



Colombo Dockyard PLC

Ship Repairers, Ship Builders and Heavy Engineers

28th October 2025

Mr. Nayana Wijethunge
Head of Trading Operations & Market Surveillance
Colombo Stock Exchange
World Trade Centre
Colombo 01

Dear Sir

UNUSUAL TRADING ACTIVITIES IN THE SECURITIES OF COLOMBO DOCKYARD PLC

We write in response to your letter dated the 27th of October 2025 under the above caption.

We have also noted the unusual trading price movement of the Company's share in recent times with concern. As you are aware, we have issued several statements and periodic disclosures to the market in recent times clearly explaining the dire financial position of the Company and our efforts over the period to obtain regulatory approvals for a rights issue which we hope will enable the Company to continue its operations. The details of the rights issue have also been explained, i.e., a rights in the proportions of Nine to Two at Rs. 40 per share which will be followed up with a Mandatory Offer in the event the proposed investor triggers the provisions of the Takeovers Code of 1995. The purchases of the Company's shares at unusually and inexplicable prices has taken place despite these disclosures.

Insofar as the Company is concerned we do not have any undisclosed price sensitive information which could be attributable to the price movement. However, as you know, the Company has submitted the relevant documents to the Regulator and waiting for their approval. We wish to also inform you that the Company has negotiated two potential contracts which can probably be successfully secured if the Company receives regulatory approval for the proposed rights issue and the Company can provide the said Customer with whom the said contracts are to be signed with comfort that it will have financial security, which will be satisfied if there is some certainty that the proposed investor will be able to secure the shares of the existing controlling shareholder.

Yours sincerely,
COLOMBO DOCKYARD PLC

LALITH GANLATH
CHAIRMAN

"...an Odyssey of Excellence"

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