

Annual Letter to Shareholders

2072/73

JAGUAR INVESTMENTS PVT. LTD.

TO THE SHAREHOLDERS OF JAGUAR INVESTMENTS:

Jaguar Investments was founded in March 2013, however, it wasn't until the latter part of fiscal year 2072/73 that it fully came into operation. During this time, the promoters of the company began raising the capital of the company along while making few strategic investments. The idea was to bring the company into operation before the fiscal year 2073/74 such that Jaguar would move ahead into the new fiscal year with higher capital base.

ECONOMIC SCENARIO

This fiscal year, however, Nepal went through a roller-coaster ride in terms of business and economic climate due to repercussions of the April 2015 earthquake along with the economic blockade faced by the country. It is no wonder our GDP contracted to 0.77% (as per estimates by MoF through Economic Survey 2015-16), which is considered to be one of the slowest growth rate during the last 15 years. The only other time we have attained such low growth was in 2002, right after the royal massacre when the economy only grew by 0.1%. The economy stood still and personal spending declined. Half way through the fiscal year, demand for credit remained significantly low. Even with short supply of daily essentials, the country chugged along, albeit at a gradual pace.

STOCK MARKET

Despite such devastating economic circumstances, the stock market had a complete different story. Immediately after the Great Earthquake, Nepse saw a steep dive and closed at 837.83 points on May 27, 2015. However, after the government and regulators brought in a few confidence boosting measures, the local bourse gradually began trending higher. Though the economy was hurting in almost every aspect, the stock market crossed above 1700 points. Much of it can be contributed to the de-materialization of shares which fuelled demand for shares in the secondary market.

JAGUAR UPDATE

Undeterred by the country's economic situation, we moved ahead with our goal, and in March 2016, we started our operations from an office space Kuleshwor. During the month of May, we led an initiation to increase Jaguar's capital base, and in line with that, held an investors' meeting at Grand Hotel, Soaltee Mode. We received a great response from prospective investors with commitments in excess of 80% from our initial target. During the same month, we also launched a new website www.jaguar.com.np to keep investors and all stakeholders updated about the company's progress.

FINANCIAL PERFORMANCE

Though Jaguar officially began its operations during the second half of 2072/73, we were able to achieve great results. Our stock portfolio performed very well this year comprehensively beating Nipse by a vast margin. Jaguar's earnings per share (EPS) for this fiscal year stood at NPR 34.87 per share.

We've had the perfect start in terms of our plans and progress, with great support from progressive investors as well as dedicated staff members, and we hope to continue with the same momentum in the coming fiscal year.

August 23, 2016

Niraj R. Karmacharya

Managing Director