



EXCELLENCE IN ACTION

CHEVRON LUBRICANTS LANKA PLC | ANNUAL REPORT 2025





EXCELLENCE IN ACTION

Excellence is realized through action applied consistently, deliberately, and with intent. In 2025, we translated strategy into results by strengthening our retail base, sharpening go-to-market initiatives, and reinforcing operational discipline across the business. Targeted sales and marketing efforts, together with investments in digitalization and supply-chain efficiency, enabled us to respond decisively to evolving market conditions. Even as plans were disrupted toward year-end, our focus on responsible conduct, stakeholder commitment, and disciplined execution ensured continuity, resilience, and sustained value creation.



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OUR VISION AND VALUES

Vision

To be the pre-eminent marketer of lubricants in Sri Lanka differentiated by its people, partnerships and performance.

Values

Our Company's foundation is built on our values, which distinguish us and guide our actions to deliver results. We conduct our business in a socially and environmentally responsible manner, respecting the law and universal human rights to benefit the communities where we work.

Diversity and Inclusion

We learn from and respect the cultures in which we operate. We have an inclusive work environment that values the uniqueness and diversity of individual talents, experiences and ideas.

High Performance

We are passionate about delivering results, and strive to continually improve. We hold ourselves accountable for our actions and outcomes. We apply proven processes in a fit-for-purpose manner and always look for innovative and agile solutions.

Integrity and Trust

We are honest with ourselves and others, and honor our commitments. We trust, respect and support each other. We earn the trust of our colleagues and partners by operating with the highest ethical standards in all we do.

Partnership

We build trusting and mutually beneficial relationships by collaborating with our communities, governments, customers, suppliers and other business partners. We are most successful when our partners succeed with us.

Protect People and the Environment

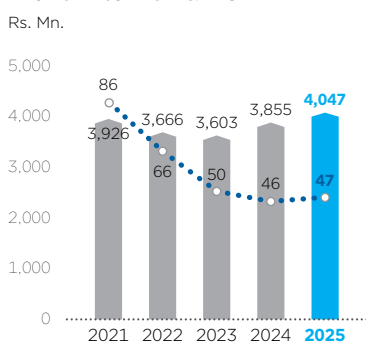
We place the highest priority on the health and safety of our workforce and protection of our assets, communities and the environment. We deliver world-class performance with a focus on preventing high consequence incidents.



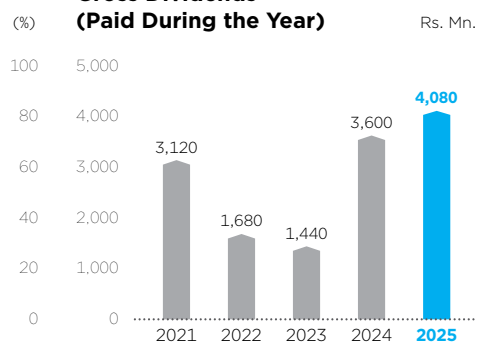
FINANCIAL HIGHLIGHTS

		2025	2024	%
Turnover	Rs. '000	24,387,781	22,963,023	6
Profit Before Tax & OCI	Rs. '000	5,782,081	5,531,823	5
Taxation	Rs. '000	1,734,988	1,676,378	3
Profit After Tax	Rs. '000	4,047,093	3,855,445	5
Shareholders Funds	Rs. '000	8,556,827	8,573,616	0
Property, Plant & Equipment and Intangible Assets	Rs. '000	1,588,281	1,584,345	0
Gross Dividends (Paid during the Year)	Rs. '000	4,080,000	3,600,000	13
Gross Dividends (Paid out of respective Financial Year Earnings)	Rs. '000	3,840,000	3,600,000	7
Dividend per Share (Paid during the Year)	Rupees	17.00	15.00	13
Dividend per Share (Paid out of respective Financial Year Earnings)	Rupees	16.00	15.00	7
Earnings per Share	Rupees	16.86	16.06	5
Dividend Payout Ratio	%	95	93	2
Price Earnings Ratio	Times	10.91	9.96	10
Market Value per Share as at 31st December	Rupees	184.00	160.00	15
Return on Equity	%	47	46	1
Net Assets per Share	Rupees	35.65	35.72	0
Net Income to Turnover	%	17	17	0

Profit After Tax & ROE



Gross Dividends (Paid During the Year)



■ Profit After Tax (LHS)

●●● ROE (RHS)

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Board
of Directors

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Management
Team



CHAIRPERSON'S REVIEW

Chevron Lubricants Lanka PLC navigated volatility with resilience and discipline, achieving record results, sustaining growth, enhancing shareholder returns, and reinforcing its leadership in an evolving economic landscape.



The year 2025 was marked by both opportunities and challenges for Chevron Lubricants Lanka PLC (the “Company”). The Company achieved record financial performance through disciplined execution, operational resilience, and strong leadership, even as external conditions remained volatile and unpredictable. Against a backdrop of global economic uncertainty, geopolitical shifts, and domestic recovery, the Company demonstrated its ability to adapt, perform, and lead with purpose.

External Environment - Global Perspective

Globally, economic growth in 2025 remained resilient at 3.3 percent, supported by continued momentum in emerging markets and Asia, despite moderate growth in advanced economies. However, this growth unfolded amid heightened geopolitical tensions and policy uncertainty, with tariff measures playing a significant role in shaping global trade flows and cost structures. The use of tariffs, particularly among major economies, introduced volatility into supply chains, commodity markets, and foreign exchange movements, contributing to an environment of persistent instability.

CHAIRPERSON'S REVIEW

This volatility was felt across emerging economies, including Sri Lanka. While Asia continued to outperform other regions, benefiting from manufacturing strength and domestic demand, geopolitical realignments and trade policy shifts created uncertainty for businesses operating within interconnected global supply networks.

External Environment - Local Perspective

Sri Lanka's economic landscape in 2025 showed encouraging signs of stabilization and recovery. Economic growth strengthened throughout the year, with gross domestic product (GDP) expanding by approximately 5 percent for the year reflecting broad-based contributions across industry, services, and agriculture. Importantly, policy consistency was maintained, with the government remaining aligned with the International Monetary Fund (IMF) reform programme. This commitment contributed to improved macroeconomic stability, supported by easing inflation, relatively stable exchange rates, declining interest rates, and strengthening external balances.

From an industry perspective, energy and commodity markets were influenced by global developments. Crude oil prices experienced notable volatility, reflecting geopolitical tensions and supply-side dynamics. In contrast, base oil prices remained

relatively stable for most of the year, displaying far less volatility than crude oil. This also supported cost management and operational planning, contributing positively to business performance.

Operational momentum remained strong for most of the year. However, in November, Cyclone Ditwah had a significant impact on the country, affecting all 25 districts and resulting in tragic loss of life, infrastructure damage, and economic disruption.

Cyclone Ditwah temporarily affected the Company's sales in December, as many customers were unable to operate. During this period, our priority was to provide support to our retail distributors considering the challenging market conditions.

Company Performance

Despite these challenges, 2025 was a landmark year for Chevron Lubricants Lanka PLC.

The Company recorded a historic high in profit after tax, supported by double-digit volume growth across certain key segments. Performance was driven by intentional and efficiently implemented commercial strategies, including targeted trade and consumer promotions, disciplined pricing actions, and strong market execution, enabling the Company to maintain its market leadership.

Overall, Chevron recorded a growth in earnings after tax (PAT) in 2025 compared to the previous year, recording Rs. 4,047 Mn. (up 5 percent compared to 2024). This led to an earnings per share (EPS) of Rs. 16.86 compared to Rs. 16.06 in 2024. The Company declared and paid a dividend of Rs. 16.00 per share out of 2025 earnings.

Shareholder returns remained strong, with consistent dividend payments reflecting the Company's robust earnings and prudent capital management. From an operational perspective, the year marked 24 consecutive years without a lost time injury (LTI), reflecting the strength of our safety culture and unwavering commitment to operational excellence.

The Company's achievements were further recognized through several external accolades, including a ranking among the Business Today Top 40, recognized amongst the top 15 Best Employers by the Employers' Federation of Ceylon, receiving industry honours such as the Effie Award, TAGS Certification. These recognitions reflect not only strong financial performance but also the strength of our people, culture, and governance.

CHAIRPERSON'S REVIEW

Outlook for 2026

Looking ahead, 2026 is likely to remain challenging, shaped by ongoing geopolitical uncertainty, trade-related volatility, and uneven global growth. Nevertheless, Sri Lanka continues on a recovery trajectory from recent austerity measures, supported by policy discipline and structural reforms.

While growth may moderate, the underlying foundations of stability remain intact. Chevron Lubricants Lanka PLC enters 2026 with confidence, supported by a resilient business model, strong brand equity, and disciplined execution, positioning the Company to navigate this trade-related volatility while pursuing sustainable growth.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to Mrs. Danielle Lincoln, our outgoing Chairperson, for her dedicated leadership and guidance. I extend my appreciation to Mr. Asite Talwatte and Mr. Haider Manasawala for their valuable guidance and dedicated service to the Board, as they concluded their tenures as Non-Executive Directors in 2025.

I am pleased to welcome Mrs. Averil Anne Ludowyke and Mr. Ching San Lim to the Board. Their experience and insightful guidance continue to strengthen the Board's collective expertise.

I am grateful to my fellow Directors for their stewardship as well as our Managing Director/Chief Executive Officer for his visionary leadership. I extend my appreciation to the entire Chevron Lubricants Lanka PLC team for their resilience, professionalism, and commitment, particularly during periods of disruption.

Finally, I extend my gratitude to our channel partners, business partners, customers, regulators, and communities for their continued trust and collaboration.



Marc Bouchebl
Chairperson

MANAGING DIRECTOR'S REVIEW

Record business performance was delivered in 2025, with strong sales growth, improved channel execution, and higher profitability, resulting in the highest-ever net profit after tax for Chevron Lubricants Lanka PLC.



The Environment

In the year 2025, notwithstanding geopolitical tensions and policy uncertainty, the global economy is estimated to have grown by 3.3% as per the International Monetary Fund (IMF), supported by front-loaded trade, rapid artificial intelligence (AI) adoption, a resurgence in consumer spending and increased investment in technology.

Sri Lanka (as a country) evidenced strong momentum in 2025, recording a cumulative growth of 5.0% for full year 2025, with positive contributions from all major sectors including industry, services and agriculture. Several records were broken in 2025 for Sri Lanka with the country recording an all-time high on three key contributors to the economy - inward remittances, tourist arrivals, and customs revenue. Inwards remittances recorded USD 8,076 million in 2025 versus the previous peak of USD 7,164 million in 2017. On tourist arrivals, Sri Lanka marginally surpassed the previous record of 2018, which takes us back to the golden era for tourism, prior to the 2019 Easter attacks, the pandemic and the economic crisis. Customs revenue reached an all-time high of LKR 2.5 billion surpassing the initial target of LKR 2.1 billion and

MANAGING DIRECTOR'S REVIEW

the subsequent revised target of LKR 2.2 billion, driven mainly by the relaxation of the ban on import of motor vehicles, but also by strengthened enforcement, and improved valuation practices. On foreign exchange reserves, Sri Lanka closed 2025 at a five year high of USD 6.8 billion versus USD 6.1 billion at the end of 2024, providing 3.8 months of import cover.

Inflation, which was tracking in the negative territory for the first half of 2025 became positive in the second half but was still at a decent 2.1% in December, although admittedly on a high base. The Sri Lankan rupee experienced a moderate depreciation of 5.6% against the US dollar in 2025, reversing two years of strong appreciation, driven by increased import demand (particularly of motor vehicles) and external pressures, though strengthened by foreign exchange inflows and central bank interventions.

Just as we thought we were coming out of the woods, Sri Lanka experienced Cyclone Ditwah towards the end of November 2025, leading to over 600 deaths, nearly 200 unaccounted for and over two million people affected across all 25 districts. Floods and landslides in the aftermath of the cyclone caused serious damage to buildings and contents, agriculture, and critical infrastructure estimated at USD 4.1 billion or 4% of annual GDP, as per the World Bank Group Rapid Post-Disaster Damage Estimation (GRADE) report.

The natural disaster and its aftermath dented sales of our company in the last month of

the year with several areas being inundated, certain customers, distributors and our own staff affected by the flooding and the focus shifting to disaster relief. We are pleased that we were able to support our customers and staff with various forms of direct relief during this trying time.

The Industry

There was no change in the regulatory situation during 2025 with no regulator in place, which effectively has been the status quo since quarter 3, 2023. The announcement made in 2024 by the current regime that the Public Utilities Commission of Sri Lanka (PUCSL), the previous shadow regulator of the lubricant industry would be appointed as an interim regulator until a new regulator is formalized, failed to materialize during 2025. As such, the lubricant industry went through 2025 without a regulator, without the quarterly market report tracking player volumes, revenue, or market share, and sans the market monitoring activities previously undertaken by PUCSL in conjunction with the Consumer Affairs Authority (CAA). The stoppage of previously provided support services to lubricant players for over two years is most unfortunate, considering that the players have continued to pay the license fees to the Ministry of Energy on a bi-annual basis. In particular, the absence of market monitoring activities has led to a clear proliferation in the market of unauthorized players and product adulterators, adversely affecting authorized players, government revenue, and consumers who end up purchasing adulterated lubricants which have lost their efficacy thereby

shortening the engine life of vehicles and exposing vehicle owners to costly repairs in the future.

Business Performance

Even though our sales in the month of December were depressed due to the impact of Cyclone Ditwah, we had sufficient runs on the board between January to November to close the year 2025 strong, with double digit year-on-year volume growth and record the highest net profit after tax in the 32-year history of Chevron Lubricants Lanka PLC.

Performance was driven by the indirect channel, ably supported by exports, while the direct channel faced a few headwinds, although the original equipment manufacturer (OEM) sector bounced back strong, following the relaxation of the ban on import of motor vehicles, after a lapse of five years.

The indirect channel continued its winning streak recording strong growth for the second consecutive year, since the dip due to the economic crisis in 2022/23. The focus on channel expansion as well as the weeding out of non-performers was key to strengthening our trade presence, as was the diligent focus on effective market execution. Close collaboration between our sales and marketing functions enabled rich dividends to be reaped via the implementation of creative brand campaigns, as well as trade and consumer promotions. Effectively leveraging incentive programmes for distributors and channel partners and ensuring agility by tweaking schemes based on developing market dynamics also enabled the strong results in the indirect channel.

MANAGING DIRECTOR'S REVIEW

The direct channel faced headwinds with consumption decline in the power generation sector with increased contribution of hydroelectricity to the mix, at the expense of lubricant intensive thermal power, due to higher than usual rainfall experienced during the year. The rubber sector remained stable and continued its strong contribution to the channel. The OEM sector performed well with the influx of new vehicles during 2025.

Exports to Bangladesh reflected strong year-on-year growth considering the relatively lean performance prior year, with our new go-to-market model in Bangladesh coming on stream. Re-entry into the power generation sector in Bangladesh after the lapse of a few years was a notable achievement during the year. Exports to the Maldives continued to face headwinds due to forex challenges in-country.

The strong performance would not have been possible if not for the tremendous support of our supply chain organization, who ensured our position as a reliable supplier, in addition to ensuring safe operations and implementing several initiatives to improve our cost competitiveness. As part of our commitment to responsible operations, we continue to monitor and manage our environmental footprint, including tracking our greenhouse gas emissions in accordance with applicable reporting standards. The completion of the construction of an additional pipeline to carry base oil from the Unity Container Terminal to our tank farm was a major milestone during the year, which now gives us

greater flexibility in berthing tankers and discharging cargo, rather than being confined to the Dolphin Pier. The added flexibility is also expected to reduce our demurrage exposure, with additional tankers coming into Colombo to cater to the requirements of the new entrants to the retail fuel space.

Outlook for 2026

As stated at the outset, Sri Lanka was making great headway until November 2025 in coming out of crisis mode, but the natural disaster in end November was an unfortunate development. However, Sri Lanka has proved resilient over the years in bouncing back from civil unrest, pandemics and economic crisis, which makes us cautiously optimistic about the year ahead.

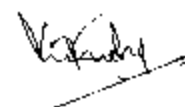
Our focus as a company would be to ensure that the indirect channel continues to perform, with the other channels also contributing effectively. We have various initiatives in place to ensure continued delivery by the indirect channel and to actively grow in the other channels, particularly in our export markets. By continuing our winning formula of working as ONE TEAM across functions and with our business partners, learning from the past, evolving in our thinking and orientation to a growth mindset, accelerating actions and decisions and ultimately delivering on commitments made, we are confident of continuing to win by navigating the headwinds and leveraging the tailwinds we are bound to encounter.

Acknowledgements

I wish to sincerely thank our Management Team and all team members at Chevron Lubricants Lanka for the wonderful team effort that has enabled great results for 2025. I frequently emphasize to the team that maintaining our cohesive organizational culture is fundamental, and it is imperative to uphold and protect it at all times. I also wish to thank our broader family of distributors, channel partners, suppliers and all business partners for their tremendous support and collaboration.

I also wish to express my thanks to the Board of Directors for their support and guidance. A very special thank you to our outgoing Chairperson – Ms. Danielle Lincoln for the tremendous support and direction. It was a pleasure serving with her. Thanks also to our outgoing NED – Mr. Haider Mansawala. His insight and advice were invaluable. Sincere thanks also to our INED – Mr. Asite Talwatte who left in Q2, 2025. Mr. Asite Talwatte's astute judgement as he navigated Board meetings and Board committees that he chaired was tremendously helpful. Ms. Danielle Lincoln, Mr. Haider Mansawala and Mr. Asite Talwatte will all be missed dearly.

I extend a warm welcome to our new Board member, INED Ms. Averil Ludowyke, NED – Mr. Ching San Lim and our new Chairman – Mr. Marc Bouchebl. I look forward to serving with them and am confident we can scale new heights under their stewardship.



Bertram Paul
Managing Director/
Chief Executive Officer

BOARD OF DIRECTORS



Mr. Marc Bouchebl

Chairperson and Non-Executive Director

List of company directorships

Chevron Lubricants Lanka PLC	L ●
Chevron Ceylon Limited	U ●

L Listed

U Unlisted

● Non-Executive Director (Chairperson)

Mr. Marc Bouchebl appointed to the board in January 2026, serves as Non-Executive Director and the Chairperson of Chevron Lubricants Lanka PLC.

Marc Bouchebl is the vice president of Chevron's International Lubricants and Global Marine business. He is also a lead director for three other joint ventures in Saudi Arabia, UAE and Europe.

Marc is a global commercial leader with 20 years of experience in market expansion, profit and loss management, and business transformation. He excels in developing high-impact strategies, leading international teams, and driving profitability across commercial and customer channels. His expertise includes digital transformation, operational efficiency, and sustained market share growth.

Marc joined Chevron in 2015 and has held several roles such as general manager of Lubricants and Fuel sales for India, Middle East and Africa, general manager for

Europe, Middle East, South Asia and Asia Pacific Marketing and Sales Support, advisor to the President of International Fuels and Lubricants, and general manager for Chevron Saudi Arabia.

Before joining Chevron, Marc held several leadership roles at Suncor Energy and British Petroleum, working across Canada, the United States, and Dubai.

Marc holds a Bachelor of Business Administration in Finance from HEC Montreal, Canada, and a Master of Business Administration from York University in Canada.

Marc also serves as a Director in Artec N.V., Chevron Africa-Pakistan Services (Pty) Ltd, Chevron Egypt Lubricants S.A.E, Chevron Marine Products LLC, Chevron Albakri Lubricants Company, EPPCO International Ltd, EPPCO Projects Co. LLC.

BOARD OF DIRECTORS



Mr. Bertram Paul
 Managing Director/Chief Executive Officer

List of company directorships

- Chevron Lubricants Lanka PLC L ●
- Chevron Ceylon Limited U ●

- L Listed
- U Unlisted
- Executive Director (Managing Director/CEO)

Mr. Bertram Paul appointed to the board in November 2022, serves as the Managing Director & Chief Executive Officer of Chevron Lubricants Lanka PLC.

Bertram Paul has over 30 years' experience in business practice with wide ranging industry exposure covering Energy, Fast Moving Consumer Goods (FMCG), Financial Services, Information Technology, Retailing, Real Estate, and Education. He has worked in markets in South Asia, Southeast Asia and the Middle East in various positions of product and brand management, sales and marketing management as well as general management, with wide ranging business responsibilities.

Having joined Chevron Sri Lanka in 2008 as General Manager – Sales and Marketing, he has been an integral part of its success, despite exploding competition and adverse macro environmental factors. In 2012 he undertook an Expat assignment with the Indonesian business unit of Chevron Lubricants, based in Jakarta, where he served as Country Sales Manager/President Director for a period of two years.

As a member of the senior leadership team of Chevron Sri Lanka, he has received many accolades including winning the Intellect Award in 2010 and is a two-time winner of the award for Management Team Member of the year, consecutively in 2015 and 2016.

Prior to joining Chevron, he was the Director/CEO of Richard Pieris Distributors, the sole hypermarket operator in Sri Lanka at the time, and prior to that was the Sales and Marketing Director of the Anglo Dutch Multinational, Reckitt Benckiser.

Having started at Delmege Forsythe and Co. his career has included stints at the Bartleet Group, Lanka Milk Foods PLC, the MJF Group (Dilmah Tea), Almarai Co., Saudi Arabia and Emirates Bank, Dubai, UAE.

Bertram holds a master's degree in business administration from the Postgraduate Institute of Management of the University of Sri Jayawardenapura, is an Associate Member of the Chartered Institute of Management Accountants – UK, a Fellow Member of the Chartered Institute of Marketing - UK and is also a Chartered Marketer.

With the aim of giving back to society, Bertram has also been involved in Accounting, Marketing and Management education, in a part time capacity over the last 30 years, preparing working students for examinations of the Chartered Institute of Management Accountants (CIMA) – UK, the Chartered Institute of Marketing (CIM) – UK, and the MBA Program of the Birmingham City University – UK.

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BOARD OF DIRECTORS

He has served previously as a member of the Management Committee of the Chartered Institute of Marketing, Sri Lanka Region heading the Corporate Integration Taskforce, where he was responsible for taking “Marketing” into the Boardrooms of Sri Lankan Corporates.

Bertram also serves as a Board Member of the American Chamber of Commerce in Sri Lanka (AMCHAM) and is currently the Vice President of AMCHAM. He also chairs the Policy and Advocacy Committee of AMCHAM and is also a member of its Finance Committee.

Bertram is the recipient of an “Achievers Award” from the Postgraduate Institute of Management, University of Sri Jayawardenapura, for services rendered to business, profession,

and society. He is also the recipient of an award of special recognition from the Chartered Institute of Marketing - UK in their centenary year, in appreciation of his contribution towards the marketing profession and the development of outstanding students and professional marketers.

BOARD OF DIRECTORS



Mr. Ching San Lim
Non-Executive Director

List of company directorships

Chevron Lubricants Lanka PLC **L** **●**

- L** Listed
- U** Unlisted
- Non-Executive Director

Mr. Ching San Lim appointed to the board in January 2026, serves as Non-Executive Director of Chevron Lubricants Lanka PLC.

Mr. Ching San Lim currently leads the Global finance function for Chevron's Base Oil and Finished Lubricants business and is based out of Singapore. Prior to assuming his current role in October 2025, he led the regional finance function for all of Chevron's International Fuels and Lubricants business since 2020, where he and his team partnered the business in a wide spectrum of activities from financial reporting, decision analysis, business planning, project economics and management, tax planning and optimization.

Ching San first joined Chevron in 2005 as an experienced hire and held various positions in Singapore including an assignment in Global Downstream Comptroller's office. He is also an alumnus of the Chevron Global Finance Development Program, where he completed assignments in Upstream Asia Pacific, Downstream financial analysis, corporate accounting policy and external reporting, and corporate financial and competitor analysis while based in Chevron's

U.S. headquarters. In addition to his U.S. expatriate assignment, he also spent time in the Republic of Korea between 2017 to 2020 as the Adviser to Chevron Korea Country Chairman. In this role, he collaborated and provided support to a variety of stakeholders, including senior executive Chevron directors on the GS Caltex Board of Directors. GS Caltex is 50% owned by Chevron and operates the fourth largest integrated refinery in the world.

Ching San is an experienced director and has previously served as a non-executive director on the board of the Singapore Refining Company, Changi Airport Fuel Hydrant Installation Pte Ltd and Changi Into-Plane Services (Pte) Ltd, Afrika Lubrificants Maroc as well as a member of the audit committee in the Singapore Refining Company.

Ching San graduated with a Bachelor of Accountancy (minor in Information Technology) from Nanyang Technological University of Singapore in 2001. He joined KPMG upon graduation and worked with them as an external auditor till he joined Chevron in 2005. He is also a Chartered Accountant of Singapore.

BOARD OF DIRECTORS



Mr. Erande De Silva
Director/Chief Financial Officer

List of company directorships

- Chevron Lubricants Lanka PLC L ●
- Chevron Ceylon Limited U ●

- L Listed
- U Unlisted
- Executive Director (Director/Chief Financial Officer)/Company Secretary

Mr. Erande De Silva appointed to the Board in June 2019, serves as an Executive Director/Chief Financial Officer of Chevron Lubricants Lanka PLC. He concurrently serves as the Company Secretary since 2019. He joined Chevron Lubricants Lanka PLC in 2011 and served in the capacity of Manager Finance and Business Planning. He also functioned as the Compliance Officer of the Company from August 2018 to March 2021. Amongst the accolades received at Chevron, he was recognized as the Management Team Member of the year in 2014, with a Performance Excellence Award in 2022 and MD's Pinnacle Award in 2024 and in 2025 at Chevron Lubricants Lanka PLC. Mr. De Silva counts for more than twenty one years of experience in finance with business and commercial acumen in business planning, financial management, corporate finance, risk management and compliance. During his career he has been engaged in cross functional project initiatives with sales, marketing and supply chain. Prior to joining Chevron in 2011, Mr. De Silva was last employed as Manager Finance at Hemas Consumer Brands – Hemas Manufacturing (Pvt) Limited (Hemas FMCG Sector).

Mr. Erande De Silva holds a Bachelor of Business Administration Honours Degree from the Faculty of Management and Finance of the University of Colombo. He also has a Master of Business Administration from the Postgraduate Institute of Management of the University of Sri Jayewardenepura. Mr. De Silva is an Associate Member of the Chartered Institute of Management Accountants (CIMA - UK), a Chartered Global Management Accountant (CGMA) of the Association of International Certified Professional Accountants, and an Associate Member of the Association of Chartered Certified Accountants (ACCA). Mr. De Silva is also a member of the Sri Lanka Institute of Directors (SLID).

BOARD OF DIRECTORS



Mrs. Averil Anne Ludowyke

Independent Non-Executive Director

List of company directorships

Seylan Bank PLC	L ●
Ceylinco Life Insurance Ltd	U ●
Tokyo Cement Company (Lanka) PLC	L ●
Bogala Graphite PLC	L ●
Chevron Lubricants Lanka PLC	L ●

L Listed

U Unlisted

● Independent Non-Executive Director

Mrs. Averil Anne Ludowyke, appointed to the Board in May 2025, serves as an Independent Non-Executive Director of Chevron Lubricants Lanka PLC.

Mrs. Averil Anne Ludowyke, FCA (CA Sri Lanka), FCMA (UK), counts over 26 years of experience at Ernst & Young and has served as a Partner from 2011 to 2022. She was the lead Audit Partner at M/S Ernst & Young, of several groups of companies and she launched and led forensics and integrity services of the firm. Her clients included banks and finance companies, and companies engaged in retail, manufacturing, telecommunications, construction, real estate, shipping and logistics, leisure, plantations and development.

She also counts for over 13 years of senior level experience in finance and accounting in the manufacturing sector, and in a relief and development organization.

Mrs. Averil Ludowyke has been a resource person for the Director Certification Program of the Sri Lanka Institute of Directors, and the Certificate Course on Forensic Auditing of CA Sri Lanka. She has also conducted several public seminars with the CIMA, Transparency International Sri Lanka, the Ministry of Public Enterprise Development, National Chamber of Commerce, ACCA, AAT, CMA and has been a panelist/presenter at the ACAMS Regional Conference of the Indian Subcontinent, the Annual Conference of the Institute of Internal Auditors, and at programs conducted by the University of Kelaniya.

BOARD OF DIRECTORS



Dr. Harsha Cabral

President's Counsel
Independent Non-Executive Director

List of company directorships

DIMO PLC	L U ●	Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT)	U ●
Hayleys PLC	L ●	SLIIT International (Private) Limited	U ●
Tokyo Cement Company (Lanka) PLC	L ●	Nanadiriya (Guarantee) Limited	U ●
Tokyo Super Cement Company Lanka (Private) Limited	U ●	National Savings Bank	S ●
Tokyo Cement Power Lanka (Private) Limited	U ●	Sri Lankan Airlines Limited	U ●
Alumex PLC	L ●	Sri Lankan Catering Limited	U ●
Tokyo Eastern Cement Company (Private) Limited	U ●	Chevron Lubricants Lanka PLC	L ●
Tokyo Super Aggregate (Private) Limited	U ●		
Tokyo Supermix (Private) Limited	U ●		
Ceylinco Life Insurance Limited	U ●		

L Listed

U Unlisted

S State owned Bank

● Independent Non-Executive Director

● Non-Executive Director/Chairman

● Independent Non-Executive Director/Chairman

Dr. Harsha Cabral appointed to the Board in October 2022, serves as an Independent Non-Executive Director of Chevron Lubricants Lanka PLC.

Dr. Cabral is a President's Counsel in Sri Lanka with thirty-eight (38) years' experience in the field of Intellectual Property Law, Company Law, Commercial Law, Commercial Arbitration, Securities Laws, International Trade Law covering both civil and criminal aspects of the said areas of the law. He has been a President's Counsel for twenty (20) years and commands an extensive practice in the Commercial High Courts and the Supreme Courts of Sri Lanka, and has sixteen (16) Attorneys-at-Law working in his Chambers. He holds a doctorate in Corporate Law from the University of Canberra, Australia. He was a sitting member of the International Chamber of Commerce (ICC) International Court of Arbitration in Paris for a period of six years till 2021. He is a Representative Member of the Federation of Integrated Conflict Management (FICM) as well as a Representative Member of the International Commercial Disputes Tribunal (ICDT). He is a former member of the Board of Investment (BOI) of Sri Lanka. He was the Founder Board Member of the Sri Lanka International Arbitration Centre and was involved in the drafting of the Arbitration Act, No.

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11 of 1995, the current Act. Dr. Cabral is also a member of the Law Commission of Sri Lanka, a member of the Intellectual Property Advisory Commission in Sri Lanka, a member of the Corporate Governance Faculty and the Corporate Governance Committee of the Institute of Chartered Accountants of Sri Lanka, and University Grants Commission (UGC) nominee on the Post Graduate Institute of Medicine (PGIM). Further, he was appointed to the Board of Management of the Post Graduate Institute of Management. Moreover, he is a member of the Council of Management of the Institute for the Development of Commercial Law and Practice (ICLP). As a member of the Advisory Commission on Company Law in Sri Lanka, Dr. Cabral was one of the architects of the Companies Act No. 7 of 2007, the current Act.

Dr. Cabral currently serves as the Chairman of the National Savings Bank, the Chairman of the Tokyo Cement Group. Further, he serves on several Boards, Audit Committees, Nomination Committees, Remuneration Committees, Recoveries Committees and the Related Party Transaction Committees, chairing most of them.

He was the past Chairman of LOLC Finance PLC, one of the largest Finance Companies in Sri Lanka. He was also a director of LOLC Insurance Company Limited, Commercial Leasing & Finance Limited, and Richard Pieris Distributors Limited (Arpico Supermarkets). He was also the past Acting Chairman of Hatton National Bank PLC (HNB). In addition, Dr. Cabral was a senior Director of the Union Bank of Sri Lanka. He was also a member of the Cabinet appointed Committee on the National Trade Policy and also a member of the Presidential Commission appointed on reformulating laws of Sri Lanka.

Dr. Cabral is a senior visiting lecturer at several Universities here and abroad, a regular speaker at public seminars and an author of several books. He has also presented several papers on Corporate Law, Intellectual Property Law, Commercial Arbitration, International Trade Law here and abroad. In addition to his active practice in courts and lecturing, he has been a counsel in many Arbitrations and has served as Sole-Arbitrator, Co-Arbitrator and Chairman in a large number of Arbitrations, domestic and international.

MANAGEMENT TEAM



Bertram Paul

Managing Director/
Chief Executive Officer



Erande De Silva

Director/Chief Financial Officer



Vajira Hewawasam

General Manager Supply Chain



Maheshni Hamangoda

Head of Human Resources



Nishshanka Dissanayaka

Financial Controller



Chanaka Caldera

Head of Sales - Retail



Thusitha De Silva

Head of Sales - Commercial & Industrial



Tehan Samarasinha

Head of Marketing and Exports



Manoja Sajeewani

Business Support Manager

MANAGEMENT TEAM



Arjuna Imbulpitiya
Head of Technical



Thushari Weragoda
Laboratory & Quality Assurance Manager



Nishantha Wanniarachchi
Logistics Manager



Madusanka Malliyawadu
Production Manager



Channa Tennakoon
Export Sales Manager



Aruna De Silva
Information Technology Manager

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

Economic overview

The year 2025 in review was characterized by progressive economic recovery, reinforced by fiscal and monetary policy stability. The government's continued commitment to steer the economy closely aligned with the objectives and milestone targets proposed by the International Monetary Fund (IMF) vis-à-vis the extended fund facility (EFF) program entailed economic synergies. As a consequence of navigating the economy towards robust fiscal collection targets set for the year, an austerity measure introduced in the country since the pandemic in March 2020 primarily vis-à-vis the embargo on motor vehicle imports to the economy to curb the foreign currency scarcity and the local currency depreciation, was removed. The improved liquidity in the foreign exchange market and the stability in foreign exchange rate were complimentary conditions that supported the removal of the embargo. Consumer disposable income remained diluted by the high direct tax regime in effect since 2023, the relatively low inflation trajectory despite being on a higher base provided a certain degree of relief to consumer real income which spurred consumer demand in the economy.

Economic progress in Sri Lanka was challenged by "Cyclone Ditwah" which resulted in loss of lives, damaged infrastructure and housing, loss of livelihoods for certain segments of the population, across the twenty-five administrative districts of the country. Commercial activities

were hampered during the month December 2025 on the aftermath of "Cyclone Ditwah" as the country progressed through disaster management. The direct physical damage of "Cyclone Ditwah" was estimated by World Bank to be USD 4.1 billion equivalent to 4 percent of the country's GDP, which was considered as a major setback to the country's economic progress and journey towards economic recovery.

The year in review recorded four consecutive quarters of gross domestic product (GDP) growth based on Central Bank of Sri Lanka (CBSL) statistics, which bodes well for the country's continued journey towards economic recovery. The business sentiment index (BSI) vis-à-vis business outlook survey reported by CBSL indicated an improvement in key parameters.

Whilst all three sectors recorded a growth during the year, the rebound and growth in the construction industry was pivotal in particular as investments and government allocation of funds on certain large-scale projects recommenced, which were previously suspended since the peak of the economic crisis. The improvement in construction activities had a significant impact on the economy, which had a cascading effect on many ancillary industries in the country.

Fitch Ratings maintained Sri Lanka's long term foreign-currency issuer default rating (IDR) of "CCC+" and local-currency IDR of CCC+, which ensured the overall sovereign rating of "CCC+" for the country was retained. The government also received two tranches amounting

to a total of USD 684 million of the External Fund Facility (EFF) and USD 206 million through a rapid financing instrument to support immediate rebuilding and preservation of macroeconomic stability post "Cyclone Ditwah" from the International Monetary Fund (IMF) during the year. Prior to 2025, the country received a total of USD 1 billion via the EFF from IMF.

As per the provisional statistics released by the Department of Census and Statistics of Sri Lanka (DCS), the economy recorded a growth of 5.0 percent for 2025 parallel to the 5.0 percent growth recorded in 2024. The main sectoral contributors to the economy remained relatively consistent, with agriculture, industry and services contributing 7.1 percent, 27.4 percent and 58.5 percent respectively, with taxes less subsidies on products contributing 7.0 percent during the year 2025. In tandem with the overall economic growth registered during the year 2025, the three sectors, agricultural, industrial, and service sectors recorded growth during the period. The agricultural sector recorded a growth of 1.4 percent, while industrial and services recorded a growth of 7.8 percent and 3.3 percent respectively. The main contributors to the overall growth registered in agriculture were animal production, growing of rice, growing of oleaginous fruits. Industrial growth was led by the construction sector, which recorded growth of 9.2 percent during the period, whilst other major sub-sectors, such as manufacturing (mainly driven by food-beverages and-tobacco products, textile, wearing apparel

MANAGEMENT DISCUSSION AND ANALYSIS

and leather-related products), mining and quarrying also registered growth of 16.9 percent. Meanwhile, growth in the services sector was largely attributable to transportation of goods-and-passengers, wholesale- and-retail trade-related activities, accommodation-food-and-beverage service activities.

Inflation gained traction during the year 2025 from the conclusion of 2024. The annual average change in the National Consumer Price Index (NCPI, 2021=100) was reported as an inflation of 2.9 percent in 2025, compared to deflation of -2.0 percent in 2024 as per the data compiled by CBSL. Headline inflation based on the Colombo Consumer Price Index (CCPI 2021=100) year on year was 2.1 percent at the end of 2025 compared to the -1.7 percent recorded at the end of 2024. Based on CCPI, food inflation was 3.0 percent, whilst non-food inflation was 1.8 percent in December 2025. Core inflation based on CCPI on year-on-year basis in December 2025 tracked at 2.7 percent parallel to the 2.7 percent recorded in December 2024.

The policy interest rate was marginally slashed by CBSL from 8.00 percent in 2024 to 7.75 percent in 2025. The relatively low policy interest rate was conducive in context to the low inflation recorded during the year and efforts to boost credit growth in the economy.

As per the provisional statistics of CBSL, a trade deficit of USD 7.9 billion was recorded in 2025 compared to the USD 6.1 billion recorded in 2024. Merchandise exports grew by 6.3 percent to USD

13.6 billion compared to USD 12.8 billion in 2024. Industrial exports recorded a growth of 5.2 percent with garment exports (growth in garment exports accounted for 31 percent of the growth in overall merchandise exports) accounting for a larger proportion of the industrial exports, whilst food, beverage and tobacco recorded steady growth as well. Agricultural exports recorded a growth driven by coconut exports, whilst mineral exports recorded a decline in 2025 compared to 2024. Total imports grew to USD 21.5 billion compared to USD 18.8 billion in 2024.

An increase was recorded in imports in the form of the consumer goods category, both food and beverages and the non-food consumer goods segments. The embargo on motor vehicles since the pandemic was relaxed since February 2025, which consequentially had an impact on the increase in imports to the economy in the form of personal vehicles in the non-food consumer segment. An increase was also recorded in the investments goods category, particularly in the commercial vehicle segment. Intermediate goods during 2025 declined compared to 2024 whilst textile and textile articles (primarily fabric) declined in intermediate goods imported. Total fuel imports declined during the year, particularly the refined petroleum imports. However, the import of crude oil products has increased.

Tourism continued to augment its contribution to the service sector inflows of the external sector performance during 2025 with a 15 percent increase in tourist arrivals

to record 2,362,521 compared to 2,053,465 recorded in 2024. However, earnings from tourism recorded a meager growth of 1.6 percent to USD 3,219 million in 2025 compared to USD 3,169 million in 2024 due to decline in average expenditure per day and average duration of stay. Based on the Sri Lanka Tourism Development Authority (SLTDA) statistics, India, United Kingdom, Russia, Germany, and China remained the main source countries for tourist arrivals during 2025 somewhat parallel with 2024. The service sector recorded net inflow of USD 3,707 million in 2025 compared to the USD 3,435 million in 2024.

Worker remittances grew by 23 percent in 2025 amounting to USD 8,076 million in comparison to USD 6,575 million in 2024. The growth in worker remittances reflects the increased number of migrant workers moving overseas for employment during the recent year, continued migrant worker confidence in the market reflective foreign exchange policy adapted by the Central Bank of Sri Lanka (CBSL), the relatively stable foreign exchange rate (particularly LKR/USD) that prevailed during the year, combined with strict regulatory controls have ensured remittances were consistently routed through the formal banking channel by migrant workers. Further based on the CBSL and Sri Lanka Bureau of Foreign Employment (SLBFE) statistics, 310,915 Sri Lankans have migrated over the last year for employment opportunities overseas which is marginal 1 percent decline compared to the 314,786 recorded in 2024. In total, 1,234,626

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Sri Lankans have migrated for employment opportunities overseas during the last four year between 2022 and 2025, which approximates to more than 5 percent of the population of the country. The large number of departures for employment overseas has strengthened inward remittances to the country. Kuwait, United Arab Emirates, Qatar, and Saudi Arabia remain the destinations to which highest number of Sri Lankans have located as migrant workers in 2025 and in recent years based on statistics of SLBFE.

Financial inflows continued to remain strained during 2024. Net outflows from the Colombo Stock Exchange (CSE) were USD 122 million in 2025 compared to net inflow of USD 33 million in 2024. Net inflows to government securities were USD 248 million compared to the net outflows of USD 179 million in 2024. The gross official reserves (GOR) based on CBSL data strengthened to USD 6.8 billion by the end of 2025 compared to the USD 6.1 billion end of 2024. The GOR recorded in 2025 was the highest since the economic crisis. The GOR included a USD 1.4 billion SWAP facility with the People's Bank of China, which was renewed for 3 years in December 2024, which was subject to conditionalities on usability. Despite servicing of debt, the increase in GOR during 2025 was due to substantial net purchase of foreign exchange by the Central Bank of Sri Lanka (estimated at USD 2 billion) and receipts from multilateral institutions including the International Monetary Fund (IMF). The GOR (including 1.4 billion SWAP) were estimated to be

equivalent to 3.8 months of imports. In comparison, USD 6.1 billion recorded as GOR (including USD 1.4 billion SWAP) during the end of 2024, was equivalent to 3.9 months of imports. Despite the continued economic headwinds stemming from merchandise imports exceeding merchandise exports resulting in a deficit in trade balance, the tailwinds from net remittances from migrant workers and earnings from tourism through net services account balance provided resilience in the external sector recording a balance of payment (BOP) surplus of USD 0.9 billion during January to September period 2025 (provisional estimate by CBSL) compared to the BOP surplus of USD 2.9 billion recorded for the full year in 2024.

The Sri Lankan rupee (LKR) remained relatively stable but depreciated against the United States dollar (USD). The year 2025 further augmented foreign exchange liquidity in the Country through sustained and improved migrant worker inward remittances, sustained earnings from tourism, receipt of tranches of the EFF from the IMF and inward flows from other multilateral financial institutions which partially neutralized the widened trade deficit as vehicle imports gained traction. As a result, the LKR recorded a 5.6 percent depreciation against the USD in 2025 in contrast to the 10.7 percent appreciation recorded in 2024. The LKR also depreciated against other major currencies such as the Euro (EUR), Pound sterling (GBP), Chinese yuan (CN¥), Japanese yen (JP¥), Indian rupee (INR), Australian dollar (AUD).

Lubricants industry

In the absence of statistics being released by the lubricant market regulator relating to 2025 market performance, the Company is unable to comment on market share and segment trends. The total number of licensed players in the lubricant market were thirty-five based on information published (as at the end of 2025) by the Public Utilities Commission of Sri Lanka (PUCSL).

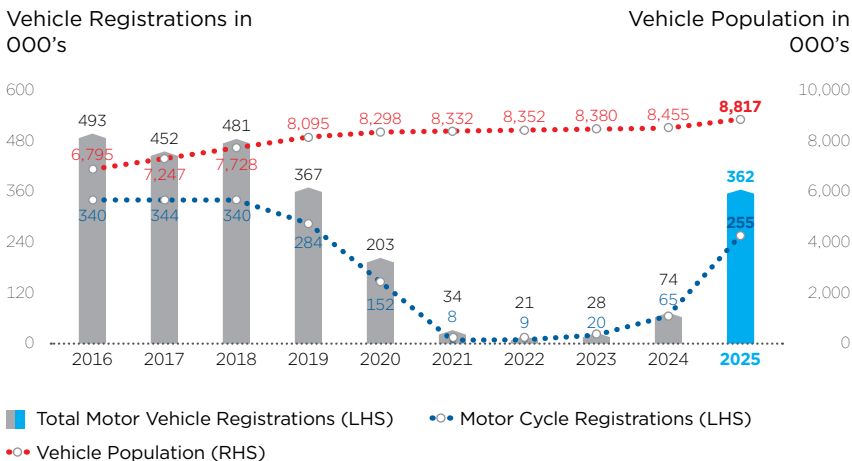
We make the following observations which could have had a positive impact on the demand for lubricants in the industry:

- The volume of diesel and petrol sales in the country increased during 2025 compared to 2024 based on statistics released by CBSL. The increased diesel and petrol sales are likely to have been linked with the relatively stable fuel prices in the country during the year 2025 following the favorable effects of the reduction in crude prices in the global market. The increased fuel sales are likely to have increased demand for lubricants in the automobile sector of the market during the year.
- Kerosene prices remained stable over the year, resulting in higher sales as reported by CBSL. This steadiness plausibly sustained demand from the fisheries sector for fuel-powered boats and likely contributed to continued lubricant consumption. The GDP sectoral performance in marine fishing reported by CBSL further substantiates the likely sustained demand for lubricants that stemmed from the sector.

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- The removal of the embargo on vehicle importation since February 2025, which was first implemented in March 2020, witnessed an influx of motor vehicle imports to the country which we believe increased demand for lubricants in the market in 2025. The composition of the vehicle population in 2025 remained largely in tandem with that of previous years, with motorcycles comprising 59.0 percent, followed by three-wheelers at 14.0 percent and motor cars at 11.0 percent, as per the statistics compiled by the Department of Motor Traffic in Sri Lanka. New registration of motor vehicles during the year 2025, were led by 254,817 motorcycles, 68,047 motor cars and 17,332 three wheelers.

Total Motor Vehicle Registrations



Source: Department of Motor Traffic of Sri Lanka

- The rebound in construction activities during 2025 as indicated in CBSL statistics on GDP sectoral growth, is believed to have had a positive impact on demand for lubricants in the hydraulic segment, whilst also spurring transportation activities vis-vis usage of vehicles for construction related activities increasing the demand for heavy duty (diesel) engine oils.
- Driven by the increased transshipment activities and import of consumer goods during the year, port activities also recorded a growth with overall container handling and cargo handling recording growth rates of 6.5 percent and 3.3 percent respectively, during the year 2025 compared to 2024, according to CBSL. The growth registered in port activities likely strengthened the demand for lubricants in the sector.

On the other hand, the following factors could have decreased demand for lubricants in the industry:

- Based on CBSL statistics on external sector performance, the export of rubber products (industrial exports) contracted by 6.2 percent (in USD), whilst export of rubber (agricultural exports) grew on lower base by 20.2 percent (in USD) year-on-year in 2025. However, it is believed that demand from lubricant intensive industrial rubber exports was likely subdued due to lackluster demand from key export markets.
- The functional benefit of longer oil drain intervals offered to consumers through superior product technology likely continues to compress lubricant volumes in the industry due to less frequent oil changes.
- Industry demand for lubricants from lubricant intensive thermal (fuel) power generation likely declined during the year particularly owing to increased hydro power generation. The contribution from coal power and non-conventional renewable energy to the national energy grid to improve grid reliability also increased during the year, likely further reducing overall demand for lubricants in this segment.
- Challenges induced by the evolving geo-political tensions during 2025 have had cascading impacts and have continued to expose vulnerabilities across markets, including the lubricants industry in the country.

MANAGEMENT DISCUSSION AND ANALYSIS

Sales

Retail sales

Alongside the country's upward trend in economic growth, the Retail channel of Chevron Lubricants Lanka PLC (CLLP), which contributes over 70 percent of the Company's sales volume, grew by 7 percent from last year. Transportation, agriculture, construction, and fisheries were the key economic sectors which significantly contributed to the year-on-year growth of the retail business in 2025. Strong initiatives, including the distributor trade program (DTP), focused national trade promotions, and consumer promotions, along with excellent execution by the team was the winning formula that drove retail results in 2025.

The Retail channel, which serves as the distribution arm of CLLP, strengthened its presence and effectively served retailers across the country through a network of 17 distributors. The distributor trade program, one of the key strategic pillars protecting the base business was tailored to align with aspirational goals and to be more attractive to distributors and channel partners. The channel strategy focused on both Caltex authorized dealers, the exclusive channel, and non-exclusive channels, using performance-based incentives and rewards to drive volumes. In addition, the independent service station partner outlets performed above expectations in 2025.

A strong activity calendar, focused on national drum promotions, helped drive volume growth.

Maintaining a focus on high-margin branded small packs remained a priority in 2025 to ensure profitable volume growth. Several initiatives, including DTP incentives tied to achieving set targets on high-margin products, sales staff incentives, attractive trade offers, and consumer promotions on small packs of Delo-branded diesel engine oils and Havoline-branded motorcycle oils helped improve the overall product portfolio mix between packaged products and loose oil sold in drums.

The newly launched Distributor Management System was effectively used by distributor sales representatives (DSRs) to generate sales and drive efficiencies across key aspects such as outlet reach, productivity, and lines sold per bill. This data-driven approach enabled the retail sales team to drive volumes more effectively compared to previous years.

Another key focus area was continued investment in technical capability development, supported by well-structured and purposeful engagement with distributors and channel partners. This approach aims to enhance product knowledge, support DSRs, and strengthen lubricant expertise at the point of sale. During 2025, several rounds of the B-Tech, basic technical program targeting newly onboarded Caltex authorized dealers and the M-Tech, advanced technical program focused on existing Caltex authorized dealers and non-exclusive channel partners were successfully executed.

Additionally, capability-building programs were conducted for business consultants through structured training modules, including computer-based learning programs and product-focused development initiatives. These efforts resulted in improved technical confidence, strengthened consultative selling capabilities, and enhanced brand advocacy across the retail network.

As part of ongoing risk-mitigation efforts, market awareness sessions and suspected product sample testing were conducted periodically to address the risks posed by unauthorized players and adulterated products. These initiatives aimed to ensure product authenticity and to build trust among consumers and channel partners.

Through strong distributor partnerships, channel initiatives, disciplined execution, and structured capability development, the retail sector remains well positioned to sustain growth, enhance profitability, and reinforce Caltex's leadership in Sri Lanka's lubricant market.

Commercial and industrial sales

In the business-to-business (B2B) channel, lubricant demand continued to be driven by a diverse range of industrial and institutional customers across multiple sectors of the economy. For Chevron Lubricants Lanka PLC, 2025 was a year of margin resilience despite volume fluctuations across certain customer segments.

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From a profitability standpoint, the Commercial and Industrial (C&I) segment exceeded projected performance plan figures, reflecting disciplined portfolio management and value-driven customer engagement. While overall volumes were moderated by sectoral dynamics in select large accounts, the segment successfully sustained profitability through a balanced sector mix and continued focus on operational efficiency.

A few large contributors experienced a slow start during the first half of the year, largely influenced by conditions in global export markets. However, improved momentum in the latter part of the year enabled these segments to close broadly in line with the previous year. As Sri Lanka remains a key exporter of specialized manufacturing products, demand within these segments continues to be closely aligned with global economic trends.

The power generation sector, a major contributor, experienced lower lubricant consumption during the year due to increased hydropower generation. While the Company maintained a strong market position across both hydropower and thermal power plants, increased hydropower capacity reduced reliance on thermal generation, which is comparatively more lubricant intensive. This shift moderated volumes without affecting the Company's competitive standing in the sector.

The Company retained a majority share of volumes within key institutional accounts, underscoring

the strength of its long-standing relationships and technical service capabilities.

The OEM segment emerged as the strongest growth contributor during 2025. The relaxation of vehicle imports restrictions after several years resulted in a significant increase in new vehicles entering the market. This expansion in the automotive landscape, including the introduction of several new international brands, supported higher lubricant demand across authorized service channels. Strategic partnerships and continued engagement with key importers and service providers enabled the Company to capture growth opportunities within this expanding segment.

Other industrial sectors, including construction and infrastructure-related activities, remained relatively subdued during the year. However, increased public sector focus on infrastructure restoration and development is expected to support gradual recovery in the medium term.

Throughout 2025, the Company remained focused on strengthening its differentiated value proposition within the C&I portfolio. Technical service support, lubricant surveys, and lubricant performance monitoring programs continued to enhance customer retention. The emphasis on global approvals, product performance standards, and application expertise further reinforced the Company's competitive positioning in technically demanding industrial applications.

Looking ahead, while demand in certain sectors may continue to reflect external macroeconomic and environmental influences, the diversified nature of the C&I portfolio, combined with strong market leadership in key segments, positions the Company well to sustain profitability and capture emerging growth opportunities.

Exports

Export markets remained a strategically important component of Chevron Lubricants Lanka PLC's portfolio during the year under review, despite the impact of heightened political, economic, and foreign currency-related challenges that occurred in both Bangladesh and the Maldives.

Overall export performance demonstrated substantial growth compared to the previous year, driven by the establishment of renewed strategic partnerships in Bangladesh and the implementation of brand and channel focused activities across both Bangladesh and Maldives markets. These efforts not only strengthened the Company's market presence and profitability but also positioned the business for sustained momentum and further expansion in the medium to long term.

Bangladesh

Bangladesh continued to be the Company's largest export market, with the appointment of Astro Engineering Limited, part of the United Group, enabling Chevron Lubricants Lanka PLC to further consolidate its market presence.

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The new distributor's robust operational capabilities and established customer relationships contributed to enhanced sales execution and engagement, resulting in strong delivery of volumes and surpassing prior year's performance. This partnership allowed the Company to further strengthen market footprint in Bangladesh- offering its consumers high performing lubricant solutions across all key industries.

Political uncertainty intensified in the second half of the year, in the run up to the elections and poor consumer and business confidence which moderated market activity in select segments. Notwithstanding these conditions, underlying demand fundamentals remained resilient, particularly within the retail channel led by motorcycle oils (MCO), heavy-duty engine oils (HDEO), and passenger car motor oils (PCMO), which continued to account for approximately 80 percent of total volume.

The transition to Astro Engineering Limited marked a critical inflection point for the market. The distributor brought strong market credibility, established customer relationships, and robust operational capabilities, enabling rapid stabilization of sales execution and customer engagement. A comprehensive product portfolio covering all key segments, strengthened dealer connectivity, and enhanced technical support from CLLP's local and regional teams contributed to strengthening confidence and driving momentum throughout the year.

A key strategic milestone during the year was the re-entry into the power generation segment, through conversion of large-scale power plants. The power generation segment continues to be a significant driver of lubricant volumes in Bangladesh. This achievement reinforced CLLP's technical credibility in the Bangladeshi power sector and is expected to unlock further opportunities across additional power generation assets in the near future.

The Bangladesh operation ended the year with strong results, achieving robust performance in both volume and profitability. Looking ahead, the focus is on further enhancing distributor capabilities through sales force automation, expanding retail coverage across all districts, accelerating commercial and industrial growth and strengthening the power generation portfolio with targeted conversions of promising opportunities.

Maldives

The Maldives remained a strategically important and profitable export market, albeit one operating under continued foreign currency constraints that affected imports and working capital availability throughout the year. Despite these challenges, underlying lubricant demand remained stable, supported primarily by the tourism-driven resort sector, marine applications, and ongoing construction and infrastructure maintenance activities.

Approximately 80 percent of total volumes were driven by the resort segment, reflecting the high operational uptime requirements of power generation, marine fleets, and island infrastructure within resort operations. Heavy-duty engine oils (HDEO), led by Delo Gold Ultra, accounted for over 80 percent of total volume, underscoring the market's preference for premium, high-performance products. Hydraulic fluids also recorded healthy demand, particularly in support of construction and maintenance activities across resort islands.

Sales volumes during the year faced temporary challenges due to certain organizational changes at the Company's main distributor, which limited the pace of planned growth. Despite these broader operational issues, the Company managed to safeguard its customer relationships and uphold its market position by working closely with distributors and maintaining disciplined supply management.

Foreign currency availability continued to represent the most significant operating risk in the Maldivian market. This risk was mitigated through proactive coordination with distribution partners, overcoming constraints associated with local banking systems and ensuring uninterrupted product availability.

The Maldives market continues to align strongly with the Company's value proposition, characterized by premium product demand,

MANAGEMENT DISCUSSION AND ANALYSIS

technical support requirements, and service reliability. While short-term growth was moderated by macroeconomic constraints in 2025, the Company remains committed to the market and has aggressive growth aspirations through selective investments in marketing, brand-building, and customer engagement initiatives to drive sustainable volume growth.

Marketing and branding activities

In 2025, CLLP sought to sustain its leadership position in the highly competitive market through strengthening brand equity. To this end the Company adopted a robust strategy of purposeful communication, grounded in proof of performance to engage consumers while also executing high impact initiatives that drove both gain in share of wallet as well as further consolidated brand loyalty across key automotive lubricant segments. Marketing priorities were tightly aligned with the Company's commercial agenda, supporting volume growth, improving product mix, enhancing margins, and strengthening distribution effectiveness across retail (B2C) and industrial (B2B) channels.

Against intensifying competition and increasing price sensitivity, the Company focused on three strategic imperatives to enhance brand equity.

- Strengthening brand equity through strong ATL (above-the-line) and digital communication validated through proof-of-performance claims

- Driving conversion at the point of sale through retail excellence, visibility and high-ROI (return on investment) consumer promotions
- Building market leadership through key opinion leaders (KOLs), OEM partnerships, and targeted B2B engagement

Anchoring brand leadership in proven performance

Consistent with CLLP's commitment to proof-of-performance-led communication, the Company continued to leverage established real-world performance credentials to reinforce Caltex's technological leadership and deliver tangible value to consumers in Sri Lanka. During the year under review, marketing activity prioritized sustained, consistent messaging across ATL and BTL (below-the-line) channels, drawing on existing proof points to strengthen brand confidence and consideration.

These performance credentials were substantiated through local mileage trials conducted in prior years under Sri Lankan driving conditions and continue to be utilized as the evidential basis for ongoing communications and consumer engagement.

Caltex Havoline – 10,000 kilometers Extended Drain Interval (EDI)



Leveraging the previously established 10,000 kilometers extended drain interval (EDI) performance claim for Caltex Havoline, the Company maintained high-visibility communications, supported by brand ambassador, Mahela Jayawardena, to reinforce technical credibility and align the proposition with trusted national leadership. The demonstrated ability to deliver twice the conventional 5,000 kilometers drain interval continued to be translated into clear consumer value, including improved cost efficiency and convenience for motorists, without compromising engine protection.

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Caltex Delo - 30,000 kilometers EDI



Building on Caltex Delo’s 30,000 kilometers validated performance narrative, communications continued through our latest campaign of “Lets’ go further”, to address the requirements of high-mileage commercial users seeking reduced downtime, extended service intervals, and an improved total cost of ownership.

In parallel, the Company’s ATL program, supported by sustained digital amplification and targeted BTL initiatives, ensured consistent reinforcement of the proof-of-performance narrative. Television, radio, and digital platforms delivered aligned messaging anchored in validated extended drain interval claims, superior engine protection under Sri Lankan Road conditions, reduced maintenance frequency, and enhanced value for money. This integrated, always-on approach

strengthened both technical credibility and the economic case for Caltex lubricants among motorists and fleet operators.

Driving conversion through retail and trade activation



While brand equity building remained foundational, in 2025 we intensified our focus on conversion-driven execution at the point of sale to ensure that brand demand translated into measurable off-take. The Company strengthened outlet visibility, invested in impactful retail branding, and implemented structured loyalty programs across lubricant retail outlets and workshops. We aligned volume-based trade incentives with product-mix and margin targets, while deploying targeted consumer promotions to drive brand loyalty amongst our captive users and accelerate competitor conversions in a highly competitive market.



Through flagship consumer focused promotional campaigns such as Caltex Delo Diesel Wasi, Riya Warama, and Caltex Havoline motorcycle oil - Ride and Win, CLLP generated strong incremental volumes, expanded retailer participation, and increased shelf dominance across key territories. As such, ATL-driven awareness complemented by disciplined in-store execution, allowed CLLP to protect our core business while accelerating competitive share gains.



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Digital platforms and data-driven execution

Digital channels played an increasingly strategic role in enhancing our marketing effectiveness and reinforcing ROI discipline. In 2025, we adopted an always-on digital amplification approach, delivering millions of targeted impressions across key platforms. We leveraged key opinion leader driven content to reinforce our proof-of-performance claims, while social video testimonials and mechanic/partner endorsements strengthened credibility at the ground level. Interactive formats sustained campaign momentum beyond traditional media bursts, ensuring continuous engagement with motorists and fleet operators. The combination of digital execution with television and trade visibility allowed CLLP to extend reach, improve customer interaction and generate measurable engagement and conversion data.

We rigorously tracked marketing performance through analytics dashboards, structured post-campaign lookbacks and regular commercial reviews aligned with incremental volume and gross margin delivery. This data-led framework enabled CLLP to optimize campaigns in real time, sharpen audience targeting and allocate marketing investments with discipline, ensuring maximum return while directly supporting our commercial growth objectives.

Building channel influence

Mindful of the fact that mechanic recommendations and OEM (Original Equipment Manufacturer) credibility materially influence purchase decisions, we actively strengthened our ecosystem to reinforce brand preference at the point of recommendation. CLLP implemented structured mechanic engagement programs, technical upskilling initiatives, and targeted knowledge-sharing forums designed to enhance product understanding and confidence. We also expanded our workshop presence and Caltex authorized dealer networks to improve on-ground presence and improve service accessibility. These initiatives strengthened recommendation power, reinforced trust in our performance claims, and improved competitive switching at ground level.



We further advanced our strategic OEM collaborations and executed targeted B2B lead-generation

initiatives to deepen penetration within commercial and industrial segments. This alignment of partnerships with clear volume, margin, and product portfolio objectives allowed the Company to strengthen long-term commercial resilience while enhancing our positioning as a trusted technology partner across key industry verticals.



Brand strength to drive resilience

Caltex continues to resonate strongly with Sri Lankan consumers due to its proven reliability, superior engine protection and locally validated performance claims, reinforced by strong visibility and mechanic endorsement. The repeated external validation of Caltex as Sri Lanka's "Most Loved" lubricant brand further strengthens emotional connection and brand preference.

This brand strength drives repeat usage, ensuring customer loyalty and enhances resilience against disruption. Through sustained ATL investment, digital amplification, advocacy programs, promotions and strategic OEM alliances, we continue to reinforce and extend Caltex's leadership position in the market.

MANAGEMENT DISCUSSION AND ANALYSIS

Product technology

Product technology remains a core pillar of Chevron Lubricants Lanka PLC's competitive positioning in Sri Lanka's lubricant market. In an environment characterized by intensifying competition, price sensitivity, and evolving engine technologies, differentiation is increasingly driven by formulation science, performance reliability, and life cycle cost efficiency rather than price alone.

CLLP's value proposition is anchored in globally engineered lubricant technologies designed to deliver component cleanliness, wear protection, operational stability, and extended service intervals. These technological foundations translate into tangible economic benefits for customers, including improved fuel efficiency, reduced maintenance frequency, longer equipment life, and lower total cost of ownership.

The Company focuses on performance integrity and reliability to ensure that its product technologies consistently support customer retention, and brand credibility across both consumer and industrial segments.

Global research and formulation science

All products blended by Chevron Lubricants Lanka PLC are formulated using Chevron-approved global formulations.

These formulations are developed using premium base oils and advanced additive chemistries engineered to meet or exceed various internationally recognized

performance standards, including American Petroleum Institute (API), International Lubricant Standardization and Approval Committee (ILSAC), and leading Original Equipment Manufacturer (OEM) requirements. This approach ensures that products CLLP supplies to the Sri Lankan market are aligned with global benchmarks and compatible with the latest engine technologies.

CLLP's use of globally standardized formulations provides three strategic advantages:

1. Consistency of product performance across markets
2. Assurance of compliance with evolving international specifications
3. Accelerated local product portfolio alignment with global technology upgrades

The structured integration of global research and development (R&D) capability with local manufacturing execution (as described above) seeks to ensure that Sri Lankan customers receive lubricants engineered to international performance standards.

Alignment with evolving industry standards

The automotive and industrial landscape continues to advance rapidly, driven by higher engine efficiencies, stricter standards, and more demanding operational environments. Chevron's global technology framework continuously evolves to align with these developments, and the local product portfolio specifications are updated accordingly.

Upgrades to meet the latest international standards often are intended to address fuel economy, strengthen wear protection under severe operating conditions, and improve system durability. This considers compatibility with modern vehicle technologies, hybrid platforms, and advanced industrial machinery, while continuing to support legacy equipment prevalent within the Sri Lankan market.

Maintaining this dual compatibility through supporting both new-generation engines and older equipment is critical in a mixed fleet environment and reflects the flexibility embedded within Chevron Lanka's formulation strategy.

Quality maintenance

Technology credibility is reinforced by disciplined manufacturing and quality assurance processes. The Company operates a state-of-the-art blending facility certified to ISO 9001:2015 standards and supported by robust quality management systems.

CLLP maintains quality control through:

- Strict adherence to CLLP's Operating Procedures
- Exclusive use of Chevron-approved formulations and additive packages
- In-house laboratory testing of every production batch
- Verification against international specification benchmarks
- Periodic audits by Chevron's global technical and compliance teams

MANAGEMENT DISCUSSION AND ANALYSIS

Each batch produced undergoes analytical validation prior to release, ensuring formulation accuracy, viscosity control, and performance compliance. These controls safeguard product consistency and uphold international performance standards within the local manufacturing environment.

Consultative engagement

Product technology is complemented by structured technical engagement across customer segments. The Company adopts a consultative approach designed to optimize lubricant selection, application, and life cycle performance.

In retail channels, structured knowledge sharing programs enhance product literacy among distributors and channel partners, strengthening recommendation confidence at the point of sale.

In commercial and industrial segments, engagement extends to lubricant surveys, application reviews, rationalization of lubricant portfolios, and in-service oil monitoring. These initiatives support preventive maintenance planning, reduce operational risk, and extend service intervals.

CLLP builds brand equity around performance and total cost of ownership to strengthen customer confidence and reinforce long-term partnerships.

Sustaining leadership

Product technology continues to underpin the Company's leadership in Sri Lanka's lubricant industry. The integration of global product formulation capability, disciplined local manufacturing, rigorous quality governance, and structured technical support ensures that Chevron Lanka delivers consistent, internationally benchmarked performance across its portfolio.

As engine technologies evolve and industrial efficiency requirements intensify, the Company remains committed to maintaining technological alignment, strengthening quality assurance, and enhancing consultative capability, reinforcing its position as a trusted performance partner to motorists, fleets, and industrial operators nationwide.

IT and digitalization

Building on the implementation of the Distributor Management System (DMS) and Sales Force Automation (SFA) platform in 2024, the Company introduced further automation enhancements in 2025 to strengthen process efficiency, control integrity, and increase channel engagement.

A key milestone was the digitalization of the end-to-end discount claim reimbursement process within the DMS platform. The process, historically manual and paper-intensive, was moved to a fully system-driven workflow.

Enhancements	Quantified impact
Consolidation of eight manual workflows into a standardized digital process	Cycle time reduced from approximately 25 days to 5 days Over 2,000 man-hours saved annually
Elimination of physical documentation	Over 2,000 claim bundles moved to digital processing annually
Structured system-based authorization layers	More than 20,000 sheets of paper processing eliminated per year

Beyond efficiency gains, the automation strengthened audit traceability, reduced process variability, and enhanced distributor experience through improved transparency and reimbursement timelines.

Additionally, SFA enhancements provided real-time visibility of active trade promotions and incentive schemes at the point of sale, enabling improved sales execution and route-to-market effectiveness.

Future readiness

The transition to digital workflows across commercial and supply chain functions has notably reduced paper usage, physical storage requirements, and the manual administrative workload. These initiatives contribute to operational efficiency and reduced resource consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

Our people

During the year, CLLP successfully completed a six-month internship program for final-year undergraduates from local universities. The program provided participants with a comprehensive introduction to the lubricant industry in Sri Lanka, alongside in-depth exposure to CLLP's business operations. Interns participated in structured learning sessions with members of the management team, conducted site visits to the blending plant and the Colombo regional market, and completed function-specific project assignments. In addition, interns gained exposure to elements of Chevron's **Global Internship Program (GIP)** by participating in listening sessions .

CLLP was also one of several **American Chamber of Commerce (AMCHAM)** member organizations that provided mentorship opportunities to interns as part of the **AMCHAM Sri Lanka Bootcamp**, further strengthening its contribution to early career development initiatives.

The **CLLP Speechcrafters Program**, conducted in partnership with the **Colombo Toastmasters Club**, continued during 2025. The program focused on enhancing public speaking and communication skills among employees through structured activities such as round-robin sessions, table topics, and prepared speeches. Guest speakers from the Colombo Toastmasters Club also conducted selected sessions, enriching the learning experience.

In 2025, CLLP benefited from several external platforms that showcased high-performing employees. The Company was represented by three contestants at the **Sri Lanka Institute of Marketing (SLIM) National Sales Awards 2025**, where one participant secured the **Silver Award** for the **Most Outstanding Territory Manager** in the Industrial, manufacturing and Energy category. Notably, 2025 marked the year in which the SLIM National Sales Awards attracted the highest number of applications in the program's history, intensifying the competition.

CLLP also partnered with the renowned business magazine, **Echelon**, to feature the Company's recent product trials and offerings within the **extended mileage** category. This engagement included a moderated discussion featuring the CLLP Managing Director/CEO, Head of Marketing and Exports, and the cricketing legend, Mahela Jayawardena, in his role of Caltex Havoline brand ambassador, highlighting CLLP's achievements in product innovation through advanced lubricant technology and its continued leadership in Sri Lanka's lubricant industry.

Concluding the year on a strong note, CLLP was recognized among the **Top 15 Employers** at the **National HR Awards**, organized by the **Employers' Federation of Ceylon**. The organization was assessed under key pillars including **Strategic HR Excellence, Leadership and Culture, National and Socio-Economic Contributions, and Ethics and Compliance**. CLLP

received commendation for its submission and was recognized at an awards ceremony attended by multinational corporations and leading local conglomerates.

The **Sri Lanka Women's Employee Network (SWEN)** continued its momentum in 2025 by executing three key initiatives focused on supporting female entrepreneurship, promoting employee physical and mental well-being, and assisting communities in need. In March 2025, SWEN organized a marketplace event titled "Queens Market", providing female vendors with a platform to showcase and sell their products. The event was well received by both vendors and visitors and featured a diverse range of stalls, including food and beverages, clothing, jewelry, books, and handicrafts. In October, SWEN partnered with the Company's insurance service provider to conduct a mobile health camp at the blending plant, offering essential medical testing services to employees. This initiative was complemented by a mental health awareness session conducted by a qualified psychologist on the theme "**Finding Calm and Strength Within**", addressing topics such as anxiety, burnout, resilience, and maintaining emotional well-being.

During 2025, CLLP continued its established employee recognition practices through events such as the **Star Awards, Service Awards, and Performance Awards**, reinforcing CLLP's culture of recognizing strong performance and positive behaviors. Approximately LKR 3 million in

MANAGEMENT DISCUSSION AND ANALYSIS

Recognition and Award (R&A) points were distributed during the year under review, through an online recognition platform to acknowledge high performers across functions. Additionally, CLLP partnered with a leading online gifting platform in Sri Lanka to convert selected physical awards into electronic vouchers, enabling employees greater flexibility in redeeming their rewards.

CLLP recorded an employee attrition rate of 15 percent in 2025, compared with 7 percent in 2024. The increase was primarily driven by resignations associated with overseas migration. Benchmarking surveys conducted by the Company indicated that migration trends, particularly among professionals, continued despite broader economic stabilization. Many employees who initiated migration plans during the economic challenges of 2022 and 2023 saw their plans materialize in 2025. Notwithstanding this trend, CLLP demonstrated its strong employer brand by successfully attracting qualified talent from reputable organizations within the corporate sector to fill vacancies arising from attrition.

Supply chain and operational performance

Chevron Lubricants Lanka PLC delivered measurable improvements in operational efficiency, cost discipline, and supply chain resilience during the year under review, maintaining uninterrupted customer service despite a challenging environment and external disruptions.

Operational efficiency

Operational performance indicators remained strong:

Right-first-time blending: 100 percent (target: 100 percent)

The achievement of 100 percent right-first-time blending eliminated rework, reduced material losses, and improved throughput reliability. Overall equipment effectiveness(OEE) performance above industry benchmarks reflects improved asset utilization and disciplined production planning.

Energy optimization initiatives further enhanced operating efficiency. Through process improvements and tighter utility management, energy utilization was efficient during the reporting period.

As a result of these efficiency measures, operating expenses were below plan, driven primarily by energy savings, improved material utilization, and cost optimization initiatives.

Digital enablement

Complementing the cost optimization initiatives, the Supply Chain function advanced its digitalization agenda through a structured horizon based approach. Foundational process digitization reduced reliance on manual and paper based documentation, improving data accessibility, accuracy, and operational control. This was followed by the implementation of centralized digital collaboration and governance through SharePoint, strengthening document control, version

management, and administrative efficiency. At the advanced stage, real time data visualization was enabled through Power BI dashboards, providing enhanced visibility into operational efficiency, inventory, logistics, and cost performance, thereby supporting more informed, data driven decision making.

Process discipline and tighter controls also delivered material efficiency gains, including a reduction in slop oil generation. All recovered oil streams were repurposed as fuel inputs, resulting in zero disposal of process residues. This closed loop resource management approach improved cost efficiency while reducing waste generation.

Supply chain resilience

Despite temporary road closures to certain regions and workforce constraints as a result of Cyclone Ditwah, the Company's production operations continued without interruption and no flooding occurred at the Company's operational facilities.

Supply continuity was supported by established inventory control thresholds:

- Adequate inventory across the regional depot network
- Appropriate base oil cover, with extended additive coverage

These measures ensured distributors remained unaffected despite disruptions to transportation lasting several weeks.

MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure enhancement and risk mitigation

The commissioning of a pipeline extension to a new jetty at the Colombo Port enhanced docking flexibility for base oil shipments and reduced congestion risk. The extension generated USD 180,000 in demurrage savings during the year and mitigated exposure to port-related delays.

In addition, the Company completed an advanced integrity assessment of the base oil pipeline linking base oil tank farm with the Colombo Port using intelligent pigging technology, becoming the first operator in Sri Lanka to deploy this method. The inspection mapped pipeline thickness and corrosion zones, enabling targeted remediation planning. Repairs are expected to be undertaken in 2026 to secure operational reliability for at least the next five years.

Supplier and logistics network

An established and integrated logistics and supplier network supported timely raw material availability and operational continuity throughout the year. Coordinated third-party logistics, customs clearance, and freight forwarding arrangements ensured supply reliability, even during periods of external disruption. This structured supply ecosystem remains a critical component of the Company's business continuity framework.

Operational excellence

Health, safety, and environment (HSE) are embedded in Chevron Corporation's Operational Excellence Management System (OEMS), which is a risk-based and systematic approach to identify, assess, prioritize and manage Operational Excellence risks.

Safety

The Company maintained its long-standing safety record during the year:

- Zero Lost Time Incidents since 2001
- Zero oil spills since 2007

This sustained performance reflects structured operational controls, disciplined execution standards, and a mature safety culture.

Risk-based governance framework

OEMS is how the Company systematically manages risk and complies with legal requirements across six OE focus areas in order to meet our Operational Excellence (OE) objectives.

The Company establishes and sustains safeguards and assure they are in place and functioning in accordance with legal and OE requirements. Safeguards are the hardware and human actions designed to directly prevent or mitigate an incident or impact. Typical safeguards include facility designs, mechanical devices, engineered systems, protective equipment and execution of procedures.

Through OEMS there is the common expectation to identify, report, record and investigate incidents, analyze root causes and trends, correct deficiencies, and share and adopt relevant lessons learned.

Environmental stewardship and resource management

Environmental management is integrated into operational processes and asset integrity practices.

Key environmental performance indicators during the year included:

- Total electricity consumption – 10 percent sourced from behind the meter solar generation to reduce reliance on grid operations
- Recovered oil streams – 100 percent repurposed as fuel inputs.
- 95 percent recovery of process residues.

Process optimization initiatives reduced slop oil generation and improved material efficiency, supporting resource management.

External recognition

In 2025, the sustained focus of Chevron Lubricants Lanka PLC on brand leadership, marketing effectiveness, and operational discipline was recognized by several respected external bodies. Caltex was acknowledged as the Most Loved Lubricant Brand in the Oil and Lubricants category by LMD, reflecting our position as market leader and the strong emotional connection we have built with Sri Lankan consumers. Further reinforcing this brand strength, both Caltex Havoline and Caltex Delo

MANAGEMENT DISCUSSION AND ANALYSIS

were ranked among the Top 10 Most Loved Brands, illustrating the depth of trust and preference across our product portfolio.

Our marketing effectiveness also received industry acclaim at the Effie Awards, where the Caltex Havoline campaign, “Trust of a 10,000 km Journey,” secured the only Effie Metal (Bronze) in the Automotive Aftermarket category. This recognition validated the impact of our proof-of-performance-led communication strategy and its measurable commercial results. In addition, Chevron was recognized among the Top 40 Listed Companies by Business Today, ranked No. 5 in Asset Utilization by LMD, and placed among the Top 15 Employers by the Employers’ Federation of Ceylon (EFC).

Chevron Lubricants Lanka PLC was Awarded a “Certificate of Compliance”, in the Manufacturing Companies (Group Turnover LKR 10 – 50 billion) segment, for the Annual Report 2024 by the Institute of Chartered Accountants of Sri Lanka at the 2025 TAGS (Transparency, Accountability, Governance, Sustainability) Awards ceremony held during February 2026.

These recognitions, spanning brand leadership, marketing excellence, financial performance, employer standing, reporting and governance, demonstrate the Company’s unwavering commitment to quality, disciplined governance, operational excellence, and customer-centric innovation.



CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

Chevron Lubricants Lanka PLC (the “Company”) continued to advance its commitment as a responsible corporate citizen in 2025 through focused initiatives aligned with inclusive economic participation, road safety, education, and humanitarian support. During the year, the Company’s corporate social responsibility (CSR) agenda centered on women’s empowerment, community safety, disaster response, and long-term stakeholder engagement, reinforcing its commitment to corporate social responsibility initiatives.

Women’s empowerment – Caltex Abhimani

In 2025, the Company strengthened its flagship women’s empowerment program, Caltex Abhimani, reaffirming the commitment to diversity and inclusion within Sri Lanka’s automotive and lubricant retail ecosystem.



The initiative recognized and supported female-owned and female-operated Caltex authorized dealerships and Caltex Xpress Lube service stations across the

island. Caltex Abhimani aims to enhance economic participation and leadership opportunities for women within a traditionally male-dominated industry.

The program focused on:

- Supporting women entrepreneurs within the Caltex distribution network
- Promoting leadership development and inclusive participation
- Enhancing well-being and professional growth

Caltex Abhimani continues to serve as a central pillar of the Company’s CSR strategy, contributing to inclusive growth and strengthening the distribution ecosystem.



Education and future-focused empowerment

As part of its long-term commitment to advancing women’s participation in technical education, the Company approved and launched the Caltex Abhimani: Women in STEM Scholarship Programme in 2025.



Developed in partnership with the Ceylon German Technical Training Institute (CGTTI), the initiative supports young Sri Lankan women pursuing education in Science, Technology, Engineering, and Mathematics (STEM).

Key highlights:

- Scholarship program launched on 22 November 2025.
- Full scholarships awarded to 95 female students.
- Tuition support provided for engineering and technical disciplines.



The initiative reflects Chevron’s broader commitment to fostering skilled talent, promoting gender inclusion in technical professions, and contributing to a future-ready workforce in Sri Lanka.

CORPORATE SOCIAL RESPONSIBILITY

Road safety initiatives

Road safety remains a core pillar of the Company's CSR agenda, aligned with its commitment to promoting responsible mobility and community well-being.



During the year under review, the Company partnered with the Sri Lanka Red Cross Society and the Sri Lanka Traffic Police to promote road safety awareness and community education programmes.

These initiatives focused on:

- Community-based road safety awareness sessions
- School-level educational engagements
- Promotion of safe driving practices among motorists and pedestrians
- Emphasis on protecting vulnerable road users

The program also incorporated emergency preparedness elements, including first aid training initiatives designed to strengthen community capacity to respond effectively to road-related incidents.

In addition, Chevron participated in a road safety signage awareness initiative across key locations in the Western Province, in collaboration with the Sri Lanka Police and the Provincial Road Development Authority. Strategically positioned, high-visibility signage was deployed to reinforce safe driving behaviour and provide awareness messaging to commuters.



Through prevention, education, and sustained communication, the Company continues to support national road safety objectives while creating lasting social value under the Caltex brand.

Disaster relief and humanitarian assistance

In late 2025, the Company extended its support to communities affected by floods, landslides, and cyclone-related disruptions across Sri Lanka.

The Company partnered with the Sri Lanka Red Cross Society to provide financial assistance for emergency relief and recovery efforts. The intervention focused on assisting vulnerable populations impacted by natural disasters.

This initiative reflects the Company's responsiveness to urgent national needs and its commitment to supporting community resilience.

FINANCIAL REVIEW



FINANCIAL REVIEW

Growth, Profitability, and Efficiency

Revenue

The Company recorded a revenue of Rs. 24.39 bn during the period under review which was a 6% YOY growth in comparison to Rs. 22.96 bn recorded in 2024. The growth in revenue stemmed primarily due to favorable impact stemming from higher sales volumes generated in comparison to 2024, which was partly neutralized by the lower revenue per liter (average sales price) recorded. The Revenue growth on account of higher sales volumes compared to 2024 was Rs. 2.5 bn, which was partially offset by the lower revenue per liter (average sales price) which was approximately Rs. 1.1 bn. A relatively higher proportion of trade discounts and incentives were offered to attract and increase volumes.

The higher volumes recorded in 2025 in comparison to 2024 were primarily due to the growth in the domestic retail channel which accounted for the larger proportion of the Company's total volumes. Despite the adverse effects of cyclone "Ditwah" constraining commercial activities of the country towards the culmination of the fourth quarter in December, the overall demand for lubricants during the preceding months were strong. The tailwinds were led by the removal of the embargo on importation of motor vehicles, the rebound in construction industry, growth in tourism and its impact on transportation activities and ancillary industries, whilst the relative stability in commodity prices and cost of utilities including

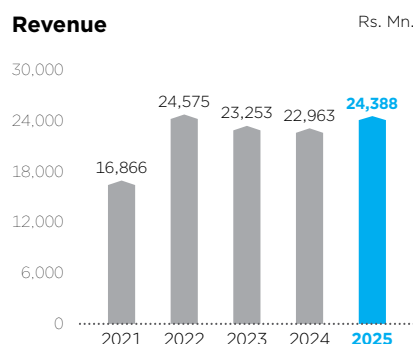
fuel contributed towards the lower degree of inflation which spurred the growth in demand in certain segments during the year. The Company was also able to leverage on the combined effects of relatively stable foreign exchange effects of local currency Sri Lanka Rupee (LKR) which recorded a mid-single digit depreciation against the United States Dollar (USD) and the relative reduction in commodity prices, to offer well-structured trade promotional schemes and incentive programs for channel partners to drive sales volumes whilst managing a balanced sales portfolio, enhanced sales reach and effective marketing strategies.

The domestic commercial & industrial channel recorded a de-growth in volumes during the year primarily due to the compressed volumes from the public transportation sector due to the absence of the tender being floated to public, whilst demand for lubricants from power generation sector also declined due to lower thermal power generation. The Company continued to secure volumes through some of the large-scale government tenders that were won by CLLP during the year in review. The Original Equipment Manufacturers (OEM) segment also recorded a growth in volumes with importation of motor vehicles recommencing during the year, while sales through the private label operation recorded a growth during the year as well.

Export sales volumes to Bangladesh grew significantly compared to 2024. The successful transition to CLLP's new distributor in Bangladesh increased exports to the country.

Export volumes to Maldives recorded a decline due to the economic constraints vis-à-vis foreign currency scarcity and operational challenges encountered by CLLP's distributors in the Maldives.

The continued export of certain lubricant and coolant products to a few inter companies recorded a volume growth which also contributed towards the revenue growth from related parties during the year vs 2024.



Profit after Tax

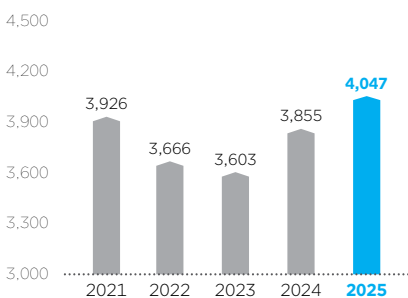
Profit After Tax increased by 5% YOY to Rs. 4,047 mn compared to Rs. 3,855 mn recorded in 2024. The gross profit margin in 2025 remained parallel with 2024 at 35%. The Company maneuvered its trade discount and promotional schemes and programs to incentivize channel partners and consumers by leveraging on the stability in foreign exchange effects of the LKR mid-single digit depreciation against the USD. Whilst import tariffs on base oil imports remained high, commodity prices softened and were less volatile during the year compared to 2024, which provided relative stability in product cost and pricing.

Despite the increase in administrative & distribution combined expenditure compared to 2024, operating profit increased by 6% in 2025 mainly due to the increase in gross profit, as cost of sales softened due to relatively stable and lower base oil prices.

Profit Before Tax increased to Rs. 5,782 mn in 2025 from Rs. 5,532 mn in 2024. A decline in net finance income was recorded for 2025 due to lower net foreign exchange gains that were recorded as a result of LKR depreciation against the USD, in comparison to the higher net foreign exchange gain recorded during 2024. Interest income increased during the year due to timing effects on depletion of cash reserves vis-a-vis settlement of trade and other liabilities. The interest cost on lease liabilities declined in 2025 compared to 2024.

Profit for the year was Rs. 4,047 mn compared to Rs. 3,855 mn in 2024. Total comprehensive income increased by 6% YOY to Rs. 4,059 mn, which included a net other comprehensive income after tax of Rs. 11.9 mn pertaining to an actuarial gain on retirement benefit obligation.

Profit After Tax



Income Tax

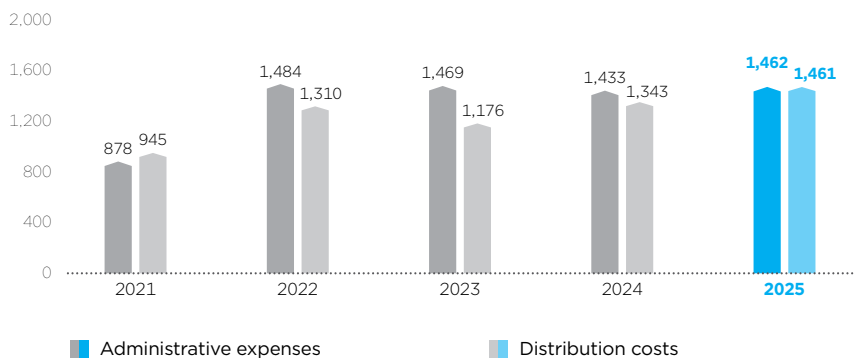
Income Tax expense for the year was Rs. 1,735 mn, which translates to an effective tax rate of 30% parallel with the 30% recorded last year. In reference to the Inland Revenue Act No. 24 of 2017 and its subsequent amendments, the Company computed its business income and investment income at 30% standard rate for 2025 and for the comparative period in 2024.

A net deferred tax credit was recorded during the year, which primarily stemmed from the timing effects of accounting written down value compared with the tax written down value of the property, plant and equipment of the Company. Secondly due to the lease liability and right of use assets. Total income tax expense amounted to Rs. 1,740 mn which included a deferred tax charge on other comprehensive income for the year.

Distribution and Administration Expenses

Distribution expenses increased by 9% to Rs. 1,461 mn from Rs. 1,343 mn recorded in 2024. The increase in distribution expenses was mainly attributed to the relatively higher transportation expenses driven by higher volumes in both the domestic and export channels, and higher employee-related costs during the year. Administration expenses amounted to Rs. 1,462 mn, reflecting an increase of 2% compared to Rs. 1,433 mn in 2024. The increase largely stemmed from the USD denominated intercompany service charges incurred, due to the LKR depreciation against the USD experienced during the year, combined with an increase in USD denominated charge (3% increase vs 2024).

Distribution & Administration Expenses



Rs. Mn.

FINANCIAL REVIEW

Liquidity

Working Capital

Total inventory declined by Rs. 247 mn, due to a decline in raw materials inventory and a decline in finished goods. The raw material inventory declined by Rs.56 mn due to the timing effects of the procurement cycle. Finished goods inventory declined by Rs. 191 mn to Rs. 1,386 mn compared to the Rs. 1,577 mn recorded in 2024 reflecting a relatively lower buildup of year end finished goods inventory.

Trade receivables declined compared to 2024 by Rs. 35 mn with the number of “days sales outstanding” (DSO – Company formulated metric) amounted to 35 days in 2025 (36 days in 2024). Whilst the Company, retained its tight credit control policy and collection efficiency to ensure the strong commitment towards efficiency in managing its working capital cycle, despite the relatively loose credit policies seen in the market to push sales in a highly competitive environment, we were compelled to extend deferred payment terms to some of our business partners to help them navigate through their cash flow and investment challenges during certain months of the year. The Company remained cautious in extending credit to sectors predisposed to liquidity constraints and remained vigilant to market and economic developments through robust credit controls.

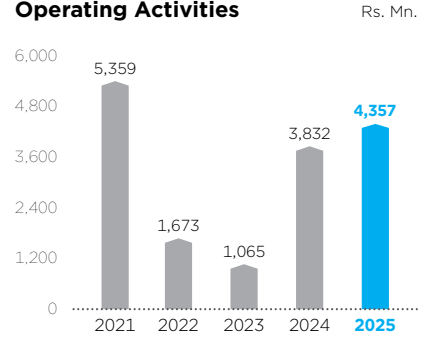
The Company maintained a healthy liquidity position by recording a current ratio of 3.6 (2024: 3.4) and a quick asset ratio of 1.7 in 2025 (2024: 1.5) to meet working capital requirements. The higher current ratio compared to 2024 was largely attributable to the decrease in trade and other payables. A decline in the trade & other payables in 2025 was due to the relatively lower related party service charge payables at the end of the year.

Cash Flow

Cash generated from operating activities increased to Rs. 6.0 bn compared to Rs. 5.5 bn in 2024, whilst the net cash flow from operating activities increased to Rs. 4.4 bn from Rs. 3.8 bn recorded during 2024. The Company generated a free cash flow of Rs. 4.2 bn (2024: Rs. 3.7 bn). The net cash generated from investing activities declined YoY due to higher capital expenditure incurred. The comparatively higher free cash flow generated in 2025 is mainly attributed to the favorable effects of working capital influenced by the lower inventory position at year end.

Two interim dividends amounting to Rs. 2,160 mn was declared during the year. The cash payout was Rs. 4,080 mn during the year, which included the third interim dividend of Rs. 1,920 mn pertaining to 2024 earnings. The third interim dividend of Rs. 1,680 mn pertaining to 2025 was paid during March 2026. Cash and cash equivalents at year end increased marginally relative to 2024.

Net Cash Flow from Operating Activities

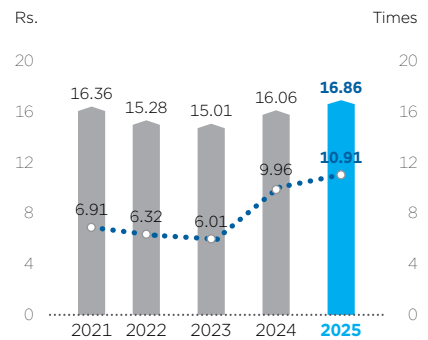


Stability and Investor Return

Financial Stability

The Company recorded a return on equity of 47% in 2025 (46% in 2024). Earnings per share increased by 5% to Rs. 16.86 in 2025 compared to Rs. 16.06 in 2024.

EPS & PE



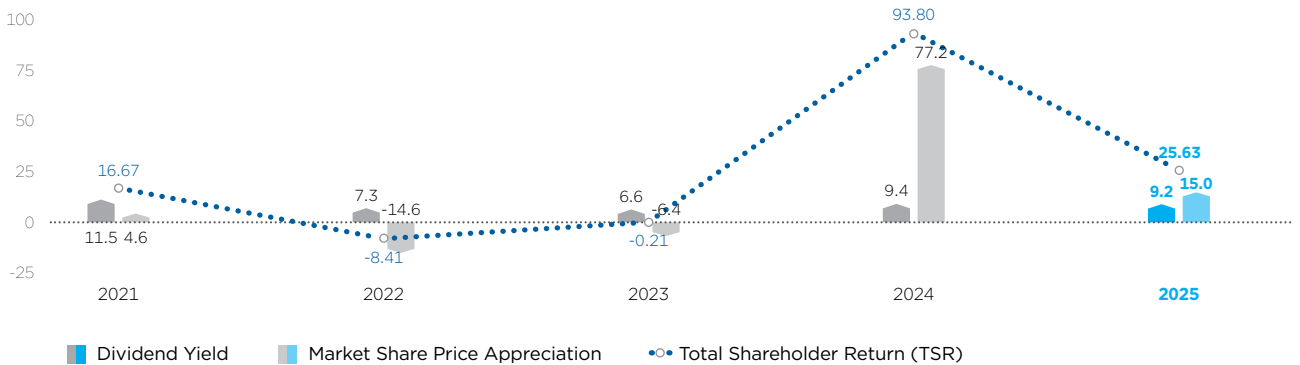
■ Earnings per Share (Rs.)
● Price Earnings Ratio (Times)

Investor Return

Dividend per share amounted to Rs. 17.00 which translates to a dividend yield of 9.2% based on the share price recorded as at end December 2025 compared to 9.4% recorded in 2024, whilst capital growth increased via a rebound in market share price by 15% in comparison to an increase reported in 2024 of 77.2%.

Total Shareholder Return also was 25.6% in 2025 in comparison to an increase reported in 2024 of 93.8%.

Market Share Price Appreciation, Dividend Yield and Total Shareholder Return (TSR)



Quarterly Results

A summary of the quarterly results for 2025 and 2024 based on the quarterly financial statements submitted to the Colombo Stock Exchange are tabulated below.

Interim Financial Statements Submitted to the Colombo Stock Exchange

	2025 1Q Rs. Mn.	2025 2Q Rs. Mn.	2025 3Q Rs. Mn.	2025 4Q Rs. Mn.	2025 Total Rs. Mn.	2024 1Q Rs. Mn.	2024 2Q Rs. Mn.	2024 3Q Rs. Mn.	2024 4Q Rs. Mn.	2024 Total Rs. Mn.
Turnover	7,395	5,680	6,400	4,913	24,388	7,061	5,285	5,994	4,622	22,962
Gross Profit	2,609	2,039	2,240	1,654	8,542	2,591	1,720	2,113	1,633	8,057
Operating Profit	1,853	1,363	1,502	903	5,621	1,889	1,043	1,429	928	5,289
Finance Income/ (Cost) - Net	30	46	37	47	160	111	32	48	52	243
Profit Before tax	1,883	1,409	1,539	951	5,782	2,000	1,074	1,477	980	5,531
Profit After Tax	1,318	990	1,087	652	4,047	1,402	748	1,031	674	3,855

Note: These results may not add up to the final results disclosed in the Audited Annual Accounts due to changes in presentation, classification, other adjustments and rounding-off.

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CORPORATE GOVERNANCE

The Board of Directors of Chevron directs the affairs of the Company and is committed to sound principles of corporate governance.

Board of Directors

The Board consists of 6 Directors, including 2 Independent Non-Executive Directors. As per the Board charter, the Board is responsible for the setting the overall direction, financial objectives and operational goals, reviewing and approving the annual plan, monitoring of performance against the objectives and goals, approval of quarterly and annual financial statements and major transactions. It monitors overall performance, risk management systems, the integrity of the Company's financial controls and the effectiveness of compliance program.

The Directors and CEO of the Company satisfy the Fit and Proper Assessment Criteria stipulated in Section 9.7 of the Listing Rules of the Colombo Stock Exchange.

Two non-executive directors out of the four non-executive directors are considered independent in terms of the guidelines issued by the Securities and Exchange Commission of Sri Lanka. As such, the following independent non-executive directors have declared their independence as per CSE corporate governance rule 9.8.5.(a) and as per CSE rule 9.8.5.(b) it is disclosed that the board of directors have determined the "independence" of the following independent non-executive directors' as per the declarations received.

*Asite Talwatte Independent Non-Executive Director	Determined as Independent
Harsha Cabral Independent Non-Executive Director	Determined as Independent
**Averil Ludowyke Independent Non-Executive Director	Determined as Independent

*Asite Talwatte (Resigned from the Board w.e.f. 01st May 2025)

**Averil Ludowyke (Appointed to the Board w.e.f. 01st May 2025)

Appointment of non-executive directors is based on the nominations made by the nominations and governance committee and the collective decision of the Board.

As per Article 84 of the Articles of Association one third of the directors of the Board have to retire by rotation at every Annual General Meeting. The Chairperson and Executive Directors are excluded in determining the Directors to retire. The person who has served for the longest period has to retire but is eligible for re-appointment.

The Board met five times during 2025 and the attendance is given below;

	Attended
Danielle Lincoln NED/Chairperson (Resigned w.e.f. 01.01.2026)	5/5
Bertram Paul ED	5/5
Erande De Silva ED	5/5
Haider Manasawala NED (Resigned w.e.f. 01.01.2026)	5/5
Asite Talwatte NED/IND	1/1
Harsha Cabral NED/IND	5/5
Averil Ludowyke NED/IND	4/4

NED = Non-Executive Director, ED = Executive Director, IND = Independent Director

Audit Committee

This Committee functions under a written charter, and consists of two non-executive independent directors namely Mrs. Averil Ludowyke, (Chairperson), Mr. Harsha Cabral and one non-executive director Mr. Haider Manasawala. The CEO/managing director and CFO/director attend the meeting as per CSE listing rule requirement 9.13.3. (5).

The primary function as per the charter is to assist the Board in fulfilling its responsibilities by reviewing the financial information which is provided to shareholders, the systems of internal controls which management and board of directors have established, compliance with laws, regulations and ethics, risk management, performance, qualifications and independence of the external auditors and the performance of the internal audit. Both the internal auditors and external auditors have direct access to the Audit Committee.

CORPORATE GOVERNANCE

The Board Audit Committee met five times during 2025 and the attendance is given below.

	Attended
Averil Ludowyke* (Appointed w.e.f. 01.05.2025)	4/4
Asite Talwatte* (Resigned w.e.f. 01.05.2025)	1/1
Harsha Cabral	5/5
Haider Manasawala	5/5

*Chairperson of Audit Committee

Mr. Bertram Paul - in the capacity of CEO/Managing Director and Mr. Erande De Silva - CFO/Director attended all five audit committee meetings by invitation as per CSE listing rule requirement 9.13.3. (5).

Remuneration Committee

The remuneration committee consists of three non-executive directors. This Committee reviews the salary and benefits programs of executive employees, including the executive directors.

	Attended
Harsha Cabral*	4/4
Averil Ludowyke (Appointed w.e.f. 01.05.2025)	3/3
Asite Talwatte (Resigned w.e.f. 01.05.2025)	1/1
Haider Manasawala	4/4

*Chairperson of the Committee

Directors Remuneration

Total remuneration paid to executive and non-executive directors are given in page 109 and the report of the Remuneration Committee is given in page 80.

Related Party Transactions Review Committee

The Committee consists of three non-executive directors. The scope of the committee would be to provide independent review, approval and oversight of related party transactions on the terms set forth in greater detail in the Committee Charter.

The Committee met four times during the year;

	Attended
Averil Ludowyke* (Appointed w.e.f. 01.05.2025)	3/3
Asite Talwatte* (Resigned w.e.f. 01.05.2025)	1/1
Harsha Cabral	4/4
Haider Manasawala	4/4

*Chairperson of the Committee

Mr. Erande De Silva Director/CFO attended all four related party transaction review committee meetings by invitation of the Committee.

Nominations and Governance Committee

This Committee functions under a written charter, and consists of two non-executive independent directors namely Mr. Harsha Cabral (Chairperson), Mr. Asite Talwatte and one non-executive director Ms. Danielle Lincoln.

The scope and object of the committee includes formulation of policies that provide the framework for the nomination, appointment, election and/or re-election of Directors to the Board and the appointment of members to Board committees, formulation of policies that set out the framework for governance of the Company including corporate governance policies and compliance manuals, evaluating the fitness and propriety of persons for appointment, election and/or re-election as Directors to the Board and making recommendations to Board, overseeing and evaluating the compliance by the Company with the governance framework.

The Board Nominations and Governance Committee met once during 2025 and the attendance is given below:

	Attended
Harsha Cabral*	1/1
Averil Ludowyke (Appointed w.e.f. 01.05.2025)	1/1
Danielle Lincoln	1/1

*Chairperson of the Committee

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CORPORATE GOVERNANCE

Corporate Governance Policies

The Company has established, implemented and maintains the following corporate governance policies pertaining to CSE Rule 9.2.1 and such policies have been made available on its website.

- (a) Policy on the matters relating to the Board of Directors
- (b) Policy on Board Committees
- (c) Policy on Corporate Governance, Nominations and Re-election
- (d) Policy on Remuneration
- (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- (f) Policy on Risk management and Internal controls
- (g) Policy on Relations with Shareholders and Investors
- (h) Policy on Environmental, Social and Governance Sustainability
- (i) Policy on Control and Management of Company Assets and Shareholder Investments Policy on Corporate Disclosures
- (k) Policy on Whistleblowing
- (l) Policy on Anti-Bribery and Corruption

No changes were made to the above mentioned corporate governance policies, since its adoption on 01st October 2024. The Company is compliant with the content of each of the above mentioned policies.

Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities

Our corporate values outlined in the Chevron Way serve as the foundation of the Business Conduct and Ethics Code (BCEC). It is about 'getting the results the right way'. Diversity and inclusion, high performance, integrity and trust, partnership, and protection of people and the environment are the core values that we embrace.

Employees at all levels are required to undergo mandatory training of the code and there is a robust compliance monitoring and reporting process in place.

Reference to Section 9.2.2 of the listing rules, no waivers or exemptions have been granted from compliance with the Internal Code of business conduct and ethics.

Policy on matters relating to the Board of Directors

The Board of Directors confirms in reference to Section 9.5.2 of the listing rules, compliance with the requirements of the policy on matters relating to the Board of Directors.

Investor Relations

Annual Report of the Company, quarterly reports and the Annual General Meetings are the principal means of communication with the shareholders. The Board is ready

to answer any questions raised at the Annual General Meetings. Shareholders may direct any questions or seek clarifications request for publicly available information by contacting the Company Secretary. The Company Secretary shall direct such concerns/ requests to the Board and the Board shall release such information so requested or address queries raised after careful consideration of relevant factors including the nature and sensitivity of the information requested. However, any information that must be mandatorily disclosed to a Shareholder by law/is in public domain, shall be disclosed without further consideration.

Protection of People and the Environment

We strive for world-class performance by implementing a rigorous system (Operational Excellence Management System) for managing risks to our employees, contractors, the public and the environment from our operations and products. Under the product stewardship, we manage risks of our products with everyone involved throughout the products' life cycle.

Compliance with the Corporate Governance Rules of Colombo Stock Exchange

Reference to CSE Rule 9.1.3 the Board of Directors confirms compliance with the Corporate Governance Rules of the Colombo Stock Exchange as the date of this Annual Report.

Compliance with the Section 9 Rules of the Colombo Stock Exchange on Corporate Governance

Rule No	Subject	Criteria	Compliance Status	Details
9.1.3	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to page 58 of the Corporate Governance Report.
9.2.3 (i)	Policies	Listed Entities shall disclose in its Annual Report the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website	Compliant	Please refer to page 58 of the Corporate Governance Report.
9.2.3 (ii)	Policies	Listed Entities shall disclose in its Annual Report details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Compliant	Please refer to page 58 of the Corporate Governance Report.
9.3.1	Board Committees	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Compliant	Please refer to pages 56 and 57 of the Corporate Governance Report.
9.3.2	Board Committees	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	Compliant	Please refer to pages 56 and 57 of the Corporate Governance Report.
9.3.3	Board Committees	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Compliant	Please refer to pages 56 and 57 of the Corporate Governance Report.
9.4.1	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretary maintains records of all resolutions and requisite information. The Company Secretary could provide extracts of such resolutions to the SEC and CSE if required.
9.4.2	Communication and relations with shareholders and investors	(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity	Compliant	Please refer to page 58 of the Corporate Governance Report.
		(b) Listed Entities shall disclose the contact person for such communication.	Compliant	Please refer to page 58 of the Corporate Governance Report.
		(c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity	Compliant	Please refer to page 58 of the Corporate Governance Report.
		(d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange	Compliant	Please refer to page 58 of the Corporate Governance Report. The Policy on Relations with Shareholders and Investors captures the content and is published on the company website.

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CORPORATE GOVERNANCE

Rule No	Subject	Criteria	Compliance Status	Details
9.5.1 and 9.5.2	Policy on matters relating to the Board of Directors	Compliance with the requirements of the policy referred to in rule 9.5.1. and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action	Compliant	Please refer to page 58 of the Corporate Governance Report. The Company has disclosed its compliance with the policy.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual	Compliant	Please refer to page 56 of the Corporate Governance Report and the Directors profiles on pages 16 to 23.
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Not Applicable	Chairperson is an Non-Executive Director. The role of Managing Director/CEO is held by a separate individual.
9.6.3 and 9.6.4	The Requirement for a SID	The Requirement for a SID	Not Applicable	N/A
9.7.1/ 9.7.2/ 9.7.4	Fitness of Directors & CEOs	Fit and Proper Assessment Criteria' as per rule 9.7.3.	Compliant	All Directors including the CEO, met the "Fit and Proper Assessment Criteria" as per rule 9.7.3. The persons nominated by the nominations and governance committee as directors have been assessed to be fit and proper as required in terms of rule 9.7.3, before such nominations were placed before the shareholder's meetings or appointments were made 9.7.4. Declarations were obtained from all Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the listing rules of the CSE.
9.7.5. (a)	Fitness of Directors & CEOs	Fit and Proper assessment criteria for Directors and CEOs as per rule 9.7.3	Compliant	As at 01st April 2025, All Directors inclusive of the CEO met the fit and proper assessment criteria stipulated in the listing rules of the CSE.
9.7.5. (b)	Fitness of Directors & CEOs (Disclosures in the Annual Report of Listed Entities)	Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s	Not Applicable	As 9.7.5.(a) was compliant.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Compliant	Please refer to the Annual Report of the Directors on page 75.
9.8.2	Minimum Number of Independent Directors	Two or one third of the Non- Executive Directors, whichever is higher should be independent	Compliant	As at the conclusion of the last AGM and throughout the financial year there were 2 Independent Directors.
9.8.3	Criteria for defining independence	As per defined criteria of the CSE listing rules	Compliant	Both Independent Directors met the criteria

CORPORATE GOVERNANCE

Rule No	Subject	Criteria	Compliance Status	Details
9.8.5 (a)	Independent Directors	Non Executive Directors should submit an annual declaration of his/her independence/non independence against specified criteria	Compliant	Please refer to page 56 of the Corporate Governance Report.
9.8.5.(b)	Disclosure relating to Directors	The Board shall make a determination annually as to the independence or non-independence of each Non-Executive Director. Names of the Directors determined to be independent to be disclosed in the Annual Report	Compliant	The Board made a determination against the criteria given in rule 9.8.3. Please refer to page 56 of the Corporate Governance Report of the names of the directors determined as independent.
9.8.5.(c)	Disclosure relating to Directors	If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	Not Applicable	No such disclosure was required, as the Independent Directors met the criteria for "independence" throughout the reporting period to the date of this annual report.
9.9	Alternate Directors	Rules 9.9 (a), (b), (c), (d), (e) and relevant Disclosures pertaining to Alternate Directors	Not Applicable	No Alternate Directors were appointed throughout the reporting period to the date of this annual report.
9.10.1		Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2	Compliant	The maximum number of directorships (25 other Companies) is captured in the policy on matters relating to the Board of Directors. None of the board members exceeded this maximum limit.
9.10.2	Disclosure relating to Directors	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement	Compliant	The Company made immediate market announcements of new appointments of directors during the year and as at this date.
9.10.3	Disclosure relating to Directors	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board and Board Committees	Compliant	The Company made immediate market announcements of new appointments of directors, changes / reconstitution of board committees during the year and as at this date.
9.10.4.(a)/ 9.10.4.(b)	Disclosure relating to Directors	Company shall publish a brief resume in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer to pages 16 to 23.
9.10.4.(c)	Disclosure relating to Directors	Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the directors or close family members have had any material business relationship with other directors of Chevron Lubricants Lanka PLC.
9.10.4.(d)	Disclosure relating to Directors	Whether Executive, Non-Executive and/or independent Director;	Compliant	Please refer to page 56 of the Corporate Governance Report.

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Rule No	Subject	Criteria	Compliance Status	Details
9.10.4.(e)	Disclosure relating to Directors	The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity	Compliant	Please refer to pages 16 to 23 of Directors Profiles
9.10.4. (f)	Disclosure relating to Directors	Number of Board meetings of the Listed Entity attended during the year	Compliant	Please refer to page 56 of the Corporate Governance Report.
9.10.4. (g)	Disclosure relating to Directors	Names of Board Committees in which the Director serves as Chairperson or a member	Compliant	Please refer to pages 56 to 57 of the Corporate Governance Report.
9.10.4. (h)	Disclosure relating to Directors	Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance Committee and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member	Compliant	Please refer to pages 56 to 57 of the Corporate Governance Report.
9.10.4. (i)	Disclosure relating to Directors	The terms of reference and powers of the SID	Not Applicable	Not applicable as the Company did not have a requirement for a SID.
9.11.1	Nominations and Governance Committee	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11	Compliant	Please refer to the Nominations & Governance Committee report on pages 83 and 84, and Corporate Governance on page 57.
9.11.2	Nominations and Governance Committee	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	Compliant	Captured in the Nominations and Governance Committee Terms of Reference/Charter
9.11.3	Nominations and Governance Committee	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	Captured in the Nominations and Governance Committee Terms of Reference/Charter
9.11.4 (1)	Nominations and Governance Committee Composition	The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity (b) not comprise of Executive Directors of the Listed Entity	Compliant	Please refer to the Nominations & Governance Committee report on pages 83 and 84.
9.11.4 (2)	Nominations and Governance Committee Composition	An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors	Compliant	Please refer to the Nominations & Governance Committee report on page 83.
9.11.4 (3)	Nominations and Governance Committee Composition	The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity	Compliant	Please refer to the Nominations & Governance Committee report on page 83.
9.11.5	Functions of the Nominations and Governance Committee	Functions 9.11.5 (i) to (x)	Compliant	Captured in the Nominations and Governance Committee Terms of Reference/Charter

CORPORATE GOVERNANCE

Rule No	Subject	Criteria	Compliance Status	Details
9.11.6	Nominations and Governance Committee Disclosures in the Annual Report	Disclosures 9.11.6 (a) to (m) to be included in the Nominations and Governance Committee Report	Compliant	Please refer to the Nominations & Governance Committee report on page 84.
9.12.2./ 9.12.3./ 9.12.4./ 9.12.5.	Remuneration Committee	A listed entity shall have a Remuneration Committee	Compliant	Please refer to the Remuneration Committee report on page 80 and Corporate Governance on page 57.
9.12.6. (1)	Composition of Remuneration Committee	Remuneration Committee (RC) shall comprise: (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity (b) not comprise of Executive Directors of the Listed Entity	Compliant	Out of the three members of the Remuneration Committee two are Independent Non-Executive Directors and one is a Non-Executive Director. None of the members of the Committee are Executive Directors.
9.12.6. (2)	Composition of Remuneration Committee	An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	Compliant	Please refer to the report of the Remuneration Committee appearing on page 80.
9.12.7	Functions of the Remuneration Committee	The RC shall recommend the remuneration payable to the Executive Directors/and Chief Executive Officer to the Board which will make the final determination. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO	Compliant	Please refer to the report of the Remuneration Committee appearing on page 80.
9.12.8. (a)/ 9.12.8. (b)/ 9.12.8. (c)	Disclosure relating to Remuneration Committee	Annual report shall set out the names of Directors in the RC, contain a statement of the remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors	Compliant	Please refer to the report of the Remuneration Committee appearing on page 80.
9.13.1 and 9.13.2	Audit Committee	The Company shall have an Audit Committee. Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules	Compliant	Please refer to the Audit Committee Report given on pages 78 and 79.
9.13.3 (1)	Composition of the Audit Committee	The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors (b) not comprise of Executive Directors of the Listed Entity	Compliant	Please refer to the Audit Committee Report given on page 78.
9.13.3 (2)/ (3)/(4)	Composition of the Audit Committee	The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors	Compliant	Please refer to the Audit Committee Report given on page 78.

CORPORATE GOVERNANCE

Rule No	Subject	Criteria	Compliance Status	Details
9.13.3 (5)	Composition of the Audit Committee	CEO and CFO shall attend all Audit Committee Meetings by invitation	Compliant	Chief Executive Officer and Chief Financial Officer attended all Audit Committee meetings by invitation.
9.13.3 (6)	Composition of the Audit Committee	The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body	Compliant	The Chairperson of the Audit Committee is a Fellow member of the Institute of Chartered Accountants of Sri Lanka
9.13.4	Functions of the Audit Committee	Should be as outlined in the 9.13.4 of the listing rules to be effective from 01st October 2024	Compliant	Please refer to the Audit Committee report given on pages 78 and 79. and the Corporate Governance Report on page 56.
9.13.5 (1)	Disclosures in the Annual Report relating to Audit Committee.	The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity	Compliant	Please refer to the Audit Committee report given on pages 78 and 79.
9.13.5 (2)	Disclosures in the Annual Report relating to Audit Committee.	The Audit Committee Report disclosures	Compliant	Please refer to the Audit Committee report given on pages 78 and 79.
9.14.1	Related Party Transactions Review Committee	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82 Please refer to page 57 of the Corporate Governance Report.
9.14.2. (1)	Composition of the RPTRC	The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
	Composition of the RPTRC	An Independent Director shall be appointed as the Chairperson of the Committee	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
9.14.3 and 9.14.5	Functions of Related Party Transactions Review Committee	All relevant Related Party Transactions should be reviewed by the Related Party Transactions Review Committee (RPTRC)	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
9.14.4. (1)	Frequency of meetings	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors	Compliant	Please refer to the Corporate Governance report appearing on pages 81 and 82.
9.14.8. (1)/ 9.14.8. (2)	Disclosures in the Annual Report relating to Related Party Transactions	Disclosure of Non-Recurrent Related Party Transactions & Recurrent Related Party Transactions exceeding specified threshold criteria	Compliant	Please refer to the Corporate Governance report appearing on page 65.

CORPORATE GOVERNANCE

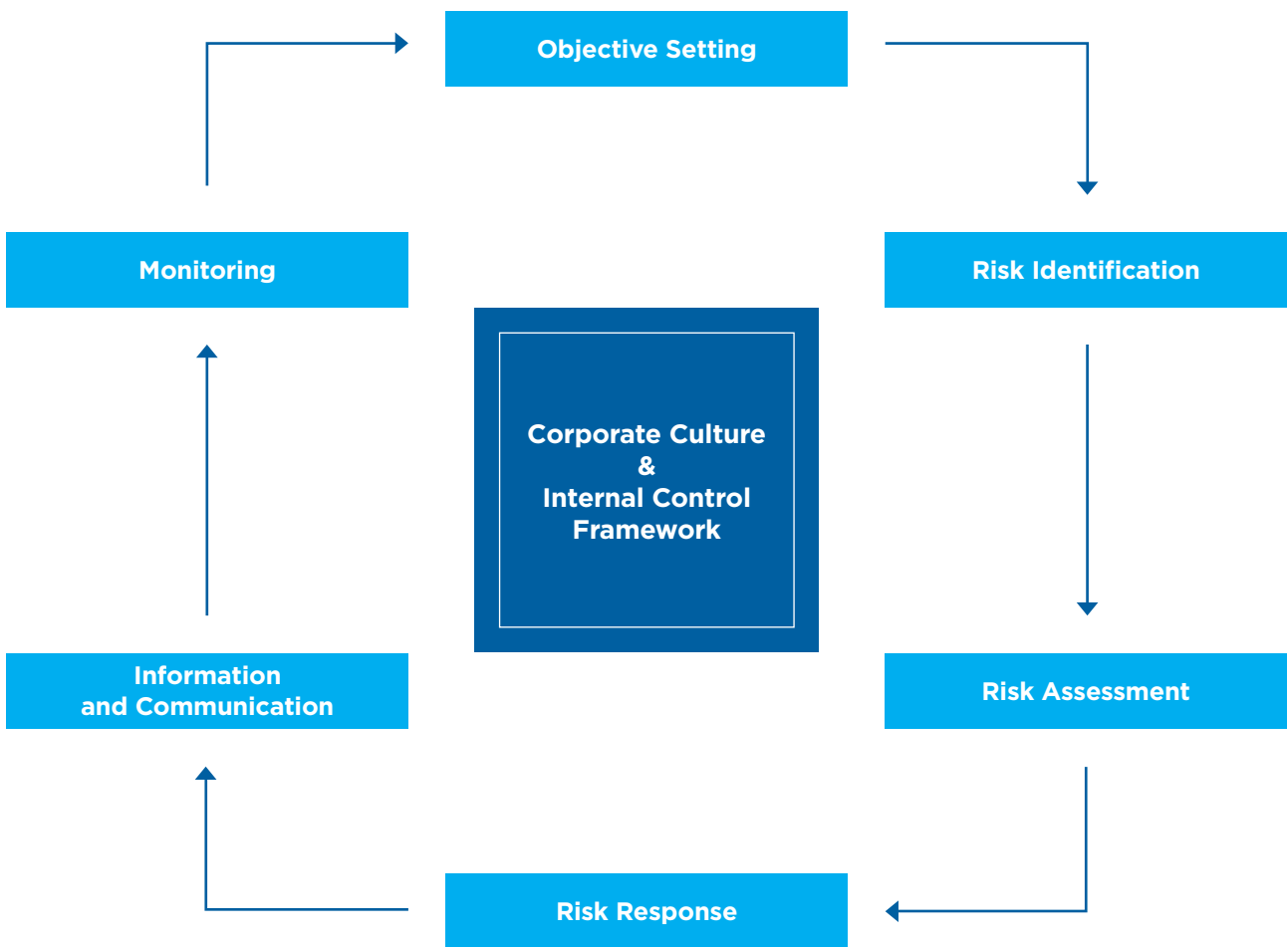
Rule No	Subject	Criteria	Compliance Status	Details
9.14.8. (3)	Disclosures in the Annual Report relating to RPTRC	Names of the Directors comprising the Committee	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
		A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments/Observations to the Board of Directors	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
		The Policies and procedures adopted by the Committee for reviewing the Related Party Transactions	Compliant	Please refer to the report of the Related Party Transaction Review Committee appearing on pages 81 and 82.
9.14.8. (4)	Declaration by Board of Directors	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions	Compliant	Report of the Directors on page 75 & Related Party Transaction Review Committee Report on pages 81 and 82.
9.17. (i)	Additional Disclosures	A declaration by the Board of Directors that they have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Please refer to the Annual Report of the Directors on page 75.
9.17. (ii)	Additional Disclosures	A declaration by the Board of Directors that they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith	Compliant	Please refer to the Annual Report of the Directors on page 75.
9.17. (iii)	Additional Disclosures	A declaration by the Board of Directors that they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions	Compliant	Please refer to the Annual Report of the Directors on page 76.
9.17. (iv)	Additional Disclosures	A disclosure by the Board of Directors of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	Compliant	Nil Disclosure. Please refer to the Annual Report of the Directors on page 76.

Compliance with the section 9.14.8.(2) of Listing rules of the Colombo Stock Exchange Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of the related Party Transactions entered in to during the Financial Year (LKR)	Aggregate value of the related Party Transactions as % of Net Revenue	Terms and Conditions of Related Party Transactions
Chevron Singapore Pte Limited	Subsidiary of the ultimate parent	Purchase of Raw Materials for Blending of Lubricants	5,002,920,126	21%	As per the Purchase Agreement between the two entities, on commercial terms.
Chevron Singapore Pte Limited	Subsidiary of the ultimate parent	Services obtained for Lubricant Business, Procurement, HES, Legal, IT, HR	986,458,193	4%	As per the Service Level Agreement between the two entities.
5,989,378,320			25%		

RISK MANAGEMENT

The Company encounters varied risks that originate from the micro and macro environment, which would impact the value creation and preservation process. The Company's risk management process involves setting corporate objectives, identification of risks, assessing their likelihood and severity, risk response, information and communication and periodic monitoring. The key risks faced by the Company are mapped in a detailed risk register, assessed and profiled based on its potential impact and likelihood and are managed through risk response strategies.



(Risk Management Process)

The audit committee spearheads the risk management process through periodic assessment and monitoring and cascades to the management committee for implementation and execution. Risk management is deeply rooted and embedded in our corporate culture.

RISK MANAGEMENT

Internal Control Framework

Our policy is to conduct our business in accordance with the highest standards of integrity and ethics, and in compliance with all applicable laws. The Company implements, and maintains effective internal controls to guide and monitor compliance with applicable legal requirements and to maintain reliable and accurate financial reporting.

We have adopted the “Internal Control - Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to document, catalog, assess and maintain our systems of internal controls over financial reporting. The COSO framework emphasizes publicly traded companies to adopt an internal control framework that is free from bias; allows for reasonably consistent qualitative and quantitative measurements of the Company’s internal controls; is complete, and enables an objective evaluation of internal controls over financial reporting.

Risk assessment and profiling

Each identified risk is assessed based on the likelihood of it materializing and the potential impact it would have on the entity. Audit committee and management judgment remain crucial to assessing likelihood of a potential risk, whilst the severity is determined by assessing the potential financial and non-financial impact a particular risk would exert on realizing envisaged corporate objectives.

A composite risk score is ascertained based on the likelihood and impact ratings. The composite score is fundamental in scientifically profiling risks through a matrix and in prioritizing appropriate risk response strategies.

Conceptual Model of the Risk Matrix

Likelihood	5	Almost Certain	5	10	15	20	25
	4	Likely	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Unlikely	2	4	6	8	10
	1	Remote	1	2	3	4	5
			Very Low	Low	Medium	High	Very High
			1	2	3	4	5
			Impact				

Risk Rating	Low	Moderate	High
Risk Score (RS)	5>RS	10>RS>5	25>RS>10

RISK MANAGEMENT

Following are some of the key risks faced by the Company.

Business Risk

Loss of Volumes/ Market Share

The Company faces the risk of losing volumes due to negative market growth, intense competition from existing players, new entrants and unlicensed operators in the market who sell adulterated products. A more effective regulatory mechanism is required to curb such illegal activities that affect the industry. The export volumes may be affected by macro-economic developments, political unrest, fiscal policies of the respective geographies.

Risk response

The Company manages these risks through customer and channel partner education, marketing communication on product value propositions, creating awareness among the relevant stakeholders and leveraging on the brand equity. We also have regular dialog and interaction with the Public Utility Commission of Sri Lanka, Ministry of Energy and other relevant authorities to offer constructive suggestions to regulate the industry and protect the interests of the customers and maintain high product standards.

Dependence on Business Partners

Some of the critical operations of the Company, such as handling warehouse operations,

transportation & distribution have been outsourced. Any business disruption in the operations of such business partners may affect the Company's operations.

Risk response

The Company conducts regular supplier evaluations and benchmarking of such activities to re-validate the decision parameters of outsourcing. We believe that we maintain excellent relationships with our business partners and we share best practices with them. In addition, the Company has developed contingency plans to face any disruptions in critical outsourced activities.

Health, Environment and Safety Risk

These risks relate to incidents and events that could cause injuries to employees and disrupt day to day business operations and cause damage to the environment. Damages to the environment could lead to legal claims and reputational risk.

Risk response

Protecting people and the environment is one of the core values advocated in the "Chevron Way," which defines who we are, what we do, what we believe and what we plan to accomplish. The underlying principles and expectations are safety and incident free operations, advocacy, compliance assurance, conservation, product stewardship, pollution prevention, and emergency management. Chevron Operation

Excellence (OE) provides for the overarching systematic management of safety, health and environment, reliability and efficiency to achieve world class performance.

Operational Risk

These are risks that could arise due to systems and procedure failures, human error, fraud, lack of internal control and corporate governance practices. The occurrence of any of these may have an adverse impact on profitability, competitiveness, reputation and conducting overall business operations.

Risk response

The Company has deployed policies, processes and procedures to ensure integrity of transactions, whilst also adopting controls mandated by Sarbanes-Oxley Act (SOX). Any deviations or gaps identified are reported, investigated and corrective action taken. The value chain activities from supply chain to distribution cum sales and marketing have been integrated on a central ERP system, supplemented with standardized processes. Further, these processes, systems and controls are subjected to periodic review by internal auditors and BSI auditors.

Financial Risk

Foreign Exchange Risk

As most of the raw materials are imported, the depreciation of the LKR against the US dollar adversely affects our product acquisition costs.

Risk response

The Company consistently monitors foreign exchange movement and related economic indicators. Best possible rates are negotiated with banks for settlements of bills, whilst flexible settlement terms are negotiated with key suppliers. Hedging techniques such as forward contracts and matching assets against liabilities denominated in foreign currency to a certain extent is within the Company's framework of response strategies to manage a currency volatility to a certain degree and foreign exchange risk.

However, foreign exchange volatility at exceptional levels and acute foreign exchange (USD) liquidity shortage in the Sri Lanka Banking system, would certainly challenge the Company's efforts in effectively responding to the risk.

Credit Risk

The Company grants unsecured credit for some of our customers which could lead to bad debts. However, a major proportion of the credit granted is fully secured.

Risk response

Stringent credit controls are in place to limit and monitor the exposures on unsecured credit.

Cybersecurity Risk

The potential loss resulting from a cyber-attack or data breach on the organization or the Company's technical infrastructure.

Risk response

Chevron Lubricants Lanka PLC practices a systematic approach to Cybersecurity Risk for all of its business units and subsidiaries. The Cybersecurity Risk management life cycle is based on and follows the National Institute of Standards and Technology (NIST) Cybersecurity Framework. This framework provides the structure for our Cyber Risk Management policies, procedures and guidance.

Pandemic Risk

Risk of a contagious disease spreading amongst Company employees/contract staff, impacting staff and operations of key business partners and customers of the Company.

Risk response

Activate the business continuity plan (BCP)/emergency response plan (ERP) during a potential pandemic situation. Adapt to global/national health and safety requirements as the pandemic unfolds. The Company's designated Crisis Management Team (CMT) to lead planning and execution of BCP and ERP during a pandemic.

CLIMATE-RELATED DISCLOSURES 2025

1. About this disclosure

This disclosure has been prepared in accordance with Sri Lanka Financial Reporting Standards (“SLFRS”) General Requirements for Disclosure of Sustainability-related Financial Information (“SLFRS S1”) and Climate-related Disclosures (“SLFRS S2”) published in the gazette extraordinary 2393/31 dated 18 July 2024 issued under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and represents the disclosures for Chevron Lubricants Lanka PLC (“Chevron Sri Lanka”, “the Company”, or “the entity”). This is the first annual disclosure of the Company based on SLFRS S2. Pursuant to the relief granted under Paragraph E5 of the SLFRS S1, Chevron Sri Lanka has only included information on “climate-related risks and opportunities (in accordance with SLFRS S2)” and applied the requirements for SLFRS S1 to the extent they relate to the disclosure of information on “climate-related risks and opportunities” for this first reporting year. The disclosure covers a 12-month period for the year ended 31 December 2025, which is aligned with the reporting period of the related financial statements of the Company. The climate-related financial disclosures cover the same reporting entity as the related financial statements.

SLFRS S1 and SLFRS S2 purport to set out disclosure requirements for an entity to provide information to primary users of its general purpose financial report about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, access to finance or cost of capital over the short, medium or long term. In the

process of preparing this disclosure, the Company used “reasonable and supportable information” available “without undue cost or effort” as of the reporting date, including information about past events, current conditions and forecasts of future conditions. For purposes of this disclosure, “materiality” has been assessed pursuant to SLFRS S2 and not under any other definitions or regulatory regimes. The Company has exercised judgment in the process of identifying climate-related risks and opportunities and identifying material information to report.

The Company has prepared its disclosure for “existing and potential investors, lenders, and other creditors” in their decisions about “buying, selling, or holding equity and debt instruments, providing or selling loans and other forms of credit; or exercising rights to vote on, or otherwise influence, the Company’s management’s actions that affect the use of the entity’s economic resources”, to the extent relevant to Chevron Sri Lanka. This disclosure should not be reviewed or relied upon by any other person or entity and was not created for any purpose other than fulfilling disclosure requirements under SLFRS S1 and SLFRS S2 issued under the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 read together with the Listing Rules of the Colombo Stock Exchange (Rule 7.5 (a)(i)(b)).

This disclosure is based on information, assumptions, and judgments as of the date of this disclosure. Actual outcomes may differ materially due to changes in circumstances, emerging risks or opportunities, or the availability

of new or revised information. The disclosure of greenhouse gas emissions is not a guarantee of future performance. The Company does not undertake any obligation to update the statements of intention, data, disclosure or other information contained herein except as required by law. With any updates, the content of this disclosure may be reassessed or updated as conditions evolve. In addition, this disclosure contains terms used by the above-referenced reporting framework that may be subject to varying interpretations depending on context, or individual understanding.

2. Governance

The Board of Directors of the Company (the Board”) directs the affairs of the Company. Through responsibilities enumerated in the Board Charter, the Board sets the overall direction, monitors financial and operational performance, provides oversight of risk management systems, and approves strategy. The Board has delegated the management of certain day-to-day operations to the Managing Director/Chief Executive Officer and senior management team and is to be kept apprised of the ongoing status of these matters. This governance is intended to facilitate the Board and management accountability for the Company’s performance and strategic direction; this would include the monitoring, management, and oversight of “climate-related risks and opportunities” as defined by SLFRS S2 to the extent such risks and opportunities exist and could reasonably be expected to affect the Company’s prospects.

CLIMATE-RELATED DISCLOSURES 2025

The Board consists of six Directors, including two Independent Non-Executive Directors. The Board considers its composition on an annual basis to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company, which would include “climate-related risks and opportunities” as defined by SLFRS S2 to the extent such risks and opportunities are material for Chevron Sri Lanka.

The Board typically convenes on a quarterly basis. These meetings provide a forum for the Board to be informed of relevant matters that may affect the Company, which could include information about potential climate-related risks and opportunities as appropriate.

The Company considers various inputs and tradeoffs when implementing its strategy, assessing major transactions and its risk management processes. Climate-related risks or opportunities as defined by SLFRS S2 did not form an explicit consideration in strategy, major transactions, or risks management in 2025 as no risks or opportunities that could reasonably be expected to affect the Company’s prospects were identified.

As of the reporting period, the Company has not established any “climate-related targets,” including greenhouse gas (“GHG”) emissions reduction targets, interim milestones, or other quantitative or qualitative climate-related goals. As such, the Board has not provided oversight over the setting of targets related to climate-related risks or opportunities.

3. Strategy

Pursuant to SLFRS S2, Chevron Sri Lanka reviewed reasonable and supportable information that was available to the Company as of the reporting date “without undue cost or effort” about potential climate-related risks and opportunities that could reasonably be expected to affect Chevron Sri Lanka’s cash flows, access to finance or cost of capital, including climate-related risks and opportunities arising within the Company’s “value chain.” The Company assessed whether disclosure of that information would be useful to “existing and potential investors, lenders, and other creditors” in their decisions about “buying, selling, or holding equity and debt instruments, providing or selling loans and other forms of credit; or exercising rights to vote on, or otherwise influence, the Company’s management’s actions that affect the use of the entity’s economic resources”, to the extent relevant to Chevron Sri Lanka. The Company considered information about “past events, current conditions, and forecasts of future events.”

Based on the foregoing assessment under SLFRS S2, Chevron Sri Lanka did not identify climate-related risks or opportunities that have had an actual material effect on Chevron Sri Lanka’s prospects in fiscal year 2025 (short term) or a potential material effect within the business planning cycle (medium term). For potential effects to Chevron Sri Lanka’s prospects beyond five years (long term), Chevron Sri Lanka’s consideration of “forecasts of future conditions” did not identify information that provided a reasonable and supportable basis in which to find that a climate-related

risk or opportunity was reasonably expected to materially affect Chevron Sri Lanka’s prospects, as defined by SLFRS S1 and S2. As such, paragraphs 9-21 of SLFRS S2 are not applicable.

Pursuant to SLFRS S2, disclosure of climate resilience is not mandatory for two years from the date of mandatory application of the SLFRS S2 to the Company, and therefore it is not included in this disclosure.

4. Risk Management

The Company encounters varied risks that may affect the Company’s operations and strategy and manages these risks through integrated risk management processes. The potential for “climate-related risks,” as defined by SLFRS S2, to affect the Company, like any other risks, would be considered through these integrated risk management processes.

The Board Audit Committee assists the Board in its responsibilities related to risk management. The risk management process involves setting corporate objectives, identification of risks, assessing their likelihood and severity, risk response, information and communication and periodic monitoring. The key risks faced by the Company are assessed and profiled based on its potential impact and likelihood and are managed through risk response strategies. Each identified risk is assessed based on the likelihood of it materializing and the potential magnitude of impact it would have on the entity, if any. Audit committee and management judgment inform the likelihood of a potential risk, while the severity is determined by assessing the

CLIMATE-RELATED DISCLOSURES 2025

potential qualitative and quantitative impacts a particular risk would exert on the Company. To the extent that “climate-related risks,” as defined by SLFRS S2, arise for Chevron Sri Lanka, they would be considered by this process, and the inputs and parameters would be defined as appropriate for the considered risk. The Company would not categorize risks as “climate-related” or “prioritize climate-related risks relative to other types of risks,” as stated in SLFRS S2.

The Company’s management of risk is further aided by other systems and processes, including by implementing an operational management system that considers potential physical impacts of climate change to Chevron Sri Lanka activities and potential climate-related policy risks.

In pursuing potential opportunities, including potential “climate-related opportunities,” as defined by SLFRS S2, and to the extent they exist, the Company considers internal and external factors aligned with its vision to be the pre-eminent marketer of lubricants in Sri Lanka, assesses these opportunities for their potential value, feasibility, and risks, and then prioritizes those opportunities with the greatest potential value.

The Company does not use climate-related scenario analysis to inform its identification of climate-related risks or opportunities.

5. Metrics and Targets

5.1 Climate-related metrics

Based on the assessment pursuant to SLFRS S2 as described in Section 3, Chevron Sri Lanka did not identify climate-related risks or opportunities that have had an actual material effect on Chevron Sri Lanka’s prospects in fiscal year 2025 (short term) or a potential material effect within the business planning cycle (medium term). For potential effects to Chevron Sri Lanka’s prospects beyond five years (long term), Chevron Sri Lanka’s consideration of forecasts of future events did not identify information that provided a reasonable and supportable basis in which to find that a climate-related risks or opportunity was reasonably expected to materially affect Chevron Sri Lanka’s prospects, as defined by SLFRS S2. As such, the disclosure of the following metrics are not related to Chevron Sri Lanka’s “performance in relation to its climate-related risks and opportunities,” and should not be considered material information as defined by SLFRS S2.

In reporting year 2025, the Company’s Scope 1 absolute gross greenhouse gas (GHG) emissions were 194 tonnes of carbon dioxide equivalent (tCO₂-e) and its Scope 2 (location-based) emissions were 577 tCO₂-e. Disclosure of Scope 3 GHG emissions is not mandatory at this time as per paragraph C4(b) of the SLFRS S2 and is not included in this disclosure.

For the measurement of the Scope 1 and 2 GHG emissions, the Company follows methodologies set out under the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). The boundaries for Chevron Sri Lanka’s GHG emissions inventory were set with reference to the methodology described in the GHG Protocol and encompasses operations controlled by Chevron Sri Lanka, which covers the same reporting boundary as in the related financial statement.

Emissions factors were sourced from the API Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry 2021 for Scope 1 emissions and the International Energy Agency’s (“IEA”) Emission Factors 2024 published on September 20, 2024 for Scope 2 emissions. Global warming potentials (“GWP”) are based on values from the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report, 2020 (AR6). The Company has estimated its GHG emissions using this approach to comply with the disclosure requirements of SLFRS S2 and based on its judgment that the selected emission factors “best represent” the entity’s activity as its basis for measuring its GHG emissions.

Disclosure of the inputs that Chevron Sri Lanka chooses to use in its decision-making, including information pursuant to SLFRS S2 29(f), is considered commercially sensitive information that underpins Chevron Sri Lanka’s strategy (including on climate-related opportunities), the disclosure of which could reasonably prejudice seriously the Company.

CLIMATE-RELATED DISCLOSURES 2025

Climate-related considerations related to the Company are not factored into executive remuneration.

Based on the assessment pursuant to SLFRS S2 as described in Section 3, Chevron Sri Lanka did not identify climate-related risks or opportunities that have had an actual material effect on Chevron Sri Lanka's prospects in fiscal year 2025 (short term) or a potential material effect within the business planning cycle (medium term). For potential effects to Chevron Sri Lanka's prospects beyond five years (long term), Chevron Sri Lanka's consideration of forecasts of future events did not identify information that provided a reasonable and supportable basis in which to find that a climate-related risks or opportunity was reasonably expected to materially affect Chevron Sri Lanka's prospects, as defined by SLFRS S2. As such, industry-based metrics under paragraphs 29(b)-(e) and 32 under SLFRS S2 are not applicable.

5.2 Climate-related targets

As of the reporting period, the Company has not established any "climate-related targets," GHG emissions reduction targets, interim milestones, or other quantitative or qualitative climate-related goals. Nor is the Company currently subject to any law or regulation that requires the company to set, maintain, or meet a Company-specific greenhouse gas emission reduction target.

ANNUAL REPORT OF THE DIRECTORS

The Directors of Chevron Lubricants Lanka Plc are pleased to present their report together with the audited financial statements for the year ended 31st December 2025.

Structure and Nature of the Business

Chevron Corporation
(through Chevron Ceylon Ltd)

51%

The core business activity of the company is the import, manufacturing/blending, distribution and marketing of lubricant products, greases, brake fluid, specialty products for domestic and certain export markets. The review of business activities for the year 2025 and the likely future developments are covered in detail under the Managing Director's review, and management discussion and analysis.

Review of Business Performance

A review of the financial and operational performance of the business is given in the Chairperson's review, Managing Directors review, Management discussion and analysis, Financial review and the Financial Statements.

Financial Statements

The financial statements prepared in accordance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka are given on pages 88 to 127.

Accounting Policies

All the significant accounting policies adopted by the Company are given in note 2 to the financial statements. There were no changes in the accounting policies adopted by the Company during the year.

Profits and Appropriations

The profit after tax was Rs. 4,047 million (2024: 3,855 million) and total comprehensive income for the period amounted to Rs. 4,059 million (2024: 3,836 million).

Information on Dividends and Reserves are given below.

- First interim dividend paid on 16th June & 27th June 2025 at Rs. 4.00 per share
- Second interim dividend paid on 17th November & 28th November 2025 at Rs. 5.00 per share
- Third interim dividend paid on 16th March & 27th March 2026 at Rs.7.00 per share

For the year ended 31 December 2025	(Rs. Million)
Profit after tax	4,047
Balance brought from previous year	7,974
Third Interim Dividend of FY 2024 of Rs. 8.00 per share paid on 27th March 2025	(1,920)
First Interim Dividend of Rs. 4.00 per share paid on 27th June 2025	(960)
Second Interim Dividend of Rs. 5.00 per share paid on 28th November 2025	(1200)
Unclaimed Dividend transferred to Retained Earnings	4
Re-measurement of defined benefit obligations	12
Balance carried forward to 2026	7,957

No final dividend has been proposed by the Board.

Property, Plant & Equipment

Capital expenditure incurred during 2025 including work-in-progress amounted Rs. 177,980,838 (2024: Rs. 173,535,398). The movements in Property, Plant & Equipment are given in Note 13.1 to the Accounts.

ANNUAL REPORT OF THE DIRECTORS

Intangible Assets

Capital expenditure incurred during 2025 including work-in-progress amounted Rs. 92,984,289 (2024: Rs. Nil). The movements in Intangible Assets are given in Note 13.2 to the Accounts.

Donations

No donations were made by the Company during the year (2024: Nil). However, the Company incurred Rs. 16,271,708 on social responsibility programs during the year (2024: 17,963,630). The details of the social responsibility programs are given in the corporate social responsibility report.

Directorate

The following served as Directors of the Company during the year 2025:

Danielle Lincoln
(resigned w.e.f. 01.01.2026)

Bertram Paul

Erande De Silva

Asite Talwatte
(resigned w.e.f. 01/05/2025)

Haider Manasawala
(resigned w.e.f. 01/01/2026)

Harsha Cabral

Averil Ludowyke
(appointed w.e.f. 01/05/2025)

*Marc Bouchebl was appointed to the board with effect from 01.01.2026.

*Ching San Lim was appointed to the board with effect from 01.01.2026.

Mr. Marc Bouchebl who was appointed by the Board since the last Annual General Meeting, retires at the forthcoming Annual General Meeting and is eligible for re-election

in terms of article 91 of Articles of Association of the Company.

Mr. Ching San Lim who was appointed by the Board since the last Annual General Meeting, retires at the forthcoming Annual General Meeting and is eligible for re-election in terms of article 91 of Articles of Association of the Company.

In terms of Article 85 of Articles of Association of the Company Ms. Averil Anne Ludowyke retires by rotation at the Annual General Meeting and is eligible for re-election.

Director's Shareholdings

Shareholdings of the Directors including alternates and spouses are detailed below:

None of the Directors hold shares in the Company.

Director's Independence

Asite Talwatte, Harsha Cabral and Averil Ludowyke functioned as independent directors of the Company. Asite Talwatte resigned from the board with effect from 01.05.2025. Averil Ludowyke was appointed to the board as an independent director with effect from 01.05.2025.

As per the rules on corporate governance (section 9.18.2.b) stipulated by the Colombo Stock Exchange each of the above directors have made written declarations. Accordingly, Asite Talwatte and Harsha Cabral met all the criteria of independence until 01.05.2025. Harsha Cabral and Averil Ludowyke meet all the criteria of independence from 01.05.2025 onwards.

Information on Company's compliance with other rules on corporate governance are given in corporate governance report in page 56.

Remuneration and other benefits of Directors

The remuneration and the value of other benefits received by the Directors are given in page 126.

Directors Interests in Contracts

Directors' interests in contracts are disclosed in Note 26 to the accounts and have been declared at the meeting of the Directors.

The relevant Directors have refrained from voting on matters in which they were materially interested.

Other Directorships held by the Directors

Other directorships held by the Directors have been disclosed with the Directors profiles on pages 16 to 23. These have been entered in the Interest Register.

Related Party Transactions

The company procures most of the raw materials from Chevron group companies in the ordinary course of business. In addition, the Company obtains and pays for various services provided by the group. The details of such transactions are given in note 26 to the Financial statements. The Directors believe that the Company has fully complied with the rules of the Colombo Stock Exchange relating to related party transactions. Report of the related party transactions review committee is given on pages 81 and 82.

ANNUAL REPORT OF THE DIRECTORS

Share Information

Information relating to market value of shares, public shareholding and top 20 shareholders are given in pages 130 to 132.

Post Balance Sheet Events

The third interim dividend for 2025 of LKR 7.00 per share amounting to LKR 1,680,000,000.00 was declared on 26 February 2026 and paid on 16 March and 27 March 2026.

Reference to Note 27 to the financial statements in page 127, other than the note disclosed in Note 27 (a), there have been no other events subsequent to the Balance Sheet date which would have material effect on the company or require disclosure or adjustment to the Financial Statements.

Internal Controls

Directors are responsible for devising proper internal controls to ensure that the proper books of accounts are maintained, the integrity of financial statements, assets are safeguarded, transactions are executed by those who have appropriate authority and there is proper segregation of duties. The Board Audit committee reviews the internal audit reports to ensure established controls are adhered and any deviations reported and remediated. A whistle blowing mechanism is in place to report any violations of internal controls and Business conduct and ethics code. Based on the internal control framework described above the Board is satisfied with the

effectiveness of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith for the period under review.

Laws, Rules and Regulations

The Board of Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

The Board of Directors have no disclosures to be made of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Chevron Lubricants Lanka PLC has operations.

Statutory Payments

The Board of Directors confirms that to the best of their knowledge all statutory payments for the financial year have been paid or where relevant provided for.

Auditors

The financial statements for the year have been audited by Messrs Deloitte Partners (chartered accountants). They were paid Rs. 7,925,943 (2024: Rs. 4,782,997) as audit fees and Rs. 285,125 (2024: Rs. 112,750) for issue of solvency certificates.

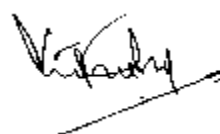
A resolution proposing their re-appointment as Auditors of the Company will be tabled at the Annual General Meeting.

The Auditors have confirmed that they do not have any relationship with or interests in the Company other than that of an auditor.

Annual General Meeting

The Board of Directors have decided the 33rd Annual General Meeting will be held on Friday 29th May 2026 at 4.00p.m. at Level 6, Public Forum, The Institute of Chartered Accountants of Sri Lanka, 30A, Malalasekera Mawatha, Colombo 07.

By order of the Board of Directors



Bertram Paul

Managing Director/CEO



Erande De Silva

Director/CFO/Company Secretary

30 April 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Companies Act 07 of 2007 stipulates that Directors are responsible for the preparation of financial statements for each financial year and place before a general meeting financial statements, comprising of a Statement of Comprehensive Income and a Statement of Financial Position which presents a true and fair state of the Company as at the end of the financial year and which comply with the requirements of the above Act. The financial statements have been prepared and presented in accordance with all relevant Sri Lanka Financial Reporting Standards and Accounting Standards. The financial statements include amounts that are based on management's best estimates and judgments.

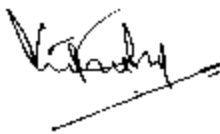
As per the Section 148 of the Act the Directors are also required to maintain sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to ensure that the financial statements presented comply with the requirements of the Companies Act.

The directors are also responsible for devising proper internal controls for safeguarding the assets of the company against unauthorized use or disposition and prevention and detection of fraud and for reliability of financial information used within the business or publication.

The Board of Directors is of the opinion that Board has discharged their responsibilities as set out above.

The company's financial statements have been audited by Deloitte Partners, independent auditors approved by the shareholders. Management has made available to Deloitte Partners all the Company' financial records and data, as well as the minutes of directors' meetings.

The Board of Directors also confirms that having reviewed the financial position and strategies for managing risks faced by the Company, the company could continue in operation and has adopted the going concern basis in preparing the financial statements.



Bertram Paul
Managing Director/CEO



Erande De Silva
Director/CFO

AUDIT COMMITTEE REPORT

Composition

The Audit Committee composition complied with the requirements of the SEC. The composition of the Audit Committee during the year is indicated below.

Name and Details of Director	Directorship Status at CLLP
Averil Ludowyke FCA	Independent Non-Executive Director (Chairperson of the Committee) *(Appointed w.e.f. 01/05/2025)
Harsha Cabral PC	Independent Non-Executive Director
Haider Manasawala	Non-Executive Director *(Resigned w.e.f. 01/01/2026)
Asite Talwate FCA	Independent Non-Executive Director (Chairperson of the Committee) *(Resigned w.e.f. 01/05/2025)
Ching San Lim	Non-Executive Director *(Appointed w.e.f. 01/01/2026)

*Indicates the effective date on which the respective officers either resigned or were appointed to the Committee.

Terms of Reference

Chevron Lubricants Lanka PLC has an Audit Committee Charter which includes The Audit Committee Terms of Reference (TOR) adopted by the Company in line with Sri Lanka SEC, CSE requirements and best practice, which defines its responsibilities and work.

Ensuring financial statement integrity, effectiveness of internal controls over financial reporting, compliance with laws and regulations, recommending to the board pertaining to the appointment/reappointment/removal of external auditors and to approve their remuneration and terms of engagement, and assessing the independence of the external auditors Deloitte Partners, was the primary responsibility of the Committee. The TOR also requires the Committee to approve the annual plan, monitor the work and evaluate the performance of the internal audit function and oversee the business risk identification, management and monitoring process.

1. Meeting the Goals

The Committee met on five occasions during the financial year 2025 and the members' attendance record is indicated in page 57 of the corporate governance report.

The Committee also met with the external auditors to agree the audit plan, to consider the key interim audit findings and to discuss the final audit findings and management letter. It held a private meeting with the auditors to ensure that they have had unimpeded access to records, other audit evidence and personnel and have not been imposed with any restrictions on scope or on reporting.

The reports issued by local internal audit and by the external auditors were reviewed, the implications of the matters reported were assessed and the relevant risk handling and mitigation procedures implemented or to be implemented were discussed with the management to ensure that they were adequate to

protect the company from reported risks. The Committee has also received assurance from the CEO and CFO of the seamless function of the entity's operations and management of finances.

The Committee also made relevant recommendations on the re-appointment of external auditors and in approving their remuneration and terms of engagement.

The Committee examined written assurance provided by SEC approved external auditor Deloitte Partners and was satisfied with the independence of the external auditor throughout the conduct of the audit engagement. The partner of the external auditor has been engaged in the audit of the Company for five years, since 2021. The auditors have confirmed that they do not have any relationship with or interest in the Company other than that of an auditor.

The Committee also reviewed the year-end financial statements and the unaudited interim financial statements released to the Colombo Stock Exchange quarterly prepared by the management in conformity with the requirements of the Companies Act No 7 of 2007 and the Sri Lanka Accounting Standards. The Committee is of the view that the information disclosure and reporting is also in compliance with CSE listing rules, Security Commission Act, and other financial reporting related regulations and requirements. The review included a year end discussion with the external auditors and discussions with the executive Directors of the movements in key account balances, the reasons for fluctuations from budget and previous year financial

Corporate Overview	Leadership	Management Discussion and Analysis	Corporate Social Responsibility	Financial Review	Governance	Financial Statements	Supplementary Information
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AUDIT COMMITTEE REPORT

data to ensure that the reported results and financial position at the balance sheet date were consistent with the Committee's understanding of the operating environment, industry dynamics, results, strategic plans and budget of the company. The Committee reviewed the CEO and the CFO's statements of assurance confirming the integrity of the financial records and financial statements and the CEO and other key management personnel's assurance regarding the adequacy and effectiveness of the internal control systems.

Business risk reviews and presentation of their results to the Board of Directors were made in the presence of all members of the Audit Committee who ensured that the risk management function overall was effective in design and in operation. The risk management activity is closely linked to strategic planning and the Committee was satisfied with the business risk review and management process.

Appreciation

The contribution made by the Managing Director, Finance Director and other Directors in fulfilling the obligations of the Audit Committee is recognized with appreciation.

Sgd,

Averil Ludowyke

Chairperson
Audit Committee

30 April 2026

REMUNERATION COMMITTEE REPORT

Chevron Lubricants Lanka PLC (CLLP) provides a remuneration package to its employees in conformity with Chevron's worldwide remuneration policy. The framework to determine the compensation and benefits package which links the remuneration to enterprise and individual performance is provided by Chevron Total Remuneration (TR) Group after discussion with the Remuneration Committee. CLLP's HR team provides the Chevron TR Group with market data obtained via benchmarking exercises to determine the annual pay structures and the Chevron TR Group proposes the maximum annual pay increases for each grade of employees for consideration by the Remuneration Committee.

Supervisors are responsible for evaluating the performance of each individual employee, who are then assigned a performance ranking based on the supervisor's assessment. The performance ranking together with the maximum annual pay recommended by Chevron TR Group forms the annual pay increase for each employee.

The Annual Benchmarking Survey was commissioned in 2025 to assess the prevailing pay and benefit structure within the company, the findings of which were considered and reviewed by the Committee. The Committee is satisfied with the salary review process in place. The Committee is also of the view that with the periodic increments made over the last few years for the employees of the Company commensurate with local market conditions and the Company Policy.

The Remuneration Committee met on four occasions during the year 2025 on 25 February, 14 May, 19 May and 30 October.

The aggregate remuneration paid to Executive and Non- Executive Directors is given on page 109.

I would like to acknowledge the active contributions of the fellow Board Members on the Remuneration Committee in matters pertaining to employee remuneration. Finally, I wish to thank the relevant Chevron subject matter experts in providing relevant data support and recommendations for the consideration of the Remuneration Committee.

Sgd.

Harsha Cabral

[Chairperson, Remuneration Committee](#)

30 April 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Committee Composition

The Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The composition of the Committee fulfilled the requirements of the Listing Rule No. 9.14.2 (1) of the Colombo Stock Exchange, throughout the financial year. The composition of the Related Party Transactions Review Committee during the year is indicated below.

Name of Director	Directorship Status at CLLP
Averil Ludowyke	Independent Non-Executive Director (Chairperson of the Committee) *(Appointed w.e.f. 01/05/2025)
Asite Talwatte	Independent Non-Executive Director (Chairperson of the Committee) *(Resigned w.e.f. 01/05/2025)
Harsha Cabral	Independent Non-Executive Director
Haider Manasawala	Non-Executive Director *(Resigned w.e.f. 01/01/2026)
Ching San Lim	Non-Executive Director *(Appointed w.e.f. 01/01/2026)

*Indicates the effective date on which the respective officers either resigned or were appointed to the Committee.

Terms of Reference

The Terms of Reference of the Related Party Transactions Review Committee deals with its authority and responsibilities. The TOR encompass matters prescribed in the Listing Rules of the Colombo Stock Exchange and include the following:

- Review in advance all proposed Related Party Transactions of the Company except those explicitly exempted by section 9.14.10 of the CSE rules.
- Determine whether Related Party Transactions that are to be entered into by the Company require the prior approval of the Board or shareholders of the Company or require immediate market disclosure.
- Ensure that no Director of the Company shall participate in any discussion of a proposed Related Party Transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee in its ongoing dealings with the relevant related party.
- Where necessary, the Committee shall seek the approval of the Board of Directors for Related Party Transactions, which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.

- In the event a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

Policies and Procedures

Sri Lanka Accounting Standards define Related Party Transactions. This definition is consistent with Section 9.14 of the listing rules of CSE. Under these the members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the data base of the Company.

Meetings

The Committee met on four occasions during the financial year 2025 and the members' attendance record is indicated in page 57 of corporate governance report.

Corporate Overview	Leadership	Management Discussion and Analysis	Corporate Social Responsibility	Financial Review	Governance	Financial Statements	Supplementary Information
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RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Related Party Transactions during the Year

The activities and observations of the Committee were communicated to the Board of Directors quarterly through oral briefings and by tabling the minutes of the Committee's meetings for ratification by the board. During the year there were no Non-Recurrent Related Party Transactions that exceeded the respective thresholds mentioned in the Listing Rules of the CSE. The Committee reviewed the recurrent related party transactions on a quarterly basis at each meeting, which included the transactions for the specific quarter and the cumulative amounts for the reporting period. Details of Recurrent Related Party Transactions entered into by the Company during the year are disclosed in Note 26 to the Financial Statements.

Disclosures in the Annual Report

The Company has also made the following disclosures as mandated by the CSE listing rules.

Recurrent Related Party Transactions are disclosed in page 65 of the annual report in compliance with Section 9.14.8 (2) of the listing rules of CSE.

During the year there were no Non-Recurrent Related Party Transactions that exceeded the respective thresholds, which require disclosure as per Section 9.14.8 (1) of the listing rules of CSE.

The Company has made relevant disclosures on related party transactions as required by LKAS 24 in Note 26 to the financial statements. Purchase of goods and services from related parties are on "arm's length basis". These disclosures are on page 124 to page 127.

The Company has appointed an approved accountant to carry out a review of the Company's transactions with associated enterprises on an annual basis and their reports are presented to the Related Party Transaction Review Committee.

The Company has also filed the Transfer Pricing Disclosure Form with the Department of Inland Revenue for Year of Assessment 2024/25 in terms of paragraph (d) of regulation 6 of Gazette Extraordinary Notification - 2104/4 issued under section 76, 77 and 194 of the Inland Revenue Act, No. 24 of 2017 and its subsequent amendments.

Declaration

The declaration by the Board of Directors confirming that the Company has complied with the requirements of the listing rules of the CSE on related party transactions for the financial year 2025 is given on page 75, in the "Annual Report of the Directors".

Sgd,

Averil Ludowyke

[Chairperson](#)
[Related Party Transaction Review Committee](#)

30 April 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of the Company was established on 01 October 2024 pursuant to the requirements of Section 9 Corporate Governance of the Listing Rules of the Colombo Stock Exchange. The Committee conforms to the requirements of Rule 9.11 of the Listing Rules.

Committee Composition

The Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The composition of the Committee fulfilled the requirements of the Listing Rule No. 9.11.4 of the Colombo Stock Exchange, since it was constituted on 01 October 2024. The composition of the Nominations and Governance Committee during the period is indicated below.

Name of Director	Directorship Status at CLLP
Harsha Cabral	Independent Non-Executive Director (Chairperson of the Committee)
Asite Talwatte	Independent Non-Executive Director *(Resigned w.e.f. 01/05/2025)
Averil Ludowyke	Independent Non-Executive Director *(Appointed w.e.f. 01/05/2025)
Danielle Lincoln	Non-Executive Director *(Resigned w.e.f. 01/01/2026)
Marc Bouchebl	Non-Executive Director *(Appointed w.e.f. 01/01/2026)

*Indicates the effective date on which the respective directors either resigned or were appointed to the Committee.

The scope and object of the Committee include the following:

- formulation of policies that provide the framework for the nomination, appointment, election and/or re-election of Directors to the Board and the appointment of members to Board committees.
- formulation of policies that set out the framework for governance of the Company including corporate governance policies and compliance manuals.
- evaluating the fitness and propriety of persons for appointment, election and/or re-election as Directors to the Board and making recommendations to Board.
- overseeing and evaluating the compliance by the Company with the governance framework.

The Duties and Responsibilities of the Committee are summarized as follows:

- Set out, review and implement the framework for nomination, appointment, election and/or re-election of Directors to the Board.
- Set out, review and implement the framework for appointment of Directors to Board committees.
- Set out, review and implement the framework for appointment and assessment of the Managing Director/CEO and other Key Management Personnel:
- Set out, review and implement the framework for governance of the Company.
- The Chairperson or in his absence, another member of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the Committee's work and responsibilities.

Meetings

The Committee met once during the financial year 2025 and the members' attendance record is indicated on page 57 of the corporate governance report.

Disclosures in the Annual Report

The following disclosures are made by the Nominations and Governance Committee with regard to the Listing Rule No. 9.11.6 of the Colombo Stock Exchange.

- A Documented policy and processes are in place when nominating Directors.
- Directors are required to submit themselves for re-election at regular intervals and at least once in every three (3) years and in accordance with the Articles of Association of the Company.
- The Committee is of the view that the Board comprises of appropriate diversity in the range of experience, skills, age, and gender for effective Board performance.
- The committee has reviewed and nominated directors for appointments to fill casual vacancies of the board and the appointment of members to Board committees, the re-appointment of directors that stand for re-election in accordance with the Articles of Association of the Company. The Committee has been guided by the set policies, processes, and framework for the nomination, appointment, election and/or re-election of Directors to the Board and the appointment of members to Board committees.
- A suitable process is in place for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. Periodic evaluations have been conducted.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

- The Company has processes in place to inform the Independent Directors of major issues relating to the Entity. The processes in place include reporting and informing Independent Directors during quarterly board meetings and scheduled board committee meetings.
- The Company organizes induction programs/orientation programs for newly appointed Directors by sharing relevant documentation and information on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations pertaining to the Company's operation.
- Annual update is given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations pertaining to the Company's operation.
- The Directors of the Company meet the criteria for determining independence.
- Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met.

Disclosure required as per Section 9.11.6 (g) of the Listing Rules of CSE

Name of Director	Re-Elected/ Proposed for Re-Election as Director	Board Committees Served	Member/ Chairperson	Date of first appointment as a Director	Date of last re-appointment as a Director	Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities	Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity
Marc Bouchebl	Proposed for Re-Election as Director	Nominations and Governance Committee (Appointment w.e.f. 01/01/2026)	Member	1/1/2026	Not Applicable	None	None
Ching San Lim	Proposed for Re-Election as Director	Remuneration Committee (Appointment w.e.f. 01/01/2026)	Member	1/1/2026	Not Applicable	None	None
		Audit Committee (Appointment w.e.f. 01/01/2026)	Member				
		Related Party Transaction Committee (Appointment w.e.f. 01/01/2026)	Member				
Averil Ludowyke	Proposed for Re-Election as Director	Nominations and Governance Committee (Appointment w.e.f. 01/05/2025)	Member	1/5/2025	29/05/2026	Refer to content disclosed in Directors Profiles for Averil Ludowyke on page 21, of this Annual Report	None
		Remuneration Committee (Appointment w.e.f. 01/05/2025)	Member				
		Audit Committee (Appointment w.e.f. 01/05/2025)	Chairperson				
		Related Party Transaction Committee (Appointment w.e.f. 01/05/2025)	Chairperson				

Appreciation

I would like to acknowledge the active contributions of the fellow Board Members on the Nominations and Governance Committee in matters pertaining to the committee.

Sgd.

Harsha Cabral

Chairperson, Nominations and Governance Committee

30 April 2026

FINANCIAL CALENDAR 2025

Interim Financials

1st Quarter Interim Financials	14 May 2025
2nd Quarter Interim Financials	30 July 2025
3rd Quarter Interim Financials	30 October 2025
4th Quarter Interim Financials	26 February 2026

Dividends Paid Dates

First Interim Dividend paid on 16th and 27th June 2025 at Rs.4 per share
Second Interim Dividend paid on 17th and 28th November 2025 at Rs.5 per share
Third Interim Dividend paid on 16th and 27th March 2026 at Rs. 7 per share

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INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Partners
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Sri Lanka

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www.deloitte.com

To the Shareholders of Chevron Lubricants Lanka PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chevron Lubricants Lanka PLC (the Company) which comprise the statement of financial position as at 31 December 2025, and the income statement, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, 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 the Institute of Chartered

Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka 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 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.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

INDEPENDENT AUDITOR’S REPORT



Key audit matter	How our audit addressed the Key audit matter
<p>Performance incentives and discounts to customers</p> <p>The Company offers several incentives and discounts to distributors and some retailers through the distributors (“customers”).</p> <p>At the point of invoicing, the incentives and discounts are estimated based on historical sales trends of each customer to arrive at the net sales amount to be included in the invoices.</p> <p>Incentives and discounts are adjusted at month end based on actual redistribution sales information.</p> <p>Sales of LKR 24.39 billion for year ended 31 December 2025 disclosed in Note 5 to the financial statements is stated net of customer incentives and discounts amounting to LKR 5.16 billion.</p> <p>The customer incentives and discounts are material to the financial statements and are estimated and adjusted subsequently based on complex calculations with significant manual intervention, and therefore considered as a key audit matter.</p>	<p>Our audit procedures included test of controls and substantive audit procedures covering the following:</p> <ul style="list-style-type: none"> (a) We obtained a list of customers with whom the Company has entered into sales agreements/contracts that included terms and conditions on eligibility of incentives and discounts. From this list we selected those customers whose sales have been recorded net of significant sales incentives and discounts. The sales agreements/contracts with the selected customers were examined and the terms and conditions related to customer incentives and discounts were discussed and confirmed with management. (b) We obtained a detailed listing of sales incentives and discounts recorded in the general ledger for the year and traced a selected sample of sales incentives and discounts to the corresponding sales invoices. (c) We checked whether the financial year end provision for discounts and incentive had been duly approved. For a selected sample of customers, we recomputed the provision for sales incentives and discounts, based on the contractual terms in the related customer sales agreements/contracts using the actual redistribution sales details of those customers. The actual redistribution sales details were extracted from the Company’s “Distributor Management System” and “Accenture NewsPage system”, for which we had obtained reliance from our IT and systems audit specialist team. (d) We checked the approvals from the relevant personnel of the Company for a sample of the debit/ credit notes raised for adjustment of sales incentives and discounts for the month, for differences between sales incentives and discounts originally estimated at the time of sales invoicing and sales incentives and discounts recomputed based on actual sales extracted from the “Distributor Management System” and “Accenture NewsPage system”. (e) We checked the incentive and discounts adjustments made after the reporting date to arrive at the actual amount of incentives and discounts at the year end to assess the reasonability of the provision made at the financial year-end. (f) We checked whether monthly stock verifications were performed at distributor locations and variances, if any identified thereon had been adjusted in the performance incentives and discounts calculation. <p>Based on the procedures above, we found that the calculations to estimate and compute performance incentives and discounts to be reasonable and the related manual interventions to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

Deloitte.

To the Shareholders of Chevron Lubricants Lanka PLC (Contd.)

Report on the Audit of the Financial Statements (Contd.)

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 our 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 appears to be materially misstated. If, based on 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 judgement and maintain professional scepticism 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.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

- 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 a 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.

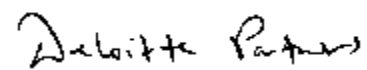
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

From the matters communicated with those charged with governance, we determine those matters that were of 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 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 4084.



CHARTERED ACCOUNTANTS
COLOMBO

30 April 2026

STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lanka Rupees)

	Notes	As at 31 December	
		2025	2024
Assets			
Non-current assets			
Property, plant and equipment	13.1	1,503,317,906	1,584,345,308
Intangible Assets	13.2	84,962,737	Nil
Right-of-use assets	14	412,077,345	499,690,698
Trade and other receivables	15	89,107,174	74,317,360
		2,089,465,162	2,158,353,366
Current assets			
Inventories	18	5,538,745,734	5,786,162,368
Trade and other receivables	15	1,526,468,968	1,480,246,048
Cash and cash equivalents	19	3,269,304,043	3,249,955,449
		10,334,518,745	10,516,363,865
Total assets		12,423,983,907	12,674,717,231
Equity and liabilities			
Capital and reserves			
Stated capital	20	600,000,000	600,000,000
Retained earnings		7,956,826,675	7,973,615,517
		8,556,826,675	8,573,615,517
Non-current liabilities			
Employee benefit obligations	21	380,794,941	357,749,806
Deferred tax liabilities	17	138,445,645	162,228,738
Lease liabilities	14	456,281,296	527,896,007
		975,521,882	1,047,874,551
Current liabilities			
Trade and other payables	22	1,827,977,275	2,011,687,725
Current income tax liabilities		992,043,364	971,897,519
Lease liabilities	14	71,614,711	69,641,919
		2,891,635,350	3,053,227,163
Total liabilities		3,867,157,232	4,101,101,714
Total equity and liabilities		12,423,983,907	12,674,717,231

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

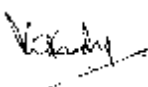


Nishshanka Dissanayaka
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.

The financial statements were authorised for issue by Board of Directors on 30 April 2026.

Signed on behalf of the Board on 30 April 2026.



Bertram Paul
Managing Director/Chief Executive Officer



Erande De Silva
Director/Chief Financial Officer

Notes on pages 97 to 127 form an integral part of these financial statements

Report of the independent auditors' on pages 88 to 91.

INCOME STATEMENT

(all amounts in Sri Lanka Rupees)	Notes	Year ended 31 December	
		2025	2024
Sales	5	24,387,781,457	22,963,023,370
Cost of sales	6	(15,845,559,114)	(14,905,427,252)
Gross profit		8,542,222,343	8,057,596,118
Other income	8	2,229,524	6,933,904
Distribution expenses	6	(1,460,847,335)	(1,342,876,302)
Administrative expenses	6	(1,462,148,936)	(1,432,767,649)
Operating profit		5,621,455,596	5,288,886,071
Finance income	9	237,438,018	335,964,971
Finance costs	9	(76,812,640)	(93,027,975)
Finance income - net	9	160,625,378	242,936,996
Profit before tax		5,782,080,974	5,531,823,067
Income tax expenses	10	(1,734,988,283)	(1,676,377,662)
Profit for the year		4,047,092,691	3,855,445,405
Earnings per share attributable to the ordinary equity holders of the Company			
Basic/diluted earnings per share	11	16.86	16.06

Notes on pages 97 to 127 form an integral part of these financial statements

Report of the independent auditors' on pages 88 to 91.

STATEMENT OF COMPREHENSIVE INCOME

(all amounts in Sri Lanka Rupees)

	Notes	Year ended 31 December	
		2025	2024
Profit for the year		4,047,092,691	3,855,445,405
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of employee benefit obligations	21	16,933,091	(28,331,469)
Deferred tax attributable to remeasurement of employee benefit obligations	17	(5,079,927)	8,499,441
Other comprehensive income/(loss) for the year, net of tax		11,853,164	(19,832,028)
Total comprehensive income for the year		4,058,945,855	3,835,613,377

Notes on pages 97 to 127 form an integral part of these financial statements

Report of the independent auditors' on pages 88 to 91.

STATEMENT OF CHANGES IN EQUITY

(all amounts in Sri Lanka Rupees)	Notes	Stated capital	Retained earnings	Total
Balance at 1 January 2024		600,000,000	7,732,330,148	8,332,330,148
Profit for the year		Nil	3,855,445,405	3,855,445,405
Other comprehensive loss for the year, net of tax		Nil	(19,832,028)	(19,832,028)
Total comprehensive income for the year		Nil	3,835,613,377	3,835,613,377
Transactions with owners - Dividends	12	Nil	(3,600,000,000)	(3,600,000,000)
Unclaimed dividends transfer to retained earnings		Nil	5,671,992	5,671,992
Balance at 31 December 2024		600,000,000	7,973,615,517	8,573,615,517
Balance at 1 January 2025		600,000,000	7,973,615,517	8,573,615,517
Profit for the year		Nil	4,047,092,691	4,047,092,691
Other comprehensive income for the year, net of tax		Nil	11,853,164	11,853,164
Total comprehensive income for the year		Nil	4,058,945,855	4,058,945,855
Transactions with owners - Dividends	12	Nil	(4,080,000,000)	(4,080,000,000)
Unclaimed dividends transfer to retained earnings		Nil	4,265,303	4,265,303
Balance at 31 December 2025		600,000,000	7,956,826,675	8,556,826,675

Notes on pages 97 to 127 form an integral part of these financial statements

Report of the independent auditors' on pages 88 to 91.

STATEMENT OF CASH FLOWS

(all amounts in Sri Lanka Rupees)

	Notes	Year ended 31 December	
		2025	2024
Cash flows from operating activities			
Cash generated from operations	25	6,034,793,827	5,516,249,273
Interest paid	9	(76,812,640)	(93,027,975)
Employee benefits obligations paid	21	(28,798,750)	(67,166,862)
Interest received		171,308,357	160,580,656
Income tax paid		(1,743,705,458)	(1,684,781,010)
Net cash generated from operating activities		4,356,785,336	3,831,854,082
Cash flows from investing activities			
Purchase of property, plant and equipment	13.1	(177,980,838)	(173,535,398)
Purchase of intangible assets	13.2	(10,188,383)	Nil
Proceeds from disposal of property, plant and equipment		374,398	380,531
Net cash used in investing activities		(187,794,823)	(173,154,867)
Cash flows from financing activities			
Principal elements of lease payments	14	(69,641,919)	(65,528,196)
Dividends paid	12	(4,080,000,000)	(3,600,000,000)
Net cash used in financing activities		(4,149,641,919)	(3,665,528,196)
Net increase/(decrease) in cash and cash equivalents		19,348,594	(6,828,981)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of year		3,249,955,449	3,256,784,430
Net increase/(decrease) in cash and cash equivalents		19,348,594	(6,828,981)
Cash and cash equivalents at end of year	19	3,269,304,043	3,249,955,449

Notes on pages 97 to 127 form an integral part of these financial statements

Report of the independent auditors' on pages 88 to 91.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

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 Chevron Lubricants Lanka PLC, Level 16, MAGA ONE, No.200, Nawala Road, Narahenpita, Colombo 5.

The Company has its primary listing on the Colombo Stock Exchange. The ultimate parent of the Company is Chevron Corporation Inc., incorporated in San Ramon - USA.

These financial statements have been approved for issue by the Board of Directors on 30 April 2026.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprise of Statements of Recommended Practices (SoRPs),

Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in Note 04 to the financial statements.

2.2 Changes in accounting policies and disclosures

(a) New and amended accounting standards that are effective for the first time during the current year

In the current year, the Company has applied the below amendment to Sri Lanka Accounting Standards issued by the CA Sri Lanka that are mandatorily effective for an accounting period that begins on or after 1 January 2025.

(i) Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

2. Summary of material accounting policies (Contd.)

2.2 Changes in accounting policies and disclosures (Contd.)

(b) New and revised accounting standards in issue but not yet effective

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka except for SLFRS 18 and SLFRS 19.

(i) Amendments to SLFRS 9 and SLFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may not have an impact on the Company's financial statements in future periods.

(ii) SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 replaces LKAS 1, carrying forward many of the requirements in LKAS 1 unchanged and complementing them with new requirements. In addition, some LKAS 1 paragraphs have been moved to LKAS 8 and SLFRS 7.

SLFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply SLFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. SLFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of this standard may have an impact on the Company's financial statements in future periods.

(iii) Annual improvements to Sri Lanka Accounting Standards - Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting

Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures

IFRS 9 Financial Instruments;

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The directors of the Company anticipate that the application of this standard will have an impact on the Company's financial statements in future periods.

(iv) Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements

The IASB has published the final version of a set of examples that illustrate the reporting of the effects of uncertainties in financial statements through climate-related fact patterns. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements and effective date. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

The directors of the Company anticipate that the application of this standard may have an impact on the Company's financial statements in future periods.

2.3.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the 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 presentation currency.

Foreign exchange gains and losses are presented in the income statement within "net finance income".

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the statement of comprehensive income.

2.3.2 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 the 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 of the Company continue to be prepared on the going concern basis.

2.4.1 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of self-constructed assets include the cost of materials, direct labour and appropriate proportion of production overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Capital work in progress represents all amounts paid on work undertaken, and still in an unfinished state as at the end of the year.

Depreciation is calculated on the straight line method to allocate the cost of each asset, to their residual values over their estimated useful lives commencing from date of availability for use. On disposal of assets, depreciation ceases on the date that the asset is derecognised.

The principal annual rates used for this purpose are:

	%
Land improvements	3.57 - 10
Improvements on leasehold buildings	2.27 - 20
Storage tanks and pipe lines	6.25 - 20
Plant and machinery	5 - 33.33
Office furniture and equipment	6.67 - 50
Motor vehicles	10 - 25
Computers	10 - 50

Leasehold improvements are depreciated over the lesser of useful economic life and lease period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

2. Summary of material accounting policies (Contd.)

2.4.2 Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their reliable estimated useful lives as follows. On disposal of assets, depreciation ceases on the date that the asset is derecognised.

The principal annual rates used for this purpose are:

	%
Purchased Software	10 - 11.11

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development cost previously recognized as an expense are not recognized as an asset in a subsequent period.

2.5 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest

levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Accounting for leases – where the Company is the lessee

The Company leases various lands, buildings and motor vehicles.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.7 Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(c) Measurement

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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(d) 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: 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 FVOCI. 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

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

2. Summary of material accounting policies (Contd.)

2.7 Financial assets (Contd.)

(d) Derecognition (Contd.)

exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Financial liabilities

2.8.1 Classification and initial recognition

Financial liabilities are initially recognised at fair value, net of transaction costs.

The Company's financial liabilities consist of trade and other payables and lease liabilities. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.8.2 Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using effective interest method.

2.8.3 Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

2.8.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legal enforceable right to offset

the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Fixed production overheads are allocated to inventories based on normal operating capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.10 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The Company applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 or 1 January 2025 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and accordingly adjusts the historical loss rates based on expected changes.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

2.12 Stated capital

Ordinary shares are classified as equity.

2.13 Employee benefits

(a) Defined contribution plans

Defined contribution plan is a plan under which the Company

pays a fixed contribution into a separate entity. All employees of the Company in Sri Lanka are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Company contributes 15% and 3% respectively, of employees' basic or consolidated wage or salary. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(b) Defined benefit obligation

A defined benefit plan is a plan that is not a defined contribution plan. Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Company pays gratuity to its eligible employees computed at one month's salary for each completed year of service, which exceeds the amount stipulated by the Gratuity Act, No. 12 of 1983, which is a defined benefit plan.

The liability recognised in the statement of financial position in respect of gratuity is the present value of the defined benefit obligation at the statement of financial position date together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds, as there is no deep market on high quality corporate bonds, by the actuarial valuer.

Past service costs are recognised immediately as an expense in the statement of comprehensive income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised under other comprehensive income of the statement of comprehensive income.

The assumptions based on which the results of the actuarial valuation was determined, are included in Note 21 to the financial statements.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

The provision for current income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the tax laws enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax is recognised using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

2. Summary of material accounting policies (Contd.)

2.14 Current and deferred income tax (Contd.)

related deferred income tax asset is realised or the deferred income tax is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary differences arise from depreciation on property, plant and equipment, defined benefit obligations, lease liabilities and right-of-use assets.

2.15 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenue recognition

Sales are recognised when the performance obligation is satisfied, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The Company determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations.

The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where the Company does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Company maximises the use of external input; observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach. Payment of the transaction price is due immediately when the customer purchases the lubricants and takes delivery.

(a) Sale of goods

Sale of goods are recognised on delivery of products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Sale of goods on exports are recognised on the date at which the bill of lading is raised.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method unless collectability is in doubt.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of Chevron Lubricants Lanka PLC assesses the financial performance and position of the Company, and makes strategic decisions. Accordingly, such management, has been identified as being the chief operating decision maker. Authority is delegated down by the board to management consisting of the chief executive officer, chief financial officer and few other managers designated in the management team.

There are no significant separate operating segments within the Company.

3. Financial risk management

3.1 Financial risk

3.1.1 Financial risk factors

The Company's activities expose it to a variety of financial risks. Market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial risks and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is performed by the management under policies approved by the board of directors. The board provides guidance for overall risk management.

The principal financial instruments of the Company comprise of short term deposits, money market investments, and cash. The main purpose of these financial instruments is to raise and maintain liquidity for the Company's operations, and maximise returns on the Company's financial reserves. The Company has various other financial instruments such as trade receivables and trade payables which arise directly from its business activities.

(a) Market risk

(i) Foreign exchange risk

The Company is principally exposed to fluctuations in the value of the US Dollar (USD) against the Sri Lankan Rupee (LKR). The Company's functional currency is LKR in which most of the transactions

are denominated, and all other currencies are considered foreign currencies for reporting purposes. Certain bank balances, trade receivables, and trade payables are denominated in foreign currencies.

The Company's financial statements which are presented in LKR, are affected by foreign exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may affect the Company's cost of materials purchased and services obtained from related companies in foreign currencies. In particular, depreciation of the LKR against the USD can impact the Company's operating results through its impact on cost of imported raw materials.

The Company's exposure to foreign currency risk at the end of the reporting period, in USD denominated currency was as follows:

	2025	2024
Trade and other receivables (Note 15)	100,887,963	33,668,892
Trade and other payable (Note 22)	(214,262,071)	(240,139,719)
Amounts due from related parties (Note 15)	120,201,859	62,258,768
Amounts due to related parties (Note 22)	(360,632,749)	(582,747,583)
Cash and cash equivalents (Note 19)	15,423,631	86,623,069
Total foreign currency exposure	(338,381,367)	(640,336,573)

Sensitivity analysis

As at 31 December 2025, a net foreign exchange loss of LKR 3,383,814 (2024 - LKR 6,403,366) would have resulted with each 1% weakening of LKR against USD with all other variables held constant on translation of year end foreign currency denominated balances.

During the year ended 31 December 2025, the Company recorded a net foreign exchange gain of LKR 64,869,496 (2024 - LKR 175,985,964) on transaction and translation of USD balances.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

3. Financial risk management (Contd.)

3.1 Financial risk (Contd.)

3.1.1 Financial risk factors (Contd.)

(b) Credit risk

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Trade receivables

The Company is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. The management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Management does not expect any losses from non-performance by these counterparties.

Cash and cash equivalents

The Company invests in government security and rated banks. The Company limits the concentration of financial exposure to any single financial institution.

Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions.

As at 31 December 2025	Cash and cash equivalents	Trade and other receivables	Amounts due from related parties	Total
Risk Exposure				
Trade and other receivables (excluding prepayments, statutory receivables and marketing support fee paid to service centre operators)	Nil	1,389,828,950	Nil	1,389,828,950
Amounts due from related parties (Note 15)	Nil	Nil	120,201,859	120,201,859
Cash and cash equivalents (Note 19)	3,269,304,043	Nil	Nil	3,269,304,043
Total credit risk exposure	3,269,304,043	1,389,828,950	120,201,859	4,779,334,852

As at 31 December 2024	Cash and cash equivalents	Trade and other receivables	Amounts due from related parties	Total
Risk Exposure				
Trade and other receivables (excluding prepayments and marketing support fee paid to service centre operators)	Nil	1,411,343,955	Nil	1,411,343,955
Amounts due from related parties (Note 15)	Nil	Nil	62,258,768	62,258,768
Cash and cash equivalents (Note 19)	3,249,955,449	Nil	Nil	3,249,955,449
Total credit risk exposure	3,249,955,449	1,411,343,955	62,258,768	4,723,558,172

(c) Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash in hand at bank deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of available bank facilities. Access to source of funding is sufficiently available.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

Surplus cash held over and above the amount required for working capital management is invested in interest bearing savings accounts, treasury bills and repurchase agreements, time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room. At the reporting date, the Company held liquid assets of LKR 4,546,182,994 (2024 – LKR 4,562,000,458) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities					
Trade and other payables (excluding statutory payables)	1,451,629,505	Nil	Nil	Nil	Nil
Amounts due to related parties (Note 22)	360,632,749	Nil	Nil	Nil	Nil
Lease liabilities	30,268,048	104,358,031	128,664,680	202,960,627	421,957,875
Total liabilities	1,842,530,302	104,358,031	128,664,680	202,960,627	421,957,875

As at 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities					
Trade and other payables (excluding statutory payables)	1,406,706,165	Nil	Nil	Nil	Nil
Amounts due to related parties (Note 22)	404,754,501	177,993,082	Nil	Nil	Nil
Lease liabilities	30,048,841	116,405,718	134,626,079	282,984,538	470,598,644
Total liabilities	1,841,509,507	294,398,800	134,626,079	282,984,538	470,598,644

(d) Price risk

The Company is exposed to the commodity price risk pertaining to base oils.

The Company monitors price of base oils on a dynamic basis and manages procurement accordingly.

(e) Interest rate risk

The Company has cash and bank balances including deposits placed with government and creditworthy banks. The Company monitors interest rate risk by actively monitoring the yield curve trends and interest rate movements.

3.2 Fair value estimation

The Company's financial assets and liabilities include receivables, cash in hand and at bank, and payables. Due to the short-term nature of the current receivables and payables, their carrying amount is considered to be the same as their fair value.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits

for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company represents equity attributable to owners of the Company, comprising issued stated capital and retained earnings. Additional information is disclosed in Note 20.

The Company has not obtained any borrowings to finance operations over the past 5 years except lease liabilities.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

4. Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

The Company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Estimated useful lives of property, plant and equipment (PPE)

The Company reviews annually the estimated useful lives of PPE based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE balance.

(b) Defined benefit obligations

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for gratuity include the discount rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the gratuity obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for defined benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

(c) Impairment of trade receivables

The Company applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivable.

(d) Estimated impairment of non-current assets

The Company reviews for impairment of property, plant and equipment in accordance with the Accounting Policy in Note 2.5. The recoverable amount of these assets have been determined based on higher of the assets' fair value less

cost to sell and value in use. These calculations require the use of estimates and judgements.

Management believes that any reasonably possible change in the estimated future cash flows of the operations on which the recoverable amounts of the cash-generating units is based would not cause the cash-generating units' carrying amount to exceed its recoverable amount.

(e) Estimate on performance incentives and discounts

The Company offers several incentives and discounts to distributors and some retailers through their distributors. At the point of invoicing, the incentives and discounts are computed to arrive at the amount to be invoiced based on historical sales trends of each customer and such invoiced sales recorded are subsequently adjusted based on actual redistribution sales information received.

4.2 Critical judgements in applying the entity's accounting policies

SLFRS 16

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

For leases of buildings and motor vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate), and
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset;

Most extension options in buildings and motor vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Sales

Sales are made up as follows:

	2025	2024
Third party sales	23,973,982,137	22,673,800,362
Related party sales [Note 26 (a)]	413,799,320	289,223,008
	24,387,781,457	22,963,023,370

Sales are recorded net of customer incentives and discounts of LKR 5,161,494,384 (2024 - LKR 4,357,754,370).

6. Expenses by nature

	2025	2024
Directors' emoluments		
- executive	86,923,561	77,945,286
- non executive	16,968,000	5,808,000
	103,891,561	83,753,286
Auditors' remuneration		
- audit	7,925,943	4,782,997
- non audit	363,875	112,750
	8,289,818	4,895,747
Depreciation on property, plant and equipment (Note 13.1)	175,371,714	200,551,267
Amortization on Intangible Assets (Note 13.2)	8,021,552	Nil
Depreciation on right-of-use assets (Note 14)	87,613,353	99,599,245
Amortization of marketing support fee paid [Note 15 (d)]	13,239,611	14,704,967
Write off of property, plant and equipment (Note 13.1)	816,710	473,464
Repair and maintenance expenditure	54,345,054	32,442,059
Cost of inventories sold [Note 18 (b)]	14,696,061,647	13,852,181,413
Employee benefit expenses (Note 7)	591,904,495	540,946,091

7. Employee benefit expenses

	2025	2024
Salaries, wages and other fringe benefits	461,277,834	416,823,353
Contribution to defined contribution plans	61,849,685	56,917,911
Defined benefit obligations (Note 21)	68,776,976	67,204,827
	591,904,495	540,946,091
Monthly average number of persons employed by the Company during the year:		
Permanent employees	74	73

Corporate Overview	Leadership	Management Discussion and Analysis	Corporate Social Responsibility	Financial Review	Governance	Financial Statements	Supplementary Information
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NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

8. Other income

	2025	2024
Scrap sales	960,814	869,010
Write-back of creditors	145	Nil
Profit on disposal of property, plant and equipment	350,488	330,772
Empty drum sales	918,077	1,081,159
Lease liability write-back from early termination	Nil	4,652,963
	2,229,524	6,933,904

9. Finance income and costs

	2025	2024
Finance income:		
Interest income on short term deposits	172,278,313	159,712,557
Interest income on employee loans	290,209	266,450
Foreign exchange transaction and translation gains	64,869,496	175,985,964
	237,438,018	335,964,971
Finance costs:		
Interest charge on lease liabilities (Note 14)	(76,812,640)	(93,027,975)
	(76,812,640)	(93,027,975)
Finance income - net	160,625,378	242,936,996

10. Income tax expenses

	2025	2024
Current tax:		
Current tax on profits for the year [refer (a) below]	1,776,128,786	1,713,119,370
Over provision for income tax in respect of previous years	(12,277,483)	Nil
	1,763,851,303	1,713,119,370
Deferred tax:		
Origination of temporary differences (Note 17)	(28,863,020)	(36,741,708)
Income tax expenses	1,734,988,283	1,676,377,662
Deferred tax charged/(credited) to other comprehensive income (Note 17)	5,079,927	(8,499,441)
	1,740,068,210	1,667,878,221

(a) In reference to the Inland Revenue (Amendment) Act, No.45 of 2022, the Company has computed its Business Income & Investment Income applying the standard rate of 30% for the current financial year.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

The tax on the Company's profit before tax differs from theoretical amount that would arise using the basic tax rate of the Company as follows:

	2025	2024
Profit before tax	5,782,080,974	5,531,823,067
Tax calculated at a tax rate of 30% (2024 - 30%)	1,734,624,292	1,659,546,920
Tax effects of:		
- Income not subject to tax	(150,265)	(6,263,802)
- Expenses not deductible for tax purposes	12,954,788	23,545,851
- Profit on sale of fixed assets	139,866	42,807
- Tax loss on retirement/disposal of fixed assets	(302,915)	(494,114)
Over provision for income tax in respect of previous years	(12,277,483)	Nil
Tax charge	1,734,988,283	1,676,377,662

Further information about deferred tax is provided in Note 17.

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year:

	2025	2024
Profit attributable to shareholders	4,047,092,691	3,855,445,405
Number of ordinary shares in issue at 31 December (Note 20)	240,000,000	240,000,000
Basic/diluted earnings per share	16.86	16.06

12. Dividends

	2025	2024
Proposed and paid interim dividend of LKR 17.00 per share (2024 - LKR 15.00 per share)	4,080,000,000	3,600,000,000

The third interim dividend for 2024 of LKR 8.00 per share amounting to LKR 1,920,000,000 was declared on 25 February 2025 and paid on 14 and 27 March 2025. The third interim dividend for 2025 of LKR 7.00 per share amounting to LKR 1,680,000,000 was declared on 26 February 2026 and paid on 16 and 27 March 2026. Therefore, total dividend per share paid out of financial year 2025 earnings, was LKR 16.00 per share.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

13.1 Property, plant and equipment

	Land Improvements	Improvements on leasehold buildings	Storage tanks and pipelines	Plant and machinery	Office furniture and equipment	Motor vehicles	Computers	Capital work in progress	Total
Year ended 31 December 2024									
Opening net book amount	142,577,621	843,021,088	176,868,143	204,918,793	41,215,896	21,557,050	105,825,916	75,899,894	1,611,884,401
Additions	Nil	Nil	Nil	30,004,998	7,333,493	Nil	16,787,759	119,793,451	173,919,701
Transferred from capital work-in-progress	Nil	Nil	Nil	66,262,593	9,253,000	Nil	Nil	(75,515,593)	Nil
Reversal from capital WIP	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(384,303)	(384,303)
Write offs - cost (Note 6)	Nil	Nil	Nil	(2,605,967)	(954,493)	Nil	(1,758,410)	Nil	(5,318,870)
- accumulated depreciation (Note 6)	Nil	Nil	Nil	2,605,967	923,256	Nil	1,316,183	Nil	4,845,406
Disposals - cost	Nil	Nil	Nil	Nil	(1,284,908)	Nil	(13,825,989)	Nil	(15,110,897)
- accumulated depreciation	Nil	Nil	Nil	Nil	1,257,023	Nil	13,804,114	Nil	15,061,137
Depreciation charge (Note 6)	(15,079,724)	(41,449,564)	(24,902,638)	(64,416,453)	(14,230,310)	(6,148,933)	(34,323,645)	Nil	(200,551,267)
Closing net book amount	127,497,897	801,571,524	151,965,505	236,769,931	43,512,957	15,408,117	87,825,928	119,793,449	1,584,345,308
At 31 December 2024									
Cost	236,031,679	1,209,411,860	437,068,886	925,120,257	181,723,235	51,916,211	232,310,021	119,793,449	3,393,375,598
Accumulated depreciation	(108,533,782)	(407,840,336)	(285,103,381)	(688,350,326)	(138,210,278)	(36,508,094)	(144,484,093)	Nil	(1,809,030,290)
Net book amount	127,497,897	801,571,524	151,965,505	236,769,931	43,512,957	15,408,117	87,825,928	119,793,449	1,584,345,308
Year ended 31 December 2025									
Opening net book amount	127,497,897	801,571,524	151,965,505	236,769,931	43,512,957	15,408,117	87,825,928	119,793,449	1,584,345,308
Additions	Nil	Nil	Nil	60,243,575	25,104,379	Nil	23,465,537	69,167,347	177,980,838
Transferred from capital work-in-progress	9,803,918	14,041,091	Nil	3,846,736	6,869,000	Nil	2,436,800	(36,997,545)	Nil
Write offs - cost (Note 6)	Nil	Nil	Nil	(15,308,668)	(11,629,040)	Nil	(4,335,000)	Nil	(31,272,708)
- accumulated depreciation (Note 6)	Nil	Nil	Nil	14,520,908	11,600,090	Nil	4,335,000	Nil	30,455,998
Disposals - cost	Nil	Nil	Nil	(1,145,000)	(1,783,605)	Nil	(25,584,394)	Nil	(28,512,999)
- accumulated depreciation	Nil	Nil	Nil	1,145,000	1,783,605	Nil	25,560,484	Nil	28,489,089
Transferred to intangible assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(82,795,906)	(82,795,906)
Depreciation charge (Note 6)	(15,978,417)	(43,846,815)	(24,885,589)	(38,572,337)	(13,950,081)	(6,148,933)	(31,989,542)	Nil	(175,371,714)
Closing net book amount	121,323,398	771,765,800	127,079,916	261,500,145	61,507,305	9,259,184	81,714,813	69,167,345	1,503,317,906
At 31 December 2025									
Cost	245,835,597	1,223,452,951	437,068,886	972,756,900	200,283,969	51,916,211	228,292,964	69,167,345	3,428,774,823
Accumulated depreciation	(124,512,199)	(451,687,151)	(309,988,970)	(711,256,755)	(138,776,664)	(42,657,027)	(146,578,151)	Nil	(1,925,456,917)
Net book amount	121,323,398	771,765,800	127,079,916	261,500,145	61,507,305	9,259,184	81,714,813	69,167,345	1,503,317,906

(a) Property, plant and equipment include fully depreciated assets still in books, the cost of which at 31 December 2025 amounted to LKR 765,765,356 (2024 - LKR 796,745,862).

(b) Depreciation expense of LKR 123,727,474 (2024 - LKR 151,757,530) has been charged in cost of goods sold, LKR 25,699,556 (2024 - LKR 24,329,755) as administrative expenses and LKR 25,944,684 (2024 - LKR 24,463,982) as selling and distribution expenses.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

13.2 Intangible Assets

	Purchased Software	Capital work in progress	Total
At 31 December 2024			
Cost	Nil	Nil	Nil
Accumulated amortization	Nil	Nil	Nil
Net book amount	Nil	Nil	Nil
Year ended 31 December 2025			
Opening net book amount	Nil	Nil	Nil
Additions	9,320,601	867,782	10,188,383
Transferred from Property, Plant & Equipment	82,795,906	Nil	82,795,906
Amortization charge (Note 6)	(8,021,552)	Nil	(8,021,552)
Closing net book amount	84,094,955	867,782	84,962,737
At 31 December 2025			
Cost	92,116,507	867,782	92,984,289
Accumulated amortization	(8,021,552)	Nil	(8,021,552)
Net book amount	84,094,955	867,782	84,962,737

(a) Amortization expense of LKR 8,021,552 (2024 – Nil) has been charged as selling and distribution expenses.

(b) The intangible asset added during the year relates to the distributor management system purchased from Accenture Pte. Ltd., Singapore.

14. Leases

This note provides information for leases where the Company is the lessee.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025	2024
Right-of-use assets		
Land and buildings	327,591,198	366,176,763
Motor vehicles	84,486,147	133,513,935
	412,077,345	499,690,698
Lease liabilities		
Current lease liabilities	71,614,711	69,641,919
Non-current lease liabilities	456,281,296	527,896,007
	527,896,007	597,537,926

Additions to the right-of-use assets during the financial year ended 31 December 2025 were LKR Nil (2024 – LKR 167,633,219).

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

14. Leases (Contd.)

(a) Amounts recognised in the statement of financial position (contd.)

Movement relating to leases:

	2025	2024
Right-of use assets		
Right-of-use asset recognised as at 1 January – Land and buildings	366,176,763	291,633,560
Right-of-use asset recognised as at 1 January – Motor vehicles	133,513,935	140,023,164
Additions made during the year – Buildings	Nil	112,309,219
Additions made during the year – Motor vehicles	Nil	55,324,000
Depreciation charged during the year – Land and buildings (Note 6)	(38,585,565)	(37,766,016)
Depreciation charged during the year – Motor vehicles (Note 6)	(49,027,788)	(61,833,229)
	(87,613,353)	(99,599,245)
Right-of-use asset recognised as at 31 December	412,077,345	499,690,698

	2025	2024
Lease liabilities		
Lease liability recognised as at 1 January – Land and buildings	436,863,880	344,898,750
Lease liability recognised as at 1 January – Motor vehicles	160,674,046	155,187,116
Additions made during the year – Buildings	Nil	112,309,219
Additions made during the year – Motor vehicles	Nil	55,324,000
Interest charged during the year (Note 9)	76,812,640	93,027,975
Rentals paid during the year	(146,454,559)	(158,556,171)
Lease liability write-back from early termination	Nil	(4,652,963)
Lease liability recognised as at 31 December	527,896,007	597,537,926

(b) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2025	2024
Depreciation charge of right-of-use assets		
Land and buildings (Note 6)	(38,585,565)	(37,766,016)
Motor vehicles (Note 6)	(49,027,788)	(61,833,229)
	(87,613,353)	(99,599,245)
Interest charge on lease liabilities (Note 9)	76,812,640	93,027,975
Lease liability write-back from early termination (Note 8)	Nil	4,652,963

(c) The total cash outflow for leases for the financial year ended 31 December 2025 was LKR 146,454,559 (2024 – LKR 158,556,171).

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

15. Trade and other receivables

	2025	2024
Trade receivables	1,276,878,951	1,312,279,009
Less: provision for impairment of trade receivables [refer (a) below]	Nil	Nil
Trade receivables - net	1,276,878,951	1,312,279,009
Prepayments	7,414,482	8,347,542
Deposits	50,155,968	50,155,968
Staff loans [refer (c) below]	41,402,951	22,516,919
Marketing support fee paid to service centre operators [refer (d) below]	14,818,885	17,975,163
Statutory receivables [refer (f) below]	83,311,966	54,637,980
Other receivables	21,391,080	26,392,059
	1,495,374,283	1,492,304,640
Receivables from related parties [Note 26 (c) (i)]	120,201,859	62,258,768
Total trade and other receivables	1,615,576,142	1,554,563,408
Less: non-current portion		
Staff loans	33,444,265	17,099,451
Marketing support fee paid to service centre operators	5,506,941	7,061,941
Deposits	50,155,968	50,155,968
Total non-current portion	89,107,174	74,317,360
Current portion	1,526,468,968	1,480,246,048

(a) Impairment of trade receivables;

The Company applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 or 1 January 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

15. Trade and other receivables (Contd.)

(a) Impairment of trade receivables; (Contd.)

On that basis, the loss allowance as at 31 December 2025 and 1 January 2025 was determined as follows for trade receivables:

	2025	2024
Loss allowance	Nil	Nil

The closing loss allowances for trade receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	2025	2024
Opening loss allowance as at 1 January	Nil	Nil
Loss allowance on trade receivables	Nil	Nil
Closing balance	Nil	Nil

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and a failure to make contractual payments.

(b) The carrying amounts of trade and other receivables are denominated in following currencies:

	2025	2024
US Dollars	221,089,822	95,927,660
Sri Lankan Rupees	1,394,486,320	1,458,635,748
	1,615,576,142	1,554,563,408

(c) Staff loans due at the financial position date represent loans given to staff on fixed repayment terms and are unsecured. These loans are largely given at a concessionary rate of 4.2% per annum (2024 - 4.2%). The effective market interest rates on non-current receivables (staff loans) as at 31 December 2025 were 12.5% per annum (2024 - 14%). The effect of discounting is not considered to be material.

(d) Marketing support fee is an advance payment made to the service station operators under which a bulk payment is made at the beginning of the contract period to meet the marketing expenses over the contract period. Service station operator should guarantee a minimum volume over the contract period to meet his obligations under the contract. If the terms are not met, service station operator is required to refund to the Company a proportionate amount of the bulk payment. The marketing support payment is amortised over the contract period and amortisation charge of LKR 13,239,611 (2024 - LKR 14,704,967) is recognised in the statement of comprehensive income (Note 6).

(e) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. However, the Company does hold collateral security for a large proportion of its trade receivables.

(f) Statutory receivables consisted of VAT receivable of LKR 83,311,966 (2024 - LKR 54,637,980).

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

16. Financial instruments by category

(a) 31 December 2025

	Financial assets – measured at amortised cost	Total
Trade and other receivables (excluding prepayments, statutory receivables and marketing support fee paid to service centre operators)	1,389,828,950	1,389,828,950
Amounts due from related parties [Note 26 (c) (i)]	120,201,859	120,201,859
Cash and cash equivalents (Note 19)	3,269,304,043	3,269,304,043
	4,779,334,852	4,779,334,852

(b) 31 December 2025

	Other financial liabilities	Total
Financial liabilities – measured at amortised cost		
Trade and other payables (excluding statutory liabilities)	1,451,629,505	1,451,629,505
Amounts due to related parties [Note 26 (c) (ii)]	360,632,749	360,632,749
Lease liabilities (Note 14)	527,896,007	527,896,007
	2,340,158,261	2,340,158,261

(c) 31 December 2024

	Financial assets – measured at amortised cost	Total
Trade and other receivables (excluding prepayments and marketing support fee paid to service centre operators)	1,411,343,955	1,411,343,955
Amounts due from related parties [Note 26 (c) (i)]	62,258,768	62,258,768
Cash and cash equivalents (Note 19)	3,249,955,449	3,249,955,449
	4,723,558,172	4,723,558,172

(d) 31 December 2024

	Other financial liabilities	Total
Financial liabilities – measured at amortised cost		
Trade and other payables (excluding statutory liabilities)	1,406,706,165	1,406,706,165
Amounts due to related parties [Note 26 (c) (ii)]	582,747,583	582,747,583
Lease liabilities (Note 14)	597,537,926	597,537,926
	2,586,991,674	2,586,991,674

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

16. Financial instruments by category (Contd.)

(e) Credit quality of financial assets that are not impaired can be assessed by reference to historical information.

	2025	2024
Trade receivables		
Distributors	699,707,098	913,526,123
Commercial/industrial and others	560,829,728	398,752,886
Export customers/overseas	16,342,125	Nil
	1,276,878,951	1,312,279,009

Counterparties without external credit rating:

	2025	2024
Group 1	1,265,145,120	1,308,624,024
Group 2	11,733,831	3,654,985
Group 3	Nil	Nil
Total unimpaired trade and related party receivables	1,276,878,951	1,312,279,009

Group 1 - customers with outstanding amounts (less than 3 months).

Group 2 - customers with outstanding amounts (more than 3 months) with no defaults in the past.

Group 3 - customers with outstanding amounts (more than 3 months) with some defaults in the past. All defaults were fully recovered.

	2025	2024
Cash and cash equivalents		
Cash at banks with AAA to A ratings	3,269,304,043	3,249,955,449
Cash in hand	Nil	Nil
	3,269,304,043	3,249,955,449

17. Deferred tax liabilities

Deferred tax is calculated on all temporary differences under the liability method using an effective tax rate of 30% (2024 - 30%).

The gross movement on the deferred income tax account is as follows:

	2025	2024
At beginning of year	162,228,738	207,469,887
Credited to income statement (Note 10)	(28,863,020)	(36,741,708)
Charged/(credited) to other comprehensive income (Note 10)	5,079,927	(8,499,441)
At end of year	138,445,645	162,228,738

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025	2024
Deferred tax assets		
- Deferred tax assets to be recovered after more than 12 months	(243,925,783)	(260,965,938)
- Deferred tax assets to be recovered within 12 months	(28,654,423)	(25,620,382)
	(272,580,206)	(286,586,320)
Deferred tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	411,025,851	448,815,058
Deferred tax liabilities - net	138,445,645	162,228,738

	Accelerated tax depreciation	Right of use Assets	Total
Deferred tax liabilities			
At 1 January 2024	326,812,742	129,497,017	456,309,759
(Credited)/charged to income statement	(27,904,894)	20,410,193	(7,494,701)
At 31 December 2024	298,907,848	149,907,210	448,815,058
(Credited) to income statement	(11,505,201)	(26,284,006)	(37,789,207)
At 31 December 2025	287,402,647	123,623,204	411,025,851

	Defined benefit obligations	Lease Liabilities	Total
Deferred tax assets			
At 1 January 2024	(98,814,112)	(150,025,760)	(248,839,872)
(Credited) to income statement	(11,389)	(29,235,618)	(29,247,007)
(Credited) to other comprehensive income (Note 10)	(8,499,441)	Nil	(8,499,441)
At 31 December 2024	(107,324,942)	(179,261,378)	(286,586,320)
(Credited)/charged to income statement	(11,993,468)	20,919,655	8,926,187
Charged to other comprehensive income (Note 10)	5,079,927	Nil	5,079,927
At 31 December 2025	(114,238,483)	(158,341,723)	(272,580,206)

18. Inventories

	2025	2024
Raw materials and consumables	4,153,022,646	4,208,994,598
Finished goods	1,385,723,088	1,577,167,770
	5,538,745,734	5,786,162,368

(a) Raw material and consumables and finished goods include goods in transit amounting to LKR 158,538,661 (2024 - LKR 233,439,168).

(b) The cost of inventories consumed and included in cost of sales amounted to LKR 14,696,061,647 (2024 - LKR 13,852,181,413).

Corporate Overview	Leadership	Management Discussion and Analysis	Corporate Social Responsibility	Financial Review	Governance	Financial Statements	Supplementary Information
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NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

19. Cash and cash equivalents

	2025	2024
Cash and bank balances	419,304,043	1,749,955,449
Short term deposits	2,850,000,000	1,500,000,000
	3,269,304,043	3,249,955,449

Short term deposits mainly consisted of repos with a tenure of 1 to 3 months.

The weighted average annual effective interest rate on short term deposits was 7.32% (2024 - 8.60%).

The cash and cash equivalents are denominated in following currencies:

	2025	2024
US Dollars	15,423,631	86,623,069
Sri Lankan Rupees	3,253,880,412	3,163,332,380
	3,269,304,043	3,249,955,449

For the purpose of cash flow statement, the year end cash and cash equivalents comprise of the following:

	2025	2024
Cash and bank balances	419,304,043	1,749,955,449
Short term deposits	2,850,000,000	1,500,000,000
	3,269,304,043	3,249,955,449

20. Stated capital

	Ordinary shares	
	Number of shares	Value of shares
At 31 December 2024	240,000,000	600,000,000
At 31 December 2025	240,000,000	600,000,000

All issued shares are fully paid and do not have a par value.

21. Employee benefit obligations

	2025	2024
Statement of financial position obligations for:		
Gratuity benefits	380,794,941	357,749,806
Income statement charge:		
Gratuity benefits (Note 7)	68,776,976	67,204,827
Other comprehensive income:		
Remeasurement (gains)/losses	(16,933,091)	28,331,469

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

The movement in the defined benefit obligation over the year is as follows:

	2025	2024
At 1 January	357,749,806	329,380,372
Current service cost	28,351,248	24,385,379
Interest cost	40,425,728	42,819,448
Remeasurement (gains)/losses	(16,933,091)	28,331,469
Benefits paid	(28,798,750)	(67,166,862)
At 31 December	380,794,941	357,749,806

The amounts recognised in the statement of comprehensive income are as follows:

	2025	2024
Current service cost	28,351,248	24,385,379
Interest cost	40,425,728	42,819,448
Total included in the employee benefit costs (Note 7)	68,776,976	67,204,827

The provision is not externally funded, but actuarially valued and the valuation was carried out by Actuarial & Management Consultants (Private) Limited, an independent actuary, on 31 December 2025 using the Projected Unit Credit Method. The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	10.50% compounded annually	11.30% compounded annually
Estimated salary increment rate	11% per year	12% per year
Withdrawal rate	10% per annum up to age 54 and 0% thereafter	6% per annum up to age 54 and 0% thereafter

The present value of the defined benefit obligation for the year ended 31 December 2025 has been determined by discounting the estimated future cash outflows using the interest rate of government bond, as there is no deep market on high quality corporate bonds, by the actuarial valuer.

Assumptions regarding future mortality experience are set in accordance with A 1967/70 Mortality Table.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as follows:

Change in assumption	Increase in assumption		Decrease in assumption	
	2025	2024	2025	2024
Discount rate	1.00% Decrease by 5.09%	Decrease by 6.75%	Increase by 5.62%	Increase by 7.61%
Future salary growth rate	1.00% Increase by 5.92%	Increase by 7.86%	Decrease by 5.46%	Decrease by 6.31%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

21. Employee benefit obligations (Contd.)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Maturity profile of the defined benefit obligations:

The expected maturity analysis of undiscounted pension and post-employment medical benefits is as follows:

	2025	2024
Less than 1 year	25,190,979	16,689,292
Between 1 - 2 years	23,823,520	16,623,221
Between 2 - 5 years	239,346,893	164,804,143
Over 5 years	510,844,771	873,319,049
	799,206,163	1,071,435,705

22. Trade and other payables

	2025	2024
Trade payables	622,957,442	736,169,893
Accrued expenses [see Note (a) below]	772,190,860	626,268,928
Statutory payables	15,715,021	22,233,977
Other payables [see Note (b) below]	56,481,203	44,267,344
	1,467,344,526	1,428,940,142
Payable to related companies - Trade [Note 26 (c) (ii)]	360,632,749	582,747,583
	1,827,977,275	2,011,687,725

(a) Accrued expenses include payable for trade discounts and incentives of LKR 379,339,250 (2024 - LKR 244,719,887), payable for advertising and sales promotional expenditure of LKR 108,846,455 (2024 - LKR 130,856,141), lubricant license fee of LKR 89,665,600 (2024 - LKR 87,830,273), employee related payables amounting to LKR 50,309,568 (2024 - LKR 47,471,495) and import fees payable of LKR 19,704,472 (2024 - LKR 25,202,588).

(b) Other payables mainly consist of unclaimed dividends by shareholders other than parent company of LKR 56,006,116 (2024 - LKR 43,895,655).

(c) The carrying amounts of trade and other payables are denominated in following currencies:

	2025	2024
US Dollars	574,894,820	822,887,302
Sri Lankan Rupees	1,253,082,455	1,188,800,423
	1,827,977,275	2,011,687,725

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

23. Contingent liabilities

There were no material contingent liabilities existing at the date of the statement of financial position.

24. Commitments

Capital commitments

There were no capital commitments outstanding at the statement of financial position date. (In 2024 Capital commitments were for office furniture and equipment LKR 12,961,835.)

Financial commitments

There were no material financial commitments outstanding at the statement of financial position date.

25. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

	2025	2024
Profit before tax	5,782,080,974	5,531,823,067
Adjustments for:		
Depreciation on property, plant and equipment (Note 13.1)	175,371,714	200,551,267
Amortization on Intangible Assets (Note 13.2)	8,021,552	Nil
Depreciation on right-of-use assets [Note 14 (b)]	87,613,353	99,599,245
Lease liability write-back from early termination (Note 14 (b))	Nil	(4,652,963)
Amortization of marketing support fee paid (Note 6)	13,239,611	14,704,967
Write off of property, plant and equipment (Note 6)	816,710	473,464
Profit on disposal of property, plant and equipment (Note 8)	(350,488)	(330,772)
Interest income (Note 9)	(172,568,522)	(159,979,007)
Interest expense (Note 9)	76,812,640	93,027,975
Defined benefit obligations (Note 21)	68,776,976	67,204,827
Changes in working capital		
- trade and other receivables	(72,992,180)	601,475,853
- inventories	247,416,634	(1,312,714,406)
- payables	(179,445,147)	385,065,756
Cash generated from operations	6,034,793,827	5,516,249,273

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

26. Directors' interest in contracts and related party transactions with the Company

Chevron Ceylon Limited is the immediate holding company of Chevron Lubricants Lanka PLC. The Chevron entities disclosed in this note, are related parties through Chevron Lubricants Lanka PLC's ultimate parent, Chevron Corporation Inc.

None of the directors of the Company had any direct or indirect interests in any contracts with the Company other than those stated below:

Mr Marc Bouchebl, Mr Bertram Paul and Mr Erande De Silva, directors of the Company, are also directors of Chevron Ceylon Limited, which is the immediate holding company. Mr Marc Bouchebl is also a director of Chevron Egypt Lubricants S.A.E, Chevron Albakri Lubricants Company, EPPCO International Ltd, EPPCO Projects Co. LLC, Chevron Afrika-Pakistan Services (Pty) Ltd, Artec N.V. and Chevron Marine Products LLC.

The following transactions were carried out with the related parties.

(i) Reimbursable expenses incurred by Chevron Lubricants Lanka PLC

	2025	2024
Chevron Ceylon Limited	11,044	15,222
Chevron Singapore Pte Ltd	Nil	32,775,563
Chevron Corporation Inc	694,597	1,086,027
	705,641	33,876,812

(ii) Other related party transactions

The Company is controlled by Chevron Ceylon Limited which owns 51% of the Company's shares. The remaining 49% of the shares are widely held. The ultimate parent of the Company is Chevron Corporation Inc, incorporated in San Ramon - USA. All the related entities disclosed below with which the Company had transactions during the year are related through the ultimate parent company.

(a) Sale of goods and services (Note 5)

	2025	2024
Sale of goods:		
Chevron (Thailand) Limited	9,433,246	17,534,092
Chevron Marine Products LLC	161,873,250	125,985,908
Chevron Pakistan Lubricants Private Limited	242,492,825	145,703,008
	413,799,320	289,223,008

Goods are sold based on the price list in force and terms that would be available to third parties. The Company has not received any guarantees pertinent to related party transactions.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

(b) Purchases of goods and services

	2025	2024
Purchase of goods:		
Chevron Singapore Pte Ltd	5,002,920,126	5,295,610,096
Chevron Asia Pacific Holdings Ltd (Chevron Alkhalij)	60,802,493	1,372,654
Chevron (Thailand) Limited	140,816,888	119,151,098
Chevron Oronite Pte Ltd	1,650,030,138	1,757,977,712
Chevron Belgium BV.	4,813,072	14,866,873
Chevron Lubricants Vietnam Limited	80,337,533	Nil
Chevron Pakistan Lubricants Private Limited	217,000	1,116,272
Chevron (Tianjin) Lubricants	Nil	9,109,011
Chevron Marine Products LLC	Nil	196,794
	6,939,937,251	7,199,400,510

	2025	2024
Purchases of services:		
Chevron USA Inc. (Chevron Products Company)	244,077,981	259,915,350
Chevron Singapore Pte Ltd	986,458,193	964,176,632
Chevron Services Company	95,917	Nil
Chevron Asia Pacific Holdings Ltd (Chevron Alkhalij)	462,000	Nil
Chevron Marine Products LLC	58,749	97,010
	1,231,152,840	1,224,188,992

The Company procures most of its raw materials (base oils and additives) from related parties on commercial terms and conditions.

The Company receives services from Chevron Group Companies (CGCs) for which payments are made by the Company. These services include Original Equipment Manufacturers (OEM) endorsement and identification and acquisition, product life cycle management, regional marketing, global supply chain planning and operations, operational excellence and enterprise resources planning, human resources management services, legal services and IT services. The Company has entered into service level agreements with relevant Chevron affiliates, setting out the methodology, terms and conditions for the service charges among Group Companies.

Purchases of goods and services during the year from related parties amounts to 95% (2024 - 98%) of net assets and 66% (2024 - 66%) of total assets at the end of the financial year.

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

26. Directors' interest in contracts and related party transactions with the Company (Contd.)

(ii) Other related party transactions (Contd.)

(b) Purchases of goods and services (Contd.)

Key management consists the members of the Board. The compensation paid or payable to key management personnel is shown below:

	2025	2024
Salaries and other short-term employee benefits	113,282,906	92,231,129
	113,282,906	92,231,129

Purchase of goods and services from related parties are on "arm's length basis".

The Company has not provided security for such related party transactions, while the nature of consideration provided in settlement was cash. The Company has not given any guarantees pertinent to related party transactions.

(c) Outstanding balances arising from sale/purchase of goods/services

(i) Receivable from related parties:

	2025	2024
Chevron Marine Products LLC	80,356,757	31,149,355
Chevron Pakistan Lubricants Private Limited	39,580,345	20,559,460
Chevron (Thailand) Limited	Nil	6,232,191
Chevron Singapore Pte Ltd	Nil	4,039,172
Chevron Corporation	264,757	278,590
	120,201,859	62,258,768

The Company had Nil provisions for doubtful debts applicable to the amount of outstanding balances from related parties, neither did the Company recognize bad debts during the period stemming from related parties.

(ii) Payable to related parties:

	2025	2024
Chevron Singapore Pte Ltd	216,540,100	425,947,720
Chevron Oronite Pte Ltd	60,763,246	125,788,765
Chevron (Thailand) Limited	Nil	9,079,162
Chevron USA Inc. (Chevron Products Company)	20,906,651	21,931,936
Chevron Asia Pacific Holdings Ltd (Chevron Alkhalij)	62,422,752	Nil
	360,632,749	582,747,583

NOTES TO FINANCIAL STATEMENTS

(All amounts in notes are shown in Sri Lanka Rupees unless otherwise stated)

(d) Dr. Harsha Cabral is an Independent Non Executive Director of Diesel & Motor Engineering PLC, Hayleys PLC, Sri Lankan Airlines Limited. The Company had following receivable and payable balances as at the statement of financial position.

	2025	2024
Receivable from Diesel & Motor Engineering PLC [refer (a)]	8,318,919	7,597,370
Receivable from Sri Lankan Airlines Limited [refer (a)]	15,530,540	7,074,197

(a) Chevron Lubricants Lanka PLC had the following transactions during the period from 01 January 2025 to 31 December 2025.

Name of Company/entity	Name of the related person/entity	Brief description of the transaction	Value of Transaction (Taxes included)
Diesel & Motor Engineering PLC	Dr. Harsha Cabral	Sale of Lubricants to DIMO	51,301,763
Hayleys Fabric PLC	Dr. Harsha Cabral	Sale of Lubricants to Hayleys	714,310
Hayleys Aventura (Pvt) Ltd	Dr. Harsha Cabral	Sale of Lubricants & Purchase of part for pump from Hayleys	35,768,792
Sri Lankan Airlines Limited	Dr. Harsha Cabral	Sale of Lubricants to SriLankan Airlines	46,223,895

27. Events after the end of reporting period

Other than disclosed below, no events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

(a) The third interim dividend for 2025 of LKR 7.00 per share amounting to LKR 1,680,000,000 was declared on 26 February 2026 and paid on 16 and 27 March 2026.

TEN-YEAR FINANCIAL SUMMARY

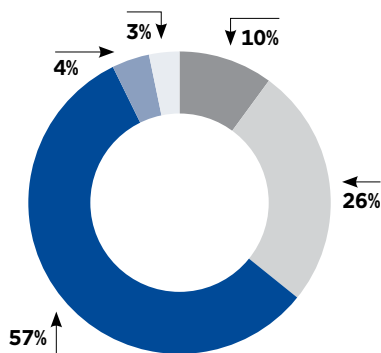
(in Rupees '000)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Trading Results										
Turnover	24,387,781	22,963,023	23,252,503	24,574,730	16,866,311	11,637,381	11,856,057	10,861,044	11,052,496	12,089,111
Profit Before Tax & OCI	5,782,081	5,531,823	5,144,503	4,999,632	4,332,714	3,099,247	2,943,233	2,760,085	3,495,785	4,702,671
Taxation	1,734,988	1,676,378	1,541,490	1,333,578	406,604	873,519	843,826	768,257	930,565	1,222,261
Profit After Tax	4,047,093	3,855,445	3,603,013	3,666,055	3,926,109	2,225,729	2,099,408	1,991,829	2,565,220	3,480,410
Balance Sheet										
Share Capital	600,000	600,000	600,000	600,000	600,000	600,000	-	600,000	600,000	600,000
Reserves	7,956,827	7,973,616	7,732,330	5,559,131	4,398,615	3,580,188	3,536,297	3,314,473	3,406,914	3,260,623
Shareholders funds	8,556,827	8,573,616	8,332,330	6,159,131	4,998,615	4,180,188	4,136,297	3,914,473	4,006,914	3,860,623
Property, Plant & Equipment and Intangible Assets	1,588,281	1,584,345	1,611,884	1,588,867	1,661,480	1,758,141	1,883,219	1,963,377	2,066,551	2,132,858
Current & Non Current Assets excluding PPE and Intangible Assets	10,835,703	11,090,372	10,333,235	11,444,830	9,331,713	6,083,512	4,352,287	4,104,459	3,529,369	4,913,648
Current Liabilities	2,891,635	3,053,227	2,610,788	5,999,396	5,322,385	2,900,424	1,327,455	1,756,220	1,181,061	2,820,069
Non Current Liabilities	975,522	1,047,875	1,002,001	875,170	672,193	771,042	771,754	397,143	407,945	365,814
Net Assets	8,556,827	8,573,616	8,332,330	6,159,131	4,998,615	4,180,188	4,136,297	3,914,473	4,006,914	3,860,623
Key Indicators										
Gross Dividends (Paid during the Year)	Rs. '000	4,080,000	3,600,000	1,440,000	1,680,000	3,120,000	1,860,000	2,100,000	2,400,000	4,320,000
Dividend per Share (Paid during the Year)	Rupees	17.00	15.00	6.00	7.00	13.00	9.00	7.75	8.75	18.00
Price Earnings Ratio	Times	10.91	9.96	6.01	6.32	6.91	11.65	8.56	8.77	11.13
Market value per share as at 31st December	Rupees	184.00	160.00	90.30	96.50	113.00	108.00	74.90	72.80	157.10
Return on Equity	%	47	46	50	66	86	54	52	50	65
Net Assets per share	Rupees	35.65	35.72	34.72	25.66	20.83	17.42	17.23	16.31	16.70
Net Income to Turnover	%	17	17	15	15	23	19	18	23	29
Earnings per Share	Rupees	16.86	16.06	15.01	15.28	16.36	9.27	8.75	8.30	10.69

Note : The Company effected an increase of the Company's shares by way of a subdivision of each ordinary share into two ordinary shares thus increasing the number of shares from 120,000,000 ordinary shares to 240,000,000 effective 7th June 2016. Therefore Basic EPS/DPS/Net Asset per share for prior years have been restated for comparative purpose. However PE ratio has been retained unadjusted to reflect historical records.

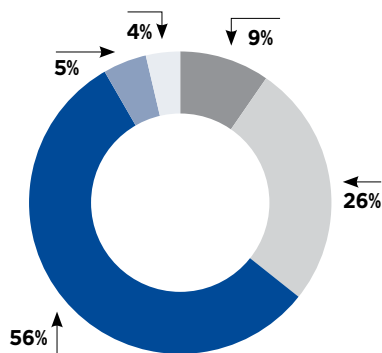
STATEMENT OF VALUE ADDED

(in Rupees millions)	2025	2024
Value addition		
Turnover	24,388	22,963
Finance Income	237	336
Less: Materials and services purchased	17,881	16,868
Value created	6,744	6,431
Distribution of Value addition		
To employees as salaries	679	619
To state by way of taxes	1,735	1,676
To shareholders as dividends	3,840	3,600
Retained in the business - Depreciation & Amortization	271	300
Retained in the business - Earnings	219	236
	6,744	6,431

Statement of Value Added - 2025



Statement of Value Added - 2024



- To employees as salaries
- Retained in the business - Depreciation & Amortization
- To state by way of taxes
- Retained in the business - Earnings
- To shareholders as dividends

SHAREHOLDER INFORMATION

Analysis of Shareholders summary report as at 31 December 2025

Shareholdings	No of shareholders	No of shareholders (%)	Total Holdings	Total Holdings (%)
1 - 1000	6,819	68.87	1,660,956	0.69
1001 - 10,000	2,217	22.39	8,275,152	3.45
10,001 - 100,000	698	7.05	21,293,525	8.88
100,001 - 1,000,000	152	1.54	48,511,880	20.21
1,000,001 & over	15	0.15	160,258,487	66.77
Total	9,901	100.00	240,000,000	100.00

Shareholders categorised summary report as at 31 December 2025

	No of shareholders	No of shareholders (%)	Total Holdings	Total Holdings (%)
Individual	9,560	97	58,293,574	24.29
Institutional	341	3	181,706,426	75.71
Total	9,901	100	240,000,000	100.00
Resident	9,791	98.89	228,225,603	95.09
Non-Resident	110	1.11	11,774,397	4.91
Total	9,901	100.00	240,000,000	100.00
Public Holding	9,900		117,600,000	49.00

Share Information	2025	2024
Net Assets Per Share (Rs.)	35.65	35.72
Closing Price Per Share (Rs.)	184.00	160.00
Highest Price during the year (Rs.)	188.25	162.00
Lowest Price During the year (Rs.)	128.25	90.30
Public Share Holding	49%	49%
Number of Public Share Holders	9900	8314
Compliant with CSE Rule 7.13.1 (i) (a) under option 1 - Float Adjusted Market Capitalization (Rs.)	21,638,400,000	18,816,000,000

SHAREHOLDER INFORMATION

Share price movements	Closing	Highest	Lowest
Market value of share in 1996	50.00	50.00	40.00
Market value of share in 1997	46.00	64.50	35.00
Market value of share in 1998	62.75	70.00	57.00
Market value of share in 1999	75.00	75.00	55.25
Market value of share in 2000	50.00	68.00	45.00
Market value of share in 2001	75.00	88.00	54.50
Market value of share in 2002	120.50	124.00	72.00
Market value of share in 2003	71.50	227.00	69.00
Market value of share in 2004	63.75	110.00	54.50
Market value of share in 2005	58.00	74.00	52.25
Market value of share in 2006	85.00	90.50	56.00
Market value of share in 2007	85.25	97.50	76.00
Market value of share in 2008	92.00	118.25	81.75
Market value of share in 2009	141.75	233.00	93.00
Market value of share in 2010	159.50	193.75	141.00
Market value of share in 2011	170.00	183.50	152.00
Market value of share in 2012	202.00	205.20	160.00
Market value of share in 2013	267.80	375.00	202.00
Market value of share in 2014	399.60	400.00	263.00
Market value of share in 2015	344.00	460.00	342.10
Market value of share in 2016	157.10	350.00	149.00
Market value of share in 2017	119.00	179.90	109.00
Market value of share in 2018	72.80	77.70	64.80
Market value of share in 2019	74.90	83.00	50.00
Market value of share in 2020	108.00	112.00	46.00
Market value of share in 2021	113.00	121.00	86.60
Market value of share in 2022	96.50	137.00	60.00
Market value of share in 2023	90.30	109.25	78.00
Market value of share in 2024	160.00	162.00	90.30
Market value of share in 2025	184.00	188.25	128.25

SHAREHOLDER INFORMATION

Names and the Number of Shares held by the Largest 20 shareholders as at 31st December 2025

Shareholdings	Number of Shares 2025	(%)	Number of Shares 2024	(%)
Chevron Ceylon Limited	122,400,000	51.00	122,400,000	51.00
J B Cocoshell (Pvt) Ltd	6,557,889	2.73	2,644,409	1.10
Renuka Hotels PLC	5,201,918	2.17	5,201,918	2.17
SSBTC- Change Global Developing Markets Select, LP	4,930,007	2.05		
Employee Provident Fund	4,500,343	1.88	1,238,803	0.52
Cargo Boat Development Company PLC	3,410,000	1.42	3,417,818	1.42
Crescent Launderers and Dry Cleaners (Pvt) Ltd	2,000,000	0.83	2,000,000	0.83
Odyssey Capital Partners (Private) Limited	1,826,000	0.76		
Ranavav Holdings (Pvt) Ltd	1,736,357	0.72		
Mrs. A Selliah	1,700,000	0.71	1,700,000	0.71
BNYM Re- Victory Pioneer Multi-Asset Income Fund	1,390,013	0.58	1,552,813	0.65
Mr. A P Somasiri	1,300,000	0.54	1,200,000	0.50
Mrs. A Kailasapillai	1,150,000	0.48	1,150,000	0.48
Dr. S. P. Jayawardena	1,079,735	0.45	900,399	0.38
Miss. M.M. Page	1,076,225	0.45		
Mr. M M C Cooray	1,000,000	0.42	1,115,000	0.46
Fairfirst Insurance Limited - Technical Reserve	1,000,000	0.42		
Perera and Sons Bakers (Pvt) Ltd	1,000,000	0.42		
Employees Trust Fund Board	976,662	0.41		
Deutsche AG as Trustee for JB Vantage Value Equity Fund	952,313	0.4		
Subtotal	165,187,462	68.84	144,521,160	60.22
Others	74,812,538	31.16	95,478,840	28.04
Total	240,000,000	100.00	240,000,000	100.00

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty Third Annual General Meeting of Chevron Lubricants Lanka PLC (the “Company”) will be held on 29th May 2026 at 4.00pm at Level 6, Public Forum, The Institute of Chartered Accountants of Sri Lanka, 30A, Malalasekera Mawatha, Colombo 07 for the following purposes.

Capitalized terms not defined in this notice shall have the meanings given to them in the Company’s Articles of Association.

- To receive and consider the Report of the Directors with the statement of accounts for the year ended 31 December 2025 and the Report of the Auditors thereon.
- To re-elect as Director, Mr. Marc Bouchebl who retires in terms of Article 91 of the Articles of Association of the Company.
- To re-elect as Director, Mr. Ching San Lim who retires in terms of Article 91 of the Articles of Association of the Company
- To re-elect as Director, Ms. Averil Ludowyke who retires by rotation in terms of Article 85 of the Articles of Association of the Company.
- To reappoint Messrs. Deloitte Partners as auditors and to authorize the Directors to determine their remuneration.
- To authorize the Directors to determine and make donations.
- To consider any other business of which due notice has been given.

The Annual Report of Chevron Lubricants Lanka PLC for the year ended 31 December 2025 is accessible via:

1. Corporate Website: <https://chevron.lk/annual-reports/>
2. The Colombo Stock Exchange: <https://www.cse.lk/company-profile?symbol=LLUB.N0000>
3. The following QR Code:



For any inquiries or clarifications please call Ms. Thirunika on +94114524577 during normal office hours (8.00am to 5.00pm)

By Order of the Board

Erande De Silva
Secretary

Colombo
30 April 2026

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to participate and vote instead of him.
2. A proxy holder need not be a member of the Company. The form of proxy is attached herewith for your completion.
3. The completed form of proxy should be deposited at the Registered Office of the Company at Level 16, MAGA ONE, No. 200, Nawala Road, Narahenpita, Colombo 05 not less than 48 hours before the time appointed for the holding of the meeting (not later than 4.00pm on Wednesday, 27 May 2026).

FORM OF PROXY

I/We the undersigned (please print)

..... of being member/s of Chevron Lubricants Lanka PLC do hereby appoint

Marc Bouchebl	whom failing
Bertram Shanthikumar Paul	whom failing
Happavana Vithanage Erande Lasith De Silva	whom failing
Ching San Lim	whom failing
Liyanamohottige Joseph Sri Harsha Cabral	whom failing
Averil Anne Ludowyke	whom failing

..... of as my/our proxy to represent me/us and to vote as indicated hereunder for me/us and on my/our behalf at the Thirty Third Annual General Meeting of Chevron Lubricants Lanka PLC (the "Company") which will be held on Friday 29 May 2026 at 4.00pm at Level 6, Public Forum, The Institute of Chartered Accountants of Sri Lanka, 30A, Malalasekera Mawatha, Colombo 07 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Capitalized terms not defined in this Form of Proxy shall have the meanings given to them in the Company's Articles of Association.

	For	Against
1. To receive and consider the Report of the Directors with the statement of accounts for the year ended 31.12.2025 and the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as Director, Mr. Marc Bouchebl who retires in terms of Article 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as Director, Mr. Ching San Lim who retires in terms of Article 91 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as Director, Ms. Averil Ludowyke who retires by rotation in terms of Article 85 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
5. To reappoint Messrs. Deloitte Partners as auditors and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorize the Directors to determine and make donations.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2026

Signature

NOTES:

1. Please indicate with an "X" in the space provided how your proxy is to vote on each resolution. If there is in the view of the proxy holder doubt (by reason of the way in which the instructions in the proxy have been completed) as to the way in which the proxy holder should vote, the proxy holder will vote as he thinks fit.
2. A proxy holder need not be a member of the Company.
3. Instructions as to completion are noted as follows.

INSTRUCTIONS AS TO COMPLETION

1. Please perfect the Form of Proxy overleaf, after filling in legibly your full name and address and by signing in the space provided and filling in the date of signature.
2. If the shareholder is a Company or Corporate body, the Form of Proxy should be executed under its Common Seal in accordance with its Articles of Association or Constitution.
3. If the Form of Proxy has been signed by an attorney, the relative Power of Attorney should also accompany the Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. The completed form of proxy should be deposited at the Registered Office of the Company at Level 16, MAGA ONE, No. 200, Nawala Road, Narahenpita, Colombo 05 not less than 48 hours before the time appointed for the holding of the meeting (not later than 4.00pm on Wednesday, 27 May 2026).

CORPORATE INFORMATION

Legal Form:

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

Directors:

Marc Bouchebl -
Chairperson/Non-Executive Director
(Appointed w.e.f. 01.01.2026)

Bertram Paul - Managing Director/
Chief Executive Officer

Erande De Silva -
Director/Chief Financial Officer

Ching San Lim -
Non-Executive Director
(Appointed w.e.f. 01.01.2026)

Harsha Cabral -
Independent Non-Executive Director

Averil Ludowyke -
Independent Non-Executive Director
(Appointed w.e.f. 01.05.2025)

Asite Talwatte -
Independent Non-Executive Director
(Resigned w.e.f. 01.05.2025)

Danielle Lincoln -
Chairperson/Non-Executive Director
(Resigned w.e.f. 01.01.2026)

Haider Manasawala -
Independent Non-Executive Director
(Resigned w.e.f. 01.01.2026)

Secretary:

Erande De Silva
Level 16, MAGA ONE,
No. 200, Nawala Road,
Narahenpita, Colombo 05.

Registered Office:

Level 16, MAGA ONE,
No. 200, Nawala Road,
Narahenpita, Colombo 05.

Company Registration Number:

PQ 54

Registrars to the Company:

S S P Corporate Services (Private)
Limited
101, Inner Flower Road,
Colombo 3

Auditors:

Deloitte Partners
Chartered Accountants
P.O. Box 918
100, Braybrooke Place,
Colombo 02

Lawyers to the Company:

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

Bankers:

Citibank NA
Deutsche Bank AG
Commercial Bank of Ceylon PLC

Web Address:

www.chevron.lk

Email:

CLLPShareholders@chevron.com

Telephone:

0114524524

Facsimile:

0114524566



www.chevron.lk