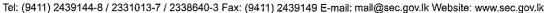
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SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA

(Established under Act No. 36 of 1987)







BY HAND

2nd April 2012

Ref: SEC/LEG/12/04/02

To: Colombo Stock Exchange All Listed Companies

<u>Directive under Section 13 (c) and 13 (cc) and in pursuant to the powers vested under Section 13 (g) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)</u>

Re: Imposition of restrictions on extending trading periods of warrants

The Securities and Exchange Commission of Sri Lanka at its 296th meeting held on 22nd February 2012 considered the impact on the investors in the secondary market due to corporate actions taken by public listed companies relating to warrants.

Under Section 5.10.2 of the Listing Rules of the Colombo Stock Exchange, a listed company is required to announce to the market the terms and conditions of warrants at the time of issuing it. The terms and tenure of a warrant is determined by the risk attached to such financial instrument. Thus the warrant holders should not be allowed to transfer the risk attached to the terms of such share warrant after the risk event has occurred, by extending the cut off date.

Therefore the Colombo Stock Exchange and all Listed Companies are hereby directed to;

"Prohibit the trading of warrants in the secondary market after the initial cut off date"

The Colombo Stock Exchange is further directed to inform all public listed companies of this prohibition.

This directive shall be effective from this date hereof.

Ianthie Jayaratne

Officer-in-Charge

AA/SW