



NID CORPORATE
SERVICES (PVT) LTD.

31st May 2024

Mr. Renuke Wijayawardhane,
Chief Regulatory Officer,
The Colombo Stock Exchange,
04-01, West Block,
World Trade Center
Echelon Square,
Colombo 1.

Dear Sir,

ERRATA TO ANNUAL REPORT FOR THE FINANCIAL YEAR 2023/2024 – JAT HOLDINGS PLC (PQ00237072)

I write with reference to the Annual Report for the Financial Year 2023/2024 of JAT Holdings PLC forwarded and uploaded to the website of the Colombo Stock Exchange (“CSE”) on 29th May 2024. Due to a typographical error the post tax profitability has been mentioned as “9 Mn” which is “1,023 Mn” in Chief Executive Officer’s Review (Page 30).

We declare that the error has no impact on the reported Financial Statements for the Financial Year 2023/2024.

The amended page of the Annual Report for the Financial Year 2023/2024 is attached herewith.

We sincerely regret the inconvenience caused in this regard.

Thanking you,

Yours faithfully,
For and on behalf of
JAT HOLDINGS PLC

Nayantha Delpechitra (Mrs.)

Director/Company Secretary

N.I.D. CORPORATE SERVICES (PVT) LTD

Company Secretaries

OUR LEADERSHIP TEAM

CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Stakeholders,

I am pleased to share with you that your company, JAT Holdings PLC (the Group), recorded another year of excellent performance, enabled by the tenacity of the team and the prudence of its strategy. Notwithstanding the many challenges that shaped our operating landscape, our two key segments of wood coating and brushes went on to progressively increase their market share to 57% and 31% respectively, affirming the undisputed and indomitable market share enjoyed by JAT.

Commendable financial performance

Sri Lanka

Defying the macro-economic hardships such as a negative GDP growth and considerable contraction in the construction sector, the Group posted a revenue growth of 11% YoY. Given the relative stability of prices, revenue growth mainly stemmed from volume growth, which is a commendable achievement. Our gross profit margin for the year was 29%. Post tax profitability of Rs. 1,023 Mn posted a YOY decline of 20%, primarily due to increased spending on advertising and promotions in order to increase and sustain market share and due to investments made in expanding our foreign markets. Profitability however was well within the budgeted levels as for the year under review, budgets reflected conscious reductions in results to be achieved over the prior year.

Amidst organization-wide cost disciplines, we still recorded escalation in certain cost categories. We doubled our marketing and advertising expenditure in maintaining our brand visibility among the target groups. At the core of the JAT brand lies an unyielding dedication to quality, reliability, and customer-centricity. Our brand distinguishes itself by consistently delivering innovative products and services that surpass customer expectations, fostering enduring relationships built on trust and integrity.

Fuel and energy costs also increased drastically owing to price increases. As was elaborated in the Managing Director's Review in page 28 we continued to reward our employees, which led to an increase in the personnel expenses category by 10%.

Overseas markets

Our overseas operations performed exceptionally well, making a considerable contribution to overall profitability. Turnover from Bangladeshi operations increased by an impressive 60%, which if adjusted for exchange rate appreciation would have been a 100% increase. The in-house manufacturing



of Alkyd Resin, the core input material in Bangladeshi operation's key output product drove profitability of the product. Maldives operations also recorded a healthy turnover growth of 20%. Our establishment in Africa also recorded a Rs. 50 Mn revenue, which is set to grow exponentially. The ultimate foreign revenue composition of the Group was 35%, with the medium-term plan of increasing same to 50%.

The strength of research and development

As was elaborated in the Managing Director's Review our research and development capabilities were a game changer.

Enabling products which cater to evolving customer needs

With the heavily reduced spending capacities

of customers, there was growing demand for economy range paint. JAT was able to cater to this need in the shortest turnaround time, given the R&D capabilities it had attained. This strength translated in to direct economic benefits where we grew the sales volume of the economy range emulsion paint by 3.5%, contributing to the top line.

Enabling products of superior quality

JAT became the first Sri Lankan paint manufacturer in the country to obtain the Green Seal certification from USA, affirming that the product contains Low-Volatile Organic Compounds (VOC) content, safer formulas, and uncompromising performance. Three of our top products, viz., WHITE by JAT interior, WHITE by JAT exterior and Master's all in one wood coating were accredited with Green Seal.