



#16/1, Mohideen Terrace, Ward Place, Colombo 07
Telephone: 0112 687 206 Fax: 0112 056 260
Company Registration Number: PQ 206

01/10/2026

Colombo Stock Exchange
#04-01, West Block, World Trade Center
Echelon Square
Colombo 1

Dear Sir Madam

CLEARANCE FROM EMPHASIS OF MATTER ON GOING CONCERN

We have attached the following documents pertaining to Standard Capital PLC, confirming clearance from Emphasis of Matter on Going Concern as of 31st March 2026.

- a) Audit Opinion dated 29th September 2026 by Company Auditors, *M/s Kreston MNS & Co.*, Chartered Accountants, published together with the Financial Statements for the year ended 31st March 2026.
- b) Confirmation letter dated 01st October 2026 from the Audit Committee Chairman on Clearance from Emphasis of Matter on Going Concern.
- c) Declaration signed by two Directors of the Company on behalf of the Board on the Audited Financial Statements for the year ended 31st March 2026 - Independent Auditors Report clearing the Emphasis of Matter on Going Concern.

Yours truly,

For and on behalf of
Standard Capital PLC


.....
W I Arambage
Director / Chairman



Kreston MNS & Co
Chartered Accountants
Level 1 & 2, Advantage Building
74A, Dharmapala Mawatha
Colombo 07

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STANDARD CAPITAL PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **STANDARD CAPITAL PLC** (the Company) and the consolidated Financial Statements of the Company and its subsidiary ("the Group"), which comprise the Statement of Financial Position as at 31st March 2026, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information exhibited on pages 18 to 52.

In our opinion, the accompanying Financial Statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's Financial Statements and the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Company's Financial Statements and Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
01. Assessment of Fair Value of Investment Property The carrying value of the Investment Property (IP) of the Group as at 31.03.2026 was Rs.225,000,000/-. This was a key audit matter due to the following:- - Materiality of the reported IP which represented 98% of the total assets as of reporting date. - Degree of assumptions, judgements and estimation uncertainties associated with the fair valuation of IP such as reliance on comparable market transactions and consideration of current market conditions.	- We assessed the objectivity, independence, competence and qualifications of the external valuer engaged by the Company. - We obtained and inspected the valuation report prepared by the external valuer. - We assessed the key assumptions applied by the external valuer in deriving the fair value of IP and comparing the same with evidence of current market values. - We assessed the adequacy of the Financial Statement disclosures.

Member of Kreston Global UK

Correspondent firm within Grant Thornton International Ltd. (Grant Thornton International)

Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

Partners

S Rajanathan FCA, FCMA (UK) | N K Atukorala FCA, ACMA | Ms. H DSC A Tillekeratne FCA, ACCA (UK), ACMA | KI Skandadasan B.Sc. (Madras), FCA, ACMA | R L R Balasingham FCA, ACCA (UK), ACMA | N K G V Bandara B.Sc.(Acc) Sp. FCA, ACCA (UK), ACMA | Ms.S. Sawumiya BBA (Ace) Sp. FCA, ACCA (UK) | P. Dharshan ACA, ACCA (UK), I M.F.M. Mujahid BBA (Col), MBA (PIM-SJP), FCA, CISA, ACCA (UK)

Branches

Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya, Trincomalee

INDEPENDENT AUDITORS' REPORT CONTD...

Key Audit Matter	How our audit addressed the Key Audit Matter
02. Going Concern Assessment As disclosed in Note 2.3(a) to the consolidated financial statements, as at the reporting date, the Group had accumulated losses amounting to Rs. 121,865,708/- and its current liabilities exceeded its current assets by Rs. 66,506,548/-. Further, Standard Paints Limited, a subsidiary of the Group, had ceased its operations and its financial statements were prepared on a basis other than going concern. Notwithstanding the above, the Company and Group recorded profits during the current financial year and the Board of Directors has concluded that the use of the going concern basis of accounting is appropriate after considering the Group's financial performance, the proposed strategic investment, available financial support and the subsequent disposal of Standard Paints Limited. This was considered a key audit matter due to the following: - Significant judgement involved in assessing the Group's ability to continue as a going concern. - Reliance on financial support arrangements, future financial projections and the successful implementation of the proposed strategic investment and related business plan.	- We evaluated management's assessment of the Group's ability to continue as a going concern. - We evaluated the status and supporting documentation relating to the proposed strategic investment and related business plan. - We inspected the financial support undertakings provided by Standard Industries (Pvt) Ltd and considered its financial capacity to provide such support. - We inspected supporting documentation relating to the corporate and personal guarantees and post-dated cheques provided in respect of the Company's bank borrowings. - We considered the impact of the subsequent disposal of Standard Paints Limited on the Group's financial position. - We assessed the adequacy of the related disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

INDEPENDENT AUDITORS' REPORT CONTD...

As part of an Audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

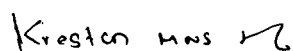
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this Independent Auditor's Report is 5333.



**CHARTERED ACCOUNTANTS
COLOMBO
29TH SEPTEMBER 2026**



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Company Registration Number: PQ 206

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DECLARATION BY THE AUDIT COMMITTEE

CLEARANCE FROM EMPHASIS OF MATTER ON GOING CONCERN

I, A M A Cader, chairman of the audit committee of Standard Capital PLC hereby confirms on behalf of the committee that in accordance with audit opinion given on the published financial statements for the year ended 31st March 2026 by M/S Kreston MNS & Co. company is cleared from audit opinion pertaining to "Emphasis of Matter on Going Concern" declared in the audited financial statements for the year ended 31st March 2025.

A handwritten signature in black ink, appearing to read "A M A Cader", written over a horizontal dotted line.

A M A Cader

Chairman

Audit Committee – Standard Capital PLC



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DECLARATION

01/10/2026

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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

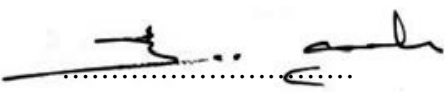
INDEPENDENT AUDITORS REPORT CLEARING THE EMPHASIS OF MATTER ON GOING CONCERN

Standard Capital PLC (hereinafter called “the Entity”) hereby declare that:

- a) The Securities of the Entity were transferred to the Watch List by the Colombo Stock Exchange (CSE) (the Exchange) on 30th July 2026 in terms of section 7.5(d) (ii) of the Listing Rules as the year ended 31 March 2024 and 31 March 2025 audited financial statements contained an Emphasis of Matter on Going Concern which had arisen as a result of the material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern.
- b) As per the Audited Financial Statements for the year ended 31st March 2026 the matter giving rise to the Emphasis of Matter on Going Concern, has been resolved consequent to the strengthen of financial position of the company and group and such fact has been independently verified by the Auditors of entity via the Independent Audit Report dated 29th September 2026, which is part and parcel of the Annual Report for the year ended 31st March 2026, published on the Colombo Stock Exchange website on 30th September 2026.
- c) Accordingly, the Directors are of the opinion that the securities of the Entity should be transferred out of the Watch List.

For and on behalf of Standard Capital PLC


.....
Director / Chairman
W I Arambage


.....
Director
A M A Cader