Corporate Services
(Private) Limited
An affiliate of F. J. & G. de Saram

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11th January, 2021

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**
**DISCLOSURE ON THE STATUS OF THE MINIMUM PUBLIC HOLDINGS UNDER RULE 7.13.2 (a) AND (i) AS AT 31ST DECEMBER 2020**

We write for and at the instructions of our client, People's Merchant Finance PLC (the "Company") on the captioned matter.

In terms of rule 7.13.2(a) of the Listing Rules of the Colombo Stock Exchange ("CSE"), we write to inform you that People's Merchant Finance PLC (the "Company ") is currently not compliant with the minimum Public Holding requirement stipulated in Rule 7.13.1(b) of the Listing Rules due to the reason specified below;

- Rights Issue under a capital infusion plan approved by the regulatory authority is yet to be completed.

As required by Rule 7.13.2 (a) we give below the information pertaining to the status of the Minimum Public Holding of the Company as at 31st December 2020 :-

a) The Existing Float Adjusted Market Capitalization –LKR 70,546,123
b) The public holding percentage – 3.89%
c) Number of public shareholders – 9,907

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Upon an application made by the company in terms of CSE Listing Rule 7.13.3 (iii), the CSE with the concurrence of the Securities and Exchange Commission of Sri Lanka (SEC) has granted an exemption to the Company with having to comply with the maintenance of the minimum public holding requirement for a period of one year until 05th August 2020. Accordingly, upon the expiry of the extension period, People's Merchant Finance PLC is considered non-compliant.

The steps to be adopted by the company to comply with the minimum public holding requirement will be informed in a subsequent announcement.

Yours faithfully,

Chief Executive Officer
**CORPORATE SERVICES (PRIVATE) LIMITED**
Secretaries
**PEOPLE'S MERCHANT FINANCE PLC**

RSK/CS