



Corporate Services (Private) Limited

An affiliate of F. J. & G. de Saram

01st June, 2020

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Mr. Renuke Wijayawardhane,
Chief Regulatory Officer,
Colombo Stock Exchange,
04-01, West Block,
World Trade Centre,
Colombo 01.

Dear Sir,

PEOPLE'S MERCHANT FINANCE PLC - EXTENSION OF TIMELINES FOR SUBMISSION OF INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

We write for and on behalf of our client, People's Merchant Finance PLC ("Company") and pursuant to the circular No. 03-04-2020 ("Circular") issued by the Colombo Stock Exchange ("CSE") on 10th April 2020, to inform the CSE that the Company is unable to submit the Interim Financial Statements for the quarter ended 31st March 2020 to the CSE due by 31st May 2020, on account of the disruption caused to the Company's activities due to the outbreak of the Covid-19 pandemic.

Accordingly, we hereby disclose the following as required by the said Circular:

1. Turnover /Income for the year ended 31.03.2020

LKR 583.4 Million

2. Future outlook relating to Operations

The coronavirus outbreak and the resultant prolonged business disruptions have put additional pressure on the company earnings, liquidity, profitability and asset quality. The company may face multiple challenges in the near term, including muted loan growth, margin compression amid lower interest rates, and rising loan-impairment charges due to asset-quality pressures.

In addition to the adverse business environment, the circulars issued by the Central Bank of Sri Lanka (CBSL), detailing the relief to be offered to affected businesses and individuals too will have a negative impact on the Company's revenue and profitability during the financial year 2020/21.

However, following precautionary measures have been taken by the company to reduce the impact of Covid-19 pandemic on lending growth, liquidity, earnings and profitability of the company:

- Expanding leasing portfolio by focusing on registered vehicles.
- Focus on short term lending (Ikman Draft, Gold Loan, etc.).
- Focus on cost reduction strategies to achieve effective utilization of assets.
- Look for opportunities to refinance existing assets by securitization.
- Close monitoring of the current healthy liquidity position of the company to ensure that ability of the company to meet its financial obligations under any stress scenario.

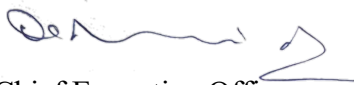
3. Message to investors who wish to trade in the absence of Financial Statements

We are mindful that the situation is volatile and the outbreak uncertain, with much depending on the duration of the Covid-19 outbreak. However, we assure our investors that all measures will be taken by the entity to safeguard/maintain their investment under the present circumstances.

4. Communication with Directors, Key Management Personnel and other Related Parties who have access to unpublished price-sensitive information.

The Company has informed its directors, key management personnel and other related parties who have access to unpublished price-sensitive information to take additional precautions in the event such parties intend to trade during the delayed period of information submission.

Yours faithfully,



Chief Executive Officer

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

PEOPLE'S MERCHANT FINANCE PLC

RSK/CS