



Report of Board of Directors for the half year ended 30 June 2023

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 2023.

Turn over

Company achieved a sales turnover of RO 5,614,704 against RO 6,612,525 of the corresponding period of the previous year, as selling prices reduced.

Reliance on Suppliers and Customers

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

Financial performance

Company has achieved a net profit of RO 435,938 against RO 243,550 before tax provision for the corresponding period of year 2022.

Reduction in input costs with enhanced productivity, value engineering resulted in increase in overall profitability.

Unit Sales realisation has reduced during the first half year and the selling prices continue to be under pressure with increased supply of corrugating manufacturers.

Export sales mainly UAE has been very low due to stiff price competition and payment delays.

Future out look

The international prices of paper is highly volatile and 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.

Bakhit Said Salim Al Shanfari
Chairman
Board of Directors