

**BY HAND/REGISTERED POST**06th May 2016

Ref: SEC/SUP/16/05/242

To: Entrust Capital Markets (Private) Limited
Level 15, East Tower
World Trade Center
Echelon Square
Colombo 1

Chairman, Entrust Capital Markets (Pvt) Ltd
Chief Executive Officer, Entrust Capital Markets (Pvt) Ltd

Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)

Pursuant to its deliberations at its 370th meeting held on the 3rd of May 2016, the Securities and Exchange Commission of Sri Lanka (SEC), acting in terms of the powers vested under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act No 36 of 1987 (as amended), directs Entrust Capital Markets (Private) Limited (ECMPL):

1. to refrain from accepting new clients;
2. to refrain from carrying out purchases and sales on behalf of clients;
3. to facilitate the prompt transfer of securities portfolios of existing clients to other stockbroker/s in conformity with requests by clients; and
4. to apprise all clients in writing the specific restrictions imposed in paragraph 2 & 3 above.

ECMPL is hereby further directed to ensure that the client funds are not withdrawn except with the prior written approval of the SEC. In seeking such approval ECMPL shall set out a written account of the bases relied on in including where relevant confirmation of the Client's instructions, which shall be countersigned by its Chief Executive Officer.

These directives shall become operative on receipt of this communication by ECMPL, and shall be effective until further notice.

The directives are issued on account of certain regulatory concerns which have surfaced, a detailed account of which will be communicated to ECMPL shortly.

Ianthie Jayaratne
Officer-in-Charge

Copy: Chief Executive Officer, Colombo Stock Exchange