LANKA TILES PLC

Interim Report

FIRST QUARTER

Three months ended 30th June, 2026

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	As at 30.06.2026	As at 31.03.2026	As at 30.06.2026	As at 31.03.2026
	Unaudited	Audited	Unaudited	Audited
	Rs.000	Rs.000	Rs.000	Rs.000
ASSETS				
Non-current assets				
Property, plant and equipment	8,229,789	8,240,640	8,229,789	8,240,640
Investment properties	491,996	491,996	-	-
Intangible assets	82,357	84,068	79,223	80,877
Investments in subsidiaries	-	-	321,084	321,084
Investments in associates	2,000,160	1,911,995	1,920,741	1,832,594
Right of use assets	275,501	68,049	275,501	68,049
Total non-current assets	11,079,803	10,796,748	10,826,338	10,543,244
Current assets				
Inventories	6,803,740	6,882,497	6,803,740	6,882,497
Trade and Other Receivables	1,244,071	1,360,422	1,244,071	1,360,422
Amounts Due from Related Parties	1,862,529	1,613,417	1,870,790	1,620,978
Short Term Investment	21,719	191,468	21,719	191,468
Cash and balances with banks	102,185	110,172	102,185	110,172
Total current assets	10,034,244	10,157,975	10,042,505	10,165,537
Assets held for sale	366,082	277,606	58,271	58,271
Total assets	21,480,129	21,232,330	20,927,114	20,767,052
EQUITY AND LIABILITIES				
Stated Capital	900,968	900,968	900,968	900,968
Reserves	2,092,276	2,092,276	2,092,276	2,092,276
Reserves of a disposal group held for sale	(7,401)	(5,609)	-	-
Retained earnings	13,312,399	13,119,588	13,210,611	13,013,535
Total equity attributable to equity holders of the company	16,298,242	16,107,223	16,203,855	16,006,779
Non- controlling interest	(24,492)	(21,101)	-	-
Total equity	16,273,750	16,086,122	16,203,855	16,006,779
Non-current liabilities				
Interest bearing liabilities	231,278	-	231,278	-
Deferred tax liabilities	1,729,775	1,726,973	1,660,049	1,657,246
Retirement benefit liability	258,356	252,204	258,356	252,204
Total Non-current liabilities	2,219,409	1,979,177	2,149,683	1,909,450
Current liabilities				
Trade and other payables	1,259,236	1,302,882	1,258,791	1,302,436
Contract liability	101,260	164,792	101,260	164,792
Amount Due to Related Parties	133,004	135,982	133,005	135,982
Income tax liabilities	135,035	127,701	135,035	127,701
Interest bearing liabilities	611,785	865,196	611,785	865,196
Bank Overdrafts	333,700	254,716	333,700	254,716
Total Current liabilities	2,574,020	2,851,269	2,573,576	2,850,823
Liabilities associated with assets held for sale	412,950	315,762	-	-
Total equity and liabilities	21,480,129	21,232,330	20,927,114	20,767,052
Net Assets Value Per Share (Rs.)	61	61	61	60

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

-Sgd-
Haresh Somashantha
Director Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the board by

-Sgd-
A M Weerasinghe
Co -Chairman
06th August 2026

-Sgd-
Priyantha Talwatte
Managing Director

The Notes on page 06 to 08 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		
	Quarter Ended		
	30.06.2026	30.06.2025	Change
	Unaudited	Unaudited	
	Rs.000	Rs.000	%
Continuing operations			
Revenue	2,650,180	2,897,951	(9)
Cost of sales	(1,703,644)	(2,031,160)	(16)
Gross profit	946,536	866,791	9
Other income	18,443	18,026	2
Distribution cost	(582,861)	(462,011)	26
Administrative expenses	(237,160)	(270,944)	(12)
Results from operating activities	144,958	151,862	(5)
Finance income	73,295	16,175	353
Finance cost	(22,904)	(24,542)	(7)
Share of net profit of associate	112,664	49,270	129
Profit / (loss) before tax	308,013	192,765	60
Tax expense	(56,369)	(31,179)	81
Profit / (Loss) for period from continuing operations	251,644	161,586	56
Discontinued operations			
Profit/(loss) after tax from discontinued operations	(6,921)	(18,365)	(62)
Profit / (Loss) for the period	244,723	143,221	71
Other Comprehesive Income			
Items that will not be reclassified subsequently to Statement of Profit or Loss			
Net other comprehensive income discontinued operations	(1,792)	618	-
Share of other comprehensive income of equity accounted investees	(2,253)	-	-
Total other comprehensive income for the period, net of tax	(4,045)	618	(755)
Total comprehensive income for the period, net of tax	240,678	143,839	67
Profit / (Loss) for the period attributable to:			
Equity holders of the parent	248,114	152,220	63
Non-controlling interest	(3,391)	(8,999)	(62)
Profit / (Loss) for the period	244,723	143,221	71
Total comprehensive income / (Loss) for the period attributable to :			
Equity holders of the parent	244,947	152,535	61
Non-controlling interest	(4,269)	(8,696)	(51)
Total comprehensive income / (Loss) for the period	240,678	143,839	67
Basic Earning Per Share - Rs.	0.94	0.57	
Basic Earning Per Share - from Continued operations (Rs.)	0.95	0.61	

The Notes on page 06 to 08 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	COMPANY		
	Quarter Ended		
	30.06.2026	30.06.2025	Change
	Unaudited	Unaudited	
	Rs.000	Rs.000	%
Continuing operations			
Revenue	2,650,180	2,897,951	(9)
Cost of sales	(1,703,644)	(2,031,160)	(16)
Gross profit	946,536	866,791	9
Other income	18,143	17,726	2
Distribution cost	(582,861)	(462,011)	26
Administrative expenses	(236,107)	(270,204)	(13)
Results from operating activities	145,711	152,302	(4)
Finance income	73,295	16,175	353
Finance cost	(22,904)	(24,542)	(7)
Share of net profit of associate	112,646	49,313	128
Profit / (loss) before tax	308,748	193,248	60
Tax expense	(56,369)	(31,179)	81
Profit / (Loss) for the period	252,379	162,069	56
Other Comprehesive Income			
Share of other comprehensive income of equity accounted investees	(2,253)	-	-
Total other comprehensive income for the period, net of tax	(2,253)	-	-
Total comprehensive income for the period, net of tax	250,126	162,069	54
Profit / (Loss) for the period attributable to:			
Equity holders of the parent	252,379	162,069	56
Non-controlling interest	-	-	-
Profit / (Loss) for the period	252,379	162,069	56
Total comprehensive income / (Loss) for the period attributable to :			
Equity holders of the parent	250,126	162,069	54
Non-controlling interest	-	-	-
Total comprehensive income / (Loss) for the period	250,126	162,069	54
Basic Earning Per Share - Rs.	0.95	0.61	

The Notes on page 06 to 08 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Exchange Reserve	Retained Earnings	Reserve of disposal group held for sale	Shareholders' funds	Non Controlling Interest	Total Equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 1st April 2025	900,968	460,151	1,632,125	(6,362)	12,410,124	-	15,397,006	7,848	15,404,854
Net profit / (loss) for the period	-	-	-	-	152,220	-	152,220	(8,999)	143,221
Other comprehensive income	-	-	-	315	-	-	315	303	618
Dividend Paid	-	-	-	-	(106,101)	-	(106,101)	-	(106,101)
Dividend to Non Controlling Interest	-	-	-	-	-	-		-	
Balance as at 30th June 2025	900,968	460,151	1,632,125	(6,047)	12,456,243	-	15,443,440	(848)	15,442,592
Balance as at 1st April 2026	900,968	460,151	1,632,125	-	13,119,588	(5,609)	16,107,223	(21,101)	16,086,122
Net profit / (loss) for the period	-	-	-	-	248,114	-	248,114	(3,391)	244,723
Other comprehensive income	-	-	-	-	(2,253)	(1,792)	(4,045)	-	(4,045)
Dividend Paid	-	-	-	-	(53,050)	-	(53,050)	-	(53,050)
Balance as at 30th June 2026	900,968	460,151	1,632,125	-	13,312,399	(7,401)	16,298,242	(24,492)	16,273,750

COMPANY	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Retained Earnings	Total Equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 1st April 2025	900,968	460,151	1,632,125	12,290,480	15,283,724
Net profit / (loss) for the period	-	-	-	162,069	162,069
Dividend Paid	-	-	-	(106,101)	(106,101)
Balance as at 30th June 2025	900,968	460,151	1,632,125	12,346,448	15,339,692
Balance as at 1st April 2026	900,968	460,151	1,632,125	13,013,535	16,006,779
Net profit / (loss) for the period	-	-	-	252,379	252,379
Other comprehensive income	-	-	-	(2,253)	(2,253)
Dividend Paid	-	-	-	(53,050)	(53,050)
Balance as at 30th June 2026	900,968	460,151	1,632,125	13,210,611	16,203,855

The Notes on page 06 to 08 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	3 Months to 30.06.2026	3 Months to 30.06.2025	3 Months to 30.06.2026	3 Months to 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs.000	Rs.000	Rs.000	Rs.000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before income tax	308,013	192,765	308,748	193,248
Profit/(loss) before tax from discontinued operations	(6,921)	(18,365)	-	-
Profit before tax	301,092	174,400	308,748	193,248
Adjustments for:				
Depreciation and Amortization	161,495	160,528	156,271	152,867
Amortization of Right of use Assets	2,537	5,634	2,537	5,634
Net Finance (income) / cost	(30,485)	12,262	(30,485)	11,116
Provision for retirement benefit obligations	15,245	12,428	15,245	12,428
Provision / (Reversal) for slow moving inventories	8,605	(4,620)	8,605	(4,620)
Exchange (Gain) / loss	(22,402)	(3,357)	(22,402)	(3,357)
Allowance for impairment of trade receivable	-	4,000	-	4,000
Interest Expense on lease liability	2,495	648	2,495	648
Share of results of associate	(112,664)	(49,270)	(112,646)	(49,313)
Operating profit (loss) before working capital changes	325,918	312,654	328,368	322,652
Changes in working capital				
(Increase)/Decrease in inventories	24,433	(45,432)	70,152	(36,506)
(Increase)/Decrease in trade and other receivables	106,083	(116,163)	138,596	(81,098)
(Increase)/Decrease in due from related parties	(199,812)	(102,045)	(199,812)	(96,296)
Increase/(Decrease) in due to related parties	(2,976)	116,594	(2,976)	97,012
Increase/(Decrease) in trade & other payables	(59,728)	(9,936)	(137,827)	(46,006)
Cash generated from operations	193,918	155,671	196,501	159,758
Finance income received / (cost paid)	30,485	(12,262)	30,485	(11,116)
Retirement benefit costs paid	(9,093)	(641)	(9,093)	(641)
Income tax paid	(46,231)	(5,000)	(46,231)	(5,000)
Net cash flows from/(used in) operating activities	169,079	137,768	171,662	143,000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of property,plant,equipment	(152,344)	(133,210)	(143,767)	(131,599)
Loan to Related Parties	(50,000)	(400,000)	(50,000)	(400,000)
Net cash flows from /(used in) investing activities	(202,344)	(533,210)	(193,767)	(531,599)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Proceeds from borrowings	1,155,388	817,106	1,150,000	810,000
Repayment of borrowings	(1,375,000)	(506,405)	(1,375,000)	(506,405)
Payments of Lease rentals	(9,615)	(7,575)	(9,615)	(7,575)
Net cash flows from /(used in) financing activities	(229,227)	303,126	(234,615)	296,020
Net Increase/(Decrease) in cash and balances with banks	(262,492)	(92,316)	(256,720)	(92,579)
Net increase/(decrease) in Cash and balances with banks	(262,492)	(92,316)	(256,720)	(92,579)
Movement in Cash and balances with banks				
Net foreign exchange difference arising on translation of foreign operations	(2,006)	(2,185)	-	-
Cash and balances with banks at the beginning of the period	(11,835)	(160,671)	46,923	(101,382)
Cash and balances with banks at the end of the period	(276,333)	(255,172)	(209,797)	(193,960)
Cash and balances with banks at end of period				
Cash and balances with banks	126,348	234,707	123,903	227,183
Bank overdraft	(402,681)	(489,879)	(333,700)	(421,143)
Cash and balances with banks at end of period	(276,333)	(255,172)	(209,797)	(193,960)

The Notes on page 06 to 08 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Notes

1 **Corporate Information**

Lanka Tiles PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company is located at No.215, Nawala Road,Narahenpita, Colombo 05.

The Consolidated Financial Statements of the company for the Period ended 30th June 2026 comprise Lanka Tiles PLC (Parent Company) and its subsidiaries (together referred as the " Group") Beyond Paradise Collection Ltd, Lanka Swisstek Private Ltd , LTL Development Ltd and equity accounted investments of Swisstek (Ceylon) PLC and CP Holdings (Pvt) Ltd.

2 The above figures are provisional and subject to audit.

3 Number of fully paid ordinary shares as at 30th June 2026 is 265,252,050 (30th June 2025 - 265,252,050).

4 The accounting policies followed in the preparation of interim financial statements are consistent with those followed in the preparation of financial statements for the year ended 31st March 2026 and are in compliance with LKAS 34 - Interim Financial Reporting.

5 There have been no changes in contingent assets and contingent liabilities since 31st March 2026.

6 The presentation and classification of figures for corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.

7 There have been no material events occurring after the reporting date that require adjustments or disclosure to these financial statements.

8 **Fair value measurement and related fair value disclosures**

The fair values of all the financial assets and financial liabilities recognized during the period were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the reporting period. Further, carrying values of financial assets and financial liabilities as at the end of the reporting period were assumed that the respective carrying amounts approximates their fair values.

9 **Discontinued Operations**

On 25th November 2025, the Board of Directors of Lanka Tiles PLC decided to dispose of Lanka Swisstek (Pvt) Ltd, a 51% owned subsidiary. The disposal is expected to be completed within one year from the reporting date. Accordingly, as at 30th June 2026, Lanka Swisstek (Pvt) Ltd has been classified as a disposal group held for sale and as a discontinued operation. Lanka Swisstek (Pvt) Ltd represented the entirety of the Group's India operations up to 30th June 2026.

The results of the discontinued operations, which have been included in the profit for the year, were as follows.

	30.06.2026	**30.06.2025**
	Rs.000	**Rs.000**
Revenue	36,601	29,257
Cost of Sales	(18,694)	(17,107)
Gross Profit	**17,907**	**12,150**
Other income	95	145
Distribution costs	(2,105)	(2,326)
Administrative expenses	(20,055)	(27,193)
Profit from operating activities	(4,158)	(17,223)
Finance cost	(2,763)	(1,141)
Finance income	-	-
Profit before tax	**(6,921)**	**(18,365)**
Income tax (expenses) / reversa	-	-
Profit/(Loss) for the year	**(6,921)**	**(18,365)**

9 Discontinued Operations (Contd..)

The major classes of assets and liabilities of Lanka Swisstek Pvt Ltd classified as held for sale as at 30th June 2026 are, as follows:

	as at 30.06.2026	as at 31.03.2026
Assets	**Rs.000**	**Rs.000**
Property, plant and equipment	90,171	83,091
Inventories	177,219	125,940
Trade and other receivable	59,384	57,253
Other current assets	36,862	3,785
Cash and balances with banks	2,445	7,537
Assets held for sale	**366,082**	**277,606**
Liabilities		
Trade and other payables	(56,452)	(29,090)
Other current liability	(94,512)	(40,694)
Due to related companies	(82,457)	(78,970)
Short term borrowings	(110,548)	(100,713)
Bank overdraft	(68,981)	(66,296)
Liabilities directly associated with assets held for sale	**(412,950)**	**(315,762)**
Net assets directly associated with disposal group	(46,868)	(38,156)
Reserve of disposal group classified as held for sale	(7,401)	(5,609)

The net cash flows incurred by Lanka Swisstek Pvt Ltd are, as follows:

	30.06.2026	30.06.2025
	Rs.000	**Rs.000**
Operating	(3,679)	(5,232)
Investing	(8,577)	(1,611)
Financing	5,388	7,106
Net cash (outflow)/inflow	**(6,868)**	**263**

10 Details of the Subsidiaries of the Company as at 30th June 2026, is as follows

Company Name	Year of Incorporation	Ownership (%)
Beyond Paradise Collection Ltd	2011/2022	100%
L T L Development Ltd	2017/2018	100%
Lanka Swisstek (Pvt) Ltd	2018/2019	51%

11 Market prices recorded during the quarter ended

30th June	2026/27 Rs.cts		2025/26 Rs.cts	
Highest market price per share	**48.10**	(12.05.2026)	**57.40**	(11.06.2025)
Lowest market price per share	**53.90**	(11.06.2026)	**48.80**	(07.04.2025)
Last traded price per share	**44.20**	(30.06.2026)	**55.90**	(30.06.2025)
Closing date price per share	**44.10**	(30.06.2026)	**56.20**	(30.06.2025)
Number of Ordinary Shares Issued	**265,252,050**		**265,252,050**	

12 Director's holding in shares as at 30th June 2026

Director's name	Shareholding	
	Number	*%*
Dr. S Selliah	200,000	0.075
Ms. A M L Page	12,500	0.005

13 25 Major Shareholders as at 30th June 2026

	Shareholder's name	Shareholding	
		Number	*%*
1	Lanka Walltiles PLC	180,945,975	68.217
2	Employee'S Provident Fund	24,841,565	9.365
3	Royal Ceramics Lanka PLC.	6,942,405	2.617
4	Employees Trust Fund Board	3,041,601	1.147
5	Sri Lanka Insurance Corporation Ltd-Life Fund	2,656,922	1.002
6	Mr. A.A. Page	2,169,695	0.818
7	Mrs. S. Vasudevan & Mr. S.Vasudevan	1,625,000	0.613
8	Mr. D.N.P. Rathnayake	1,209,770	0.456
9	Mr. K.A.S.R. Nissanka	1,122,452	0.423
10	Seylan Bank PLC/Phantom Investments (Pvt) Ltd	1,109,700	0.418
11	Hatton National BankPLC-Senfin Dividend Fund	744,957	0.366
12	Sampath Bank PLC/Aruna Enterprises Pvt Ltd.	642,500	0.253
13	Mrs. A.A. Merchant	625,000	0.242
14	Senkadagala Finance PLC	564,818	0.236
15	Mr. D.R. Ponnamperuma	550,080	0.207
16	NDB Wealth Management Ltd / Hanif Yusoof	539,867	0.204
17	Ranavav Holdings (Private) Limited Account No. 04	520,000	0.196
18	Deutsche Bank Ag As Trustee To Assetline Income Plus Growth Fund	500,000	0.188
19	Bank Of Ceylon No. 1 Account	480,572	0.155
20	Mr. S.A.C. Keerthisinghe & Mrs. D.M.J.S.Dissanayaka	412,000	0.155
21	Mr. N. Samarasuriya	409,998	0.151
22	Mrs. F.S. Shafei & Mr. S.A.Mohamed Basheer	400,000	0.149
23	Sri Lanka Insurance Corporation Ltd-General Fund	394,347	0.149
24	Sezeka Limited	380,000	0.143
25	Mr. J.D. Bandaranayake & Dr. (Mrs.) V.Bandaranayake,Miss I.Bandaranayake	378,575	0.143
Sub Total		233,207,799	88.013
Others		31,798,750	11.987
Grand Total		265,006,549	100.000

14 Percentage of public holding as at 30th June 2026 was 28.229% comprising of 6,676 shareholders.

15 The float adjusted market capitalization is Rs. 3,302,144,716.50 as at 30th June 2026 and the company is in compliance with option 4 of section 7.13.1 (i) (a) of the listing rules of the CSE pertaining to minimum Public Holding.

Corporate Information

NAME OF THE COMPANY
Lanka Tiles PLC

LEGAL FORM
Public Limited Liability Company listed on the Colombo Stock Exchange. (Incorporated as a Private Limited Liability Company on 30th March 1984 under the Companies Act No. 17 of 1982 and converted to a Public Limited Liability Company on 07th August 1984.) The Company was re-registered under the New Companies Act No. 07 of 2007 on 19th March 2008 and bears Registration No. PQ 129

REGISTERED OFFICE
215, Nawala Road, Narahenpita, Colombo 05
Telephone : + 94 -11 - 2808050 / 2808001-3
Facsimile : + 94 -11 - 2806232
E-mail : info@lankatiles.com
Website : www.lankatiles.com

FACTORY
St. James Estate, Jaltara, Ranala
Telephone : + 94 - 11 - 2141055
Facsimile : + 94 - 11 - 2141045
E-mail : factory@lankatiles.com

DIRECTORS
Mr. K A D Dhammika Perera (Chairman)
Mr. A M Weerasinghe (Co-Chairman)
Mr. L. P. B. Talwatte (Managing Director)
Mr. H. Somashantha (Director Finance)
Dr. S Selliah
Mr. T G Thoradeniya
Ms. A M L Page
Mr. J A N R Adhihetty
Mr. S R Jayaweera
Mr. J R Gunaratne
Ms. K A D B Perera
Mr. R M M J Ratnayake
Mr. S H Amarasekera

BANKERS
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Sampath Bank PLC
Seylan Bank PLC
Habib Bank Limited
Nations Trust Bank PLC
Union Bank of Colombo PLC
Pan Asia Banking Corporation PLC
Bank of Ceylon

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P W Corporate Secretarial (Pvt) Ltd
No. 3/17, Kynsey Road
Colombo 08
Telephone : + 94 -11 - 4640360-3
Facsimile : + 94 -11 - 4740588
E-mail : pwcs@pwcs.lk

AUDITORS
EY
Chartered Accountants
No.109, Galle Road
Colombo 03

PARENT COMPANY
Lanka Walltiles PLC
215, Nawala Road, Narahenpita, Colombo 05
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Facsimile : + 94 -11 - 2806232
E-mail : info@lankatiles.com
Website : www.lankatiles.com