

4th April 2025

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

Dear Sir,

CORPORATE DISCLOSURE

Our attention has been drawn to publication(s) that appeared on the 2nd of April 2025 referring to a “divestment” of Colombo Dockyard PLC to a foreign party by the Government of Sri Lanka.

We wish to highlight that Colombo Dockyard PLC [“CDPLC”] is a public company that is listed on the Colombo Stock Exchange. The majority of the shareholders of CDPLC are private entities. The interests of the Government of Sri Lanka in the shareholding of CDPLC, if any, would at most be an indirect interest in the form of shareholdings by the EPF, the Sri Lanka Insurance Corporation and other Government institutions.

As it has already been disclosed to the public, CDPLC is presently facing serious financial problems resulting in the shares of the Company being transferred to the Watch List since the 10th of June 2024 for the reason that the Auditor’s Report for the year ended 31st December 2023 contained an Emphasis of Matter on Going Concern. As required by the rules of the Colombo Stock Exchange, the Company has made monthly disclosures on its present state of affairs.

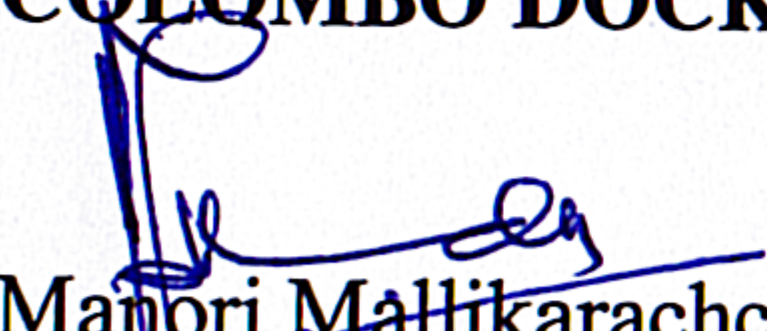
Amidst these problems, Onomichi Dockyard Co. Ltd [“Onomichi”] which is CDPLC’s largest shareholder, controlling fifty one percent of the company’s shares withdrew from its association with CDPLC, terminating the management agreement with CDPLC and terminating the appointments of its Japanese nominee directors from the Board of CDPLC. Onomichi also authorized the remaining Directors of CDPLC to identify a party who would be prepared to acquire the CDPLC shares owned by Onomichi and take over the management responsibilities of CDPLC.

Consequently, the Board of Directors of CDPLC, acting on Onomichi’s mandate, commissioned a well reputed institutional investment advisor to solicit expressions of interest and recommend a suitable party which would provide CDPLC with the necessary financial and managerial input to revive the operations of CDPLC. Having considered the recommendations of the financial advisor, the Board of Directors of CDPLC has recommended a suitable party to Onomichi.

The ultimate decision on the selection of the party to whom Onomichi will sell its shares will be the prerogative of Onomichi since this is a private sale of shares. It will also depend on the finalization of other matters, which include a commitment by the selected party to infuse additional capital and provide management and technical input to CDPLC. The Board of Directors of CDPLC will keep the public duly informed of the progress when such matters are finalized.

In conclusion, the Board of Directors of CDPLC wishes to caution the public not to be misled by speculative articles that do not provide an accurate picture of the present state of negotiations with regard to the proposed transfer of control. Presently, no final agreement has been arrived at between the parties.

COLOMBO DOCKYARD PLC


Manori Mallikarachchi
Secretary

"...an Odyssey of Excellence"

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