

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMANI PACKAGING COMPANY SAOG*****Report on the Audit of the Financial Statements*****Opinion**

We have audited the accompanying financial statements of Omani Packaging Company SAOG, set out on pages 6 to 32, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another auditor whose audit report dated 1 February 2023 expressed an unmodified opinion on the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMANI PACKAGING COMPANY SAOG (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

a) Allowance for expected credit losses (ECL) and impairment of trade receivables

The trade receivables amounting to RO 3.8 million (net of allowance for ECL) represents 35% of the total assets and is significant to the Company as on 31 December 2023. Under the current market conditions, credit risk has generally risen resulting in high degree of estimation uncertainty for collectability of the trade receivables. Accordingly, we have considered the estimation of allowance for ECL and impairment of trade receivables as a key audit matter.

Our audit procedures in this regard included:

- Obtaining an understanding of the Company's process for estimating ECL and assessing the appropriateness of the ECL methodology against the requirements of IFRS 9;
- Testing the key controls established by the Management to ensure identification of impaired debts;
- Obtaining the ageing analysis for receivables and testing, on a sample basis, its correctness;
- For a sample of material trade receivables and past due debts, assessing the recoverability status by considering subsequent receipts; and
- Considering adequacy and appropriateness of related disclosures.

The additional information regarding the allowance for ECL and impairment of trade receivables is set out in notes 8 and 26 b) to the financial statements.

b) Provision for slow and non-moving inventories

There is a risk that inventories may not be adequately provided for obsolescence due to the relatively longer shelf life of the raw materials, mainly paper and other consumables and spares. The Management believes that the quality of the raw materials (mainly paper) is not affected by its age, and spares and consumables are in good and usable condition for plant and machinery. Since the inventories are material to the financial position and the provisioning estimates are subject to management judgement, we have considered inventory provisioning as a key audit matter.

Our audit procedure to address the risk of inventory obsolescence included:

- Reviewing the inventory ageing report and inventory ledgers for a selected sample of inventories to ensure regular movement during the year;
- Attendance at the inventory count to identify any slow and non-moving inventories;
- Assessing the reasonableness of management's estimate of provision for inventories and challenging them; and
- Analytical review of the inventory turnover ratios over the past 3 years.

The disclosure regarding the provision for inventories is set out in note 7 to the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMANI PACKAGING COMPANY SAOG (Continued)****Other information**

The Management and the Board of Directors are responsible for other information. The other information comprises the Chairman's report, Management Discussion and Analysis report and Corporate Governance Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and the Board of Directors for the Financial Statements

The Management and the Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, the disclosure requirements for public joint stock companies issued by the Capital Market Authority and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMANI PACKAGING COMPANY SAOG (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMANI PACKAGING COMPANY SAOG (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Regulatory Requirements

The financial statements also comply, in all material respects, with the relevant requirements of the Commercial Companies Law of the Sultanate of Oman and the disclosure requirements for public joint stock companies issued by the Capital Market Authority.

The engagement partner on the audit resulting in this independent auditor's report is Mr Vinodh Raman.

7 February 2024



Moore Stephens
Raman