
CBD

Cargo Boat Development Company PLC



ANNUAL REPORT & ACCOUNTS 2025/2026

Cargo Boat Development Company PLC

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Cargo Boat Development Company PLC

Corporate Information

NAME OF COMPANY : Cargo Boat Development Company PLC

POSTAL ADDRESS : C/o Renuka Hotels Plc., 328, Galle Road, Colombo 3

TELEPHONE : 011 2448968-9
011 2573598

FAX : 011 2574137

DIRECTORS :	R. B. Thambiayah (Chairman) Ms. N. A. Thambiayah (Deputy Chairman) Ms. N. R. Thambiayah (Managing Director) Ms. S.R. Thambiayah R. S. Tissanayagam Ms. A. L. Thambiayah D. C. Fernando D. T. S. H. Mudalige S. A. R. S. Karunanayake
SECRETARY :	Ms. A. Withana
REGISTRARS :	SSP Corporate Services (Private) Ltd. 101, Inner Flower Road, Colombo 3
BANKERS :	NDB Bank PLC. Hatton National Bank PLC. Commercial Bank of Ceylon PLC. DFCC Bank PLC.
AUDITORS :	BDO Partners Chartered Accountants, 65/2, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.
REGISTERED OFFICE :	328, Galle Road, Colombo 3.
LEGAL FORM :	A Public Quoted Company with Limited Liability (Incorporated in Sri Lanka on 26 March 1980)
COMPANY REGISTRATION NO. :	PQ 222

Cargo Boat Development Company PLC

Notice of Meeting

Notice is hereby given that the forty sixth Annual General Meeting of Cargo Boat Development Company PLC., will be conducted from the Conference Room, Renuka City Hotel, 328, Galle Road, Colombo 3 on 22 September 2026 at 11.00 am as a **Virtual Meeting** using a digital platform for the following purposes.

- 1) To receive and adopt the Audited Accounts for the year ended 31 March 2026 and the Reports of the Directors and Auditors.
- 2) To declare a dividend.
- 3) To authorise the Directors to determine and make donations.
- 4) To re-appoint Mr. R. B. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re- appointment.
“Resolved that Mr. R. B. Thambiayah who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. R. B. Thambiayah”.
- 5) To re-appoint Ms. N. A. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates her office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to her re- appointment.
“Resolved that Ms. N. A. Thambiayah who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Ms. N. A. Thambiayah”.
- 6) To re-appoint Mr. R. S. Tissanayagam as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re- appointment.
“Resolved that Mr. R. S. Tissanayagam who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. R. S. Tissanayagam.”
- 7) To re-elect Mr. D. C. Fernando who retires by rotation at the Annual General Meeting in terms of the Articles of Association of the Company, as a Director.
- 8) To re-appoint M/s BDO Partners, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.

By Order of the Board



Ms. A. Withana
Company Secretary
Colombo
28 August 2026

Notes: A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such proxy need not be a member of the Company.

A Form of Proxy accompanies this Notice

The completed Form of Proxy should be deposited at the Registered Office of the Company 328, Galle Road, Colombo 3, not later than forty-eight (48) hours before the time appointed for the meeting.

Cargo Boat Development Company PLC

Chairman's Report

On behalf of the Board of Directors, I have the pleasure of welcoming you to the 46th Annual General Meeting of Cargo Boat Development Company PLC. I am also privileged to present to the shareholders the report pertaining to the operations of our Company during the year ended 31st March 2026.

Operations:

The CBD Business Centre, that was fully renovated in 2020 and holds its prime Fort address at 41 Janadhipathi Mawatha, Colombo 01. Located opposite the Central Bank, it is within walking distance of the World Trade Center. The building notably offers its residents the advantage of access through both Hospital Street and Janadhipathi Mawatha. CBD Business Centre is a 11-storey building which houses a total of 54,400 sq.ft. of rentable, modern office space with all new amenities. Each floor comprising of 5,700 sq.ft. of office space can be subdivided into two separate office spaces of 2,800 sq.ft. with each half office equipped with three sets of toilet facilities and a pantry area.

CBD Business Centre is equipped with a basement and ground floor car park, allowing our tenants to park 36 vehicles on site. Our office building is perfect for companies looking for contemporary office space in the heart of Colombo's central business district at a very reasonable rent.

Cargo Boat Development Company PLC has managed to have a successful financial year by securing foreign, local and government tenants for the CBD Business Centre.

Profits:

The building continued to be fully tenanted during 2025/2026. The revenue shows a moderate increase of approximately Rs.10Mn largely due to the increase in rent per square foot on the renewal of leases with tenants during the year. The company managed to achieve an operational profit of approximately Rs.20 Mn in comparison to an operational profit of Rs.25Mn recorded in the previous year. Overall, the company recorded a profit before tax of Rs.281Mn for the year mainly as a result of the interest and other income which contributed to Rs.260Mn.

Investments:

The Company continued to maintain its investment portfolio in outside listed entities, and the market value of such investments was Rs.4,733Mn at the year end. Investment income during the year 2025/2026 recorded a figure of Rs.215Mn.

Acknowledgments:

I thank our Auditors, M/s BDO Partners for their close co-operation during the year. My thanks also go out to the Directors, the management and staff who have worked tirelessly during the year with a deep sense of dedication.



R.B. Thambiayah
Chairman
Colombo.

28 August 2026

Cargo Boat Development Company PLC

Board of Directors

R. B. Thambiayah

Executive Chairman

(Member of the Board since 26.03.1980 and appointed as Chairman on 17.06.1991)

Skills and Experience

Mr. Thambiayah's early career was in Tourism. He was the President of Colombo City Tourist Hotels Association and Vice-President of the Tourism Hotels Association of Sri Lanka.

He was educated at the University of Madras, where he received a Degree in Economics. He is a fellow of the Chartered Management Institute (UK).

Other Current Appointments

Listed companies:

Executive Chairman of Renuka City Hotels PLC and Executive Director of Renuka Hotels PLC

Others:

Executive Director of Renuka Consultants and Services Limited, Renuka Properties Limited, Lancaster Holdings Limited, Crescent Launderers & Dry Cleaners (Pvt) Limited, Amalgamated Theaters (Pvt) Limited and Portfolio Management Services (Pvt) Limited

Ms. N. A. Thambiayah

Executive Deputy Chairman

(Member of the Board since 02.09.1996)

Skills and Experience

Ms. Thambiayah is an Advertising & Marketing professional with over 25 years' experience. She has been a member of Zonta Club I of Colombo from 1997. She is also a member of SARRC Women's Association, Sri Lanka Chapter from 1998 and was the President of the Association in 2003-2004 and 2021-2023.

She is a Graduate of the Chartered Institute of Marketing UK. She is an AFS Scholar 1968-1969 and was an exchange student in Los Angeles USA.

Other Current Appointments

Listed companies:

Executive Director of Renuka Hotels PLC and Renuka City Hotels PLC.

Others:

Executive Director of Renuka Consultants & Services Limited and Crescent Launderers & Dry Cleaners (Pvt) Limited

Non-Executive Director of Renuka Properties Limited, Lancaster Holdings Limited, Amalgamated Theatres (Pvt) Ltd and Portfolio Management Services (Pvt) Limited.

Ms. N. R. Thambiayah

Executive Managing Director

(Member of the Board since 06.07.2010)

Skills and Experience

Ms. Thambiayah has over 20 years' experience in management and operations in the commercial real-estate and hotels sectors. She has been the Managing Director of Cargo Boat Development Company PLC since 2014. She has been a Director of Renuka Hotels PLC since 2009 and a Director of Renuka City Hotels PLC since 2010.

She holds a Bachelor of Arts with Honours degree in Industrial Economics from the University of Nottingham, UK and a Master of International Business from Monash University, Australia.

Other Current Appointments

Listed companies:

Non-Executive Director of Renuka Hotels PLC and Renuka City Hotels PLC

Others:

Executive Director of Renuka Consultants and Services Limited, Renuka Properties Limited, Lancaster Holdings Limited, and Crescent Launderers and Dry Cleaners (Pvt) Limited

Non-Executive Director of Amalgamated Theaters (Pvt) Limited and Portfolio Management Services (Pvt) Limited

Cargo Boat Development Company PLC

Board of Directors

Ms. S. R. Thambiyah

Non Independent Non-Executive Director

(Member of the Board since 14.03.2005)

Skills and Experience

Ms. Thambiyah began her career in the hospitality industry in 1999 at Hotel Renuka and Renuka City Hotels and is currently Jt. Managing Director for both hotels. Ms. Thambiyah has also held positions at Nestle Lanka Ltd., and with Expedia Inc. in New York during her career. Ms. Thambiyah was also a Director of DFCC Vardhana Bank from October 2010 to March 2015 and of DFCC Bank PLC from March 2015 to September 2021.

Ms. Thambiyah holds a Bachelor of Economics (Hons.) degree from the University of Nottingham, UK, and a Master of Management in Hospitality from Cornell University, USA.

Other Current Appointments

Listed companies:

Executive Chairperson/Jt. Managing Director of Renuka Hotels PLC, Joint Managing Director/Executive Director of Renuka City Hotels PLC

Others:

Non-Executive Director of Crescent Launderers & Dry Cleaners (Pvt) Ltd, Renuka Consultants & Services Limited, and Lancaster Holdings Limited.

Executive Director of Renuka Properties Limited and Portfolio Management Services (Pvt) Limited.

Board Member of the Ceylon Chamber of Commerce, Vice President (representing Colombo City Hotels) of The Tourist Hotels Association of Sri Lanka, and the Vice President of The Colombo City Tourist Hotels Association

R. S. Tissanayagam

Non Independent Non-Executive Director

(Member of the Board since 21.09.2005)

Skills and Experience

Mr. Tissanayagam is the Chairman of East India Holdings Ltd., Chairman/Managing Director of International Distillers Ltd. and Chairman of East India Co. (Pvt) Ltd., companies that are leaders in the Sri Lankan market in the manufacture, distribution and retailing of locally produced and imported alcoholic beverages.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka; the Institute of Management Accountants of Sri Lanka; the Institute of Certified Professional Managers of Sri Lanka and an Associate Member of the Association of Chartered Certified Accountants of the UK.

Other Current Appointments

Listed companies:

None

Others:

Chairman/Managing Director of East India Warehousing (Pvt) Limited, East India Resorts (Pvt) Limited, East India Consultancy Services (Pvt) Limited, Dutch East India Trading (Pvt) Limited, East India Logistics (Pvt) Limited, and East India Distributors (Pvt) Limited, and Chairman of East India Retailing (Pvt) Limited.

Ms. A. L. Thambiyah

Non Independent Non-Executive Director

(Member of the Board since 24.02.2009)

Skills and Experience

Ms. Thambiyah has worked as an Executive at Keells Hotel Management and John Keells Holdings - New Business Development and Group Initiatives for two and a half years. She commenced work at Hotel Renuka and Renuka City Hotel in 2006 and is currently Jt. Managing Director for the hotels.

She holds a Bachelor of Arts (Hons.) in Management Studies from the University of Nottingham, UK. and a Master of Science in International Business and Management from Manchester Business School, University of Manchester, UK.

Cargo Boat Development Company PLC

Board of Directors

Other Current Appointments

Listed companies:

Non-Executive Director of DFCC Bank PLC

Joint Managing Director/Executive Director of Renuka Hotels PLC and Renuka City Hotels PLC

Others:

Non- Executive Director of Renuka Properties Limited and Lancaster Holdings Limited

Executive Director of Renuka Consultants and Services Limited, Amalgamated Theaters (Pvt) Limited and Portfolio Management Services (Pvt) Limited

D. C. Fernando

Independent Non-Executive Director

(Member of the Board since 20.11.2023)

Skills and Experience

Dilhan C. Fernando is Chairman of Dilmah Tea. He advocates business with a purpose beyond profit and leads Dilmah Ceylon Tea Company, Dilmah Ceylon Cinnamon Company, and Kahawatte Plantations, while also overseeing the MJF Foundation, Genesis - Dilmah Centre for a Sustainable Future, and Dilmah Conservation.

Dilhan serves as Chair of Biodiversity Sri Lanka and the Global Compact Network Sri Lanka. He is a member of the UN ESCAP Sustainable Business Network's Executive Council, on the advisory committee of the LSE's South Asia Centre and an Adjunct Professor of Practice in Sustainability at Edith Cowan University with an honorary doctorate from the same University.

Educated at Stonyhurst College and the London School of Economics, he stewards his father - Dilmah Founder, Merrill J. Fernando's - legacy of kindness to people and nature as the heart of business.

Mr. Fernando is a graduate of the London School of Economics with a BSc (Hons) in Economics

Other Current Appointments

Listed companies:

Executive Chairman of Dilmah Ceylon Tea Company PLC

Non-Executive Chairman of Kahawatte Plantations PLC

Others:

Director of Several Private Limited Companies

D. T. S. H. Mudalige

Senior Independent Director

(Member of the Board since 15.07.2024)

Skills and Experience

Mr. Mudalige possess over 30 years of experience in the accounting and finance field. He recently retired as the CEO/Managing Partner of PwC (Sri Lanka & Maldives). Mr. Mudalige serves as an independent non-executive director in many public and private entities. He has also served on many regulatory bodies including the Board of Investment (BOI) of Sri Lanka, Securities and Exchange Commission of Sri Lanka (SEC) and National Medicines Regulatory Authority (NMRA). He was the president of Institute of Chartered Accountants of Sri Lanka during the period 2010- 2011.

He was recently awarded an honorary Doctorate in Business by the University of Plymouth (UK) recognising his outstanding contribution to accounting and finance.

Mr. Mudalige is a fellow member of Institute of Chartered Accountants (Sri Lanka), Chartered Institute of Management Accountants (UK), Association of Chartered Certified Accountants (UK) and Certified Public Accountants (Australia).

Other Current Appointments

Listed companies:

Non-Executive Director of NDB Bank PLC, CIC Holdings PLC, Ambeon Capital PLC, Ambeon Holdings PLC, RIL Property PLC and Galadari Hotels (Lanka) PLC

Cargo Boat Development Company PLC

Board of Directors

Others:

Director of CIC Feeds group, NSBM Green University, Link Natural Products Limited, Sherwood Capital Limited, Mahindra Ideal Finance Limited, Maliban Biscuit Manufactories (Private) Limited, Allianz Insurance Lanka Limited and MillenniumIT ESP

Non-Executive Chairman of Mercantile Services Provident Society and Committee member of the Ceylon Chamber of Commerce .

S. A. R. S. Karunanayake

Independent Non-Executive Director

(Member of the Board since 15.07.2024)

Skills and Experience

Mr. Karunanayake is an Independent Consultant and counts over 41 years of experience as a practicing professional accountant and as a hands-on- Business Development Consultant both in Sri Lanka as well as in Bangladesh and Thailand.

He had started his carrier at Turquand Young (Former Ernst and Young) and has worked thereafter for a short period at Brooke Bonds and thereafter had taken up an assignment for a period of 6 years from 1984 to 1990 with the Auditor General of Papua New Guinea.

He has served as a Director of First Capital Holdings PLC, CINEC Campus (Pvt) Ltd and Western Power Company (Pvt) Ltd and as Finance Director of HVA Lanka (Pvt) Ltd.

Mr. Karunanayake is a Fellow member of The Institute of Chartered Accountants of Sri Lanka.

Other Current Appointments

None

Cargo Boat Development Company PLC

Report of the Directors for the year ended 31 March 2026

1. The Directors present herewith the Audited Financial Statements for the year ended 31 March 2026.

2. Results

The results for the year and changes in equity are set out in the Statement of Comprehensive Income and Statement of Changes in Equity on pages 23 and 25 respectively.

3. State of affairs

The state of affairs of the Company as at 31 March 2026 is set out in the Statement of Financial Position on page 24.

4. Principal activity

During the year, the principal activity of the Company was renting out premises.

5. Profit & Appropriations

	2025/2026	2024/2025
	Rs.	Rs.
Profit for the year	271,500,483	205,814,364
Other comprehensive Income	<u>1,230,740,989</u>	<u>1,043,237,726</u>
Total Comprehensive Income	1,502,241,472	1,249,052,090
Dividend Proposed	<u>(27,047,993)</u>	<u>(18,031,995)</u>
Unappropriated Profit for the year	<u>1,475,193,478</u>	<u>1,231,020,095</u>

6. Directors

The Directors of the Company as at 31 March 2026 were as follows:

R. B. Thambiayah – Executive Chairman
Ms. N. A. Thambiayah – Executive Deputy Chairman
Ms. N. R. Thambiayah – Executive Managing Director
Ms. S. R. Thambiayah
R. S. Tissanayagam
Ms. A. L. Thambiayah
D. C. Fernando
D. T. S. H. Mudalige
S. A. R. S. Karunanayake

Appointments, Retirement/Resignation and Re-appointment/Re-election of Directors

Appointments and Resignations:

There were no new appointments or resignations during the year.

Cargo Boat Development Company PLC

Report of the Directors for the year ended 31 March 2026 (Contd.)

Retirement by Rotation, Re-appointment and Re-election of Directors:

Details relating to Directors seeking re-appointment/ re-election:

Name of Director/ Date of appointment	Date last re-elected/re-appointed	Board Committees served during FY 2025/26	Directorships and other principal commitments FY 2023/24- FY 2025/26
R. S. Tissanayagam/ 21.09.2005	22 Sep 2025	None	Director – Director of East India Group of Companies and Renuka City Hotels PLC
R. B. Thambiayah/ 26.03.1980	22 Sep 2025	None	Chairman -Renuka City Hotels PLC and Cargo Boat Development Company PLC Director – Renuka Hotels PLC and in several other Renuka Hotels Group companies
Ms. N. A. Thambiayah/ 02.09.1996	22 Sep 2025	None	Deputy Chairperson –Renuka Hotels PLC and Renuka City Hotels PLC and Director of several other Renuka Hotels Group companies
Mr. D. C. Fernando / 20.11.2023	27 Sep 2024	None	Chairman of Dilmah Ceylon Tea Company PLC and of Kahawatte Plantations PLC Director of Several Private Limited Companies
None of the above Directors has had any relationships with other Directors, or the Company, other than Mr. R. B. Thambiayah and Ms. N. A. Thambiayah being parents of Ms. S.R. Thambiayah, Ms. N. R. Thambiayah and Ms. A. L. Thambiayah. Further Mr. R. B. Thambiayah and Ms. N. A. Thambiayah are directors of Renuka Properties Limited, Lancaster Holdings Limited and Renuka Consultants & Services Limited, shareholders holding more than 10% of the shares of the company.			

- Mr. R. B. Thambiayah, who is over 70 years of age vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re-appointment.
“Resolved that Mr. R. B. Thambiayah who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. R. B. Thambiayah”.
- Ms. N. A. Thambiayah, who is over 70 years of age vacates her office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to her re-appointment.
“Resolved that Ms. N. A. Thambiayah who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Ms. N. A. Thambiayah”.
- Mr. R. S. Tissanayagam, who is over 70 years of age vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re-appointment.
“Resolved that Mr. R. S. Tissanayagam who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. R. S. Tissanayagam.”
- In accordance with the Articles of Association, Mr. D. C. Fernando retires and being eligible, offers himself for reelection.

Cargo Boat Development Company PLC

Report of the Directors for the year ended 31 March 2026 (Contd.)

7. Directors' interests in the shares of the Company as at 31 March

	No. of Shares	
	31.3.2026	31.3.2025
R. B. Thambiayah/Ms. N. A. Thambiayah/Ms. N. R. Thambiayah	6,006	6,006
Ms. N. A. Thambiayah/ R. B. Thambiayah/ Ms. N. R. Thambiayah	3,334	3,334
Ms. N. R. Thambiayah	41,451	41,451
Ms. S. R. Thambiayah	NIL	NIL
R. S. Tissanayagam	NIL	NIL
Ms. A. L. Thambiayah	228	228
D. C. Fernando	34,320	NIL
D. T. S. H. Mudalige	NIL	NIL
S. A. R. S. Karunanayake	NIL	NIL

8. Directors interests in contracts and proposed contracts with the Company

The Directors of the Company were not directly or indirectly interested in contracts with the Company during the year ended 31 March 2026 except as stated in Note 26 to the Financial Statements. The Directors have disclosed the nature of their interest in contracts and proposed contracts with the company and have not participated in the decision making related to such transactions. As required by the Companies Act No. 7 of 2007, an interest register is maintained by the Company and relevant entries are recorded therein.

No director or their close family members has had any material business relationship during the year with other directors of the company.

9. Employees and Industrial Relations

There have been no material issues pertaining to employees and industrial relations of the Company during the financial year.

10. Donations

During the year the company did not contribute for charitable purposes.

11. Board Committees

The following are the present members of the Committees of the Board:

Committee	Members	Nature of Directorship	Date Appointed to Committee
Audit Committee	D. T. S. H. Mudalige -Chairman	Independent	15 July 2024
	S. A. R. S. Karunanayake	Independent	15 July 2024
	Ms. S. R. Thambiayah	Non Independent	15 July 2024
Related Party Transactions Review Committee	D. T. S. H. Mudalige -Chairman	Independent	15 July 2024
	S. A. R. S. Karunanayake	Independent	15 July 2024
	Ms. S. R. Thambiayah	Non Independent	15 July 2024
Remuneration Committee	S. A. R. S. Karunanayake -Chairman	Independent	15 July 2024
	D. T. S. H. Mudalige	Independent	15 July 2024
	Ms. A. L. Thambiayah	Non Independent	15 July 2024
Nomination and Governance Committee	S. A. R. S. Karunanayake -Chairman	Independent	1 September 2024
	D. T. S. H. Mudalige	Independent	1 September 2024
	Ms. A. L. Thambiayah	Non Independent	1 September 2024

12.Dividends

The Directors recommend a payment of a final dividend of Rs. 1.50 per share for the year ended 31 March 2026, payable after approval by the shareholders.

13.Changes in non-current assets

The movement in non-current assets during the year are set out in Notes 9,10,11,12 &13 to the financial statements.

Cargo Boat Development Company PLC

Report of the Directors for the year ended 31 March 2026 (Contd.)

14. Substantial Shareholdings

At 31 March 2026, Lancaster Holding Limited, and Renuka Properties Limited, held approximately 22.67%, and 22.81%, respectively of the Company's issued share capital.

15. Employment and Remuneration Policy

The Policy of the Company is to maintain a dedicated and motivated group of employees who are committed to creating sustainable value through effective management and high quality service. The Company is an equal opportunity employer. Annual increments are based on the performance of the company and the individual.

16. Related Party Transactions

The Related Party Transactions Review Committee is responsible for ensuring compliance with the requirements specified in Rule 9.14 of the Colombo Stock Exchange Listing Rules on Related Party Transactions. The committee reviewed the related party transactions carried out during the year and noted that the transactions were in compliance with the said Rule.

17. Events after the Financial Position Date

No material events have occurred subsequent to the date of the Statement of Financial Position, which require adjustments or disclosure in the Financial Statements.

18. Re-appointment of Auditors

The present Auditors Messrs. BDO Partners, have indicated their willingness to continue as Auditors for the next financial year ending 31 March 2027. The Audit Committee has reviewed their independence and has concluded that they have no relationship or interest with the Company which would impair the Auditors independence. A resolution pertaining to their re-appointment will be proposed at the Annual General Meeting.

19. Acknowledgement of the Content of the Report

As required by Section 168 (1) (k), of the Companies Act No. 7 of 2007, the Board of Directors hereby acknowledges the contents of this report.

For and on behalf of the Board of Directors.



R. B. Thambiayah
Chairman



Ms. N. R. Thambiayah
Managing Director



Ms. A. Withana
Company Secretary

28 August 2026

Cargo Boat Development Company PLC

Corporate Governance

Introduction:

Corporate Governance deals with the systems by which companies are led, directed and controlled, the role of the Board of Directors, the frame-work of internal controls and relationships between the Board of Directors, Shareholders and Auditors.

The platform on which Corporate Governance principles are structured in Sri Lanka is that the Board of Directors is responsible for the proper Governance of the Company. In that context, the Board of Directors of Cargo Boat Development Company PLC, have recognized that their responsibilities include the setting out of the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the Shareholders on their stewardship. Therefore, they strive to discharge such duties collectively.

The shareholders' responsibilities cover the appointing of Directors and Auditors and satisfying themselves that the appropriate Governance structures are in place.

The Company is in full compliance with Section 9 of the CSE Rules on Corporate Governance.

The list of Policies governing Corporate Governance practices of the Company can be accessed via the link <https://www.cbd.lk> These policies are reviewed periodically and changes introduced as and when required. Company is in full compliance with the requirements of the Policy described in Section 9.5.1 of the CSE Listing Rules governing matters relating to the Board of Directors.

The Board approved Policy on Investor Relations and Shareholder Communication ensures that information relating to the financial performance and the progress of the company is made available to shareholders through timely disclosures made to the CSE. The Chairman has assigned the CEO to bring any matters of concern raised by shareholders to the notice of the Board.

The Board of Directors

The Board of Directors of Cargo Boat Development Company PLC, takes responsibility for the good Corporate Governance of the Company. The Board sets out the Company's strategic focus, and oversees the business and connected affairs of the Company and it also formulates the strategic objectives and policy frame work for the Company.

Board composition and Directors Independence as at date:

Name of Director	Type
R. B. Thambiayah	Executive Chairman
Ms. N. A. Thambiayah	Executive Deputy Chairman
Ms. N. R. Thambiayah	Executive Managing Director
Ms. S. R. Thambiayah	Non Independent Non-Executive Director
R. S. Tissanayagam	Non Independent Non-Executive Director
Ms. A. L. Thambiayah	Non Independent Non-Executive Director
D. C. Fernando	Independent Non-Executive Director
D. T. S. H. Mudalige	Senior Independent Non-Executive Director
S. A. R. S. Karunanayake	Independent Non-Executive Director

The Independent Directors satisfy the criteria set out in Section 9.8.3 of the CSE Listing Rules. Further, all Directors satisfy the fit and proper assessment criteria stipulated in the CSE Listing Rules. In terms of the Board approved policy, a Director shall not hold more than twenty directorships in listed entities.

Cargo Boat Development Company PLC

Corporate Governance (Contd.)

Senior Independent Director (SID)

The Chairman, R. B. Thambiayah is an Executive Director. R. B. Thambiayah, is a founder Director of the Company, who possess a wealth of knowledge and expertise in the Industry as well as in managing investment portfolios. His expertise has been a driving force behind the growth and stability of the business and the Company will continue to benefit from his contribution to the operation of the Company in an executive capacity. As such, Mr. Thambiayah will remain as the Chairman and an Executive Director of the Company.

The Company has therefore, elected to comply with the alternative option provided under Section 9.6.3 of the Listing Rules with the appointment of a Senior Independent Director (SID). D. T. S. H. Mudalige was appointed as the SID with effect from 15 July 2024.

SID is required to meet with the Non-Executive Directors, enabling discussions and communication on governance related matters and further to carry out an annual review of the performance of the Chairman. The SID also provides guidance to the Chairman on matters of governance relating to the Company.

Directors responsibility for the preparation of the Financial Statements

The Board of Directors accepts the responsibility for the preparation of the financial statements, maintaining adequate records for safeguarding the assets of the Company, and preventing and detecting fraud and/or other irregularities. The Board of Directors also confirm that the applicable Sri Lanka Accounting Standards have been adhered to, subject to any material departures being disclosed and explained in the Notes to the Accounts.

The Board of Directors further confirm that suitable accounting policies consistently applied and supported by reasonable and prudent judgement and estimates, have been applied in the preparation of the financial statements.

Compliance regarding Payments

The Board of Directors confirm that all known statutory payments have been paid up to date and all retirement gratuities have been provided for in the financial statements. At the same time, all management fees and payments made to related parties have been reflected in the financial statements.

Compliance with Laws, Regulations and Prudential Requirements

The Company has not engaged in any activities contravening the laws and regulations and has complied with all prudential requirements. The Directors are provided with updates on revisions to rules and relevant laws.

Internal Control

The Board is responsible for ensuring that the Company has adequate and effective internal controls in place. These controls are designed to provide assurance on the maintenance of proper accounting records and the reliability of financial information generated and the safeguarding of assets of the Company, to the extent possible, and to minimize the impact of identifiable risks. These controls provide reasonable and not absolute assurance against errors or material misstatements of management and financial information. The Management assists the Board by regularly reviewing and ensuring the operation and implementing of these controls.

Going Concern

The Board of Directors is satisfied that the Company is a going concern and has adequate resources to continue in business for the foreseeable future. For this reason, the Company follows the going concern basis when preparing financial statements.

Cargo Boat Development Company PLC

Corporate Governance (Contd.)

Directors Attendance

Name of Director	Main Board	Audit Committee	Remuneration Committee	Nomination & Governance Committee	Related Party Transactions Review Committee
Ms. S. R. Thambiayah	1/1	4/4	-	-	4/4
Ms. N. A. Thambiayah	1/1	-	-	-	-
R. B. Thambiayah	1/1	-	-	-	-
Ms. A. L. Thambiayah	1/1	-	1/1	1/1	-
Ms. N. R. Thambiayah	1/1	-	-	-	-
R. S. Tissanayagam	1/1	-	-	-	-
D. C. Fernando	1/1	-	-	-	-
D. T. S. H. Mudalige	1/1	4/4	1/1	1/1	4/4
S. A. R. S. Karunanayake	1/1	4/4	1/1	1/1	4/4

Attended/eligible to attend

Audit Committee Report

The Audit Committee presently consists of three Non-Executive Directors, two of whom are independent including the Chairman of the Committee. D. T. S. H. Mudalige is the Chairman with S. A. R. S. Karunanayake and Ms. S. R. Thambiayah as the other members.

The Managing Directors, Executive Directors, Chief Financial Officer and the External Auditors of the Company attend meetings by invitation. Chairman of the Audit Committee is a member of the Institute of Chartered Accountants of Sri Lanka.

The Mandate of the Audit Committee encompasses the tasks in line with Section 9.13 of the Colombo Stock Exchange Listing Rules. The Board of Directors has formally adopted the Terms of Reference of the Committee.

The purpose of the Audit Committee is to assist the Directors fulfil their responsibility with regard to certain aspects of best Corporate Governance practices, namely Audit and Risk Management. The Audit Committee is empowered to review the activities and financial affairs of the company. The Audit Committee also receives direct reports from the External Auditors on their audit findings and provides a forum for the impartial review of these reports. The Committee also reviews the External Auditor's management letter and examines the actions taken by management in response thereto.

The Audit Committee, through independent reviews by the External Auditors, ensures that the internal controls continue to be effective. As a part of this process the Committee also obtained the assurance from the Managing Director and the Head of Finance who are responsible for designing and effectively implementing the company's internal control systems. The Audit Committee thereby provides assurance that control issues, which would have a bearing on the management of enterprise risks, are identified and appropriate and timely action taken to overcome these.

Audit Committee through review of quarterly financial statements and annual financial statements is satisfied with the adequacy of disclosures, consistency of accounting policies, compliance with CSE Listing rules, requirements of Companies Act No 07 of 2007, SEC Act and other relevant financial reporting regulations.

The Audit Committee is satisfied that a strong control environment arising from the effectiveness of organisational structures and compliance with the Company's accounting and operational policies is prevalent within the Company. By their very nature, these controls provide reasonable, but not absolute, assurance that the financial position of the Company is well managed, and to the extent possible, systems are in place to minimize the impact of identifiable risks.

The External Auditors of the Company have direct access to the Committee, which ensures that their independence is not impaired in any way. The current Auditors, Messrs. BDO Partners were initially appointed as external auditors in FY 2005/2006 and continue to hold that position at present. A partner rotation of the auditors takes place periodically; a rotation of partner took place in FY 2023/2024.

Cargo Boat Development Company PLC

Corporate Governance (Contd.)

The Audit Committee assessed the performance and effectiveness of the external auditors, their independence, professional capabilities, obtained a statement confirming their independence in accordance with the terms of all relevant professional and regulatory requirements and made recommendations to the Board pertaining to the re-appointment of the external auditors, Messrs. BDO Partners.

(Sgd.) D. T. S. H. Mudalige
Chairman
Audit Committee
28 August 2026

Remuneration Committee Report

The Remuneration committee presently consists of three non-executive Directors namely, S. A. R. S. Karunanayake (Chairman), D. T. S. H. Mudalige and Ms. A. L. Thambiayah.

The remuneration committee meets whenever it is required to review the remuneration of the senior management. The Purpose of the Remuneration Committee is to lay down guidelines and recommend a policy on remuneration of the senior management staff. The main objective of the remuneration package is designed to retain quality managerial staff and reward those who are performing well. The Executive Managing Director attends the meetings by invitation and provides information to the committee and participates in the deliberations.

(Sgd.) S. A. R. S. Karunanayake
Chairman
Remuneration Committee
28 August 2026

Nomination and Governance Committee Report

The Nomination and Governance Committee presently consists of three Non-Executive Directors. S. A. R. S. Karunanayake an Independent Director is the Chairman with D. T. S. H. Mudalige and Ms. A. L. Thambiayah as members. The Managing Director attends the meetings by invitation, while the Company Secretary functions as the Secretary of the Committee.

The composition of the Committee met the requirements of Section 9.11.4 of the Listing Rules of the Colombo Stock Exchange (CSE).

During the year under review, the Committee carried out the tasks as set out in the Terms of Reference approved by the Board. The Terms of Reference approved by the Board encompasses the tasks set out in Section 9.11 of the CSE Listing Rules on Corporate Governance.

The Committee meets as necessary and, in any case, at least once a year and acts within its mandate approved by the Board of Directors and makes recommendations to the Board for consideration.

The role of the Committee in terms of the mandate is to review governance policies and procedures, evaluate the performance of the Board and identify, and evaluate persons with the required skills, knowledge, standing, fitness, and propriety to join the Board of the Company and to evaluate the suitability of Directors who are seeking re-election. Documented policy and processes are in place to ensure Board diversity in terms of skills, experience, age, gender etc. The Committee is also responsible for the task of implementing a procedure for the appointment of the Managing Director and Key Management Personnel. Existing Directors are provided with updates on revisions to rules on Corporate Governance and other relevant regulations.

During the year no new Directors were appointed to the Board. The committee has put in place a procedure in making appointments to the Board to ensure to carry out a review of the composition of the Board including the balance between Independent and Non-Independent Directors and consider the skills, experience and knowledge of the existing Directors and assesses the potential candidates in terms of who would benefit the Company most.

The committee carried out an evaluation of the performance of the Board including the Managing Director. During the year, the Committee also assessed the fitness and propriety of Directors. A declaration was obtained from independent directors confirming their status of independence. Further, a declaration was obtained from the Directors in terms of Section 9.7.3 of the CSE Listing Rules confirming their fit and propriety to hold office as a Director. Individual Committee members do not participate in discussions in matters relating to them. Major issues if any, relating to the Company are updated to the Independent Directors by the Executive Chairman. The attendance by Directors at meetings, dates of appointment to Committees and the nature of Directorships are given on page 11 and 15 of the Annual Report.

Cargo Boat Development Company PLC

Corporate Governance (Contd.)

In terms of the Articles, one-third of the Non-Executive Directors shall retire from office at each Annual General Meeting and are eligible for re-election. The Committee reviewed the contributions made by the respective Directors towards Board Committees, their other commitments and the overall performance and has recommended the re-election of the Directors offering themselves for re-election at the forthcoming Annual General Meeting. Particulars of Directors seeking re-election are given on page 10 of the Annual Report. The Corporate Governance requirements stipulated under the CSE Listing Rules have been met. Further the Independent Directors have met the criteria for determining independence in terms of Section 9.8.3 of the CSE Listing Rules.

(Sgd.) S. A. R. S. Karunanayake
Chairman
Nomination and Governance Committee
28 August 2026

Related Party Transactions Review Committee Report

The Board appointed Related Party Transactions Review Committee is in accordance with Section 9.14 of the Listing Rules on Related Party Transactions, issued by the Colombo Stock Exchange. During the year the committee comprised of two Independent Non-Executive Directors namely, D. T. S. H. Mudalige (Chairman), S. A. R. S. Karunanayake and Non-Executive Director, Ms. A. L. Thambiayah.

The purpose of the Related Party Transactions Review Committee is to conduct an independent review of all related party transactions of the company and to ensure that they comply with the rules issued by the Colombo Stock Exchange.

The responsibilities of the committee, among others, includes;

- To develop policies and procedures consistent with CSE guidelines to be adopted by the Board of Directors in relation to Related Party Transactions.
- To identify Related Party Transactions which require immediate market disclosure as per section 9.14.7 of the Continuing Listing Requirements of the CSE.
- To review all proposed Related Party Transactions of the company and to determine whether it requires prior approval of the board.
- To ensure that appropriate disclosures are made in the Annual Report of the company on Related Party Transactions as required by the Continuing Listing Requirements of the CSE

The committee met quarterly during the year to review all proposed related party transactions to ensure compliance. Where necessary, these were communicated to the Board to obtain their prior approval. The committee is satisfied that the company is in compliance with the rules issued by the Colombo Stock Exchange on Related Party Transactions.

(Sgd.) D. T. S. H. Mudalige
Chairman
Related Party Transactions Review Committee
28 August 2026

Statement by the Senior Independent Director (SID)

In terms of the option provided in Section 9.6.3, since the Chairman is an Executive Director, I was appointed as the SID on 15 July 2024.

The role of the SID is to provide an opportunity to Non-Executive Directors to discuss matters and concerns relating to the company and the operations of the Board.

In line with the regulatory requirements, I chaired two meetings, one with only the Independent Directors and the other with all the Non-Executive Directors without the presence of the Executive Chairman or the Executive Directors and an opportunity was given to the directors to raise any concerns or matters that they require to be taken up, so that where necessary, any matters of concern can be communicated and taken up for further discussion at Board level. The performance of the Executive Chairman was also reviewed at the meeting with the non-executive directors.

I confirm that the Company has complied with all relevant mandatory governance requirements.

(Sgd.) D. T. S. H. Mudalige
Senior Independent Director
28 August 2026

Cargo Boat Development Company PLC

Statement of the Directors' responsibility for the preparation of financial statements

The Board of Directors is responsible for preparing and presenting the financial statements, which are set out on pages 23 to 50.

As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year.

In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them in a consistent manner. Such policies are supported by reasonable and prudent judgment and all applicable Accounting Standards have been followed.

The Directors are also confident that the company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the company and to ensure that the financial statements presented comply with the requirements of the Companies Act No. 7 of 2007.

The Directors have taken reasonable steps to safeguard the assets of the company and established appropriate internal control systems with a view to preventing and for the detection of fraud and other irregularities.

The Directors are confident that they have discharged their responsibility as set out in this statement. They also confirm that to the best of their knowledge all statutory payments payable by the Company as at the date of the Statement of Financial Position, have been paid or where relevant, provided for.

By Order of the Board



Ms. A. Withana
Company Secretary
Colombo
28 August 2026



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Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CARGO BOAT DEVELOPMENT COMPANY PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Cargo Boat Development Company PLC ("the Company"), which comprise the statement of financial position as at 31st March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 27 to 50.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investments at Fair Value through Other Comprehensive Income

Refer to the accounting policies in "Note 1.4.4.1 to the Financial Statements: Financial assets and Note 11 to the Financial Statements: Financial Assets - fair value through other comprehensive income".

Key Audit Matter	How our audit addressed the Key Audit Matter
The Company's portfolio of investment in financial assets makes up 81% of the Company's total assets. The equity investment of the Company is classified as fair value through other comprehensive income as at 31 st March 2026 and it amounts to Rs. 4,732,610,283/-.	Our audit procedures included: - Obtaining an understanding of the Company's processes relating to recognition and measurement of investments. - Documenting and assessing processes in place to record investment transactions to value the portfolio.

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA.
F. Sarah Z. Afker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law.
Nirosha Vadivel Bsc (Acc.), FCA, ACMA. R. D. Chamika N. Wijesinghe FCA, BBA (Acc.) Sp. H. M. R. Thilina Ranaweera FCA, BBA (Acc.) Sp.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Key Audit Matter	How our audit addressed the Key Audit Matter
These investments comprise liquid, quoted investments and therefore do not involve a high degree of estimation uncertainty or significant management judgment. However, given their materiality in the context of the Financial Statements as a whole, they are considered to be an critical area of focus in our audit and were given due consideration in determining overall audit strategy and the allocation of resources in planning and completing the audit.	- Validating a sample of additions and disposals of investments by tracing back to related supported documents such as bank statements, sold notes and bought notes. - Re-computing of gain/losses on investments. - Agreeing the valuation of investments in the portfolio to externally quoted prices and agreeing the investment holdings in the portfolio to documentary evidence from third party. - Assessing the adequacy of disclosures in the Financial Statements as required by the relevant accounting standards.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and the Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise, whether it appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines, is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the Financial Statements of the current period and are therefore, the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit, and as far as it appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent Auditor's Report is 1961.

BDO Partners
CHARTERED ACCOUNTANTS
Colombo
28th August 2026
SR/dm

Cargo Boat Development Company PLC

Statement of Comprehensive Income

For the year ended 31st March 2026

		2025/2026 Rs.	2024/2025 Rs.
	Note		
Revenue	4	142,881,229	132,796,423
Direct expenses		(44,366,735)	(42,592,994)
Gross profit		98,514,494	90,203,429
Other income	5	300,729,828	224,480,600
Administration expenses		(117,410,218)	(85,096,210)
Profit before taxation	6	281,834,104	229,587,819
Income tax expense	7	(10,333,621)	(23,773,455)
Profit for the year		271,500,483	205,814,364
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value gain on equity instruments at fair value through other comprehensive income	11.2	1,228,517,392	1,043,699,939
Actuarial (loss)/gain on retirement benefits obligation	18	3,176,567	(660,304)
Deferred tax charge/(reversal) on remeasurement of retirement benefit obligation	19	(952,970)	198,091
Items that will be re-classified subsequently to profit or loss		-	-
Total other comprehensive income for the year		1,230,740,989	1,043,237,726
Total comprehensive income for the year		1,502,241,472	1,249,052,090
Basic earnings per share	8	15.06	11.41
Dividend per share		1.00	1.00

Figures in brackets indicate deductions.

The accounting policies and notes on pages 27 to 50 form an integral part of these Financial Statements.

Colombo

28th August 2026

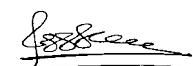
Cargo Boat Development Company PLC

Statement of Financial Position

As at 31st March 2026

	Note	As at 31.03. 2026 Rs.	As at 31.03. 2025 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	9	81,632,435	7,420,207
Investment property	10	454,316,831	473,775,203
Financial assets- measured at fair value through other comprehensive income	11.2	4,732,610,283	3,432,163,743
Financial assets measured at - fair value through profit or loss	12	37,266	34,621
Financial assets measured at - amortised cost	13.1	54,219,178	54,219,178
Total non - current assets		5,322,815,993	3,967,612,952
Current assets			
Trade and other receivables	14	47,685,364	43,558,263
Financial assets - measured at amortised cost	13.2	-	123,818,842
Income tax receivable	15	1,524,310	4,165,778
Cash and cash equivalents	16.1	378,058,815	126,363,138
Total current assets		427,268,489	297,906,021
Total assets		5,750,084,482	4,265,518,973
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	471,438,575	471,438,575
Fair value reserve of financial assets measured at FVOCI		2,669,629,705	1,446,341,955
Retained earnings		2,458,512,599	2,197,590,872
Total equity		5,599,580,879	4,115,371,402
Non-current liabilities			
Retirement benefit obligation	18	11,003,175	12,933,948
Deferred tax liability	19	48,883,388	55,054,265
Rental deposits	21.1	4,860,910	25,365,033
Total non-current liabilities		64,747,473	93,353,246
Current liabilities			
Deferred revenue	20.2	26,717,706	26,914,078
Rental deposit	21.2	32,886,664	11,184,381
Accruals and other payables	22	24,848,455	17,261,952
Bank overdraft	16.2	1,303,305	1,433,914
Total current liabilities		85,756,130	56,794,325
Total liabilities		150,503,603	150,147,571
Total equity and liabilities		5,750,084,482	4,265,518,973
Commitments and contingencies	23 & 24		

The accounting policies and notes on pages 27 to 50 form an integral part of these financial statements.
These Financial Statements are in compliance with requirements of the Companies Act No. 07 of 2007.



Mr. G. I. Koggalage
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board of Directors.



Mr. R.B. Thambiayah
Chairman



Ms. N.R. Thambiayah
Managing Director

Colombo
28th August 2026
SR/dm

Cargo Boat Development Company PLC

Statement of Changes in Equity

For the year ended 31st March 2026

Description	Note	Stated capital Rs.	Retained earnings* Rs.	Fair value reserve of financial assets measured at FVTOCI ** Rs.	Total Rs.
Balance as at 01 st April 2024	17	471,438,575	2,009,161,718	403,751,014	2,884,351,307
Comprehensive income for the year					
Profit for the year		–	205,814,364	–	205,814,364
Other comprehensive income		–	(462,213)	1,043,699,939	1,043,237,726
Transfer of FVOCI reserve on disposal of equity instruments			1,108,998	(1,108,998)	–
Total comprehensive income for the year			206,461,149	1,042,590,941	1,249,052,090
Contributions by and distributions to owners					
Dividend paid		–	(18,031,995)	–	(18,031,995)
Total contributions by and distributions to owners		–	(18,031,995)	–	(18,031,995)
Balance as at 31 st March, 2025		<u>471,438,575</u>	<u>2,197,590,872</u>	<u>1,446,341,955</u>	<u>4,115,371,402</u>
Comprehensive income for the year					
Profit for the year		–	271,500,483	–	271,500,483
Other comprehensive income		–	2,223,597	1,228,517,392	1,230,740,989
Transfer of FVOCI reserve on disposal of equity instruments		–	5,229,642	(5,229,642)	–
Total comprehensive income for the year		–	278,953,721	1,223,287,750	1,502,241,472
Contributions by and distributions to owners					
Dividend paid		–	(18,031,995)	–	(18,031,995)
Total contributions by and distributions to owners		–	(18,031,995)	–	(18,031,995)
Balance as at 31 st March 2026		<u>471,438,575</u>	<u>2,458,512,599</u>	<u>2,669,629,705</u>	<u>5,599,580,879</u>

* Retained earnings are the cumulative net earnings of the company after accounting for dividend payments.

** Fair value reserve of financial assets at fair value through other comprehensive income (FVTOCI) relates to the changes in investments inequity shares.

Figures in brackets indicate deductions.

The accounting policies and notes on pages 27 to 50 form an integral part of these financial statements.

Colombo

28th August 2026

Cargo Boat Development Company PLC

Statement of Cash Flows

For the year ended 31st March 2026

	Note	2025/2026 Rs.	2024/2025 Rs.
Cash flows from operating activities			
Profit before taxation		281,834,104	229,587,819
Adjustments for :			
– Depreciation on property, plant and equipments	9	5,787,772	6,600,100
– Depreciation on investment properties	10	19,458,372	15,595,165
– Provision for retirement benefits obligation	18	1,338,294	1,745,822
– Interest income	5	(46,677,917)	(56,599,533)
– Dividend income	5	(204,181,262)	(143,980,391)
– Fair value gain on investment in unit trust	5	(2,645)	(4,051,396)
– Profit on disposal of property, plant and equipment		(19,000,000)	-
Profit on disposal of shares	5	(10,461,148)	(346,406)
Operating profit before working capital changes		28,095,570	48,551,180
Decrease in trade and other receivables		(4,127,101)	3,085,696
Increase / (Decrease) in trade and other payables		7,586,502	(22,672,001)
Increase in rental deposits		1,198,161	2,939,619
Decrease in deferred income		(196,372)	(1,799,490)
		4,461,190	(18,446,176)
Cash generated from operations		32,556,760	30,105,004
WHT paid	14	-	(13,348,849)
Income tax paid	14	(14,816,000)	(22,159,011)
Gratuity paid		(92,500)	-
		(14,908,500)	(35,507,860)
Net cash / generated from / (used in) operating activities		17,648,260	(5,402,856)
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(80,000,000)	(35,999)
Adjustment of property, plant and equipment		-	6,747,312
Proceeds from disposal of property, plant and equipment		19,000,000	-
Proceeds from sale of shares	11.2	27,241,999	2,687,502
Interest received	5	46,677,917	56,599,533
Dividends received	5	165,447,219	117,186,714
Investment in unit trust	12	-	63,558,338
Purchase of shares	11.2	(49,975,956)	(307,291,771)
Proceeds from fixed deposits	12	123,818,842	67,681,158
Investment in debentures	12	-	1,063,305
Net cash generated from investing activities		252,210,021	8,196,092
Cash flows from financing activities			
Dividend paid		(18,031,995)	(18,031,995)
Net cash used in financing activities		(18,031,995)	(18,031,995)
Net Increase/(decrease) in cash and cash equivalents		251,826,286	(15,238,759)
Cash and cash equivalents at the beginning of the year	Note A	124,929,224	140,167,983
Cash and cash equivalents at the end of the year	Note B	376,755,510	124,929,224
Cash and cash equivalents as at the beginning of the year			Note A
Cash at bank and in hand		126,363,138	142,493,640
Bank overdrafts		(1,433,914)	(2,325,657)
		124,929,224	140,167,983
Cash and cash equivalents as at the end of the year			Note B
Cash at bank and in hand		378,058,815	126,363,138
Bank overdrafts		(1,303,305)	(1,433,914)
	16	376,755,510	124,929,224

Figures in brackets indicate deductions.

The accounting policies and notes on pages 27 to 50 form an integral part of these financial statements.

Cargo Boat Development Company PLC

Notes to the Financial Statements

1. ACCOUNTING POLICIES

1.1. Corporate information

1.1.1 Legal and domicile form

Cargo Boat Development Company PLC is a Public Limited Liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The Registered Office of the Company is located at No: 328, Galle Road, Colombo 03.

1.1.2 Principal activities and nature of operations

During the year, the principal activity of the company was renting out premises.

1.1.3 Date of authorisation to issue

The financial statements for the year ended 31st March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 28th August 2026.

1.1.4 Responsibility for financial statements

The Board of Directors is responsible for the preparation and presentation of these financial statements. The responsibility of the Directors in relation to the financial statements is set out in “the statement of financial position”.

1.2. Summary of material accounting policies

The accounting policies set out below are consistent with those used in the previous year.

1.2.1 General accounting policies

1.2.1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka.

1.2.1.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s financial statements require, management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Cargo Boat Development Company PLC

Notes to the Financial Statements

1.2.1.3 Basis of measurement

The Financial Statements have been prepared on an accrual basis except for cash flow information and under the historical cost convention except for following material items in the statement of financial position:

- Equity investments are measured at fair value through other comprehensive income.
- Employee retirement benefit obligation based on actuarial valuation
- Debt investments are measured at amortized cost

1.2.1.4 Functional and presentation currency

Items included in the Financial Statements are measured using the currency of primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency.

1.2.1.5 Statement of compliance

The financial statements which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

1.2.1.6 Going concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

1.2.1.7 Comparative information

The accounting policies have been consistently applied by the Company and are consistent with those of the previous year. Certain previous year's figures and phrases have been re-arranged wherever necessary to conform to current year's presentation/classification.

1.2.1.8 Foreign currency transaction

Transactions in foreign currencies are initially recorded by the Company at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

1.2.1.9 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

Cargo Boat Development Company PLC

Notes to the Financial Statements

1.2.1.10 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

a) Valuation of investment properties

The Company obtains valuations performed by external valuers in order to determine the fair value of its investment properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties.

b) Taxation

The Company is subject to income taxes and other taxes. Significant judgment is required to determine the total provision for current, deferred and other taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The Company recognizes assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Deferred tax liability

Deferred tax liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes to the extent it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with the future tax planning strategies.

c) Retirement benefit obligation

The cost of the retirement benefit obligation of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increase, staff turnover, and retirement age and going concern of the company. Due to the long-term nature of such obligation, these estimates are subject to significant uncertainty. Further details are given in note 18 to the financial statements.

1.3 Material accounting policy information

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date.

1.4 Assets and bases of their valuation

1.4.1 Property, plant and equipment

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be reliably measured.

Cargo Boat Development Company PLC

Notes to the Financial Statements

a) Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing parts of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

When a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the profit or loss as incurred.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is de-recognized.

b) Useful lives of property, plant and equipment

The Company reviews the assets' residual values, useful lives and methods of depreciation at each reporting date; judgement made by management based on the professional experts is exercised in the estimation of these values, rates and methods.

c) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The economic useful lives are as follows:

Equipment	12 Years
Office furniture and fittings	10 Years
Motor vehicle	5 Years
Plant & equipment	12.5 Years

Depreciation of assets begins when it is available for use and cease at the earlier of the dates on which the asset is classified as held for sale or de-recognized.

d) Restoration costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance is recognized as an expense when incurred.

e) De-recognition

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is de-recognized.

1.4.2 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is initially measured at its cost including related transaction costs and is thereafter carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Cargo Boat Development Company PLC

Notes to the Financial Statements

Provision for depreciation is calculated by using straight line method in order to write off the cost of the investment property over their expected useful lives. Principal annual rate is 2%.

1.4.3 Impairment of non-financial assets

The company assesses at each reporting date to determine whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

1.4.4 Financial instruments

1.4.4.1 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Financial instruments — initial recognition and subsequent measurement

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expenses in profit or loss.

Cargo Boat Development Company PLC

Notes to the Financial Statements

The Company's financial assets include cash and short-term deposits, trade and other receivables, debt instruments, quoted equity securities.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash Flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and debt instruments.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

Equity instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity. The classification is determined on an instrument-by-instrument basis.

Cargo Boat Development Company PLC

Notes to the Financial Statements

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Financial assets at fair value through profit or loss

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets – derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The new impairment model applies to financial assets measured at amortised cost, contract assets, loan commitments and financial guarantee contracts. The loss allowance is based on the ECL associated with the probability of default in the next twelve months, unless there has been a significant increase in credit risk since its origination. If the credit risk on that financial asset has increased significantly since its initial recognition, the loss allowance is based on the change in the ECLs over the life time of the asset.

The Company recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost and
- contract assets.
- debt investments measured at FVOCI

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life (the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience a informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the Company to actions such as realizing security (if any is held); or the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Cargo Boat Development Company PLC

Notes to the Financial Statements

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL for trade debtors

Given the nature of the trade debtors of the Company, management can identify key drivers behind the changes in credit risk for each debtor on individual basis. Accordingly the life time ECL will be assessed on an individual basis for trade debtors.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Cargo Boat Development Company PLC

Notes to the Financial Statements

1.4.4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.4.4.3 Financial liabilities

Initial recognition and measurement

The Company initially recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value and, for an item not at fair value through profit or loss, net of transaction costs that are directly attributable to its issue.

The Company's financial liabilities comprise of bank overdrafts, trade and other payables and rental deposit.

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss.

Subsequent measurement

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method minus any reduction for impairment.

De-recognition of Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.4.4.4 Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

1.4.4.5 Determination of fair value

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Fair value measurement hierarchy

Level 01

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs.

Cargo Boat Development Company PLC

Notes to the Financial Statements

Level 02

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable price exist, options pricing models, credit models and other relevant valuation models.

Level 03

Inputs for the financial instruments that are not based on observable market data (unobservable inputs).

1.4.5 Stated capital

a) Classification

Ordinary shares with discretionary dividends are classified as equity when there is no obligation to transfer cash or other assets.

b) Dividends

Dividends are recognised when the shareholders right to receive the dividend is established. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

1.4.6 Current and deferred income tax

a) Current taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. No. 24 of 2017 and subsequent amendments thereto.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to the Commissioner General of Inland Revenue.

b) Deferred taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of the goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

c) IFRIC interpretation 23 - uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when the tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

Cargo Boat Development Company PLC

Notes to the Financial Statements

The Interpretation specifically addresses the following:

- a) Whether an entity considers uncertain tax treatments separately,
- b) The assumptions an entity makes about the examination of tax treatments by taxation authorities,
- c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates,
- d) How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgment in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assesses to ascertain whether the Interpretation had an impact on its Financial Statements.

Upon adoption of the Interpretation, the Company considers whether it has any uncertain tax positions and the Company determines that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the Financial Statements of the Company.

1.4.7 Related party transactions

Disclosure is made in respect of the transaction in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

1.4.8 Employee benefits

a) Defined benefit plans – Retirement benefit obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company is liable to pay retirement benefits under the Payment of Gratuity Act No. 12 of 1983. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified Actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out every year and the liability is not externally funded. All actuarial gains or losses are recognised under other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

b) Defined contribution plans

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

1.4.9 Deferred revenue

Deferred revenue is an obligation of the Company to transfer services to a customer for which the Company has received consideration from the customer.

Upon receipt of a rent in advance from a customer, the Company recognises a contract deferred revenue in the amount of the prepayment for its performance obligation to transfer in the future. The Company derecognises that deferred revenue and recognises revenue when the payment is due and when it transfers the services, and therefore, satisfies its performance obligation.

Cargo Boat Development Company PLC

Notes to the Financial Statements

1.4.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1.4.11 Revenue recognition

The Company recognises revenue when the Company satisfies a performance obligation by transferring a promised service to a customer. Services are transferred when the customer obtains control of the services.

Performance obligations and timing of revenue recognition

The Company's revenue is mainly derived from properties leased out to tenants under operating leases with revenue recognised at a point in time when control of the service has been transferred to the customer. This is generally when the services are rendered to the customer.

Determining the transaction price

Most of the Company's revenue is derived from fixed price contracts, and therefore, the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For contracts with customers, there is a fixed rate as per the rent agreement. Therefore, there is no judgment involved in allocating the contract price to each unit in such contracts.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.4.12 Expenditure

The expenditure is recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment in a state of efficiency have been charged against income in arriving at the profit for the year.

For the purpose of presenting the statement of comprehensive income information, expense by function method is used to classify the expenses.

2. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following new accounting standards are effective for annual periods beginning after 01st January 2026 and the earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these Financial Statements.

Cargo Boat Development Company PLC

Notes to the Financial Statements

Accounting standard	Description	Effective date
SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information	To disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions	01 st January 2026
SLFRS S2 - Climate-related Disclosures	To disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions	01 st January 2026
Amendments to SLFRS 9 and SLFRS 7	Classification and Measurement of financial instruments	01 st January 2026
SLFRS 18 Presentation and Disclosure in Financial Statements	Replacing LKAS 1 – Presentation of Financial Statements	On or after 01 st January 2027
SLFRS 19 Subsidiaries without Public Accountability: Disclosures	Subsidiaries without Public Accountability: Disclosures	On or after 01 st January 2027

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

Financial risks are risks arising from financial instruments to which the Company is exposed to during or at the end of the reporting period. The Company's activities expose it to a variety of financial risks: Market risk, Credit risk and Liquidity risk. The primary objective of the financial risk management is to establish the risk limits, and ensure that the exposure to risk stays within these limits.

Risk management is carried out by the Finance Department under policies approved by the Board of Directors.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. The Company's market risks arise from the open positions in interest-bearing assets, to the extent that these are exposed to general and specific market movements.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of changes in market interest rates which relate preliminary to the Company's investments in bank deposits. All available opportunities are considered before making investment decisions.

There is no variable rate financial instruments within the Company.

Sensitivity analysis to a 100 basis point (bp) change interest rates, with all other variables held constant, of the company's profit/(loss) before.

	100 bp increase	100 bp decrease
2026	3,653,709	(3,653,709)
2025	3,419,283	(3,419,283)

(c) Price Risk

The Company is exposed to equity securities price risk due to investments held by the Company. These investments are classified in the statement of financial position as "fair value through other comprehensive income". To manage its price risk arising from such securities, the Company diversifies its portfolio. Prices of equity securities of the companies affected by the prevailing macro-economic challenges are expected to drop significantly. Hence, this may have a negative impact on the Company.

Cargo Boat Development Company PLC

Notes to the Financial Statements

The investments in equity of other entities that are publicly traded are included in the All Share Price Index (ASPI) and S & P Sri Lanka 20 (S & P SL 20).

The Company is exposed to price risk other than in respect of financial instruments, such as property price risk including property rental risk.

Sensitivity analysis to a 10% change in average rental rate per sq ft, with all other variables held constant, of the company's profit/(loss) before.

Financial Year	10% increase (Rs.)	10% decrease (Rs.)
2025/2026	14,288,123	(14,288,123)
2024/2025	13,279,642	(13,279,642)

(d) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivable, including rentals receivable from the lessee. The Company has policies in place to ensure that lease contracts are entered into only with lessees with an appropriate credit history; Company monitors the credit quality of the receivable on an ongoing basis.

The company's maximum exposure to credit risk by class of financial assets is as follows;

	As at 31.03.2026 (Rs.)	As at 31.03.2025 (Rs.)
Cash and cash equivalents	378,058,815	126,363,138
Trade and other receivables*	26,808,339	22,735,348
Total	404,867,154	149,098,486

*This include trade receivables and staff loans.

The Company's credit risk mitigation measures are as follows:

i. Cash and cash equivalents

The credit risk arising to the Company on cash and cash equivalents is low since the Company has placed all its deposits in reputed financial institutions with good credit ratings.

Name	Rating
National Development Bank PLC	A-(LKA) Fitch Ratings Lanka Ltd
Commercial Bank of Ceylon PLC	AA-(LKA) Fitch Ratings Lanka Ltd
DFCC Bank PLC	A(LKA) Fitch Ratings Lanka Ltd
Hatton National Bank PLC	AA-(LKA) Fitch Ratings Lanka Ltd

ii. Trade and other receivables

The fair value of trade receivable is the service charges and expenses recoverable from tenants. Since these services are specified in the lease agreements, there is no credit risk arising from the same.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining of sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company's liquidity position is monitored on a monthly basis by the management and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial liabilities is presented below. These amounts are the undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

Cargo Boat Development Company PLC

Notes to the Financial Statements

As at 31.03.2026			
	On demand and less than one year Rs.	1-5 years Rs.	Total Rs.
Current assets			
Trade and other receivables	47,685,364	-	47,685,364
Cash and cash equivalents	378,058,815	-	378,058,815
	425,744,179	-	425,744,179
Current liabilities			
Accruals and other payables	24,848,455	-	24,848,455
Bank overdraft	1,303,305	-	1,303,305
Rental deposit	32,886,664	4,860,910	37,747,574
	59,038,424	4,860,910	63,899,334

3.1 Fair Value of the Financial Instrument Carried at Amortized Cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and liabilities.

Description	As at 31.03.2026		As at 31.03.2025	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial assets				
Financial assets- amortised cost	54,219,178	50,000,000	178,038,020	173,500,000
Receivable (excluding deposits, Pre-payments and VAT/WHT receivable)	26,808,339	26,808,339	22,735,348	22,735,348
Cash and cash equivalents (excluding bank overdraft)	378,058,815	378,058,815	126,363,138	126,363,138
Total financial assets	459,086,332	454,867,154	327,136,506	322,598,486
Financial liabilities				
Accruals and other payables	24,848,455	24,848,455	17,261,952	17,261,952
Bank overdraft	1,303,305	1,303,305	1,433,914	1,433,914
Total financial liabilities	26,151,760	26,151,760	18 695,866	18 695,866

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which have not already been recorded at fair value in the Financial Statements.

Assets for which fair value approximates carrying value.

For the financial assets and financial liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate their fair value.

Description	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Assets		
Cash and cash equivalents	378,058,815	126,363,138
Financial Assets at amortised cost	54,219,178	178,038,020
Other receivables	14,043,741	14,698,826
	446,321,734	319,099,984
Liabilities		
Accrued expenses	24,848,455	17,261,952
	24,848,455	17,261,952

Cargo Boat Development Company PLC

Notes to the Financial Statements

3.2 Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

Level 1: Availability of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Use of inputs other than quoted prices that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3: Use of inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
As at 31st March 2026				
Financial assets measured at fair value through OCI	4,732,610,283	-	-	4,732,610,283
Financial assets measured at fair value through profit or loss	37,266	-	-	37,266
Financial assets measured at amortised cost	54,219,178	-	-	54,219,178
Trade and other receivables*	-	-	26,808,339	26,808,339
Cash and cash equivalents (excluding bank overdraft)	-	-	378,058,815	378,058,815
	4,786,866,727	-	404,867,154	5,191,733,881
As at 31st March 2025				
Financial assets at fair value through OCI	3,432,163,743	-	-	3,432,163,743
Financial assets measured at fair value through profit or loss	34,621	-	-	34,621
Financial assets measured at amortised cost	178,038,020	-	-	178,038,020
Trade and other receivables*	-	-	22,735,348	22,735,348
Cash and cash equivalents (excluding bank overdraft)	-	-	126,363,138	126,363,138
	3,610,236,384	-	149,098,486	3,759,334,870

*This include trade receivables and staff loans.

Cargo Boat Development Company PLC

Notes to the Financial Statements

		2025/2026 Rs.	2024/2025 Rs.
4. REVENUE			
Rental income		142,881,229	132,796,423
5. OTHER INCOME			
Gain on disposal of shares		10,461,148	346,406
Dividend		204,181,262	143,980,391
Interest		46,677,917	56,599,533
Fair value gain on investment in unit trust		2,645	4,051,396
Sundry		20,406,856	19,502,874
Profit/(Loss) on disposal of Property, Plant & Equipment		19,000,000	-
		<u>300,729,828</u>	<u>224,480,600</u>
6. PROFIT BEFORE TAXATION			
Profit before tax is stated after charging all expenses including the following:			
Salaries and wages		4,903,983	4,676,950
EPF and ETF		3,805,040	3,440,550
Directors' emoluments		20,459,200	18,271,000
Bonus and ex-gratia		52,175,581	25,149,758
Auditor's remuneration		386,732	274,175
Depreciation on property, plant and equipment		5,787,772	6,875,874
Depreciation of investment property		19,458,372	16,866,155
Defined benefit plan cost-gratuity		1,338,294	1,745,822
Professional fee		3,475,476	4,325,306
7. INCOME TAX EXPENSE			
Current income tax provision	Note 7.1	17,392,415	27,459,686
Income tax under /(over) provision		65,053	1,635,975
Deferred tax expense	Note 7.2	<u>(7,123,847)</u>	<u>(5,322,206)</u>
		<u>10,333,621</u>	<u>23,773,455</u>
7.1 Reconciliation between current tax expense and the product of accounting profit			
Profit before tax		281,834,104	229,587,819
Add : Disallowable expenses		28,507,512	25,571,388
Less : Allowable expenses		(18,721,843)	(19,300,122)
Less: Investment income		(250,859,179)	(204,631,320)
Less: Exclude amounts		(29,463,739)	(346,406)
Assessable income from business		11,296,800	30,881,359
Investment income		250,859,179	(204,631,320)
Exempt income (Dividend income)		(204,181,262)	(143,980,391)
Assessable income from investment		46,677,917	60,650,929
Taxable income		57,974,717	91,532,288
Current income tax expenses (at 30%)		<u>17,392,415</u>	<u>27,459,686</u>
Exempt income includes the dividend income (dividend paid out of dividend) which is not subject to income tax.			
		2025/2026 Rs.	2024/2025 Rs.
7.2 Deferred tax expense (at 30%)			
Accelerated depreciation for tax purposes		(6,750,109)	(5,239,154)
Retirement benefit obligation		(373,738)	(83,052)
	Note 19	<u>(7,123,847)</u>	<u>(5,322,206)</u>
8. EARNINGS PER SHARE			
The basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the year.			
		2025/2026	2024/2025
Profit attributable to ordinary shareholders (Rs.)		271,500,483	205,814,364
Weighted average number of ordinary shares in issue (Nos)		18,031,995	18,031,995
		<u>15.06</u>	<u>11.41</u>

Cargo Boat Development Company PLC

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle	Plant and equipment	Furniture & other equipment	Total
	Rs	Rs	Rs	Rs
Cost				
Balance as at 01 st April 2025	32,100,000	12,228,126	15,371,323	59,699,449
Additions during the year	80,000,000	-	-	80,000,000
Disposals During the year	(22,700,000)	-	-	(22,700,000)
Balance as at 31st March 2026	89,400,000	12,228,126	15,371,323	116,999,449
Accumulated depreciation				
Balance as at 01 st April 2025	32,100,000	8,064,852	12,114,390	52,279,242
Charge for the year	1,771,690	1,607,066	2,409,016	5,787,772
Disposal during the year	(22,700,000)	-	-	(22,700,000)
Balance as at 31st March 2026	11,171,690	9,671,918	14,523,406	35,367,014
Net book value				
Balance as at 31st March 2026	78,228,310	2,556,208	847,917	81,632,435
Balance as at 31st March 2025	-	4,163,274	3,256,933	7,420,207

9.1 Property, plant and equipment include fully depreciated motor vehicle with a gross carrying value of Rs. 9,550,000/- and office equipment with a gross carrying value of Rs. 150,000/-.

10. INVESTMENT PROPERTY

	Property at No 41, Janadhipathi Mawatha, Colombo 01.	Property at No 35, 35 1/1, and 37 Janadhipathi Mawatha, Colombo 01	Total
	Rs	Rs	Rs
Cost			
Balance as at 01 st April 2025	575,678,024	20,817,350	596,495,374
Additions during the year	-	-	-
Disposals During the year	-	-	-
Balance as at 31st March 2026	575,678,024	20,817,350	596,495,374
Accumulated depreciation			
Balance as at 01 st April 2025	122,720,171	-	122,720,171
Charge for the year	19,458,372	-	19,458,372
Disposals During the year	-	-	-
Balance as at 31st March 2026	142,178,543	-	142,178,543
Net book value			
Balance as at 31st March 2026	433,499,481	20,817,350	454,316,831
Balance as at 31st March 2025	452,957,853	20,817,350	473,775,203

- a) Property at No. 41 to 41-9/1, Janadhipathi Mawatha, Colombo 01 and at No. 35,35 1/1 and No. 37, Janadhipathi Mawatha Colombo 01, had been valued by a professional valuer Mr. T. Hilmy Farook (Fellow member of the Institute of Valuers Sri Lanka) on 31st March 2024. As per the valuation report the market value of the property is Rs 1,109,880,000/- and Rs 167,500,000/-. In valuing the property, direct comparison methodology had been taken into consideration.

The Board of Directors is of the view that there has been no significant change in the fair value of the investment properties as at 31st March 2026 compared with the valuation report obtained as at 31st March 2024. Accordingly, the Company has continued to use the fair values determined in the valuation report dated 31st March 2024.

Cargo Boat Development Company PLC

Notes to the Financial Statements

10. INVESTMENT PROPERTY (CONTD...)

10.1. Fair value of investment properties

<u>Property and location</u>	<u>Tenure of property</u>	<u>Description</u>	<u>Method of valuation</u>	<u>Net rentable area</u>	<u>Fair value Rs.</u>
No 41, Janadhipathi Mawatha, Colombo 01.	Freehold	Office space	Market Approach	54,470 Sq.ft	1,109,880,000
No 35, 35 1/1,& 37, Janadhipathi Mawatha, Colombo 01.	Freehold	Land for car park	Market Approach	16.75 Perches	167,500,000
					<u>1,277,380,000</u>

10.2. Rental income earned and direct operating expenses relating to investment property is tabulated below:

	<u>2025/2026</u>	<u>2024/2025</u>
	<u>Rs</u>	<u>Rs</u>
Rental Income	142,881,229	132,796,425
Direct operating expenses	(44,366,735)	(42,592,994)

11. FINANCIAL ASSETS- FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>As at</u>	<u>As at</u>
	<u>31.03.2026</u>	<u>31.03.2025</u>
	<u>Rs.</u>	<u>Rs.</u>
Financial assets- fair value through other comprehensive income Note 11.1	4,732,610,283	3,432,163,743
	<u>4,732,610,283</u>	<u>3,432,163,743</u>

Cargo Boat Development Company PLC

Notes to the Financial Statements

11. FINANCIAL ASSETS-FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTD...)

	Description	As at 31.03.2026			As at 31.03.2025		
		No of Shares	Market Value Rs.	Cost Rs.	No of Shares	Market Value Rs.	Cost Rs.
11.1	Investments in listed companies						
	Banks, finance and insurance						
	Commercial Bank of Ceylon PLC (V)	14,296,344	2,920,028,263	1,294,096,313	14,131,796	2,084,439,911	1,270,072,260
	DFCC Bank PLC	3,413,953	470,272,025	275,221,372	3,320,705	351,970,228	260,511,382
	National Development Bank PLC	360,063	46,808,190	45,069,051	360,063	38,526,741	45,069,051
	The Finance Company PLC	9,936	-	515,200	9,936	-	515,200
	Union Assurance PLC	-	-	-	840	45,444	1,418
	Vanik Incorporation PLC	3,429	-	135,437	3,429	-	135,437
	Sampath Bank PLC	169,000	24,547,250	23,993,320	-	-	-
	C.W. Mackie PLC	998,461	33,847,828	26,250,738	-	-	-
			3,495,503,556	1,665,281,431		2,474,982,324	1,576,304,748
	Beverages, food and tobacco						
	Renuka Capital PLC	200,000	5,780,000	1,317,500	153,890	1,692,790	2,027,500
	Melstacorp PLC	1,000,000	168,000,000	58,649,600	1,000,000	127,000,000	58,649,600
			173,780,000	59,967,100		128,692,790	60,677,100
	Hotels and Travels						
	Aitken Spence Hotels PLC	600,000	54,960,000	42,192,075	733,193	53,728,759	25,808,394
	Hotel Services PLC	2,020,200	30,505,020	15,151,500	2,020,200	24,040,380	15,151,500
	Royal Palms Beach Hotels PLC	137,500	6,957,500	1,290,000	137,500	4,537,500	1,290,000
			92,422,520	58,633,575		87,306,639	42,249,894
	Manufacturing						
	ACL Cables PLC	-	-	-	5,000	610,000	1,464
	Blue Diamonds PLC	29	-	480	29	9	480
	Chevron Lubricants Lanka PLC	3,410,000	609,537,501	140,975,466	3,417,818	469,949,976	141,298,676
	Tokyo Cement Company PLC	33,000	2,405,700	849,486	33,000	2,135,100	849,486
	Sierra Cables PLC	190,000	5,377,000	390,109	190,000	2,983,000	390,109
			617,320,201	142,215,541		475,678,085	142,540,215
	Diversified						
	Aitken Spence & Company PLC	9,990	1,388,611	1,486,237	9,990	1,276,223	1,486,237
	Hayleys PLC	500,000	107,500,000	35,897,600	500,000	68,500,000	35,897,600
	John Keells Holdings PLC	2,500,000	46,000,000	60,672,000	2,500,000	50,500,000	60,672,000
			154,888,611	98,055,837		120,276,223	98,055,837
	Plantations						
	Kelani Valley Plantations PLC	20,000	1,590,000	122,280	-	-	-
			1,590,000	122,280		2,466,000	183,420
	Telecommunication						
	Dialog Telecom PLC	98,000	2,969,400	1,948,000	98,000	1,401,400	1,948,000
			2,969,400	1,948,000		1,401,400	1,948,000
	Health care						
	Ceylon Hospitals PLC (Durdans)	1,400,000	84,000,001	18,354,110	370,945	47,295,488	19,452,472
			84,000,001	18,354,110		47,295,488	19,452,472
	Power and energy						
	Vallibel One PLC	530,000	48,707,000	13,652,056	540,000	31,806,000	13,909,642
			48,707,000	13,652,056		31,806,000	13,909,642
	Construction						
	Access Engineering PLC	150,000	10,050,000	3,750,000	150,000	5,775,000	3,750,000
			10,050,000	3,750,000		5,775,000	3,750,000
	Material						
	Dipped Products PLC	1,000,000	49,400,000	27,302,400	1,000,000	55,000,000	27,302,400
	Heycarb PLC	18,073	1,978,994	1,205,562	18,073	1,483,794	1,205,562
			51,378,994	28,507,962		56,483,794	28,507,962
	Total investments in listed companies		4,732,610,283	2,090,487,893		3,432,163,743	1,987,579,291

11.2

Movement in financial assets-fair value through other comprehensive income	Fair value as at 1st April 2025			Fairvalue adjustment	Fair value as at 31st March 2026
	Rs.	Additions Rs.	Disposals Rs.		Rs.
Year 2025/2026					
Investment in listed companies	3,432,163,743	89,043,066	(17,113,918)	1,228,517,392	4,732,610,283
	3,432,163,743	89,043,066	(17,113,918)	1,228,517,392	4,732,610,283
Year 2024/2025					
Investment in listed companies	2,052,668,054	338,167,287	(2,371,537)	1,043,699,939	3,432,163,743
	2,052,668,054	338,167,287	(2,371,537)	1,043,699,939	3,432,163,743

11.3 Carrying value of disposed shares

	As at 31.03.2026 (Rs)	As at 31.03.2025 (Rs)
Cost	17,113,918	2,371,537
Realised fair value	5,229,642	1,108,998
	22,343,560	3,480,535

12. FINANCIAL ASSETS -FAIR VALUE THROUGH PROFIT OR LOSS

	Fair value as at 1st April 2025 Rs.	Additions Rs.	Disposals Rs.	Fairvalue adjustment Rs.	Fair value as at 31st March 2026 Rs.
Investment in unit trust					
NDB Wealth Management Ltd.	34,621	-	-	2,645	37,266
	34,621	-	-	2,645	37,266

Cargo Boat Development Company PLC

Notes to the Financial Statements

13. FINANCIAL ASSETS AT AMORTISED COST

	As at 31.03.2026		As at 31.03.2025	
	Market value Rs.	Amortised cost Rs.	Market value Rs.	Amortised cost Rs.
13.1 Non Current				
Debentures	50,000,000	54,219,178	50,000,000	54,219,178
	<u>50,000,000</u>	<u>54,219,178</u>	<u>50,000,000</u>	<u>54,219,178</u>

The principal terms of the investment are as follows:

Issuer	-	Commercial Bank of Ceylon PLC
Term	-	6 years
Number of debentures	-	500,000 (Rs. 100/- each)
Coupon rate	-	28%
EIR rate	-	29.96%

13.2 Current

Fixed Deposits	-	-	123,500,000	123,818,842
	<u>-</u>	<u>-</u>	<u>123,500,000</u>	<u>123,818,842</u>

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
14. TRADE AND OTHER RECEIVABLES		
Trade receivables	26,514,089	22,535,348
Deposits and pre-payments	7,127,534	6,324,089
Other receivables	14,043,741	14,698,826
	<u>47,685,364</u>	<u>43,558,263</u>
15. INCOME TAX RECOVERABLE / (PAYABLE)		
Balance as at the beginning of the year	4,165,778	(2,176,534)
Provision for the year	(17,392,415)	(27,459,686)
Previous years under provision	(65,053)	(1,635,975)
	<u>(13,291,690)</u>	<u>(31,272,195)</u>
Payments during the year		
- Withholding tax	-	(13,348,849)
- Self-assessment	(14,816,000)	(22,089,124)
Balance at the end of the year	<u>1,524,310</u>	<u>4,165,778</u>
16. CASH AND CASH EQUIVALENTS		
16.1 Cash at bank and in hand	378,058,815	126,363,138
	<u>378,058,815</u>	<u>126,363,138</u>
16.2 Bank overdraft	(1,303,305)	(1,433,914)
	<u>376,755,510</u>	<u>124,929,224</u>
17. STATED CAPITAL		
Number of shares	Nos.	Nos.
- Ordinary shares	<u>18,031,995</u>	<u>18,031,995</u>
Value	Rs.	Rs.
- Ordinary shares	<u>471,438,575</u>	<u>471,438,575</u>

Cargo Boat Development Company PLC

Notes to the Financial Statements

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
18. RETIREMENT BENEFIT OBLIGATION		
Balance as at the beginning of the year	12,933,948	10,527,822
Current service cost	294,487	459,187
Interest for the year	1,043,807	1,286,635
Actuarial (loss)/gain on remeasurement of retirement benefit obligation	(3,176,567)	660,304
	11,095,675	12,933,948
(-) Payments made during the year	(92,500)	-
Balance at the end of the year	11,003,175	12,933,948

The employee benefit liability of the Company is based on the actuarial valuation carried out by Ms Thanuja Krishnaratna, Actsure Lab (Pvt) Ltd., a firm of professional actuaries as at 31st March 2026.

The principal assumptions used in determining the cost of employee benefits were:

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
a) Discount rate	10.80%	11.50%
b) Salary increment rate	1.45%	9.28%
c) Staff turnover rate	18.20%	8.30%
d) Retirement age	60 years	60 years

18.1 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions used, with all other variables held constant in the retirement benefit obligation measurement.

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Discount rate		
Effect on retirement benefit obligation due to 1% increase	(49,445)	(227,643)
Effect on retirement benefit obligation due to 1% decrease	53,427	249,031
Salary increment rate		
Effect on retirement benefit obligation due to 1% increase	66,628	369,722
Effect on retirement benefit obligation due to 1% decrease	(61,988)	(347,950)

18.2 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years from the fund as follows

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Within 12 months	-	9,889,708
Between 1-2 years	10,103,887	-
Between 2-5 years	-	-
Between 5-10 years	897,702	559,055
Beyond 10 years	1,586	2,485,185
Total	11,003,175	12,933,948

19. DEFERRED TAX LIABILITY

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% the movement in the deferred tax account is as follows:

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance at the beginning of the year	55,054,265	60,574,562
Charge for the year		
Statement of profit or loss	7.2 (7,123,847)	(5,322,206)
Statement of other comprehensive income	952,970	(198,091)
Balance at the end of the year	48,883,388	55,054,265

Cargo Boat Development Company PLC

Notes to the Financial Statements

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
19.1 Deferred tax assets and liabilities relate in the following;		
Deferred tax liabilities		
Investment properties and property, plant and equipment	63,824,523	58,934,450
	<u>63,824,523</u>	<u>58,934,450</u>
Deferred tax asset		
Retirement benefit obligation	(3,300,953)	(3,880,184)
	<u>(3,300,953)</u>	<u>(3,880,184)</u>
Net deferred tax liability	<u>60,523,571</u>	<u>55,054,265</u>
20. DEFERRED REVENUE		
Balance as at the beginning of the year	26,914,078	28,713,568
During the year rentals received in advance	26,717,706	26,914,078
Recognised in rental income during the year	(26,914,078)	(28,713,568)
Balance as at the end of the year	<u>26,717,706</u>	<u>26,914,078</u>
20.1 Non - Current		
Prepaid Rentals	—	—
	<u>—</u>	<u>—</u>
20.2 Current		
Prepaid Rentals	26,717,706	26,914,078
	<u>26,717,706</u>	<u>26,914,078</u>
21. RENTAL DEPOSITS		
21.1 Non-current		
Rental deposit	4,860,910	25,365,033
	<u>4,860,910</u>	<u>25,365,033</u>
Non current portion of rental deposits consist of rental deposits received from existing tenants whose contracts will expire after 31st March 2027.		
21.2 Current liabilities		
Rental deposit	32,886,664	11,184,381
	<u>32,886,664</u>	<u>11,184,381</u>
22. ACCRUALS AND OTHER PAYABLE		
Accruals	23,219,375	15,684,770
Others	1,629,080	1,577,182
	<u>24,848,455</u>	<u>17,261,952</u>
23. CONTRACTUAL COMMITMENTS		
There were no unrecognised contractual commitments existing as at 31st March 2026.		
24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
There were no contingent liabilities and contingent assets as at the reporting date, except for below;		
The Company was made aware of a partition case in the District Court of Colombo regarding the bare land owned by the Company with assessment numbers 35, 35 1/1 & 37, Janadhipathi Mawatha, Colombo 01 in 2016. The Company acquired this land in 2010 from Commercial Bank of Ceylon PLC. The Company filed a motion to dismiss the case in March 2019. The said motion was dismissed by the courts by its order on 25th February 2022. Since the motion was dismissed, the Company filed an application under the provisions of the Partition Act to intervene in the case in July 2022. The application was rejected by the order delivered on 13th July 2023. The Company filed a Leave to Appeal Application to the High Court of Civil Appeals and by its order dated 12th October 2023 court granted leave to appeal. The argument in the above appeal was fixed for the 25th November 2026.		
25. ASSETS PLEDGED AND OUTSTANDING LITIGATION		
25.1 Assets pledged		
There were no assets pledged as security for liabilities as at 31st March, 2026.		
25.2 Outstanding litigation		
There are no litigations currently pending against the company.		

Cargo Boat Development Company PLC

Notes to the Financial Statements

26. RELATED PARTY TRANSACTIONS

26.1 Relationship

Mr. R.B Thambiayah, Mrs. N.A Thambiayah, Ms. S.R Thambiayah, Ms. A.L Thambiayah, Ms. N.R Thambiayah Directors of the Company are also Directors of Renuka Hotels PLC and Renuka City Hotels PLC.

26.2 Related party transactions

Name of the Company	Relationship	Nature of Transactions	Transaction values	
			2025/2026 (Rs)	2024/2025 (Rs)
a) Renuka Hotels PLC	Affiliate	Expenses incurred during the year	310,553	305,716
		Fund transfer	(310,553)	(305,716)
b) Renuka City Hotels PLC	Affiliate	Expenses incurred during the year	32,267	32,000
		Fund transfer	(32,267)	(32,000)
c) Crescent Laundereres & Dry Cleaners (Pvt) Ltd	Affiliate	Expenses incurred during the year	95,112	—
		Fund transfer	(95,112)	—

Non - Recurrent related party transactions

There were no non-recurrent related party transactions which the aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower, of the Company as per 31 March 2026 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceed 10% of the revenue of the Company as at 31st March 2026, which required additional disclosures under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Act.

26.3 Transactions with Key Management Personnel

Key management personnel consist of Board of Directors.

Key management personnel's compensation comprised of,

	Value	
	2025/2026 Rs.	2024/2025 Rs.
Short term benefits	74,993,661	45,411,408
Long term benefits	10,718,860	12,395,217

27. EVENTS AFTER THE REPORTING DATE

There were no material events that occurred after the reporting date, which require adjustments or disclosures in the financial statements.

28. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

28.1 RECLASSIFICATION

During the current year, the comparative presentation of the gain on disposal of equity instruments has been re-classified to conform to the current year's presentation. This re-classification is for presentation purposes only and has no impact on the previously reported financial performance or financial position.

	Balance reported 2024/2025 Rs.	Reclassification adjustment Rs.	Reclassified balance 2025/2026 Rs.
STATEMENT OF COMPREHENSIVE INCOME			
Other income	225,589,598	1,108,998	224,480,600
Other comprehensive income			
Items that will not be subsequently re-classified to profit or loss			
Realised fair value gain on equity instruments at FVTOCI	(1,108,998)	(1,108,998)	-

Cargo Boat Development Company PLC

Shareholder Information

1. Analysis of shareholders according to the number of shares - 31 March 2026

No. of Shareholders	No. of shares	Total Holdings	
		Number	% Holding
830	1 - 1,000	128,905	0.71
115	1001 - 10,000	339,767	1.89
27	10,001 - 100,000	822,479	4.56
3	100,001 - 1,000,000	819,452	4.54
5	Over - 1,000,000	15,921,392	88.30
980		18,031,995	100.00

2. Twenty Largest Shareholders as at 31 March 2026

Name of Shareholder	31.03.26 No. of Shares	% Holding	31.03.25* No. of Shares	% Holding
01. Renuka Properties Limited	4,113,356	22.81	4,113,356	22.81
02. Lancaster Holdings Limited	4,087,048	22.67	4,087,048	22.67
03. Sampath Bank PLC/ Senthilverl Holdings (Pvt) Ltd	3,581,943	19.86	-	-
04. Renuka Consultants & Services Limited	2,775,248	15.39	2,775,248	15.39
05. People's Leasing & Finance PLC/Mr. K.K. Shujeevan	1,363,797	7.56	1,287,604	7.14
06. Merrill J Fernando & Sons (Pvt) Limited	339,996	1.89	339,996	1.89
07. J.B. Cocoshell (Pvt) Limited	244,938	1.36	433,029	2.40
08. Sampath Bank PLC/Ceylon Capital One Investment Private Limited	234,518	1.30	146,307	0.81
09. Tranz Dominion L.L.C.	90,000	0.50	90,000	0.50
10. Mr. Nathan George Nicholas and Mr. Premjit Rajeev Nicholas	80,000	0.44	70,000	0.39
11. Cocoshell Activated Carbon Company (Private) Limited	59,000	0.33	62,000	0.34
12. Mrs. Binanthi Shamani Rasanayagam	51,042	0.28	51,042	0.28
13. Commercial Bank of Ceylon PLC/ H.M.Dawoodbhoy	50,000	0.28	60,000	0.33
14. Ms. Niruja Rajeswari Thambiayah	41,451	0.23	41,451	0.23
15. Mrs. Hene Kankanamge Sandamini Rukmal Perera	40,000	0.22	40,000	0.22
16. Mr. Dilhan Crishantha Fernando	34,320	0.19	-	-
17. N.H. Dawoodbhoy & Co (Pvt) Ltd	30,000	0.17	30,000	0.17
18. Mr. Thelge Ajith Peiris and Mr. Premjit Rajeev Nicholas	30,000	0.17	30,000	0.17
19. Mr. Sinniah Sellaiurai Sithambaranathan	25,739	0.14	23,741	0.13
20. Mr. Weerakkody Thilina Pushpa Kumara De Silva	23,250	0.13	14,500	0.08
Total	17,295,646	95.92		

*Comparative shareholding as at 31 March 2025 of the twenty largest shareholders as at 31 March 2026.

3. Public Holding

The percentage of shares held by the Public as at 31 March 2026 is 38.66% (2025 – 38.84%). The number of shareholders representing the public holding is - 972 (2025 - 962)

Compliant under option 5 – Float adjusted market capitalization Rs 1,533.66 mn (2025 - Rs. 552.59 mn)

4. Market Value of Shares

	2025/2026	2024/2025
Highest value during the period, Rs.	245.00	98.00
Lowest value during the period, Rs.	75.00	50.20
Value as at 31 st March, Rs.	220.00	78.90

Cargo Boat Development Company PLC

Shareholder Information

Year ended 31 st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Performance	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Turnover	142,881,229	132,796,423	113,411,460	103,399,136	20,573,124	6,776,640	320,000	41,246,418	62,818,751	55,889,397
Profit Before Tax	281,834,104	230,696,819	207,385,007	183,051,907	46,623,920	138,642,203	85,368,285	132,762,941	160,832,541	143,724,378
Taxation Current Year	(10,333,621)	(23,773,455)	(36,819,737)	(40,648,467)	(8,533,450)	(6,596,073)	(15,511,738)	(18,900,282)	(18,045,024)	(11,809,043)
Profit after Tax	271,500,483	206,923,364	170,565,270	142,403,440	38,090,470	132,046,130	69,856,549	113,862,659	142,787,517	131,915,335
Other Comprehensive Income	7,453,239	(462,213)	(39,461)	(1,107,620)	1,453,855	1,113,707	538,070	197,293	(282,790)	1,503,932
Unappropriated Profits B/F	2,197,590,872	2,009,161,718	1,856,667,904	384,404,199	344,859,874	211,700,037	141,305,418	143,565,524	117,380,855	94,161,624
Amount Available for Appropriation	2,476,544,594	2,215,622,869	2,027,193,713	525,700,019	384,404,199	344,859,874	211,700,037	257,625,476	259,885,582	227,580,891
Dividend	(18,031,995)	(18,031,995)	(18,031,995)	(18,031,995)	—	—	—	(16,320,068)	(16,320,058)	(10,200,036)
Transfer to General Reserve	—	—	—	—	—	—	—	(100,000,000)	(100,000,000)	(100,000,000)
Retained Profit Carried forward	2,458,512,599	2,197,590,872	2,009,161,718	507,668,024	384,404,199	344,859,874	211,700,037	141,305,418	143,565,524	117,380,855
CAPITAL STRUCTURE										
Share Capital and Reserves:										
Stated Capital	471,438,575	471,438,575	471,438,575	471,438,575	471,438,575	471,438,575	471,438,575	119,000,420	119,000,420	119,000,420
Revenue Reserves	2,458,512,599	2,197,590,872	2,009,161,718	1,856,667,904	384,404,199	344,859,874	211,700,037	141,305,418	143,565,524	117,380,855
General Reserve	—	—	—	—	1,348,999,380	1,348,999,380	1,348,999,880	1,348,999,880	1,248,999,880	1,148,999,880
Available for Sale Reserve	2,669,629,705	1,446,341,955	403,751,014	(186,897,282)	(237,639,973)	37,468,432	185,843,809	86,812,230	542,429,159	724,349,873
Assets Less Liabilities	5,599,580,879	4,115,371,402	2,884,351,307	2,141,209,197	1,967,202,681	2,202,766,761	2,217,982,301	1,696,117,948	2,053,994,983	2,109,731,028
Current Assets	427,268,489	297,906,021	380,637,599	152,061,961	407,268,557	497,769,592	507,713,729	385,740,765	288,304,337	312,843,214
Current Liabilities	(85,756,130)	(56,794,325)	(82,842,929)	(61,432,333)	(50,744,053)	(26,931,368)	(120,617,724)	(10,817,748)	(35,319,980)	(14,505,149)
Net Current Assets	341,512,359	241,111,696	297,794,670	90,629,628	356,524,504	470,838,224	387,096,005	374,923,017	252,984,357	298,338,065
Fixed Assets and Investments	5,322,815,993	3,967,612,952	2,681,645,486	2,134,395,172	1,693,784,095	1,766,934,637	1,858,597,165	1,333,688,119	1,812,785,582	1,834,288,836
Long Term Liabilities	5,664,328,352	4,208,724,648	2,979,440,156	2,225,024,800	2,050,308,599	2,237,772,861	2,245,693,170	1,708,611,136	2,065,769,939	2,132,626,901
	(64,747,473)	(93,353,246)	(95,088,849)	(83,815,603)	(83,105,918)	(35,006,100)	(27,710,869)	(12,493,188)	(11,774,956)	(22,895,873)
RATIOS AND STATISTICS	5,599,580,879	4,115,371,402	2,884,351,307	214,209,197	1,967,202,681	2,202,766,761	2,217,982,301	1,696,117,948	2,053,994,983	2,109,731,028
Earnings Per Share (Rs.)	15.06	11.48	9.46	7.90	2.11	7.32	4.67	11.16	14.00	12.93
Dividend Per Share (Rs.)	1.00	1.00	1.00	1.00	—	—	—	—	1.60	1.60
Dividend Payout Ratio	6.64	8.71	10.57	12.6	—	—	—	—	11	12
Net Assets per share at the year end	310.54	228.23	159.96	118.74	109.09	122	123	166.29	201.37	206.83
Market Value Per Share (Rs.)	220	78.90	53.00	48.60	56.10	60	40.00	61	83.5	82.30

CARGO BOAT DEVELOPMENT COMPANY PLC (PQ 222)

FORM OF PROXY

ANNUAL GENERAL MEETING

I/We.....

of

A member/members of Cargo Boat Development Company PLC, hereby appoint

Mr. R. B. Thambiayah	<i>of Colombo or failing him*</i>
Ms. N. A. Thambiayah	<i>of Colombo or failing her*</i>
Ms. N. R. Thambiayah	<i>of Colombo or failing her*</i>
Ms. S. R. Thambiayah	<i>of Colombo or failing her*</i>
Mr. R. S. Tissanayagam	<i>of Colombo or failing him*</i>
Ms. A. L. Thambiayah	<i>of Colombo or failing her*</i>
Mr. D. C. Fernando	<i>of Colombo or failing him*</i>
Mr. D.T. S. H. Mudalige	<i>of Colombo or failing him*</i>
Mr. S. A. R. S. Karunanayake	<i>of Colombo or failing him*</i>

**Please select what is required and delete the others.*

of

As *my/our proxy to vote on *my/our behalf at the Annual General Meeting of the Company held on 22 September 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

	FOR	AGAINST
1. To receive and consider the Report of Directors and the Audited Statement of Accounts for the year ended 31 March 2026 with the Report of the Auditors' thereon.	☐	☐
2. To declare a dividend.	☐	☐
3. To authorise the Board of Directors to determine and make Donations.	☐	☐
4. To re-appoint as a Director, Mr. R. B. Thambiayah in terms of Section 211 of the Companies Act No. 7 of 2007.	☐	☐
5. To re-appoint as a Director, Ms. N. A. Thambiayah in terms of Section 211 of the Companies Act No. 7 of 2007.	☐	☐
6. To re-appoint as a Director, Mr. R. S. Tissanayagam in terms of Section 211 of the Companies Act No. 7 of 2007.	☐	☐
7. To re-elect Mr. D.C. Fernando, who retires by rotation in terms of the Articles of Association of the Company, as a Director.	☐	☐
8. To re-appoint M/s. BDO Partners, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.	☐	☐

Signed this day of 2026

.....
Signature

Note - 1. *Please delete the inappropriate words

2. Instructions as to completion are noted on the reverse hereof

3. If you wish your proxy to speak at the meeting you should interpolate the words "and to speak" immediately after the words "to vote"

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address and by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than a Director as your Proxy, please insert the relevant details in the space provided overleaf
3. In terms of Article 82 of the Articles of Association of the Company
 - a) In case of an individual shall be signed by the appointer or by his attorney
 - b) In case of a Corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the Corporation
4. In terms of Article 77 of the Articles of Association of the Company in case of joint-holders of a share the senior who tenders a vote, whether in person or by proxy or by attorney or by representatives shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be deposited at the Registered Office of the Company at 328, Galle Road, Colombo 3, not less than 48 hours before the appointed time for the meeting.