
No: 2508-01/2026/CV-KSLC
Re: *Explanation of the Disclaimer of Opinion
on the Parent Company and Consolidated
Semi-Annual Financial Statements for 2026.*

Lao Cai, August 25, 2026

To: Hanoi Stock Exchange (HNX)
State Securities Commission of Vietnam (SSC)

Lao Cai Mineral Exploitation and Processing Joint Stock Company (**LCM**) would like to express our sincere appreciation to the Hanoi Stock Exchange and the State Securities Commission of Vietnam for your continuous support and cooperation. We look forward to receiving your continued guidance and assistance in the future.

We hereby provide our explanation regarding the basis for the auditor's Disclaimer of Opinion as follows:

I. Basis for the Disclaimer of Opinion on the Consolidated Financial Statements and the Company's Explanation:

1. Disclaimer of Opinion regarding Investments in Associates

We were unable to obtain the financial statements and audited financial statements for the period ended 30 June 2026 of Van Son Green Environment Cooperative, whose investment accounted for under the equity method amounted to VND 24.145 billion, and Binh Thanh Green Environment Investment and Construction Joint Stock Company, whose investment accounted for under the equity method amounted to VND 23.769 billion. Alternative audit procedures could not be performed. Accordingly, we were unable to assess the carrying value of these investments or their impact on the related balances in the consolidated financial statements.

- At the time of the semi-annual audit, we had not been able to contact the management or accounting personnel of the above two associate companies. Consequently, the relevant financial documents were not provided on time, preventing the auditor from assessing the required impairment provision for these investments.

2. Disclaimer of Opinion regarding Short-term Receivables and Other Receivables:

As of the date of issuing the review report, we had not received balance confirmations for various receivable and payable accounts as of 1 January 2026 and 30 June 2026. Alternative audit procedures did not provide sufficient appropriate audit evidence regarding the existence, completeness, and valuation of these balances. Accordingly, we

were unable to express an opinion on these balances, the related provisions, and their possible effects on the interim financial statements.

- At the time of the semi-annual audit, the Company had not yet recovered certain outstanding loans, accrued interest, and advances made to employees. Therefore, the auditor was unable to determine the appropriate level of provision required. We are currently taking active measures to recover these outstanding amounts.

3. Auditor's Opinion regarding the Company's Going Concern

As of June 30, 2026, the auditor was unable to obtain sufficient appropriate audit evidence relating to the construction-in-progress costs of the Hoa Binh Gold Mining Project amounting to VND 6,034,365,131. Therefore, the auditor was unable to assess the reasonableness and recoverability of this asset recorded in the Company's consolidated financial statements.

As of June 30, 2026, the Company had accumulated losses of VND 138,435,841,015. During the first six months of 2026, the Company generated no revenue or significant business activities. In addition, loans and finance lease liabilities amounting to VND 12,230,000,000 and trade payables amounting to VND 51,759,485,236 were overdue. Furthermore, the mining license for the gold mining project in Luong Son District, Hoa Binh Province, under Mining License No. 80/QĐ/UBND dated November 12, 2009, held by Gia Long Hoa Binh Joint Stock Company (the Company's subsidiary), had expired and had not yet been renewed. These matters, together with those described in the "Basis for Disclaimer of Opinion" section above, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. At the date of this report, the auditor was unable to conclude whether the going concern assumption adopted in preparing the financial statements was appropriate.

- The Company is currently focusing on renewing the mining license for the gold mining project of Gia Long Hoa Binh Co., Ltd., its subsidiary. As a result, the principal business activities of both the parent company and the subsidiary have been temporarily interrupted. However, the Company's other business operations continue to operate normally. Therefore, we confirm and are confident that the Company will continue to operate as a going concern both at present and in the future.

II. Basis for the Auditor's Disclaimer of Opinion on the Separate Financial Statements and the Company's Explanation:

1. Disclaimer of Opinion on Short-term Receivables, Trade Payables, Advances to Suppliers and Employee Advances

As of the date of issuance of the review report on the interim financial statements for the six-month period ended 30 June 2026, we had not received confirmation letters for the following balances: other short-term receivables, short-term trade payables, advances to suppliers, and employee advances as at 1 January 2026, amounting to VND 61,695,065,011; VND 19,739,200,005; and VND 633,401,930, respectively. We also had not received balance confirmations as at 30 June 2026 for amounts of VND

63,195,137,911; VND 19,809,200,005; and VND 654,162,883, respectively. Alternative audit procedures performed did not provide sufficient appropriate audit evidence for us to assess the existence, completeness, and accuracy of these balances. Accordingly, we are unable to express an opinion on these balances and any related effects on the interim financial statements.

- At the time of the interim audit for the first half of 2026, the Company was in the process of recovering employee advances as well as outstanding receivables from customers to support its business operations. Therefore, the auditor was unable to fully assess the reasonableness of the outstanding advance balances.

2. Disclaimer of Opinion on Investments in an Associate and a Subsidiary

We had not obtained the financial statements and audited financial statements of Van Son Green Environment Cooperative (an associate of the Company), with an original investment cost of VND 24.15 billion. No alternative audit procedures could be performed. Accordingly, we were unable to determine the carrying value of the investment, any impairment provision required, or the impact on the relevant items in the Company's separate financial statements.

According to the reviewed financial statements of the subsidiary, Gia Long – Hoa Binh Joint Stock Company ("Gia Long"), the auditor issued a disclaimer of opinion due to the pervasive effects of several matters, including: the inability to determine the net carrying value of the investment in an associate amounting to VND 23.8 billion; the inability to obtain supporting documentation for construction-in-progress amounting to VND 6.034 billion; uncertainty regarding the going concern assumption; and the absence of confirmation letters for employee advances, short-term trade receivables, advances to suppliers, short-term trade payables, and other short-term payables, amounting to approximately VND 54.8 billion, VND 12.7 billion, VND 4.2 billion, VND 33.1 billion, and VND 7.8 billion as at 1 January 2026, and approximately VND 52.3 billion, VND 12.7 billion, VND 4.2 billion, VND 32.02 billion, and VND 7.8 billion as at 30 June 2026, respectively. We were unable to obtain sufficient appropriate audit evidence regarding Management's assessment of the reversal of impairment provisions, the recoverable value of the investment, any additional impairment provisions required, and the related impacts on the Company's separate financial statements.

- At the time of the interim audit for the first half of 2026, the Company had not yet been able to contact the management and accounting personnel of the associate. As a result, the financial information of the associate could not be obtained in a timely manner, preventing the auditor from assessing the appropriate impairment provision for the investment.

3. Opinion on the Company's Going Concern

As at 30 June 2026, the Company had accumulated losses of VND 141,733,846,972, representing approximately 58% of its equity. In addition, borrowings and finance lease liabilities amounting to VND 2,230,000,000 were overdue. These conditions, together

with the matters disclosed in Note 7.5 to the financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. As of the date of this report, we were unable to obtain sufficient appropriate audit evidence to conclude whether the going concern assumption adopted by the Company is appropriate.

- The Company is currently focusing on obtaining an extension of the mining licence for the gold mining project of Gia Long Hoa Binh Co., Ltd. (its subsidiary). Consequently, the principal operations of both the parent company and its subsidiary have been temporarily interrupted. However, the Company's other business activities continue to operate normally. The Company hereby confirms and assures its ability to continue operating as a going concern at present and in the foreseeable future.

The above constitutes the Company's explanation regarding the auditor's disclaimer of opinion on the separate financial statements for the six-month period ended 30 June 2026. We sincerely appreciate the understanding and continued support of the State Securities Commission of Vietnam and the Hanoi Stock Exchange regarding the matters outlined above.

Sincerely!

Recipients:

- As addressed;
- Filed by the Administration Department.

**LAO CAI MINERAL EXPLOITATION
AND PROCESSING JOINT STOCK
COMPANY**



GENERAL DIRECTOR


TỔNG GIÁM ĐỐC
Nguyễn Đức Lễ