COLOMBO STOCK EXCHANGE
Creating Wealth and Value

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23rd December 2025

To: Managing Directors/CEOs of Listed Companies,
Investments Banks and Registrars

Dear Sir/Madam,

CIRCULAR NO: 15/2025

AMENDMENTS TO THE CSE LISTING RULES TO PROVIDE FLEXIBILITY TO THE MINIMUM PUBLIC HOLDING REQUIREMENT APPLICABLE FOR COMPANIES LISTING VIA INTRODUCTIONS

The Listing Rules of the Colombo Stock Exchange (CSE) have been amended to provide flexibility to the Minimum Public Holding (MPH) requirement applicable to companies seeking a listing on the Main Board or the Diri Savi Board of the CSE via an Introduction. The amended Listing Rules of the CSE have been approved by the Securities and Exchange Commission of Sri Lanka.

The amended Listing Rules are effective from **11th December 2025.**

The salient amendments to Section 2, 3 and 7 of the Listing Rules of the CSE are set out below:

Reference	Rule
2.1.1 (f) (iv)	Amendment of the lock-in applicable to shares allotted to Non-Public Shareholders or Public Shareholders during the period of twelve (12) months prior to the date of the Initial Listing Application ***to be dealt with in terms of the requirements of the SEC*** And introducing a new proviso to Rule 2.1.1 (f) to provide flexibility to the MPH requirement
2.1.1 (f) (v)	Deletion of the existing Rule
2.1.2 A (i) (c)	Introducing a new sub-rule 2.1.2 A (i) (c) (2) on the exception to the MPH requirement, applicable for entities seeking a listing on the Main Board via Introduction.
2.1.2 A (ii) (c)	Introducing a new sub-rule 2.1.2 A (ii) (c) (2) on the exception to the MPH requirement, applicable for entities seeking a listing on the Diri Savi Board via Introduction.
Appendix 2B	Inclusion of new item (vi) applicable for Entities seeking a listing on the CSE by utilizing the exception to the MPH requirement

Reference	Rule
3.4.11 (d)	Introducing a new Rule as 3.4.11 (d) to facilitate the exception to the MPH requirement and renumbering of the remainder of the Rules
7.13.1 (i) (a)	Introducing a new sub-rule 7.13.1 (i) (a) (2) and amending the cross-references made in the Rules accordingly, to provide for the continuing listing requirements applicable for Entities listed on the Main Board utilizing the proposed exception to the MPH requirement
7.13.1 (i) (b)	Introducing a new sub-rule 7.13.1 (i) (b) (2) and amending the cross-references made in the Rules accordingly, to provide for the continuing listing requirements applicable for Entities listed on the Diri Savi Board utilizing the proposed exception to the MPH requirement
7.13.2 (I) (a) (b) and (c)	Enforcement Procedure resulting from noncompliance with Rule 7.13.1 amended by introducing new Rules 7.13.2 (I) (a) (b) and (c) replacing the existing Rules 7.13.2 (I) (a) (b) and (c), to provide for the enforcement procedure applicable for Entities listed on the Main Board or the Diri Savi Board, utilizing the proposed exception to the MPH requirement.

The amended Listing Rules are enclosed with amendments marked in ***bold italics*** and are published on the CSE website (www.cse.lk).

Yours faithfully,



Nilupa Perera
Chief Regulatory Officer
KM/MS/HS

AMENDMENTS TO THE LISTING RULES TO PROVIDE FLEXIBILITY TO THE MINIMUM PUBLIC HOLDING REQUIREMENT APPLICABLE FOR COMPANIES LISTING VIA INTRODUCTIONS

1. Section 2

(i) Amended Rule 2.1.1 (f) (iv)

shares allotted to Non-Public Shareholders or Public Shareholders during the period of twelve (12) months prior to the date of the Initial Listing Application shall be dealt with ***in terms of the requirements of the SEC***.

Provided however, where an Entity seeking a listing on the Main Board or the Diri Savi Board by way of an Introduction is unable to meet the minimum Public Holding requirement at the time of submitting the initial listing application, such Entity may be eligible to obtain a listing subject to compliance with the following requirements:

1. ***The Entity seeking an exception to the requirements stipulated in Rules 2.1.2 A (i) (c) (2) and 2.1.2 A (ii) (c) (2);***

2. ***The Non-Public shareholders of the Entity who have held their shares for a minimum period of eighteen (18) months prior to the date of the initial listing application;***

   (a) may divest upto a maximum of 2% of their shares each month during the six (06) months commencing from the date of listing; and,

   (b) simultaneously be subject to a lock-in requirement of 30% of their respective shareholdings as at the date of listing, until compliance with the minimum Public Holding Requirement by the Entity or the completion of eighteen (18) months from the date of listing, whichever comes first.

3. ***The lock-in requirements set out in Rules 2.1.1 (f) (iv) shall apply to the shares held by the Non-Public Shareholders, other than the Non-Public Shareholders referred in Rules 2.1.1 (f) (i) — (iii) and the proviso of 2.1.1 (f) (iv) above.***

(ii) Deletion of Rule 2.1.1 (f) (v)

(iii) Amended Rule 2.1.2 A (i) (c)

(1) On the date of listing, the applicant Entity shall meet the Minimum Public Holding Requirement by selecting any of the options as set out in the table below, ***subject to Rule 2.1.2 A (i) (c) (2):***

Option	Minimum Public Holding Requirement		
	Float Adjusted Market Capitalization	Public Holding Percentage	Number of Public Shareholders
1	Rs. 10.0 Bn.	no minimum % required	500
2	Rs. 7.5 Bn.	5%	500
3	Rs. 5.0 Bn.	7.5%	500
4	Rs.2.5. Bn.	10%	500
5	less than Rs.2.5 Bn.	20%	500

The applicant Entity shall comply with the Float Adjusted Market Capitalization, corresponding Public Holding Percentage and Number of Public Shareholders (hereinafter collectively referred to as 'Minimum Public Holding Requirement') applicable under the option the Entity selects to adopt, as depicted in the table above.

(2) If an applicant Entity seeking a listing of its shares by way of an Introduction is unable to comply with the Minimum Public Holding Requirement as stipulated in Rule 2.1.2 A (i) (c) (1) above on the date of listing, such Entity may be listed by the Exchange subject to such Entity complying with the said requirement in the manner set out below:

(i) Fifty percent (50%) or more compliance with the applicable Minimum Public Holding Requirement, within a period of twelve (12) months from the date of listing; and

(ii) Full compliance with the applicable Minimum Public Holding Requirement, within a period of eighteen (18) months from the date of listing.

(iv) Amended Rule 2.1.2 A (ii) (c)

(1) On the date of listing, the applicant Entity shall meet the Minimum Public Holding Requirement by selecting any of the options as set out in the table below, ***subject to Rule 2.1.2 A (ii) (c) (2):***

Option	Minimum Public Holding Requirement		
	Float Adjusted Market Capitalization	Public Holding Percentage	Number of Public Shareholders
1	Rs. 1 Bn.	7.5%	200
2	less than Rs. 1 Bn.	10%	200

The applicant Entity shall comply with the Float Adjusted Market Capitalization, and the corresponding Public Holding Percentage and Number of Public Shareholders (hereinafter collectively referred to as 'Minimum Public Holding Requirement') applicable under the option the Entity selects to adopt, as depicted in the table above.

For the purposes of these Rules, Float Adjusted Market Capitalization should be calculated by multiplying the Public Holding Percentage of the applicant Entity by the Market Capitalization of the applicant Entity. In order to calculate the Market Capitalization of the applicant Entity at the time of listing, the applicant Entity should utilize the issue price of a share in respect of an Offer for Subscription/Offer for Sale and the Reference Price of a share in respect of Introductions.

In the event the applicant Entity is seeking a listing on the Exchange by way of an Introduction, such Entity shall ensure that not more than 50% of the shares in the hands of the Public Shareholders are held by the three (03) largest Public Shareholders of the Entity at the time of submitting the initial listing application.

(2) If an applicant Entity seeking a listing of its shares by way of an Introduction is unable to comply with the Minimum Public Holding Requirement as specified in Rule 2.1.2 A (ii) (c) (1) above on the date of listing, such Entity may be listed by the Exchange subject to such Entity complying with the said requirement in the manner set out below:

(iii) Fifty percent (50%) or more compliance with the applicable Minimum Public Holding Requirement, within a period of twelve (12) months from the date of listing; and

(iv) Full compliance with the applicable Minimum Public Holding Requirement, within a period of eighteen (18) months from the date of listing.

2. Appendix 2B

(i) Amended item (vi) of Appendix 2B

a) to comply with the Minimum Public Holding Requirement set out in the Listing Rules of the Exchange within a period of eighteen (18) months of listing by way of an Introduction on the Main Board or Diri Savi Board and any failure to achieve compliance will result in enforcement action being imposed by the Exchange against the entity in terms of the Listing Rules.

b) to comply with Rule 2.1.1 (f) (iv) of the Listing Rules.

(Applicable only for Entities listing its shares in terms of the Rules 2.1.2 A (i) (c) (2) and Rule 2.1.2 A (ii) (c) (2) of the Listing Rules).

3. Section 3

(i) Introduced Rule 3.4.11 (d) (remainder of the Rules renumbered)

In the event the shares are listed on the Main Board or Diri Savi Board of the Exchange by way of an Introduction in terms of the Rules 2.1.1 (f), 2.1.2 A (i) (c) (2) or 2.1.2 A (ii) (c) (2) (as applicable), a statement stipulating that the Entity shall comply with the applicable Minimum Public Holding Requirement as per the said Rules. Failure to comply with such Minimum Public Holding Requirement within the stipulated time period, shall result in the Entity being subject to enforcement action in terms of the Listing Rules of the Exchange.

4. Section 7

(i) Amended Rule 7.13.1 (i) (a)

(1) A Listed Entity whose shares are listed on the Main Board shall maintain a Minimum Public Holding Requirement on a continuous basis by selecting any one of the options, as set out in the table below, ***subject to Rule 7.13.1 (i) (a) (2)***:

Option	MINIMUM PUBLIC HOLDING REQUIREMENT		
	Float Adjusted Market Capitalization	Public Holding Percentage	Number of Public Shareholders
1	Rs. 10.0Bn	no minimum % required	500
2	Rs. 7.5 Bn	5%	500
3	Rs. 5.0Bn	7.5%	500
4	Rs.2.5Bn	10%	500
5	less than Rs.2.5 Bn	20%	500

The Listed Entity shall comply with the Float Adjusted Market Capitalization, and the corresponding Public Holding percentage and number of Public Shareholders (hereinafter collectively referred to as 'Minimum Public Holding Requirement') applicable under one of the Options the Listed Entity selects to adopt, as depicted in the table above.

(2)

(i) Where a Listed Entity has listed its shares on the Main Board by way of an Introduction in terms of Rule 2.1.2 A (i) (c) (2), such Entity shall, within a period of eighteen (18) months from the date of listing, comply with the Minimum Public Holding Requirement set out In Rule 7.13.1 (i) (a) (1) above in the manner set out below:

(a) Fifty percent (50%) or more compliance with the applicable Minimum Public Holding Requirement, within a period of twelve (12) months from the date of listing; and

(b) Full compliance with the applicable Minimum Public Holding Requirement, within a period of eighteen (18) months from the date of listing.

(ii)

(a) In the event the entity fails to comply with Rule 7.13.1 (i) (a) (2) (i) (a) above the Exchange shall provide a hearing by way of issuing a Notice of Show Cause to the Entity, granting a period of seven (7) Market Days from the date of such Notice, to provide reasons for the said non-compliance.

(b) If the Entity fails to respond to the Notice of Show Cause within the aforesaid period or the reasons provided by the Entity are deemed insufficient to warrant a deviation of the imposition of penalties in terms of this Rule, the Exchange shall impose a penalty of Rupees 500,000 on the Entity.

(c) The Exchange shall make an Announcement to the Market of the non compliance; the enforcement action and/or penalties imposed against the Entity.

Such penalty shall be settled to the Exchange by the Entity within a period of seven (7) Market Days from the date of notification of the penalty by the Exchange.

In the event the Entity fails to settle the penalty within the specified time period, such failure to comply shall be referred to the SEC In terms of Section 65 of the SEC Act.

(ii) Amended Rule 7.13.1 (i) (b)

(1) A Listed Entity whose shares are listed on the Diri Savi Board shall maintain a Minimum Public Holding Requirement on a continuous basis by selecting any one of the options, as set out in the table below, ***subject to Rule 7.13.1 (i) (b) (2)***:

Option	Minimum Public Holding Requirement		
	Float Adjusted Market Capitalization	Public Holding Percentage	Number of Public Shareholders
1	Rs. 1 Bn	7.5%	200
2	less than Rs.1 Bn	10%	200

The Listed Entity shall comply with the Minimum Public Holding Requirement applicable under one of the Options the Listed Entity selects to adopt, as depicted in the table above.

For the purposes of Rules 7.13.1 (i) (a) and (b) above, the Float Adjusted Market Capitalization shall be calculated by multiplying the Public Holding Percentage of the Listed Entity by the Market Capitalization of such Listed Entity.

(2)

(i) Where a Listed Entity has listed its shares on the Diri Savi Board by way of an Introduction in terms of Rule 2.1.2 A (ii) (c) (2), such Entity shall, within a period of eighteen (18) months from the date of listing, comply with the Minimum Public Holding Requirement set out in Rule 7.13.1 (i) (b) (1) above In the manner set out below:

(a) Fifty percent (50%) or more compliance with the applicable Minimum Public Holding Requirement, within a period of twelve (12) months from the date of listing; and

(b) Full compliance with the applicable Minimum Public Holding Requirement, within a period of eighteen (18) months from the date of listing.

(ii)

(a) In the event the Entity fails to comply with Rule 7.13.1 (b) (2) (i) (a) above the Exchange shall provide a hearing by way of issuing a Notice of Show Cause

to the Entity, granting a period of seven (7) Market Days from the date of such Notice, to provide reasons for the said non-compliance.

(b) If the Entity fails to respond to the Notice of Show Cause within the aforesaid period or the reasons provided by the Entity are deemed insufficient to warrant a deviation of the imposition of penalties in terms of this Rule, the Exchange shall impose a penalty of Rupees 500,000on the Entity.

(c) The Exchange shall make an Announcement to the Market of the non compliance, the enforcement action and/or penalties imposed against the Entity.

Such penalty shall be settled to the Exchange by the Entity within a period of seven (7) Market Days from the date of notification of the penalty by the Exchange.

In the event the Entity fails to settle the penalty within the specified time period, such failure to comply shall be referred to the SEC in terms of Section 65 of the SEC Act.

(iii) Amended Rule 7.13.2 (I) (a), (b) and (c)

For the purpose of these Rules, a Listed Entity, other than the Listed Entities which have its shares listed on the Catalist Board by way of Introduction ***and Listed Entities which have its shares listed on the Main Board or Diri Savi Board of the Exchange in terms of Rules 2.1.2 A (i) (c) (2) and Rules 2.1.2 A (ii) (c) (2), via Introductions*** shall be deemed to be non-compliant with the Minimum Public Holding Requirements specified in Rule 7.13.1 (i) (a) (1), 7.13.1 (i) (b) (1) or 7.13.1 (i) (c) of these Rules, when such Entity has failed to comply with such requirement for a consecutive period of one (01) month.

In respect of Listed Entities having its shares listed on the Catalist Board by way of Introduction which have failed to comply with Rule 7.13.1 (i) (c) of these Rules, shall be deemed to be non-compliant with the Minimum Public Holding Requirement from the 1st day of non-compliance with the said Rule and shall be subject to enforcement action in terms of Rule 7.13.2 (i) (c) below.

In respect of Listed Entities having its shares listed on the Main Board or Diri Savi Board by way of Introduction which have failed to comply with Rule 7.13.1 (i) (a) (2) (i) and/or Rule 7.13.1 (i) (b) (2) (i) of these Rules (as applicable), shall be deemed to be non-compliant with the Minimum Public Holding Requirement at the expiry of eighteen (18) months from the date of Listing and shall be subject to enforcement action in terms of Rule 7.13.2 (i) (c) below:

(a) In the event a Listed Entity is not in compliance with the Minimum Public Holding Requirement specified in Rule 7.13.1 (i) (a) ***(1)***, 7.13.1 (i) (b) ***(1)*** or 7.13.1 (i) (c) as the case may be for a consecutive period of one (01) month, such Listed Entity shall make an immediate announcement to the Market via the Exchange.

The announcement shall include a detailed description of the status of the minimum public holding as detailed below.

i. That the Listed Entity is not in compliance with the Minimum Public Holding Requirement specified in Rule 7.13.1 (i) (a), 7.13.1 (i) (b) or 7.13.1 (i) (c) and the reasons therefore, as applicable.

ii. Existing Float Adjusted Market Capitalization, Public Holding Percentage and the number of Public Shareholders.

iii. Steps to be adopted by the Listed Entity to comply with the Minimum Public Holding Requirement and progress made.

iv. If the information referred to in item (iii) above is not available at the time the Listed Entity becomes non—compliant, the Listed Entity shall disclose such information in the Market announcement to be made at the end of the first three (03) months from the date of non—compliance.

Such announcement shall be repeated at the end of each quarter, until such time the Listed Entity becomes compliant with Rule 7.13.1 (i) (a) ***(1)***, 7.13.1 (i) (b) ***(1)*** or 7.13.1 (i) (c) as the case may be.

(b) The Listed Entity shall comply with Rules 7.13.1 (i) (a) ***(1)***, 7.13.1 (i) (b) ***(1)*** or 7.13.1 (i) (c), as the case may be, within a period of six (06) months from the date of non-compliance in terms of Rule 7.13.2 (a).

(c) In the event the Listed Entity remains non-compliant with Rules 7.13.1 (i) (a) ***(1)***, 7.13.1 (ii) (b) ***(1)*** or 7.13.1 (i) (c), as the case may be, upon the expiry of the period of six (06) months from the date of non-compliance, the Securities of the Listed Entity shall be transferred to the Second Board.

In respect of Listed Entities having its shares listed on the Catalist Board by way of Introduction that have failed to comply with Rule 7.13.1 (i) (c), the shares of such Listed Entities shall be transferred to the Second Board at the expiration of two (02) years from the date of listing.

In respect of Listed Entities listed on the Main Board or Diri Savi Board by way of Introduction which have failed to comply with Rule 7.13.1 (i) (a) (2) (i) and/or Rule 7.13.1 (i) (b) (2) (i) of these Rules (as applicable), the shares of such Listed Entities shall be transferred to the Second Board at the expiration of eighteen (18) months from the date of listing.

5. Appendix 2B

(ii) Amended item (vi) of Appendix 2B

a) to comply with the Minimum Public Holding Requirement set out in the Listing Rules of the Exchange within a period of eighteen (18) months of listing by way of an Introduction on the Main Board or Diri Savi Board and any failure to achieve compliance will result in enforcement action being imposed by the Exchange against the entity in terms of the Listing Rules.

b) to comply with Rule 2.1.1 (f) (iv) of the Listing Rules.

(Applicable only for Entities listing its shares in terms of the Rules 2.1.2 A (i) (c) (2) and Rule 2.1.2 A (ii) (c) (2) of the Listing Rules).