

CIRCULAR TO SHAREHOLDERS

PEOPLE'S LEASING & FINANCE PLC

[Company Registration No. PB 647 PQ]

No: 1161, Maradana Road, Colombo 08, Sri Lanka

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Dear Shareholder/s,

Final Dividend of cents Seventy (Rs.0.70) per ordinary voting share payable as a scrip dividend for financial year ended 31st March 2026

The Board of Directors of Peoples Leasing & Finance PLC (the Company) is pleased to inform its shareholders that it has recommended a Final Dividend of Rs. 0.70 per ordinary voting share, to be paid out of Retained Earning as a scrip dividend, for the financial year ended 31 March 2026 in accordance with Article 13(3) of the Articles of Association of the Company and Companies Act No. 7 of 2007. This recommendation is subject to shareholders' approval at the Company's Annual General Meeting (AGM), scheduled for Tuesday, 30 June 2026 at 3.00p.m. in the People's Bank Auditorium, People's Tower, Level 16, No.374, Dr. Colvin R. de Silva Mawatha, Colombo 02.

Shareholders are further informed that, the Central Bank of Sri Lanka by its letter dated 27 May 2026, has granted its consent to the Company to declare a final dividend in the form of a scrip dividend of Rs. 0.70 per ordinary voting share, amounting in total to Rs. 1,546,907,072.20, on 2,209,867,246 ordinary voting shares for the financial year 2025/26.

It was further resolved in accordance with Section 57 of the Companies Act No. 07 of 2007 the Company to carry out a solvency test prior to distribution to ensure the Company satisfies the solvency test required by the Act, immediately after the distribution of the proposed gross dividend of Rs. 1,546,907,072.20 in the form of scrip dividend. The Company will also, maintain required liquid assets and capital adequacy ratios even after the distribution of such dividend.

It was further resolved that the Company recommends the issue of 59,766,864 new fully paid ordinary voting shares and the listing of the ordinary voting shares arising from the scrip dividend are to be listed on the Colombo Stock Exchange. The Board further, confirms and opined that the consideration for which the ordinary voting shares are to be issued is fair and reasonable to the Company and to all its existing shareholders.

The number of ordinary voting shares to be issued and the applicable proportion are as follows:

59,766,864 new fully paid ordinary voting shares will be allotted at the rate of one (1) new ordinary voting share for every thirty-six decimal nine seven four seven nine zero zero one (36.97479001) ordinary voting shares held by shareholders as at 2nd July 2026, the Record Date/Entitlement Date. The remaining balance shares arising from the aggregation of the residual fractions ("fractional shares") consequent to the Scrip Dividend will be held by the Company and disposed on the trading floor of the Colombo Stock Exchange and such net sales proceeds received will be distributed among the entitled shareholders in proportion to adjust the rights of their balance entitlement. The new ordinary voting shares will rank equally and pari passu in all respects with the existing ordinary voting shares.

Ordinary Voting Shares	Number of Ordinary Voting shares held by shareholder as at end of trading on the Record Date (02.07.2026) X
	<u>1</u> 36.97479001

In the event that the requisite ordinary resolution declaring the dividend is passed by the shareholders at the upcoming Annual General Meeting, all new ordinary voting shares to be issued under the proposed scrip dividend (new shares), will be directly uploaded to the CDS accounts as per the instructions given by the shareholders within 5 Market Days from and excluding the Record Date (02.07.2026). Further if a shareholder holds multiple CDS accounts, the total entitlement will be directly deposited to shareholder's respective CDS accounts proportionately. Furthermore, as directed by the Securities and Exchange Commission of Sri Lanka (SEC) the shareholders will not be issued share certificates for the new shares and shareholders are accordingly requested to open an account with the CDS and deposit their existing share certificates in the CDS prior to the date of the AGM of the Company. This will enable the Company to deposit the new shares directly into the Shareholder's CDS Account. Direct uploads pertaining to written requests received from shareholders after opening a CDS account to deposit such shares will be done on a weekly basis.

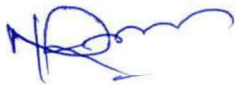
If a shareholder fails to open a CDS Account prior to the AGM of the Company to deposit the existing ordinary voting shares in a CDS Account, until such CDS account is opened by a Shareholder the existing voting shares will be maintained in the Share Register maintained by the Company's Registrar.

At the Annual General Meeting referred to above, the following resolutions will be proposed, if deemed fit, by way of Ordinary Resolution:

- (i) The number of ordinary voting shares to be issued under the scrip dividend will be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) on the basis of Rs. 22.00 per share which results in one (1) new ordinary voting share being issued for each existing Thirty Six Decimal Nine Seven Four Seven Nine Zero Zero One (36.97479001) Ordinary voting shares held by the shareholders as at 02.07.2026, the Record Date/Entitlement Date. The shareholders of the Company who hold their shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of new shares (the Record date will be 02.07.2026).

- (ii) The total number of ordinary voting shares to be issued under the scrip dividend shall be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) ordinary voting shares. Further, it is resolved that the shares issued under the scrip dividend shall be listed subject to approval of the Colombo Stock Exchange. The new ordinary voting shares shall rank equal and pari passu in all respect with the existing ordinary voting shares. The shareholders of the Company who hold their shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) Market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of shares (the Record date will be 02.07.2026).

By Order of the Board,
Nirosha Kannangara



Company Secretary
People's Leasing & Finance PLC
3 June 2026
Colombo