



Corporate Services (Private) Limited

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

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31st August, 2020

Colombo Stock Exchange,
Level 4-l West Tower,
World Trade Centre,
Echelon Square,
Colombo 1.

Attn: Mr. Renuke Wijavawardhane
Chief Regulatory Officer

Dear Sir,

PEOPLE'S MERCHANT FINANCE PLC - EXTENSION OF TIMELINES FOR SUBMISSION OF ANNUAL REPORT FOR THE YEAR 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.

In this respect, we wish to inform the CSE and the shareholders, that the Company is unable to submit the Annual Report for the year ended 31st March 2020 due by 31st August 2020, on account of the disruption caused to the Company's activities due to the outbreak of the Covid-19 pandemic.

The Company and the Group have recorded a turnover of LKR 629.53 million for the financial year ended 31st March 2020 (Audited).

The coronavirus outbreak and the resultant prolonged business disruptions have put additional pressure on the organization's earnings, liquidity, profitability and asset quality. Under the present situation prevailing in the country in the wake of the Covid- 19 outbreak, the Central Bank of Sri Lanka has announced relief measures for Covid-19 affected business and individuals are to be offered by LFCs. These measures include deferrals, restructuring, concessionary financing and waivers. A one to twelve months debt moratorium, depending on the type of eligible borrowers, will have negative implications on cash flows and the short term liquidity position of the company.

However, the Company will be able to manage this crisis situation effectively as we have excess cash flows, a sound liquidity position and are enjoying the full backing of its parent, Sterling Capital Investment Ltd.

CORPORATE SERVICES (PRIVATE) LIMITED

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.

The Company has informed its directors, key management personnel and other related parties who have access to unpublished price-sensitive information to take additional precautions in the event such parties intend to trade during the delayed period of information submission.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

A handwritten signature in blue ink, appearing to be 'Q.1' followed by a long, wavy line.

Chief Executive Officer

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

PEOPLE'S MERCHANT FINANCE PLC

RSK/CS