

1st July 2025

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Colombo 1

Dear Sir,

CORPORATE DISCLOSURE

Further to the corporate disclosure issued by the Board of Directors of Colombo Dockyard PLC (the “**Company**”) on the 27th of June 2025 regarding the agreement entered into by the Company with Mazagon Dock Shipbuilders Limited (“**Mazagon**”) and Onomichi Dockyard Co. Ltd (“**Onomichi**”) for the acquisition of a controlling stake of the Company by Mazagon (the “**Proposed Transaction**”), and the media publicity following Mazagon’s disclosures on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited in India, the Company wishes to clarify the following details of the Proposed Transaction.

The Company notes that the disclosure by Mazagon regarding an investment of USD 52.96 million into the Company has resulted in speculation amongst existing shareholders and investors of the Colombo Stock Exchange on the ultimate pricing of the shares of the Company. Hence, the Board wishes to emphasize the following:

1. As the Company has clearly highlighted in the periodic disclosures to the Colombo Stock Exchange, it is faced with serious financial difficulties. This is also clearly borne out by the fact that the Company is on the watch list of the Colombo Stock Exchange since the Independent Auditor’s Report contained an emphasis of matter on going concern.
2. Onomichi, which still remains the controlling shareholder of the Company was not agreeable to any further infusions of capital into the Company and had indicated its wish to exit from its investment in the Company.
3. Faced with this situation, the Company sought a new investor who would be willing to rehabilitate the Company through the introduction of capital and technical assistance.
4. Following an open competitive process, the Company selected Mazagon as the prospective investor. The Proposed Transaction with Mazagon primarily envisages a direct infusion of capital into the Company by Mazagon, which will be accomplished by a Rights Issue that will be made by the Company, in which Onomichi will renounce its rights to Mazagon. Following the Rights Issue, it is envisaged that Mazagon will acquire the rights of Onomichi and also subscribe to any shares that are unsubscribed by other shareholders, Mazagon will acquire control of the Company.

“...an Odyssey of Excellence”

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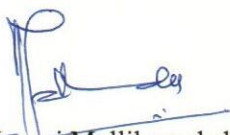
COMPANY NO. PQ 50



5. Upon Mazagon acquiring control of the Company following the Rights issue, it is envisaged that it will make a mandatory offer for all the shares remaining in the hands of existing shareholders, including Onomichi, as required by the Company Takeovers and Mergers Code.
6. Mazagon's reference to invest up to USD 52.96 million reflects and envisages the potential consideration for all the shares subscribed to under the Rights Issue of the Company, as well as the acquisition of all the existing shares of the Company if all the shareholders, including Onomichi, were to accept the mandatory offer made by Mazagon.
7. **The Company therefore wishes to caution the public to seek professional advice prior to purchasing shares of the Company rather than engaging in speculation based on market rumors.** The Board further wishes to reiterate that the Company is facing a severe financial crisis and that the Proposed Transaction with Mazagon is primarily aimed at rehabilitating the company and preventing its liquidation.
8. The Right Issue is subject to the approval of the Board of Directors and Shareholders of the Company as well as necessary regulatory approvals. The details of the pricing of the shares will be released after obtaining the approval of the board of directors of the Company.

Yours sincerely,

COLOMBO DOCKYARD PLC



Manori Mallikarachchi
Legal Consultant/Company Secretary

Manori P. Mallikarachchi
Legal Consultant / Company Secretary
Colombo Dockyard PLC
(PQ 50)