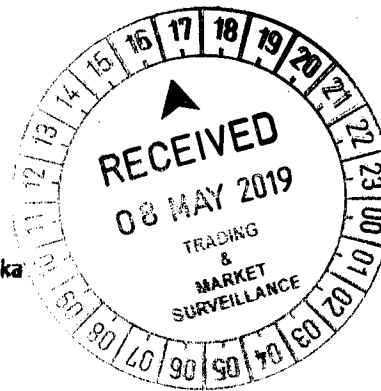


May 8, 2019

Director General
The Securities and Exchange Commission of Sri Lanka
Level 28-29, East Tower
World Trade Center
Echeelon Square
Colombo 01



Chief Executive Officer
The Colombo Stock Exchange
Level 04-01, West Tower
World Trade Center
Echeelon Square
Colombo 01

Chief Executive Officer
People's Merchant Finance PLC
No: 21,
Nawam Mawatha
Colombo 02

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Dear Sirs,

ANNOUNCEMENT UNDER RULE 7(b) AND RULE 36 OF THE COMPANY TAKE-OVERS AND MERGERS CODE 1995 (AS AMENDED)

We write to inform you that in compliance with the above Rules, Sterling Capital Investments (Private) Limited ("SCIL") subscribed to 126,384,052 ordinary voting shares of People's Merchant Finance PLC ("PMF") on May 8, 2019 at a consideration of LKR 9.50 per share by way of a rights issue. Pursuant to such acquisition of ordinary voting shares under the rights issue, the total number of ordinary voting shares held by SCIL in PMF increased to One Hundred and Forty Three Million, Two Hundred and Thirty Four Thousand and Fifty Two (143,234,052) representing 67.9% of the issued and paid up ordinary voting shares of PMF.

Accordingly, a mandatory offer at a price of LKR 9.50 per share will be made by SCIL to the remaining shareholders of PMF in terms of Rule 31 (1) (a) of the Company Takeovers and Mergers Code 1995 as amended in 2003 (the "Code"), to acquire the ordinary voting shares held by such shareholders in PMF.

In compliance with the provisions of the Code, SCIL will make a detailed announcement on the mandatory offer in terms of Rule 8 (1) read together with Rule 9 of the Code shortly.

Yours faithfully,
Sterling Capital Investments (Private) Limited

Handwritten signature
.....
Director

Sterling Capital Investments (Pvt) Ltd. [Reg:PV 00203801]

193, Station Road, Udahamulla, Nugegoda Tel: +94117600800 email: investments@sterling.lk