Colombo Dockyard PLC
Ship Repairers, Ship Builders and Heavy Engineers

7th July 2025

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Colombo 01

Dear Sir,

ANNOUNCEMENT -RIGHTS ISSUE

The Board of Directors of Colombo Dockyard PLC (the "**Company**") wishes to announce that the Board, at its meeting held on the 4th of July 2025, resolved to recommend a Rights Issue of Three Hundred and Twenty Three Million Three Hundred and Sixty Five Thousand One Hundred and Fifty Eight (323,365,158) new ordinary voting shares at Forty Sri Lankan Rupees (LKR 40.00) per share. The Rights Issue is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares and obtaining shareholder approval at a General Meeting.

The Rights Issue will be offered to the registered ordinary voting shareholders of the Company as at the end of trading on the record date, in the proportion of nine (9) new ordinary voting shares for every two (2) existing ordinary voting shares held, by way of a Provisional Letter of Allotment. Rights may be renounced only in favour of the Central Depository Systems (Private) Limited (CDS).

The stated capital of the Company as at the date of this announcement is Sri Lankan Rupees Seven Hundred Fourteen Million Three Hundred Ninety Five Thousand Seven Hundred Fifty Seven (LKR 714,395,757).

The proceeds of the Rights Issue are intended to be utilized to strengthen the Company's financial position and improve its working capital base in view of the severe financial constraints currently faced by the Company, which has resulted in the Company being placed on the Watch List of the Colombo Stock Exchange following the Independent Auditor's Report containing an emphasis of matter on going concern. The proceeds will also support the Company's ongoing operational and financial obligations.

The Board further wishes to announce that under an agreement between the Company, Onomichi Dockyard Co.,. Limited of Japan ("Onomichi") which is the Company's present majority shareholder holding 51% of the Company's issued shares, and Mazagon Dock Shipbuilders Limited of India, ("Mazagon"), Onomichi will renounce all of its Rights entitlement to Mazagon. Mazagon has also reserved a right to apply for Rights shares remaining unsubscribed at the end of the issue.

Any fractional shares arising from the Rights Issue will be disregarded and pooled for allotment to shareholders who apply for additional shares, at the discretion of the Board and on a fair and reasonable basis. Any unsubscribed shares at the end of the acceptance period will likewise be made available for allotment to shareholders who have applied for additional shares, and those remaining unsubscribed thereafter may be allotted to Mazagon if Mazagon makes an application for such shares, so that the Rights Issue is fully subscribed.

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COMPANY NO. PQ 50

The new shares, once subscribed and allotted, will rank *pari passu* in all respects with the existing issued ordinary shares of the Company.

The Company has appointed the Corporate Solutions Unit of the CDS as the Registrar to the Rights Issue.

Yours sincerely,

By Order of the Board of
COLOMBO DOCKYARD PLC

Manori Mallikarachchi
Secretary

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