translated as Ha Dong Clinic JSC), Công ty CP Phòng khám Việt Trì (tentatively translated as Viet Tri Clinic JSC), Công ty CP Phòng khám kỹ thuật cao Gia Lâm (tentatively translated as Gia Lam High-tech Clinic JSC), Công ty CP Phòng khám Hòa Bình (tentatively translated as Hoa Binh Clinic JSC), Công ty CP Phòng Khám Medicare Hậu Giang (tentatively translated as Hau Giang Medicare Clinic JSC), Công ty CP Phòng Khám Medicare cần Thơ (tentatively translated as Can Tho Medicare Clinic JSC), Công ty CP Phòng Khám Medicare Ngã Bảy (tentatively translated as Nga Bay Medicare Clinic JSC), and Công ty CP Phòng Khám Medicare Sóc Trăng (tentatively translated as Soc Trang Medicare Clinic JSC)). The total amount of prepayment to sellers which is overdue but the goods has been delivered is: VND 399,840,000,000

With normal audit procedures, we cannot identify the recoverability of the above receivables.”

Explanation: Due to the impacts of objective factors like: From the focal points of the manufacturers, goods suppliers, the forced changes in import procedures for specific goods serving the specialized industries compared to the plan when the parties sign a contract, leading to the change in delivery progress. Even though has not received goods from suppliers, the Company still keeps the business strategies and continues to implement the projects; hence, the Company still needs the goods from the partners. The Company is still actively boosting the deliveries from partners, and negotiating to reduce the purchase price instead of choosing to change to new suppliers.

* “As of December 31, 2023, the value of inventories which are software of all kinds is: VND 140,080,690,416 (in which the inventories are software do not change throughout the year is: VND 99,965,521,616) These inventories have been stored and not been put into use for years. With normal audit procedures, we cannot estimate the net realizable value of the inventories.”

Explanation: Inventories which are software of the Company were imported for the implementation of the medical image storage and transmission system to replace the medical film printing according the traditional professional contents. Along with the strong development of science and technology, the imaging diagnosis technology has increasingly developed, the implementation of PACS technology in examination and treatment facilities not only meets the professional requirements in the field of medical examination and treatment but also very effective in terms of economic benefits as the film printing is no longer in use, hence the costs of purchasing films, storing film and environmental treatment are saved. However, there are some impacts of objective factors like: Covid pandemic in 2020, 2021; the facilities of the partners are not capable of implementing the application, the need to change the appropriate compatible equipment and machinery system, leading to the software not being used as the original business plan. Currently, the Company is assisting former partners to overcome difficulties to deploy this software, and looking for new partners at the same time.

1. There is an auditor’s qualified opinion on the Separate Financial Statement for the financial year of 2023 audited by TTP Auditing Company Limited as follows:

* “As of December 31, 2023, the value of inventories which are software of all kinds is: VND 140,080,690,416 (in which the inventories are software do not change throughout the year is: VND 99,965,521,616

These inventories have been stored and not been put into use for years. With normal audit procedures, we cannot estimate the net realizable value of the inventories.”

Explanation: Inventories which are software of the Company were imported for the implementation of the medical image storage and transmission system to replace the medical film printing according the traditional professional contents. Along with the strong development of science and technology, the imaging diagnosis technology has increasingly developed, the implementation of PACS technology in examination and treatment facilities not only meets the professional requirements in the field of medical examination and treatment but also very effective in terms of economic benefits as the film printing is no longer in use, hence the costs of purchasing films, storing film and environmental treatment are saved. However, there are some impacts of objective factors like: Covid pandemic in 2020, 2021; the facilities of the partners are not capable of implementing the application, the need to change the appropriate compatible equipment and machinery system, leading to the software not being used as the original business plan. Currently, the Company is assisting former partners to overcome difficulties to deploy these software, and looking for new partners at the same time.