

12.12.2019

Mr. Renuka Wijewardene
Chief Operating Officer
Colombo Stock Exchange
Echelon Square
Colombo 01

Dear sir,

MANUFACTURING OF PORCELAIN MOSAIC TILES FOR EXPORT MARKET

This is to inform you that Lanka Tiles PLC on 9th December 2019 entered in to a tripartite agreement with M/s. Foshan Shiwan Yulong Ceramic Co Ltd (Yulong), a Company duly incorporated in China and Mr. Benjamin Malloy of Dallas, Texas in USA, wherein it was agreed that Lanka Tiles PLC with the technical assistance of "YULONG" will convert its present idle capacity of 2000 sq. mt. Per day to manufacture porcelain mosaic tiles for export markets with an investment of approximately Rs. 200 Mn.

This agreement was entered into the light of USA imposing anti-dumping duty on ceramic and porcelain products of Chinese origin reaching USA market. This new tariff regime has created opportunities for other manufactures of similar products to increase exports to USA. It is envisaged that approximately Rs. 01 billion of sales revenue will accrue to Lanka Tiles PLC within the next two to three years from the sale of porcelain mosaic tiles in both export & local markets. Under the agreement, shipping will start by April 2020. Further, the agreement is based on standard commercial terms that apply to similar arrangements where technical and sales support is extended by a third party.

This information is provided for your necessary purposes.

Thank you

Yours faithfully

LANKA TILES PLC



MAHENDRA JAYASEKARA
MANAGING DIRECTOR

