

MERCMARINE

GROUP OF COMPANIES

10th February 2022

Ms. Nilupa Perera
Head of Trading Operations
Market Surveillance & Corporate Affairs
Colombo Stock Exchange
#04-01 West Block
World Trade Center
Echelon Square
Colombo 01

Dear Madam

UNUSUAL TRADING ACTIVITY IN THE SECURITIES OF MERCANTILE SHIPPING COMPANY PLC (MSL.N0000)

Further to our letter dated 20th January 2022 on the above subject, we wish to make the following disclosure.

In August 2004, when "MV Mercs Hendala" was discharging cargo in the Port of Chennai, the crane used for discharging cargo fell on to the vessel damaging the vessel. The Port detained the vessel on the premise that it was the fault of the vessel. The Company had to deposit INR 1,879,330/- to get the vessel released. The vessel repair cost and the losses amounted to INR 15,509,703/-. A case was filed in 2005 in the Madras High Court, against the Chennai Port Trust claiming the release of deposit, damages and 15% interest until the settlement is made. After 16 years, in 2021, the case was decided in favour of the Company granting INR 58,153,461/- (Indian Rupees Fifty Eight Million One Hundred and Fifty Three Thousand Four Hundred and Sixty One only). The Chennai Port Trust has now appealed against this judgement. The Company has lodged necessary papers to the Appeal Court authorizing our Lawyers to appear on our behalf.

Our Lawyers have indicated that under the present circumstances, that it might take 3 to 5 years for the Appeal to be decided. Furthermore, either party may appeal again, against the Appeal Court Judgement in the Supreme Court of India.

Yours faithfully

MERCANTILE SHIPPING COMPANY PLC


H.A.R.K. Wickramatileka
Chairman

H. A. R. K. Wickramatileka - FCA
Chairman
MERCANTILE SHIPPING COMPANY PLC
108, Aluthmawatha Road,
Colombo - 15.

Mercantile Shipping Company PLC
No. 108, Aluthmawatha Road, Colombo 15, Sri Lanka.
T: +94 11 4489900 | F: +94 11 4489999 | E: info@mercmarine.net

www.mercmarine.net

Company No. PQ 148