Colombo Dockyard PLC
Ship Repairers, Ship Builders and Heavy Engineers

23rd May 2025

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

Dear Sir,

CORPORATE DISCLOSURE

Our attention has been drawn to several articles and media clips reporting that certain parties have been agitating against a proposed transaction seeking to source an investor / partner to replace Onomichi Dockyard Company Limited.

As we have previously disclosed, Colombo Dockyard PLC (the "Company") is facing serious financial difficulties which has resulted in its Auditors questioning its going concern status and the Company being placed on the watch list of the Colombo Stock Exchange. Onomichi Dockyard Company Limited, which had a long-standing relationship with the Company as its majority shareholder as well as the provider of technical services under a Management Agreement, thereupon elected to terminate the Management Agreement and dispose of its shares in the Company.

Consequently, the Company has sought expressions of interest from parties that would commit to acquiring the shares of Onomichi Dockyard Company Limited and infusing a substantial amount of capital into the Company to enable it to overcome its financial difficulties and also provide technical expertise and access to markets. Following the detailed evaluation of the expressions of interest received, through internal and external advisors, the Company recommended to Onomichi Dockyard Company Limited that it should sell its shares to the selected candidate who, the Company believes is best positioned and proven to have the ability to provide the Company with the required capital, technical assistance and access to international markets.

The proposed transaction is still under negotiation and is crucial for the survival of the Company. If it materializes, it will enable the Company to overcome its financial difficulties and resolve the matters giving rise to emphasis of matter on going concern. It will also benefit the many stakeholders of the Company including its several thousand employees and creditors and in addition, enable the Company to maintain its status as a leading ship builder.

To conclude, we regret to note that the agitation against the proposed sale is primarily based on the contention that it involves a disposal of "state assets". We wish to correct this misconception and point out that the Company is a public listed company and that the shares which are proposed to be sold are owned by a foreign investor and not the Government of Sri Lanka.

Company assures the public that all developments will be promptly communicated for information by way of further announcements.

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)

" an Odyssey of Excellence "

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