



## **Report of Board of Directors for the half year ended 30 June 2022**

On behalf of the Board of Directors of Omani Packaging Company SAOG, we are pleased to report on the Company's unaudited financial results for the half year ended 30 June 2022.

### **Turn over**

Company achieved a sales turnover of RO 6,612,525 against RO 5,569,100 of the corresponding period of the previous year.

### **Reliance on Suppliers and Customers**

Degree of reliance includes one customer in Oman and one supplier each from Oman and UAE, two suppliers from overseas, contributing more than 10% total sales and purchase of raw materials respectively.

### **Financial performance**

Company has achieved a net profit of RO 243,550 against RO 558,592 before tax provision for the corresponding period of year 2021.

The increase in input cost mainly paper and other raw materials resulted in reduction of overall profitability.

Unit Sales realisation has improved during the year, however company was unable to pass on the full raw material price increase due to increased competition from Oman and GCC Corrugating box suppliers.

Export market comprises of UAE and Qatar where overall volume significantly decreased in comparison with the previous year, mainly due to reduced market requirement, increased competition and cautious approach on credit sales in the export market.

### **Future out look**

The international prices of paper keep increasing since the third quarter of year 2020. Increase in input cost shall result in reduction of overall profitability. The delay in payment by major customers shall adversely affect the working capital and cash flow of the company.

Company is reviewing the market potential in current scenario and trying to follow prudent steps to maintain the market share, sales realization and profitability.

We would like to express our sincere heartfelt gratitude to His Majesty Sultan Haitham Bin Taimur for the encouragement and support given by his Government and pray to Almighty God to provide Oman and its people peace and prosperity under His Majesty's wise leadership.

We also take this opportunity to thank all customers, shareholders and staff for their continued support and confidence in the Company.