

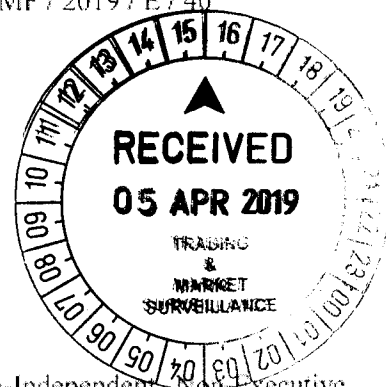


**PEOPLE'S MERCHANT
FINANCE PLC**

5th April 2019

Our Ref No: PMF / 2019 / E / 40

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



ANNOUNCEMENT TO THE EXCHANGE

Pursuant to the appointment of Mr. Duleep Daluwatte as a Non-Independent, Non-Executive Director of People's Merchant Finance PLC ("PMF" or the "Company") as announced to the Colombo Stock Exchange on 4th April 2019, the total number of Directors comprising the Board of Directors of PMF increased to eight (08).

Declaration

People's Merchant Finance PLC hereby declares that the aforementioned change to the directorate of the Company has resulted in non-compliance by the Company with the Corporate Governance Requirements set out in Rule 7.10 of the CSE Listing Rules to the extent disclosed below.

	Details of non-compliance	Minimum Number of Directors as per Listing Rule	Current Number of Directors
1	Composition of Independent Directors in the Board	3	2

Pursuant to a direction issued by the Central Bank, the Company is in the process of carrying out a Rights Issue to infuse capital to the Company. Upon the completion of said Rights Issue, the Board of Directors will be reconstituted with the required number of independent directors to comply with the Corporate Governance Requirements set out in Rule 7.10 of the CSE Listing Rules.

Signed for and on behalf of People's Merchant Finance PLC

Lakmini Kottegoda
Company Secretary

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