

**CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
30TH SEPTEMBER 2023**

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 30TH SEPTEMBER 2023

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Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

| | Note | Three months ended 30th September | | | Period ended 30th September | | |
|---|------|-----------------------------------|------------------|-------------|-----------------------------|------------------|-------------|
| | | 2023 | 2022 | Change % | 2023 | 2022 | Change % |
| Revenue | | 6,148,609 | 6,030,513 | 2 | 17,728,037 | 19,906,077 | (11) |
| Cost of sales | | (4,175,415) | (3,640,172) | 15 | (12,056,533) | (11,321,876) | 6 |
| Gross profit | | 1,973,194 | 2,390,341 | (17) | 5,669,504 | 8,584,201 | (34) |
| Distribution costs | | (274,090) | (331,863) | (17) | (775,138) | (978,216) | (21) |
| Administrative expenses | | (367,455) | (402,993) | (9) | (1,097,298) | (1,078,586) | 2 |
| Other operating income | | 2,124 | 64 | 3,239 | 2,855 | 1,603 | 78 |
| Operating profit | | 1,333,773 | 1,655,549 | (19) | 3,799,923 | 6,529,002 | (42) |
| Finance income | 5 | 30,657 | 193,782 | (84) | 378,279 | 414,734 | (9) |
| Finance costs | 6 | (51,095) | (56,449) | (9) | (52,138) | (2,963,378) | (98) |
| Profit before income tax | | 1,313,335 | 1,792,882 | (27) | 4,126,064 | 3,980,358 | 4 |
| Income tax expense | 7 | (410,775) | (336,009) | 22 | (1,263,822) | (740,699) | 71 |
| Profit for the period | | 902,560 | 1,456,873 | (38) | 2,862,242 | 3,239,659 | (12) |
| Earnings per share attributable to the equity holders of the company during the year | | | | | | | |
| Basic earnings per share (expressed in LKR) | | 3.76 | 6.07 | | 11.93 | 13.50 | |

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - *Continued*

(Amounts in Rs.000's)

| Note | Three months ended 30th September | | | Period ended 30th September | | |
|--|-----------------------------------|------------------|-------------|-----------------------------|------------------|-------------|
| | 2023 | 2022 | Change % | 2023 | 2022 | Change % |
| Profit for the period | 902,560 | 1,456,873 | (38) | 2,882,242 | 3,239,659 | (12) |
| Other comprehensive income: | | | | | | |
| Actuarial (loss)/gain on retirement benefit obligations | - | - | - | - | - | - |
| Tax on other comprehensive income | - | - | - | - | - | - |
| Other Comprehensive income for the period, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the period | 902,560 | 1,456,873 | (38) | 2,882,242 | 3,239,659 | (12) |

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

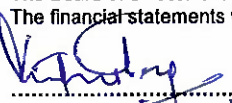
| Note | 30th September 2023 | 31st December 2022 |
|-------------------------------------|------------------------|-----------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant & Equipment | 1,557,215 | 1,588,867 |
| Right of Use Asset - Leases | 443,192 | 341,532 |
| Trade and other receivables | 61,086 | 70,328 |
| | 2,061,493 | 2,000,727 |
| Current assets | | |
| Inventories | 7,029,999 | 5,178,418 |
| Trade and other receivables | 3,066,981 | 1,978,262 |
| Cash and cash equivalents | 1,556,685 | 3,876,290 |
| | 11,653,665 | 11,032,970 |
| Total assets | 13,715,158 | 13,033,697 |
| EQUITY AND LIABILITIES | | |
| Stated capital | 600,000 | 600,000 |
| Retained earnings | 7,947,173 | 5,559,131 |
| Total equity | 8,547,173 | 6,159,131 |
| Liabilities | | |
| Non-current liabilities | | |
| Retirement benefit obligations | 318,151 | 282,787 |
| Deferred tax liabilities | 227,268 | 234,197 |
| Lease Liabilities | 465,481 | 358,186 |
| | 1,030,900 | 875,170 |
| Current liabilities | | |
| Trade and other payables | 3,094,283 | 5,039,867 |
| Current income tax liabilities | 1,003,745 | 924,652 |
| Lease Liabilities | 39,057 | 34,877 |
| | 4,137,085 | 5,999,396 |
| Total liabilities | 5,167,985 | 6,874,566 |
| Total equity and liabilities | 13,715,158 | 13,033,697 |
| Net Assets per Share (Rs.) | 35.61 | 25.66 |


Note: The above figures are not audited.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.


 Nishanaka Dissanayaka
 Manager Finance & Business Planning

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by the Board of Directors on 25 October 2023


 Bertram Paul
 Managing Director / Chief Executive Officer


 Erande De Silva
 Director / Chief Financial Officer

25 October 2023

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

| | Note | Period ended 30th September | |
|---|------|-----------------------------|------------------|
| | | 2023 | 2022 |
| Cash flows from operating activities | | | |
| Cash generated from operations | (i) | (562,118) | 4,811,162 |
| Interest paid | | (52,138) | (29,136) |
| Retirement benefits paid | | (10,592) | (14,025) |
| Income tax paid | | (1,191,658) | (1,445,742) |
| Net cash generated from operating activities | | (1,816,506) | 3,322,259 |
| Cash flows from investing activities | | | |
| Purchase of Property, Plant & Equipment | | (106,299) | (6,716) |
| Proceeds from disposal of Property, Plant & Equipment | | 792 | - |
| Interest received | | 95,722 | 421,573 |
| Net cash used in investing activities | | (9,785) | 414,857 |
| Cash flows from financing activities | | | |
| Payment of Lease liabilities | | (13,314) | (11,584) |
| Dividends paid | | (480,000) | (480,000) |
| Net cash used in financing activities | | (493,314) | (491,584) |
| Net increase / (decrease) in cash and cash equivalents | | (2,319,605) | 3,245,532 |
| Movement in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of period | | 3,876,290 | 4,025,116 |
| Increase in cash and cash equivalents | | (2,319,605) | 3,245,532 |
| Cash and cash equivalents at end of period | | 1,556,685 | 7,270,648 |

Note (i)

| | Period ended 30th September | |
|---|-----------------------------|------------------|
| | 2023 | 2022 |
| Cash generated from operations | | |
| Profit before taxation | 4,126,064 | 3,980,358 |
| Adjustments for : | | |
| Depreciation on property, plant and equipment | 137,950 | 135,061 |
| Depreciation on right-of-use assets | 43,130 | 32,993 |
| Property, plant and equipment Writtenoff | - | - |
| Amortisation of marketing support fee paid | 15,326 | 19,507 |
| (Profit)/Loss on disposal of property, plant and equipment | (792) | - |
| Interest income | (100,376) | (414,734) |
| Interest expense | 52,138 | 29,136 |
| (Reversal of provision)/Provision for impairment on trade receivables | - | - |
| Defined benefit obligations | 45,955 | 31,382 |
| Changes in working capital | - | - |
| - trade and other receivables | (1,090,148) | (1,872,316) |
| - inventories | (1,851,581) | (2,273,938) |
| - payables | (1,939,784) | 5,143,713 |
| Cash generated from operations | (562,118) | 4,811,162 |

Chevron Lubricants Lanka PLC

Interim Statement of Changes in Equity

(Amounts in Rs.000's)

| | <u>Stated Capital</u> | <u>Retained Earnings</u> | <u>Total Equity</u> |
|--|---------------------------|------------------------------|-------------------------|
| Balance at 1st January 2022 | 600,000 | 4,398,615 | 4,998,615 |
| Adjustment for surcharge tax | Nil | (788,737) | (788,737) |
| Profit for the period | Nil | 3,239,659 | 3,239,659 |
| Other comprehensive income for the period | Nil | Nil | Nil |
| Transactions with owners - Dividends | Nil | (480,000) | (480,000) |
| Unclaimed Dividends transferred to Retained Earnings | Nil | 2,081 | 2,081 |
| Unaudited balance as at 30th September 2022 | 600,000 | 6,371,618 | 6,971,618 |
| Balance at 1st January 2023 | 600,000 | 5,559,131 | 6,159,131 |
| Profit for the period | Nil | 2,862,242 | 2,862,242 |
| Other comprehensive loss for the period | Nil | Nil | Nil |
| Transactions with owners - Dividends | Nil | (480,000) | (480,000) |
| Unclaimed Dividends transferred to Retained Earnings | Nil | 5,800 | 5,800 |
| Unaudited balance as at 30th September 2023 | 600,000 | 7,947,173 | 8,547,173 |

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 30/09/2023

1 General information

Chevron Lubricants Lanka PLC carries on the business of importing, blending, distributing and marketing of lubricant oils and greases. The Company is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is Level 16, MAGA ONE, 200 Nawala Road, Narahenpita, Colombo 5.

The Company has its primary listing on the Colombo Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 25 October 2023.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 30th September 2023, do not include all the information required for full annual financial statements. They have been prepared in accordance with LKAS 34 and with those SLFRS and IFRIC interpretations issued and effective at the time of their preparation and applicable for interim financial statements.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4 Net assets per share has been computed based on number of shares in issue as at 30/09/2023.

5 Finance Income

Period ended 30th September

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Interest Income | 100,375,759 | 414,734,279 |
| Foreign exchange transaction and translation gains | 277,903,515 | - |
| | <u>378,279,274</u> | <u>414,734,279</u> |

6 Finance Cost

Period ended 30th September

| | 2023 | 2022 |
|---|---------------------|------------------------|
| Interest charge on lease liabilities | (43,447,713) | (29,135,118) |
| Interest expense on bank overdraft | (25) | (831) |
| Interest expense on overdue trade liabilities | (8,690,580) | - |
| Foreign exchange transaction and translation losses | - | (2,934,242,364) |
| | <u>(52,138,318)</u> | <u>(2,963,378,313)</u> |

7 Income Taxes & Deferred Tax

(a) Income Tax

Consequent to the enactment of the Inland Revenue (Amendment) Act, No.45 of 2022, The Company has used a Tax Rate of 30% in computing and accounting the Income Tax Expense in these condensed interim financial statements for the period ended 30th September 2023. The Tax Rates of 18% for gains and profits from Manufacturing, 14% for gains and profits from Export of Goods, 24% for all other sources of Business Income and Investment Income were applied for the comparative period.

(b) Deferred Tax

Deferred tax is calculated on all temporary differences under the liability method using an effective tax rate of 30.00%. During the comparative period the Company applied 18% for gains and profits from Manufacturing, 14% for gains and profits from Export of Goods, 24% for all other sources of Business Income which resulted in an effective tax rate of 17.83%.

8 No events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

9 There has not been a significant change in the nature of the contingent Liabilities which were disclosed in the Financial Statements for the year ended 31st December 2022.

Notes to the Financial Statement for the year ended 30/09/2023 Continued

10 Share price movement

The market prices during the quarter

| | 2023 | 2022 | Year ended 31.12.2022 |
|-----------------------|-------|--------|--------------------------|
| Highest price Rs. | 99.00 | 113.50 | 137.00 |
| Lowest price Rs. | 89.20 | 68.00 | 60.00 |
| Last traded price Rs. | 91.40 | 107.00 | 96.50 |

11 Stated Capital is represented by 240,000,000 ordinary Shares.

12 Names and the Number of Shares held by the largest 20 shareholders as at 30th September 2023 :

| | Name of Shareholders | Number of Shares | % |
|----|--|--------------------|--------------|
| 1 | CHEVRON CEYLON LIMITED | 122,400,000 | 51.00 |
| 2 | BNYM RE-BARCA GLOBAL MASTER FUND LP | 12,931,372 | 5.39 |
| 3 | RENUKA HOTELS PLC | 5,201,918 | 2.17 |
| 4 | SSBT-CHANGE GLOBAL FRONTIER MARKETS,LP | 4,930,007 | 2.05 |
| 5 | CARGO BOAT DEVELOPMENT COMPANY PLC | 3,417,818 | 1.42 |
| 6 | SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND | 3,400,000 | 1.42 |
| 7 | CRESCENT LAUNDERERS AND DRY CLEANERS PVT LIMITED | 2,000,000 | 0.83 |
| 8 | BNYM RE- PIONEER MULTI-ASSET INCOME FUND | 1,752,813 | 0.73 |
| 9 | MRS. A. SELLIAH | 1,600,000 | 0.67 |
| 10 | BANK OF CEYLON NO. 1 ACCOUNT | 1,272,121 | 0.53 |
| 11 | MR. M.M.C. COORAY | 1,225,891 | 0.51 |
| 12 | BANK OF CEYLON-NO2 A/C (BOC PTF) | 1,216,941 | 0.51 |
| 13 | MR. A.P. SOMASIRI | 1,200,000 | 0.50 |
| 14 | MRS. A. KAILASAPILLAI | 1,100,000 | 0.46 |
| 15 | J.B. COCOSHELL (PVT) LTD | 1,053,550 | 0.44 |
| 16 | EMPLOYEE'S PROVIDENT FUND | 1,015,916 | 0.42 |
| 17 | NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD | 1,014,423 | 0.42 |
| 18 | MR. S.N.P. PALIHENA | 1,000,000 | 0.42 |
| 19 | MR. L.E. BADER | 932,642 | 0.39 |
| 20 | BNPP SIN/2S-BNP PARIBAS AS TRUSTEE FOR HARVEST FUND SERIES (HONG KONG)-ASIA FRONTIER EQUITY FUND | 928,000 | 0.39 |
| | | 169,593,412 | 70.67 |

Notes to the Financial Statement for the year ended 30/09/2023 Continued

13 Public Holding : 49%. The Number of shareholders representing the public holding was 9570

| | |
|--|----------------|
| Compliant with CSE Rule 7.13.1 under option 1 - Float Adjusted Market Capitalization (Rs.) | 10,748,640,000 |
|--|----------------|

14 None of the Directors hold shares in the company

15 Mr. Bertram Paul is the Managing Director and the Chief Executive Officer of the Company.

Chevron Lubricants Lanka PLC

Corporate Information

Name of Company

Chevron Lubricants Lanka PLC

Legal Form

Public Limited Liability Company
(Incorporated in 1992 and listed on the
Colombo Stock Exchange)

Company Registration Number

PQ 54

Registered Office

Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

Directors

Najam Shamsuddin - Chairman
Bertram Paul - Managing Director / CEO
Erande De Silva
Haider Manasawala
Asite Talwatte
Harsha Cabral

Company Secretary

Erande De Silva
Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

Registrars to the Company

S S P Corporate Services (Private)Limited
546, Galle Road,
Colombo 3

Auditors to the Company

PricewaterhouseCoopers
Chartered Accountants
P.O.Box 918,100, Braybrooke Place ,Colombo 2.

Lawyers to the Company

Julius & Creasy
Attorneys-at-Law and Notaries Public
No.371, R.A. De Mel Mawatha, Colombo 03

Principal Bankers

Citibank NA
Deutsche Bank AG
Commercial Bank of Ceylon PLC

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Telephone : 94 11 4524524

Facsimile : 94 11 4524566