ميناء صلالة
Port of Salalah

ANNUAL REPORT 2022

ميناء صلالة
Port of Salalah

Contents

SALALAH PORT SERVICES COMPANY SAOG

ميناء صلالة
Port of Salalah

DIRECTORS' REPORT 2022

DIRECTORS’ REPORT 2022

Dear Shareholders,

On behalf of the Board of Directors, I have the pleasure in presenting the annual report of your company along with the audited financial statements for the year ended 31st December 2022.

Operational Overview

During the year 2022 the container terminal handled a volume of 4.504 million TEUs (2021 : 4.512million TEUs). The company has retained all major customers and Maersk’s contribution to the total business has remained consistent during the year. The Port of Salalah General Cargo segment has handled 18.395 million tons during 2022 as compared to 16.895 million tons during 2021 a growth of 9%. The overall general cargo volume increase is mainly due to higher demand in export markets for gypsum and limestone. The general cargo volumes handled at Berth 31 have been included in the container terminal financials, as in the previous year, due to the conversion of the berth into a multipurpose terminal facility. The Company’s top priority is ensuring the safety of its employees, contractors, and customers, and to this end, the company continues to invest in technology and infrastructure to minimize the risk. The Company continues to focus improvements through various initiatives to maintain operations of a world-class terminal and has maintained consistent productivity levels.

Financial Overview

The consolidated revenue from operations for 2022 is recorded at RO 70.909 million an increase of 6% over the corresponding period last year. Consolidated EBITDA was recorded at RO 14.012 million which corresponds to an EBITDA margin of 19.68%. This compares to RO 15.538 million -a margin of 23.26% during corresponding period last year. The operational margin was impacted mainly by the increase in fuel expenses of RO 3 million and direct staff cost of RO 2 million. Consolidated Net Profit for the year 20221 was recorded at RO 3.220 million, as compared to RO4.638 million during corresponding period last year. During 2022, your company distributed 10 baiza per share annual dividend pertaining to year 2021. Considering various capital expenditure plans to meet the equipment life cycle requirements and port improvement needs, as well as the volatile market conditions for international trade the Board of Directors are pleased to recommend the distribution of dividend of 10 baiza per share on the paid-up equity share capital of the company, resulting in a total cash disbursal of RO 1,798 million.

Dividend history for the last 5 years

	2017	2018	2019	2020	2021
Dividend%	15%	15%	20%	25%	10%
CashOutlay(RO’000)	2,698	2,698	3,597	4,496	1,798

Employee Development

Our people contribute to the success of the company. In order for the company to stay competitive it needs to remain at the forefront of the industry with continued education on procedures, technologies, and best practices. The company continues to invest in training and development of its workers, with a focus on enhancing the Omanization and skills development of local talent.

DIRECTORS' REPORT 2022

Corporate Social Responsibility (CSR)

Port of Salalah strongly believes in a CSR program that is aligned with the pillars of sustainability and volunteerism and it is fundamental to our business. The company has invested RO 89 K in CSR initiatives during 2022 contributing to the local Dhofar region in which we operate as well as segments of communities requiring support. Impacting the local Dhofar region and benefiting the larger segments of communities requiring support are the guiding posts of the company's CSR program.

Future Outlook

Given the state of the global economy, we can look forward to a continued drop in consumer demand, oversupply associated with reduced purchasing, and an ongoing economic crisis with inflation and a potential recession. While the supply chain issues will diminish in 2023 shipping costs will be more favorable to trade. The World Trade Organization forecast world GDP to grow at a rate of 2.3% in 2023—1% lower than their previous estimate. This having said the Middle East/ GCC growth in 2023 is predicted to be 3.1%.

In terms of the containerized segment, the transhipment volume, which constitutes the major segment, continues to remain negatively impacted by the network schedule reliability of carriers. Moreover, we expect lower transhipment volume due to the Container Terminal Upgrade project in 2023-24. however, the outlook for gate volume looks positive and expected to show growth in 2023.

In the dry bulk segment, the softening of freight rates in the global container trade have eased the pressure on the availability of dry bulk geared vessels and corresponding impact on freight rates are also more favorable to exporters. This helps facilitate the growth of Lime stone and Gypsum exports from Oman which are expected to show positive growth in Q1 as we have also set an ambitious target for the year ahead.

Conclusion

On behalf of the Board of Directors and the shareholders of the company, I record the sincere appreciation and gratitude to His Majesty Sultan Haitham bin Tariq, for his strategic vision, leadership, and his continued support. I also thank our customers, investors, , and the members of
the government we work together with daily.

Lastly, but certainly not the least, I place on record our appreciation for the contributions made by our employees in achieving the level of performance in 2022. Our consistent growth was possible by their hard work, solidarity, cooperation, and support.

On behalf of the Board of Directors,

____

Braik Musallam Al Amri Chairman of Board of

Directors,
Salalah Port Services Co. SAOG
23 February 2023

Corporate Governance Report 2022

ميناء صلالة
Port of Salalah

Corporate Governance at Salalah Port Services Company SAOG (the "Company") ("Port of Salalah")

The Company's philosophy of the Corporate Governance is aimed at maximizing the shareholders' value and protecting the interest of other stakeholders. The Company aims to achieve this through adequate and appropriate disclosure of the material facts and the achievements, transparency, accountability, and equity in all facets of its operations. The Company also believes that it is essential to have clear policies to ensure that all involved in the process of managing the Company, from the Board of Directors to down, are able to act in the best interest of the shareholders. The Company is committed to comply with the Capital Market Authority guidelines on corporate governance and disclosure practices.

Board of Directors

The Board of Directors comprises of seven members and is responsible for the Management of the Company's business. The Board's role, functions and responsibilities are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board also include:

- Approving corporatevision, mission, and objectives
- Establishing and approving the formulation of strategic business plans
- Reviewing and approving financial plans and budgets
- Monitoring corporate performance
- Compliance of laws and regulations
- Appointment of Chief Executive Officer and key executives

Corporate Governance at Salalah Port Services Company SAOG (the “Company”) (“Port of Salalah”)

Composition of the Board of Directors as on 31 December 2022 is as follows:

Name	Category	Comments
Sheikh Braik Musallam Al Amri	Non-executive, independent & elected Non-	Re-elected in AGM dated 14 March 2022
Mr. Soren Sjostrand Jakobsen	executive, non-independent & elected Non-	Re-elected in AGM dated 14 March 2022
Mr. Ahmed Salem Al Busaidi	executive, independent & elected Non-	Re-elected in AGM dated 14 March 2022
Mr. Abdulmalik Abdulkareem Al Balushi	executive, non-independent, elected Non-	Elected in AGM dated 14 March 2022
Mr. Muhsin Abdulmajeed bin Raja Al Rustom	Executive, non-independent, elected Non-	Elected in AGM dated 14 March 2022
Mr. Said Salim Al Shanfari	executive, independent & elected	Elected in AGM dated 14 March 2022

Corporate Governance at Salalah Port Services Company SAOG (the “Company”) (“Port of Salalah”)

Mr. Jens Rolf Nielsen	Non-executive, non-independent & elected	Re-elected in AGM dated 14 March 2022 Resigned from the Board with an effect from 15 December 2022
Mr. Lars Mikael Jensen	Non-executive, non-independent & appointed by the BOD	Has been appointed by the Board as a temporary member to replace Mr. Jens Rolf Nielsen, till the conclusion of the next AGM scheduled for 23 March 2023.
Mr. Marco Neelsen	Non-executive, independent & elected	Board membership ended on 14 March 2022.
Mr. Ahmed Ali Akaak	Non-executive, independent & elected	Board membership ended on 14 March 2022.
Mr. David Guy	Non-executive, non-independent & elected	Board membership ended on 14 March 2022.

Board of Directors profile

Sheikh Braik Musallam Al Amri joined the Board in March 2013. He has done master’s in business administration from Northampton University UK, a Postgraduate Diploma from the University of Kent UK, a High National Diploma from the University of Salford UK, and a Diploma from Lloyds Maritime Academy UK. He has 26 years of management experience in varied senior positions. He had worked previously with the Port of Salalah for 11 years. He has very good exposure to business and international practices, presently engaged with the financial services sector.

Corporate Governance at Salalah Port Services Company SAOG (the “Company”) (“Port of Salalah”)

Mr. Soren Sjostrand Jakobsen joined the Board in January 2017. He has been with the A.P. Moller – Maersk group for more than 42 years and has held various leadership positions within the Group. Since 2005 he has been with APM Terminals, the port and terminal division of the A.P. Moller – Maersk Group. In 2005 - 2008 Mr. Jakobsen was Regional Manager for APM Terminals in Latin America. In 2008 – 2013 Mr. Jakobsen was globally responsible for implementing new terminal and port projects in APM Terminals, based in the APM Terminals headquarter in The Hague in the Netherlands. From 2013 to 2018, Mr. Jakobsen, based in Dubai UAE, held the position as regional portfolio manager for a number of terminals in South Asia, Middle East and Africa. Since 2018 Mr. Jakobsen has been the main shareholder responsible for Global Ports Investments (GPI) where APM Terminals holds a co-controlling shareholding. GPI operates 8 terminals in Russia and Finland. GPI is listed on the London Stock Exchange. In 2020 Mr. Jakobsen took over the position as Chairman of the Board of GPI. Besides his position as Chairman of GPI, Mr. Jakobsen also serves as a board member in 8 Joint Venture entities of APM Terminals in Asia, Middle East and Africa. Two of these are stock listed entities. On 31 December 2022 Mr. Jakobsen went on retirement and shall continue as a member of the Board of Port of Salalah. Mr. Jakobsen has bachelor’s degree in shipping and business with various management programs including at IMD and INSEAD.

Salalah. Mr. Jakobsen has bachelor's degree in shipping and business with various management programs including at IMD and INSEAD.

Mr. Ahmed Salem Al Busaidi joined the Board in March 2019. He is of a senior management level officer with over 29 years of experience in the Finance and Defence sectors in the Sultanate of Oman, currently overseeing the Treasury and Finance Directorate at the Ministry of Defence, with postgraduate qualifications in Finance and Economics, and experience in finance, project management, legal and accounting. A high achieving professional with ability to motivate and inspire team members and implement high profile projects within tight time frames. Ability to develop strategic long-term partnerships, communicate effectively with all levels of decision makers and negotiate complex agreements. Mr. Ahmed holds a Master's Degree in Finance & Economics from Southampton University in UK.

Mr. Abdulmalik Abdulkareem Al Balushi joined the Board in March 2022. Abdulmalik is a strong leader with extensive experience in human resources management and a real belief that people are at the core of any business, that their talent and innovation are the key to sustainable success. His career spans 20+ years in multiple sectors in Oman - public, telecom, electricity, shipping, postal and logistics. This diverse experience includes more than 13 years of managing multiple functions and is characterized by strong leadership, skillful communication, resourcefulness, high performance, and sustainable partnership. Currently he is the Group Chief People of Asyad Group SAOC. Prior to joining Asyad, he served as the CEO of Oman Post Company SAOC and prior to that worked in various roles with each of Oman Shipping Company SAOC (General Manager Support Services December 2012 - January 2016), Sultan Qaboos University (SQU) (Visiting Faculty January 2014 - May 2014), Oman Power & Water Procurement Company SAOC, The Telecommunications Regulatory Authority and Muscat Municipality. Abdulmalik hold Master's Degree in Business Administration from Sultan Qaboos University and Bachelor of Science in Business Administration from University of Arizona, AZ, USA.

ميناء صلالة
Port of Salalah

Mr. Muhsin Al Rustom joined the Board in March 2022. He is the Group CFO at Asyad, the leading Omani integrated logistics provider in the Middle East region. He is with over 17 years of experience in the logistics and maritime sectors. Muhsin is an established finance professional focusing on sustainable value and financial excellence. He successfully operated and developed financial processes and systems, and managed corporate financing, hedging and liquidity needs. Prior to joining Asyad, he served as the General Manager of Treasury at Oman Shipping Company since 2018, following a tenure in Dubai as the Treasury Manager of Oman Trading International and prior to that worked in various roles for DP World which included a two-year stint at DPW's European regional office in London. Muhsin holds a degree in Accounting from Sultan Qaboos University and is also a qualified CMA and ACT accountant and treasurer.

Mr. Said Salim Al Shanfari joined the Board in March 2022. Said is a passionate professional with 18 years' experience. Dynamic, positive, and motivated individual with excellent analytical capabilities and strategic thinking. Has a successful record in the achievement of business growth through the creation and execution of successful business strategies and plans. A visionary leader equipped with excellent communication skills and passion to lead and develop successful teams. Said is currently the CEO of Oman Convention and Exhibition Center since July 2018. Prior to that, he held several leadership positions in each of Oman Telecommunication Company L.L.C. (Omantel), the Omani Qatari Telecommunications Co. (OOREDOO), Emirates Integrated Telecommunications Company (du) and others. Said Holds Bachelor of Science in Computer Management and Information System and Bachelor of Science in Business Administration\ International Business from Southern Illinois University Edwardsville, USA and Master in Business Administration from the University of Hull, UK.

Mr. Jens Rolf Nielsen joined the Board in November 2018 till his resignation in December 2022. He was the Vice President and Head of Hub Terminals in APM Terminals, the Netherlands. APM Terminals is an independent business unit of Maersk Line. Rolf joined Maersk Line in 1996. He is an international business executive with over 20 years of leadership experience in the maritime industry (Inland operations, liner operations cluster, terminal operations, network strategy, development of sophisticated analytical tools/ network optimization customer service, and supply chain management). An effective leader having successfully managed large business units and multinational organizations with a demonstrated ability to mentor people and work in complex environments with multi-cultural environments. Rolf holds an Executive MBA (GEMBA) from INSEAD, France and speaks Danish, English, and French.

Mr. Lars Mikael Jensen was appointed by the Board as temporary member, as a result of Mr. Rolf Nielsen resignation in December 2022. Lars's membership as a temporary member will continue till the next AGM (scheduled 23 March 2023), in which elections will take place to fill in the vacant seat in the Board. Lars has over 40 years of experience in ocean container shipping with A.P. Moller- Maersk. He became Head of Hubs and Collaboration at APM Terminals in July 2022, having previously served as Head of Maersk East-West Ocean Network and Market for 2 years. Prior to that, Lars held various senior roles at Maersk, including Head of the Global Ocean Network team and Head of Transpacific and Transatlantic trades.

Executive Management Team Profile

Mr. Keld M Christensen has been the CEO of the Company since September 2022, prior to the current role was managing director of APM Terminals Poti in Georgia. He joined AP Moller-Maersk in 1997, and later worked outside the company for several years for ISS A/S and for the Danish foreign service as Consul General in Istanbul, before he moved to Poti in 2019.

Mr. Mohammed Al Mashani is the Chief Corporate Affairs Officer at Port of Salalah. He started at the Port of Salalah as an HSE senior manager in 2008, holds a BSc in Safety Management from Central Missouri State University and an MSc in Facilities Management and Asset Maintenance from Herriot-Watt University, Edinburgh. Over the last 20 years Mohammed has worked in different sectors: Oil and Gas where he worked in PDO in logistics and HSE. Petrochemicals, where he joined Aromatics Oman. He has been through a CPMD program at APM Terminals in association with ESADE Business School and in 2015 was chosen for the first cohort of the Oman National CEO program in association with IMD launched by Diwan of Royal Court.

Executive Management Team Profile

Mr. Bart Van De Graaf has been appointed Chief Financial Officer for Port of Salalah effective 1 March 2022. Bart joined the APMM Group in August 2011 in The Hague and subsequently took up the role of CFO at APM Terminals COMAN in Benin, followed by Abidjan Terminal in Ivory Coast. Prior to joining APMM, he worked for General Electric in the Financial Management Program, Corporate Audit Staff and in the energy services business. He holds an M.Sc. in Economics from the Erasmus University Rotterdam.

Mr. Sunil Joseph has joined in January 2020 as Chief Commercial Officer of the Company. Sunil has over 28 years' experience in shipping with 18 of those in GCC countries – UAE, Qatar, Saudi Arabia, Bahrain as well as Oman. Sunil has held various senior leadership roles within Maersk Line and APM Terminals. Prior to joining Port of Salalah Sunil held the position of Chief Commercial Officer at APM Terminals, Bahrain, a multiport, where he had driven revenue improvements, been instrumental in the development and implementation of customer e-solutions, developed customer centric value propositions and diversified cargo and customer bases. Sunil holds Post Graduate Diploma in Finance and executive education from Columbia Business School.

Mr. Ahmed Suhail Ali Qatan is the Chief Operating Officer –GCT of the Company with effect from 1 January 2016. Ahmed joined Port of Salalah in 2005, where he held various managerial positions in H.R and was promoted to GM-HR in 2010. He has been a member of the executive management team since 2012. Ahmed holds an MBA from Bedfordshire University in UK. Prior to joining Port of Salalah, Ahmed has worked in the local government in the Dhofar region for 30 years holding various positions including director of field studies, director of coordination and director of hygiene.

Executive Management Team Profile

Mr. Tim Hathaway is the Head of Decarbonization previously (Hub Transformation Leader) in Port Of Salalah since joining in 2018. He is currently leading the Oort initiatives toward the vision of zero carbon emissions. Tim used to lead the Hub Excellence team in deploying Lean For All. Before that he worked for two of the global port operators for ten years, in various roles in engineering, operations, and organizational development. Tim holds masters degrees in engineering and Knowledge Transfer, and his early career was with various manufacturing and service companies in his native UK and in the UAE, mainland China and in Hong Kong.

Mr. Willem Nel (NEBOSH GC / Tech IOSH) has been the General Manager for Health, Safety, Security and Environment at Port of Salalah since 2017. Willem has over 23 years' experience in HSSE and an External Lead Auditor ISO 14001 & OHSAS 18001. Willem was a senior officer in the South African Air Force for 16 years before he made a career change to HSSE. He holds a bachelor's in Educational Technology from the Military Academy South Africa. Willem has worked in several ports, Port Maputo, Jebal Ali, Abu Dhabi Terminals, SCCT, Izmir and Port of Salalah. He has varied experience in port HSSE, quality control, emergency response, port operations, project management and training and brings vast industry knowledge.

Mrs. Tofool Al Amri is Acting Hub Transformational Leader. She is leading the Hub Excellence team in deploying Operating systems, Lean for All Programs, Policy deployment and Standardization. Tofool joined the Port of Salalah on 1 November 1998 as Operation Planning Superintendent. She has more than 16-years' experience in Ports and supply chain. During her Port journey Tofool had an exposure to local, regional and international best practices from Netherlands, Morocco, UAE, Malaysia and Egypt. With that Experience, she is currently Certified as Trainer by the Ministry of Labour.

Employment Contract

Salalah Port Services Company SAOG enters into a formal Contract of Employment with each employee and such contracts are in line with the regulation of Ministry of Labor and Omani Labor Law.

During the financial year 2022 seven Board meetings were held on the following dates:

- 14th February 2022
- 14th March 2022
- 21st March 2022
- 28th April 2022
- 11th August 2022
- 20th September 2022
- 10th November 2022

Attendance of each Director at the Board Meeting, last Annual General Meeting (AGM), sitting fees paid and number of other Directorship of each Director in various Omani companies are as follows:

ميناء صلالة
Port of Salalah

Name of Directors	Attendance Particular		Sitting fees(in RO)	No. of Directorship in other Omani SAOG Companies
	Board meeting	Last AGM		
Sheikh Braik Musallam Al Amri	7	Yes	5,600	0
Mr. Jens Rolf Nielsen*	6	Yes	4,800	0
Mr. Soren Sjostrand Jakobsen	7	Yes	5,600	0
Mr. Ahmed Salem Al Busaidi	7	Yes	5,600	1
Mr. Abdulmalik Abdulkareem Al Balushi	6	No	4,800	0
Mr. Muhsin Abdulmajeed bin Raja Al Rustom	6	No	4,800	0
Mr. Said Salim Al Shanfari	6	No	4,800	0
Mr. Lars Mikael Jensen**	0	No	-	0
Mr. Marco Neelsen ***	1	Yes	800	0
Mr. Ahmed Ali Akaak***	1	No	800	0
Mr. David Guy***	1	Yes	800	0

***Rolf resigned from the Board with effect from 15 December 2022.**

**** Lars appointed as a temporary member with an effect from 21 December 2022.**

***** Board membership ended on 14 March 2022.**

In accordance with the terms and conditions of the Management Agreement A. P. Moller Terminals & Co. LLC is the Manager of the Company with responsibility of operation and day-to-day management of the Company.

Audit and Other Committees

Audit Committee terms of reference:

Terms of reference of the Audit Committee are as per the guidelines set out by Capital Market Authority and include overseeing of financial reporting process, reviewing with the management the financial statements and adequacy of internal control system, reviewing the adequacy of internal audit function and discussion with Internal Auditor and external auditors on significant findings.

The members of the Audit Committee are governed by the provisions of liability stipulated in the Commercial Companies Law and the Executive Regulation for Public Joint Stock Companies without prejudice to their liabilities resulting from their membership of the Board of Directors. Following Directors are the members of the Audit Committee:

Mr. Ahmed Salem Al Busaidi- Chairman
Mr. Jens Rolf Nielsen – replaced in December 2022 by Mr. Lars Mikael Jensen.
Mr. Said Salim Al Shanfari

The majority of the Audit Committee members are independent and have knowledge of finance, accounts, company law and the shipping industry. The quorum for the audit committee is majority of independent directors of its membership are presented.

ميناء صلالة
Port of Salalah

During the year 2022, six Audit Committee meetings were held. Following is the number of meetings attended by each member.

Member	No. of meetings	Sitting fees(in RO)
Mr. Ahmed Salem Al Busaidi	6	3,000
Mr. Jens Rolf Nielsen *	5	2,500
Mr. Said Al Shanfari	5	2,500
Mr. Soren Sjostrand Jakobsen**	1	500
Mr. Marco Neelsen ***	1	500
Mr. Lars Mikael Jensen****	0	-

- **Rolf resigned from Board with effect from 15 December 2022**

**** One meeting attended by Mr. Soren as a proxy of Rolf.**

***** Mr. Marco Neelsen was a member in the AC till 14th March 2022. He has attended February 2022 AC meeting.**

****** Mr. Lars Jensen was appointed as temporary member in the AC as of 21 December 2022.**

The Audit Committee reviews and recommends for Board's approval of the quarterly un-audited and annual audited financial statements. The Audit Committee, on behalf of the Board has regularly reviewed the internal control environment of the Company. They meet the internal auditor on a regular basis to review the internal audit reports, recommendations, and management comments thereupon. Audit Committee members have also met the external auditors to review audit findings and management letter. The Audit Committee has met the internal & external auditors in absence of Management as required under the code of Corporate Governance. The Audit Committee also briefs the Board about the effectiveness of internal controls in the Company. The Audit Committee and the Board are pleased to inform the shareholders that an adequate and effective internal control system is in place and that there are no significant concerns.

Tariff and Nomination and Remuneration Committee (TNRC):

TNRC has been established as a sub-committee of the board. This requirement is consistent with the Company's obligations under the Container Terminal and General Cargo Terminal Concession Agreements and Code of Corporate Governance for Public listed companies issued by Capital Market Authority Oman (the Code).

TNRC is responsible:

- For recommending all the guidelines for negotiating tariff rates with the customers of the container terminal facility and general cargo terminal facility (the "facility") taking into account, amongst other matters:
- The minimum rates imposed by the container terminal concession agreement;
- The service available to the customers;
- The rates payable in the competitive terminals; and
- The comparative cost advantages of the strategic location of the facility.
- Setting minimum levels of all charges, fees and levies to be paid by users of the port facility (excluding the facility) ("Port Charges")
- The committee aims to assist the board in selecting the appropriate and necessary executives for the executive management and other related matters as per the Code of corporate governance.

ميناء صلالة
Port of Salalah

Following Directors are the members of TNRC:

- **Mr. Jens Rolf Nielsen – Chairman – replaced in December 2022 by Mr. Lars Mikael Jensen.**
- **Mr. Abdulmalik Abdulkareem Al Balushi**
- **Mr. Muhsin Abdulmajeed bin Raja Al Rustom**
- **Mr. Soren Sjostrand Jakobsen**

During the year 2022, two TNRC meetings were held on 27 April 2022 and 10 November 2022, as per details below:

Member	No of meetings	Sitting fees(in RO)
Mr. Jens Rolf Nielsen – Chairman*	2	1,000
Mr. Soren Sjostrand Jakobsen	2	1,000
Mr. Muhsin Abdulmajeed bin Raja Al Rustom	2	1,000
Mr. Abdulmalik Abdulkareem Al Balushi	2	1,000
Mr. Lars Mikael Jensen**	0	0
Mr. Ahmed Ali Akaak ***	0	0
Mr. David Guy ***	0	0

- **Rolf resigned from Board with effect from 15 December 2022.**

**** Mr. Lars Jensen was appointed as temporary member of the TNRC, as of 21 December 2022.**

***** Board memberships ended on 14 March 2022.**

Process for nomination of Directors

In accordance with the amended Articles of Association of the company, all Directors must be voted on to the Board using the cumulative voting process.

General Shareholders' information

AGM: DATE TIME VENUE	23rd March 20235:00 PMOnline (MCD electronic platform)
Financial Year	2022
Date of Book Closure	23rd March 2023
Dividend payment date	The dividend, if approved by the shareholders, will be paid within the statutory time limit.
Listing on Stock Exchange	Muscat Stock Exchange
Registrar and share transfer agents	Muscat Clearing & Depository Company (SAOC)
Market Price data	See Table 1 below
Distribution of shareholders	See Table 2 below
Ten major shareholders	See Table 3 below
Port Location	Port Salalah, about 20 km west of Salalah, Dhofar, and Sultanate of Oman.
Address of correspondence	Salalah Port Services Co. SAOGP.O. Box 105, PC 118,Al Sarooj, Way No. 2601,Beach One Building,Fourth Floor, Office 401,Muscat, Sultanate of Oman

CORPORATE GOVERNANCE REPORT 2022

Table 1 – Market price data

Shares price (RO)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 22
High	0.550	0.560	0.520	0.542	0.556	0.556	0.520	0.490	0.490	0.490	0.490	0.490	0.560
Low	0.550	0.560	0.520	0.542	0.556	0.556	0.520	0.490	0.490	0.490	0.490	0.490	0.490
Opening	0.550	0.560	0.520	0.542	0.556	0.556	0.520	0.490	0.490	0.490	0.000	0.000	0.550
Closing	0.600	0.560	0.560	0.560	0.556	0.556	0.520	0.490	0.490	0.490	0.490	0.490	0.490
Volume	570	18,201	10,750	400	137,438	177	400	2,419	200	0.000	0.000	0.000	170,555
Trade Value (RO)	314	10,199	5,844	217	76,416	98	208	1,185	98	0.000	0.000	0.000	94,579
Services Index													
Opening	1,605	1,640	1,606	1,651	1,581	1,573	1,654	1,660	1,614	1,542	1,553	1,623	1,605
Closing	1,602	1,644	1,618	1,637	1,582	1,567	1,658	1,675	1,624	1,530	1,551	1,617	1,617

Table 2 – Distribution of shareholding as on 31 December 2022

No. of Equity Shares held	No. of Shares held	% of Total Shares	No. of shareholders	% of Total Shareholders
01-100	31,192	0.02%	660	52.42%
101-500	95,518	0.05%	399	31.69%
501-1,000	42, 017	0.02%	52	4.13%
1,001-10,000	317,507	0.18%	100	7.94%
10,001-100,000	1,102,786	0.61%	37	2.94%
Above 100,000	178,248,380	99.12%	11	0.87%
GRAND TOTAL	179,837,400	100%	1,259	100%

Table 3 – Top 10 Shareholders as on 31 December 2022

S No	Name	No of Shares	%age
1	APM Terminal B.V.	54,180,000	30.13%
2	ASYAD Group SAOC	36,120,000	20.08%
3	HSBC A/C HSBC BK PLC A/C IB	27,455,320	15.27%
4	Ministry of Defence Pension Fund	17,803,740	9.90%
5	The Public Authority for Social Insurance	13,238,046	7.36%
6	Dhofar International Development & Investment Co SAOG	10,790,244	6.00%
7	QUANTUM EMEA FUND LTD	6,532,290	3.63%
8	The Civil Service Employees Pension Fund	5,876,972	3.27%
9	Internal Security Pension Fund	1,848,000	1.03%
10	Pension Fund Sultan’s Special Force	1,806,000	1.00%
10	ROP Pension Fund	1,806,000	1.00%
	Total	177,456,612	98.68%

Annual General Meeting/Extra-ordinary General meeting

The details of AGMs and EGMs held by the Company during the previous 10 years are as follows:

Financial Year	Meeting	Location	Date	Time
2010	OGM	Hilton, Salalah	3 November 2010	09.00 AM
2010	EGM	Hilton, Salalah	3 November 2010	09.20 AM
2010	AGM	Hilton, Salalah	28 March 2011	03.00 PM
2011	AGM	Hilton, Salalah	28 March 2012	03.00 PM
2012	AGM	Hilton, Salalah	27 March 2013	03.00 PM
2013	AGM	Hilton, Salalah	26 March 2014	03.00 PM
2014	AGM	Crown Plaza, Salalah	26 March 2015	03.00 PM
2015	AGM	Hilton, Salalah	28 March 2016	05.00 PM
2016	AGM	Hilton, Salalah	26 April 2017	03.00 PM
2017	AGM	Hilton ,Salalah	22 March 2018	03.00 PM
2018	AGM	Hilton ,Salalah	31 March 2019	03.00 PM
2019	AGM	Online	11 May 2020	02.00 PM
2020	AGM	Online	17 March 2021	05.00 PM
2021	AGM	Online/ Hilton Salalah	14 March 2022	03:00 PM
2022	OGM	Online	2 November 2022	03:00 PM

The shareholders passed all the resolutions set out in the respective notices.

Communication with shareholders and investors

- Initial Unaudited Unapproved quarterly results are disclosed at Muscat Stock Exchange website within 15 days of closure of quarter as per stipulated guidelines.
- The quarterly and annual results were published in local newspaper both in Arabic as well in English. These results can be obtained by shareholders either from our website http://www.salalahport.com / or from MSX website.
- The company made one discussion session on MSX (on 13 September 2022) on H1 unaudited financial results for the period ended 30th June 2022 to the investors and analysts during the year 2022.
- Management Discussion & Analysis Report forms part of the Annual Report
- The Board appointed Mr. Mohammed Aufait Al Mashani as the Investors Relation Officer, who can be reached through different channels i.e. telephone, email and Company website.

Remuneration

Details of the remuneration to Directors:

The remuneration proposed to pay to the members of the Board, besides sitting fees is RO 21,428.57 per member to 4 members as proportionate to their period as Board Member, and 16,071.43 per member to 3 members as proportionate to their 9 months period as Board Members, and 5,357.14 per member to 3 members as proportionate to their 3 months period as Board Members, totaling to RO 150,000 for the year 2022 (Year 2021 – OMR 150,000).

Details of the remuneration paid to top 5 officers:

During the year 2022 gross salary and compensation paid to top 5 executives of the Company including variable components is RO 638,000 (Year 2021 – RO 595,080).

Professional Profile of Statutory Auditor

PwC Profile for Corporate Governance Reports for YE 2022

PwC is a network of firms with more than 327,947 people operating from 152 countries in 688 cities across the globe, making us the largest professional services provider in the world. We are committed to delivering quality services in Assurance, Tax and Advisory (which includes our Consulting, Deals and Strategy& practices). In doing so we help to build trust in society, enable our clients to make the most of opportunities and solve important business problems.

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs in the region of almost 8,000 people including over 367 partners and 549 directors working from 24 offices (in 23 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates and 40% of our Middle East workforce is female.We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East. (www.pwc.com/me).

PwC is strongly committed to Oman where it is recognised as one of the leading providers of quality business advisory services. We have had a local practice in Oman since 1971 and now have 8 partners, 1 of whom is Omani and 7 directors, 1 of whom is Omani and approximately 166 other members of staff operating from our office in the Sultanate.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

During the year 2022, PwC rendered audit services to the company and its subsidiary at fees of RO 27,700 plus out of pocket expenses.

Compliances

Details of noncompliance by the Company, penalties, and strictures imposed on the Company by Muscat Stock Exchange or Capital Market Authority or any statutory authority, on any matter related to Capital Markets, during last three years:

Year	Particulars
2018	None
2019	None
2020	None
2021	None
2022	None

On behalf of the Board of Directors, it is confirmed that:

- The Financial Statements have been prepared in accordance with applicable standards and rules.
- The Board reviews the efficiency and adequacy of internal control procedures of the company.
- There are no material events that affect continuation of the company and its ability to continue its operations during the next financial year.

Braik Musallam Al Amri
Chairman of Board of Directors
23 February 2023

ميناء صلالة
Port of Salalah

AGM Notice

Attachment to AGM Notice

Name of Director	Attendance Particular			Amounts in OMR		
	Board Meeting	Audit Committee Meeting	Tariff, Nomination and Remuneration Committee Meeting	Board Sitting Fee (year 2022)	Audit Committee Sitting Fee(year 2022)	Tariff, Nomination and Remuneration Committee Sitting Fee(2022)
Sheikh Braik Musallam Al Amri	7	-	-	5,600	-	-
Mr. Rolf Nielsen	6	5	2	4,800	2,500	1,000
Mr. Soren Sjostrand Jakobsen	7	1	2	5,600	500	1,000
Mr. Ahmed Salem Al Busaidi	7	6	-	5,600	3,000	-
Mr. Abdulmalik Abdulkareem Al Balushi	6	-	2	4,800	-	1,000
Mr. Muhsin Abdulmajeed bin Raja Al Rustom	6	-	2	4,800	-	1,000
Mr. Said Salim Al Shanfari	6	5	-	4,800	2,500	-
Mr. David Michael Guy	1	-	-	800	-	-
Mr. Ahmed Ali Issa Akaak	1	-	-	800	-	-
Mr. Marco Neelsen	1	1	-	800	500	-
Mr. Lars Mikael Jensen	-	-	-	-	-	-
				38,400	9,000	4,000

Notes:

1. The membership of each of Mr. David Michael Guy, Mr. Ahmed Ali Issa Akaak, Mr. Marco Neelsen ended on 14th March 2022.
2. Mr. Lars Mikael Jensen was appointed by the Board of Directors as a temporary member on 21st December 2022.
3. Directors Sitting Fees Structure for the year ended 31st December 2022 as above. It is recommended to maintain the same level for the financial year ending 31st December 2023:

- RO 800/- per director per Board Meeting
- RO 500/- per Director per other committee meetings.

____

Chairman

Attachment to AGM Notice

Corporate Social Responsibility Expenses in 2022

Attachment to AGM Notice	
Corporate Social Responsibility Expenses in 2022	
Name of the Beneficiary	**RO**
CSR- Financial assistance, based on the request of the Ministry of Health, to purchase Echo probe for Vivid S70 to purchase cardiothoracic surgery in Sultan Qaboos Hospital Salalah, Sultanate of Oman.	2,890
CSR -Financial assistance, based on the request of the Ministry of Social Development, to purchase prosthetic devices for those disabled people in Al Mazyuna city.	2,267
CSR -Financial assistance based on the request of Oman Charitable Organization for assisting rehabilitating, for the education of six (6) Hearing Impaired students of Dhofar university, Salalah, Oman	25,200
CSR -Financial assistance for two (2) children suffering from first-degree hearing impairment and require surgical intervention for cochlear implants	3,600
CSR – Financial assistance Autism Quality Center, Salalah, to purchase new tools and equipment for the Center and for the specialists in the center to improve the center in many ways.	2,662
CSR- Financial assistance based on a SPS employee’s request to replace his household items and home furniture which was fully burnt beyond any redemption.	2,000
CSR – Financial assistance based on Environmental Authority (EA) request to purchase equipment for measuring concentrations of lead in Air in Salalah	10,000
CSR – Financial assistance based on the Ministry of Social Development request, to purchase and install CCTV cameras in Al Wafa Center for Rehabilitating people with Disabilities in Salalah, Taqah and Mirbat.	14,000
CSR - Financial assistance extended to purchase a Wheelchair for a 15-year-old boy with special needs.	420
CSR – Financial assistance based on Assas Muscat LLC request to help people with disabilities with sustainable projects by providing fishing boats.	16,000
CSR – Financial assistance based on request of Omani Women’s Association, to support the purchase of Milk Churning Machines.	8,085
CSR – Financial assistance based on the request of Oman Charitable Association to support an orphan student to pay overdue university fees.	1,290
CSR – Financial assistance based on the community's request to install and replace water pipes for country houses in the Qaftoot area after the damage caused by the hurricane.	1,000
Total as per the Financial Statements	89,414

Chairman

Attachment to AGM Notice

Corporate Social Responsibility Expenses in 2022

ميناء صلالة
Port of Salalah

Salalah Port Services Co. SAOG
Schedule of Related Party Tranasactions for year ended December 2022

			OMR '000	
Stream/Related Party	**Relationship**	**Nature of Transaction**	**FY-2022**	**FY-2021**
		Revenue		
Maersk Line	Group Company	Container Handling and Other Shipping Services	40,295	37,102
Port of Salalah Development Co LLC	Subsidiary Company	Management Fee & Rent	5	7
A.P.Moller Terminals Co. LLC	Group Company	Administrative Charges	52	47
APM Terminals Bahrain	Group Company	Sale of Engine	-	4
Oman Container Lines	Group Company	Container Handling and Other Shipping Services	328	276
Maersk Oil Trading Salalah SPC	Group Company	Bunkering and other port services	486	544
			41,165	**37,980**
		Purchase & Expenses		
APM Terminals Crane & Engineering Services Limited	Group Company	Recharges for actual cost incurred (assistance in procuring RTG's & remote assessment of Gottwald crane)	133	106
APM Terminals International B.V	Group Company	Recharges for actual cost incurred (Systems and communication charges, Pension recharge)	630	857
Maersk Shipping Services & Co.LLC	Group Company	Non Trade Purchases (Cargo claim)	25	56
Maersk Kanoo (UAE) LLC	Group Company	Recharge cost (Medical Insurance LOC)	0.28	2
Maersk Container Industries	Group Company	Non Trade Purchases (Spare parts)	113	116
Maersk Line A/S	Group Company	Non Trade Purchases (GSC Services)	50	24
APM Terminals North America	Group Company	Non Trade Puchases (Personnel Cost recharge)	22	10
APM Terminals AMI Managment DMCEST	Group Company	Recharge cost (Hotel Stay Cost)	-	4
Maersk Agency USA, INC	Group Company	Recharges cost (Microsoft - IT Application)	157	-
APM Terminals Bahrain B.S.C.	Group Company	Recharge cost (CCO kids school fee)	-	3.77
A.P.Moller - Maersk AS Denmark	Group Company	Consultancy services for Salalah value proposition	110	-
Svitzer Hazira Private Limited	Group Company	Leasing of Marine Equipment - TUG	36	68
Svitzer Sohar LLC	Group Company	Consultancy services for Marine	-	11
			1,275	**1,259**
		Fees		
A.P.Moller Terminals Co. LLC	Group Company	Management Fees	**2,673**	**2,396**
Directors' remuneration		Remuneration	**79**	**150**
Board of Directors		Sitting Fees	**51**	**46**

Note: The Board of Directors assures that the stated transactions are fair and realistic in conformity with the shareholders' interests. They have been completed in accordance with the rules and conditions of the CMA.

Chairman

ميناء صلالة
Port of Salalah

SALALAH PORT SERVICES COMPANY (SAOG)

Audited Consolidate Financial Statements

31 December 2022

Registered office and principal place of business:
PO Box 369, Postal Code 211
Salalah
Sultanate of Oman
C.R No.2127814
SPS Tax No. 8084628
POSDC Tax No. 8084637

SALAHAH PORT SERVICES COMPANY SAOG

Consolidated and parent statement of comprehensive income

For the year ended 31 December 2022

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US $ '000	**2022 US $ '000**	2021 US $ '000	**2022 US $ '000**		*Notes*	**2022 RO '000**	2021 RO '000	**2022 RO '000**	2021 RO '000
173,391	**184,364**	173,430	**184,364**	Revenue	*5.a*	**70,909**	66,689	**70,909**	66,704
(116,181)	**(126,157)**	(116,181)	**(126,157)**	Direct operating costs	*6*	**(48,521)**	(44,685)	**(48,521)**	(44,685)
(18,156)	**(23,044)**	(18,187)	**(23,074)**	Other operating expenses	*7*	**(8,862)**	(6,983)	**(8,874)**	(6,995)
(27,136)	**(28,535)**	(27,152)	**(28,554)**	Administration and general expenses	*8*	**(10,975)**	(10,437)	**(10,982)**	(10,443)
296	**282**	296	**282**	Net impairment reversal on financial assets	*22a.iii*	**108**	114	**108**	114
1,098	**2,455**	1,098	**2,455**	Other Income	*9*	**944**	422	**944**	422
13,312	**9,365**	13,304	**9,316**	**Profit from operations**		**3,603**	5,120	**3,584**	5,117
2,662	**2,548**	2,662	**2,548**	Finance income	*10*	**980**	1,024	**980**	1,024
(1,859)	**(1,660)**	(1,864)	**(1,665)**	Finance cost	*10*	**(638)**	(715)	**(640)**	(717)
14,115	**10,253**	14,102	**10,199**	**Profit before income tax expense**		**3,945**	5,429	**3,924**	5,424
(2,043)	**(1,826)**	(2,043)	**(1,826)**	Income tax expense	*12*	**(702)**	(786)	**(702)**	(786)
12,072	**8,427**	12,059	**8,373**	**Profit for the year**		**3,243**	4,643	**3,222**	4,638
-	**-**	-	**-**	Other comprehensive income for the year, net of tax		**-**	-	**-**	-
12,072	**8,427**	12,059	**8,373**	**Total comprehensive income for the year**		**3,243**	4,643	**3,222**	4,638
				Profit attributable to :					
12,072	**8,427**	12,059	**8,373**	Equity holders of the parent		**3,243**	4,643	**3,222**	4,638
				Total comprehensive income attributable to :					
12,072	**8,427**	12,059	**8,373**	Equity holders of the parent		**3,243**	4,643	**3,222**	4,638
12,072	**8,427**	12,059	**8,373**			**3,243**	4,643	**3,222**	4,638
0.07	**0.05**	0.07	**0.05**	**Basic and diluted earnings per share (US $ / RO)**	*16*	**0.02**	0.03	**0.02**	0.03

The attached notes 1 to 24 form part of these consolidated financial statements.

SALALAH PORT SERVICES COMPANY SAOG

Consolidated and parent statement of financial position

As at 31 December 2022

Parent Company 2021 US $ '000	Parent Company **2022 US $ '000**	Consolidated 2021 US $ '000	Consolidated **2022 US $ '000**		*Notes*	Parent Company **2022 RO '000**	Parent Company 2021 RO '000	Consolidated **2022 RO '000**	Consolidated 2021 RO '000
				ASSETS					
				Non-Current Assets					
139,857	**145,159**	140,075	**145,352**	Property and equipment	13.a	**55,830**	53,791	**55,905**	53,875
24,843	**21,000**	24,916	**21,062**	Right of use assets	13.b	**8,077**	9,555	**8,101**	9,583
257	**220**	257	**220**	Intangible assets	13.c	**85**	99	**85**	99
546	**546**	-	**-**	Investments in Subsidiary	13.d	**210**	210	**-**	-
165,503	**166,925**	165,248	**166,634**			**64,202**	63,655	**64,091**	63,557
				Current Assets					
7,025	**6,861**	7,025	**6,861**	Inventories	13.e	**2,639**	2,702	**2,639**	2,702
6,128	**4,291**	6,128	**4,291**	Other current assets	13.f	**1,651**	2,357	**1,651**	2,357
23,026	**24,103**	23,083	**24,103**	Trade receivables	14.a	**9,270**	8,856	**9,270**	8,878
7,977	**5,054**	7,977	**5,054**	Other financial assets at amortised cost	14.b	**1,944**	3,068	**1,944**	3,068
32,500	**36,201**	32,500	**36,201**	Short term deposits	14.c	**13,923**	12,500	**13,923**	12,500
70,247	**67,520**	70,247	**67,520**	Cash and cash equivalents	14.d	**25,969**	27,018	**25,969**	27,018
146,903	**144,030**	146,960	**144,030**	**Total current assets**		**55,396**	56,501	**55,396**	56,523
312,406	**310,955**	312,208	**310,664**	**TOTAL ASSETS**		**119,598**	120,156	**119,487**	120,080
				EQUITY					
46,758	**46,758**	46,758	**46,758**	Share capital	15.a	**17,984**	17,984	**17,984**	17,984
7,666	**7,666**	7,666	**7,666**	Share premium	15.b	**2,949**	2,949	**2,949**	2,949
15,584	**15,584**	15,665	**15,665**	Legal reserve	15.c	**5,994**	5,994	**6,025**	6,025
119,082	**122,833**	119,506	**123,203**	Retained earnings		**47,244**	45,799	**47,384**	45,960
189,090	**192,841**	189,595	**193,292**	Equity attributable to equity holders of the parent company		**74,171**	72,726	**74,342**	72,918
189,090	**192,841**	189,595	**193,292**	**TOTAL EQUITY**		**74,171**	72,726	**74,342**	72,918
				LIABILITIES					
				Non-Current Liabilities					

SALAHAH PORT SERVICES COMPANY SAOG

Consolidated and parent statement of financial position

As at 31 December 2022

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US $ '000	**2022 US $ '000**	2021 US $ '000	**2022 US $ '000**		*Notes*	**2022 RO '000**	2021 RO '000	**2022 RO '000**	2021 RO '000
23,507	**20,429**	23,590	**20,502**	Lease Liabilities	13.b	**7,857**	9,041	**7,885**	9,073
9,672	**10,599**	9,672	**10,599**	Employees' end of service benefits	13.g	**4,076**	3,720	**4,076**	3,720
10,137	**10,321**	10,127	**10,308**	Deferred tax liability	12	**3,970**	3,899	**3,965**	3,895
43,316	**41,349**	43,389	**41,409**			**15,903**	16,660	**15,926**	16,688
				Current Liabilities					
4,950	**4,763**	4,950	**4,767**	Lease Liabilities	13.b	**1,832**	1,904	**1,833**	1,904
48,226	**48,201**	47,450	**47,398**	Trade and other payables	14.e	**18,538**	18,549	**18,232**	18,253
22,789	**22,357**	22,789	**22,357**	Contract liabilities	5.b	**8,599**	8,765	**8,599**	8,765
4,035	**1,444**	4,035	**1,441**	Current tax liabilities	12	**555**	1,552	**555**	1,552
80,000	**76,765**	79,224	**75,963**			**29,524**	30,770	**29,219**	30,474
123,316	**118,114**	122,613	**117,372**	**TOTAL LIABILITIES**		**45,427**	47,430	**45,145**	47,162
312,406	**310,955**	312,208	**310,664**	**TOTAL EQUITY AND LIABILITIES**		**119,598**	120,156	**119,487**	120,080
1.05	**1.07**	1.05	**1.07**	**Net assets per share (US$ / RO)**	18	**0.41**	0.40	**0.41**	0.41

These Audited consolidated financial statements were approved and authorised for issue by the Board of Directors 23rd February 2023 and were signed on its behalf by:

Chairman

Chief Executive Officer

Chief Financial Officer

SALALAH PORT SERVICES COMPANY SAOG

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Attributable to equity shareholders of the consolidated company				
	Share capital RO '000	**Share premium RO '000**	**Legal reserve RO'000**	**Retained earnings RO '000**	**Total RO '000**
At 1 January 2021	17,984	2,949	5,994	45,849	72,776
Profit for the year	-	-	-	4,638	4,638
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,638	4,638
Transfer from subsidiary's legal reserve	-	-	31	(31)	-
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	-	-	-	(4,496)	(4,496)
At 31 December 2021	17,984	2,949	6,025	45,960	72,918
At 1 January 2022	**17,984**	**2,949**	**6,025**	**45,960**	**72,918**
Profit for the year	**-**	**-**	**-**	**3,222**	**3,222**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**3,222**	**3,222**
Transfer from subsidiary's legal reserve	**-**	**-**	**-**	**-**	**-**
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	**-**	**-**	**-**	**(1,798)**	**(1,798)**
31 December 2022	**17,984**	**2,949**	**6,025**	**47,384**	**74,342**

SALALAH PORT SERVICES COMPANY SAOG

Consolidated statement of changes in equity
For the year ended 31 December 2022

	Attributable to equity shareholders of the consolidated company				
	Share capital US $ '000	Share premium US $ '000	Legal reserve US $ '000	Retained earnings US $ '000	Total US $ '000
At 1 January 2021	46,758	7,666	15,584	119,218	189,226
Profit for the year	-	-	-	12,059	12,059
Other comprehensive income				-	-
Total comprehensive income for the year	-	-	-	12,059	12,059
Transfer from subsidiary's legal reserve	-	-	81	(81)	-
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	-	-	-	(11,690)	(11,690)
At 31 December 2022	46,758	7,666	15,665	119,506	189,595
At 1 January 2022	**46,758**	**7,666**	**15,665**	**119,506**	**189,595**
Profit for the year	**-**	**-**	**-**	**8,373**	**8,373**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**8,373**	**8,373**
Transfer from subsidiary's legal reserve	**-**	**-**	**-**	**-**	**-**
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	**-**	**-**	**-**	**(4,676)**	**(4,676)**
At 31 December 2022	**46,758**	**7,666**	**15,665**	**123,203**	**193,292**

The attached notes 1 to 24 form part of these consolidated financial statements.

SALALAH PORT SERVICES COMPANY SAOG

Parent statement of changes in equity

For the year ended 31 December 2022

	Attributable to equity shareholders of the parent company				
	Share capital RO '000	Share premium RO '000	Legal reserve RO '000	Retained earnings RO '000	Total RO '000
At 1 January 2021	17,984	2,949	5,994	45,652	72,579
Profit for the year	-	-	-	4,643	4,643
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,643	4,643
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	-	-	-	(4,496)	(4,496)
At 31 December 2021	17,984	2,949	5,994	45,799	72,726
At 1 January 2022	**17,984**	**2,949**	**5,994**	**45,799**	**72,726**
Profit for the year	**-**	**-**		**3,243**	**3,243**
Other comprehensive income	**-**	**-**		**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**3,243**	**3,243**
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	**-**	**-**	**-**	**(1,798)**	**(1,798)**
At 31 December 2022	**17,984**	**2,949**	**5,994**	**47,244**	**74,171**

Parent statement of changes in equity

For the year ended 31 December 2022

	Attributable to equity shareholders of the parent company				
	Share capital US $ '000	Share premium US $ '000	Legal reserve US $ '000	Retained earnings US $ '000	Total US $ '000
At 1 January 2021	46,758	7,666	15,584	118,700	188,708
Profit for the year	-	-	-	12,072	12,072
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	12,072	12,072
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	-	-	-	(11,690)	(11,690)
31 December 2021	46,758	7,666	15,584	119,082	189,090
At 1 January 2022	**46,758**	**7,666**	**15,584**	**119,082**	**189,090**
Profit for the year	**-**	**-**	**-**	**8,427**	**8,427**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**8,427**	**8,427**
Transactions with owners, recorded directly in equity					
Dividend paid (note 17)	**-**	**-**	**-**	**(4,676)**	**(4,676)**
At 31 December 2022	**46,758**	**7,666**	**15,584**	**122,833**	**192,841**

The attached notes 1 to 24 form part of these consolidated financial statements.

SALALAH PORT SERVICES COMPANY SAOG

Consolidated and parent statement of cash flows

For the year ended 31 December 2022

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US $ '000	**2022 US $ '000**	2021 US $ '000	**2022 US $ '000**		Notes	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000
				Operating activities					
14,115	**10,253**	14,102	**10,199**	Profit before tax		**3,945**	5,429	**3,924**	5,424
				Adjustments for:					
23,241	**24,667**	23,270	**24,697**	Depreciation and amortisation	13.a/c	**9,487**	8,939	**9,499**	8,950
3,943	**3,952**	3,958	**3,963**	Depreciation on right of use asset	13.b	**1,520**	1,517	**1,524**	1,523
1,212	**1,507**	1,212	**1,507**	Provision for employees' end of service benefits	13.g	**580**	466	**580**	466
(296)	**(282)**	(296)	**(282)**	Net impairment reversal on financial assets	22.iii	**(108)**	(114)	**(108)**	(114)
908	**1,175**	908	**1,175**	Inventory obsolescence	8	**452**	349	**452**	349
98	**(280)**	98	**(280)**	Unrealised foreign exchange (gain)/loss, net	10	**(108)**	38	**(108)**	38
(109)	**(1,542)**	(109)	**(1,542)**	Gain on sale/scrap of assets	9	**(593)**	(42)	**(593)**	(42)
(2,621)	**(2,548)**	(2,621)	**(2,548)**	Finance income	10	**(872)**	(1,008)	**(872)**	(1,008)
1,859	**1,660**	1,864	**1,665**	Finance cost	10	**638**	715	**640**	717
42,350	**38,562**	42,386	**38,554**	**Operating profit before working capital changes**		**14,941**	16,289	**14,938**	16,302
				Working capital changes					
(1,321)	**(1,013)**	(1,321)	**(1,013)**	Inventories		**(389)**	(508)	**(389)**	(508)
(1,108)	**1,835**	(1,108)	**1,835**	Other current assets		**706**	(426)	**706**	(426)
(9,495)	**(820)**	(9,548)	**(763)**	Trade receivables		**(316)**	(3,652)	**(294)**	(3,672)
(5,626)	**2,923**	(5,626)	**2,923**	Other financial assets at amortised cost		**1,124**	(2,164)	**1,124**	(2,164)
1,282	**1,682**	1,326	**1,654**	Trade and other payables		**645**	493	**633**	510
3,099	**(433)**	3,099	**(433)**	Contract liabilities		**(166)**	1,192	**(166)**	1,192
29,181	**42,736**	29,208	**42,757**	**Operating profit after working capital changes before payment of tax and employees end of service benefit**		**16,545**	11,224	**16,552**	11,234
(8,746)	**(3,992)**	(8,754)	**(3,995)**	Tax paid		**(1,536)**	(3,364)	**(1,536)**	(3,367)
(993)	**(581)**	(993)	**(581)**	Employees' end of service benefits paid		**(224)**	(382)	**(224)**	(382)
19,442	**38,163**	19,461	**38,181**	**Net cash generated from operating activities**		**14,785**	7,478	**14,792**	7,485

SALALAH PORT SERVICES COMPANY SAOG

Consolidated and parent statement of cash flows

For the year ended 31 December 2022

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US $ '000	**2022 US $ '000**	2021 US $ '000	**2022 US $ '000**		Notes	**2022 RO'000**	2021 RO'000	**2022 RO'000**	2021 RO'000
				Investing activities					
(21,585)	**(29,938)**	(21,585)	**(29,938)**	Acquisition of property and equipment		**(11,515)**	(8,302)	**(11,515)**	(8,302)
-	**1,542**	-	**1,542**	Proceeds from sale of property and equipment		**593**	-	**593**	-
2,621	**2,548**	2,621	**2,548**	Finance income received		**872**	1,008	**872**	1,008
23,400	**32,500**	23,400	**32,500**	Proceeds from sale of short-term deposits		**12,500**	9,000	**12,500**	9,000
(32,500)	**(36,201)**	(32,500)	**(36,201)**	Purchase of short term deposits		**(13,923)**	(12,500)	**(13,923)**	(12,500)
(28,064)	**(29,549)**	(28,064)	**(29,549)**	**Net cash used in investing activities**		**(11,473)**	(10,794)	**(11,473)**	(10,794)
				Financing activities					
(11,690)	**(4,676)**	(11,690)	**(4,676)**	Dividend paid	17	**(1,798)**	(4,496)	**(1,798)**	(4,496)
(4,883)	**(5,004)**	(4,898)	**(5,017)**	Lease Payments		**(1,925)**	(1,877)	**(1,930)**	(1,882)
(1,856)	**(1,660)**	(1,859)	**(1,665)**	Finance cost paid		**(638)**	(715)	**(640)**	(717)
(18,429)	**(11,340)**	(18,447)	**(11,358)**	**Net cash used in financing activities**		**(4,361)**	(7,088)	**(4,368)**	(7,095)
(27,051)	**(2,762)**	(27,050)	**(2,726)**	Net change in cash and cash equivalents		**(1,049)**	(10,404)	**(1,049)**	(10,404)
97,298	**70,246**	97,297	**70,246**	**Cash and cash equivalents at beginning of the year**		**27,018**	37,422	**27,018**	37,422
70,247	**67,520**	70,247	**67,520**	**Cash and cash equivalents at the end of the year**	14.d	**25,969**	27,018	**25,969**	27,018

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

Port of Salalah

1 Legal status and principal activities

Salalah Port Services Company SAOG ("the Company" or "the Parent Company") is registered as a joint stock company in the Sultanate of Oman under the Commercial Companies Law of Oman. The Company's shares are listed in the Muscat Securities Market ("MSM"). Port of Salalah Development Company LLC ("the subsidiary") is the wholly owned subsidiary of the Company.

The Company is primarily engaged in leasing, equipping, operating and managing Container Terminal and General Cargo Terminal facilities in Salalah, Sultanate of Oman. Whereas, the subsidiary is engaged in property-related activities within the Port of Salalah premises.

The Company's consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiary (together referred to as "the Group").

2 Basis of Preparation

(a) Statement of compliance

These financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee ("IFRS IC"), the requirements of the Commercial Companies Law of the Sultanate of Oman, 2019 and the disclosure requirements set out in the 'Rules and Guidelines on Disclosure by the issuer of Securities and Insider Trading' issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

(b) Basis of measurement

The financial statements of the Group have been prepared under the historical cost basis except otherwise described in the notes below.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 24.

(d) New and amended standards adopted by the Group

The Group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2022.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

- Annual Improvements to IFRS Standards 2018-2020, (effective on or after 1 January 2022);
- Amendments to IAS16-Property, Plant and Equipment-Proceeds before Intended Use,(effective on or after 1 January 2022);
- Amendments to IAS37-Onerous Contracts-Costof Fulfillinga Contract, (effective on or after 1 January 2022);and

(d) New and amended standards adopted by the Group

- Amendments to IFRS3-Reference to the Conceptual Framework, (effective on or after 1 January 2022);

The adoption of these standards and interpretations has not resulted in changes to the Group's accounting policies and has not affected the amounts reported for the current year.

(e) New standards and interpretations not yet adopted

The following new standards, amendments, and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2023 or later periods, but the Group has not early applied the following new or amended standards in preparing these financial statements. The Group is currently assessing the impact of these standards, amendments, or interpretations on the future period.

- IFRS17-Insurance Contracts, (effective on or after 1 January 2023);
- Amendments to IAS1-Classification of Liabilities as Current or Non-current, (effective on or after 1 January 2023);
- Amendments toIAS1 and IFRSP practice Statement 2-Disclosure of accounting policies, (effective on or after 1 January 2023);
- Amendments to IAS8-Definition of Accounting Estimates, (effective on or after 1 January 2023); and
- Amendments to IAS12- 1 January 2023-Deferred Tax related to Assets and Liabilities arising from a Single Transaction, (effective on or after 1 January 2023).

3 Significant agreements

The Company has entered into the following significant agreements:

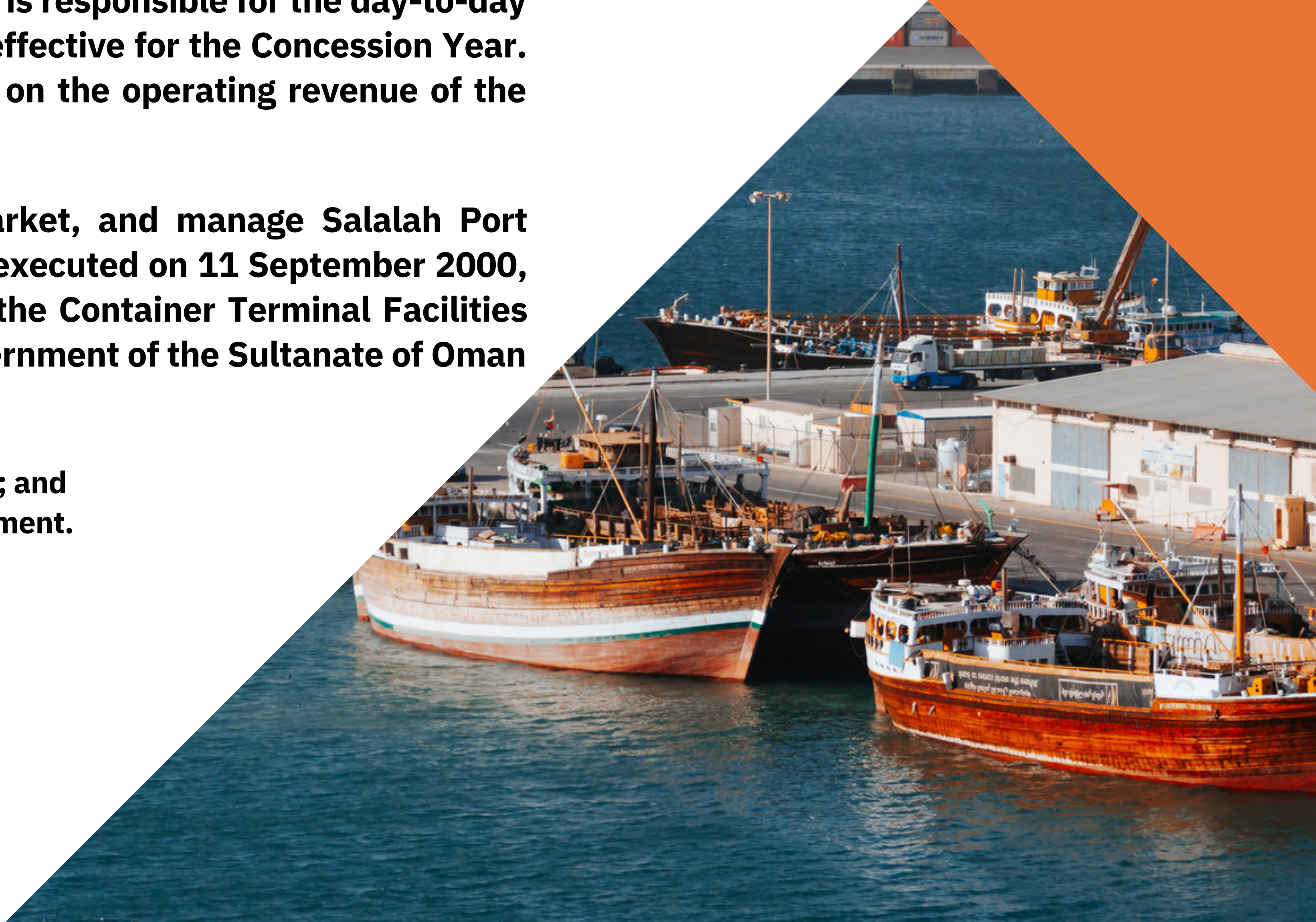
(a) Concession agreement with theGovernmentoftheSultanateofOmantolease,equip,operateandmanage Salalah Port Container Terminal facilities ("Container Terminal Facilities Agreement and Temporary Licenses") as per agreement dated 02 October 1996 for a period of thirty years commencing from 01 November 1998 ("Concession Year"). In consideration for granting the concessions, the Company pays a royalty fee to the Government of Sultanate of Oman and is calculated as follows:

- A fixed royalty fee of US$ 255,814 per annum payable for the Land Lease agreement covering (Berth1-4), increasing at the rate of 3% per annum; and
- A fixed royalty fee of US$ 744,184 per annum is payable for the Land Lease agreement covering (Berth1-4), increasing at the rate of 3% per annum
- A fixed royalty fee of US$750,000 per annum is payable for Ber th5 from 2007 onwards and increases at the rate of 3% per annum; and
- A fixed royalty fee of US$750,000 per annum is payable for Ber th6 from 2008 onwards and increases at the rate of 3% per annum; and
- A variable royalty fee is calculated according to the terms set out in the Container Terminal Facilities Agreement.

(b) The management agreement for Container Terminal with AP MollerTerminalsCo.LLC("the manager") is responsible for the day-to-day management of the Company and operations of the port on behalf of the Company. This agreement is effective for the Concession Year. Considering the services provided by the Manager, the Company pays a fee, which varies depending on the operating revenue of the Container Terminal.

(c) Concession agreements with the Government of the Sultanate of Oman to equip, operate, market, and manage Salalah Port Conventional Terminal facilities ("General Cargo Terminal Facilities Agreement"). The agreement was executed on 11 September 2000, with retrospective effect from 1 October 1998. The contract is effective for a Year co-terminus with the Container Terminal Facilities Agreement. In consideration for granting the concessions, the Company pays the royalty fee to the Government of the Sultanate of Oman as follows:

- A fixed royalty fee of RO 49,900 per annum, payable from 2005 onwards and increasing at the rate of 3% per annum; and
- A variable royalty fee calculated in accordance with the terms set out in the General Cargo Terminal Facilities Agreement.



(d) The Management agreement for General Cargo TerminalwithAPMollerTerminalsCo.LLC(“theManager”) with the responsibility for day-to-day management of the Company and operations of the port on behalf of the Company. The agreement is effective for the Concession Year. In consideration of the services provided by the Manager the Company pays a fee, which varies depending on the volumes handled by the General Cargo Terminal.

4 Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of the consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

(a) Basis of consolidation

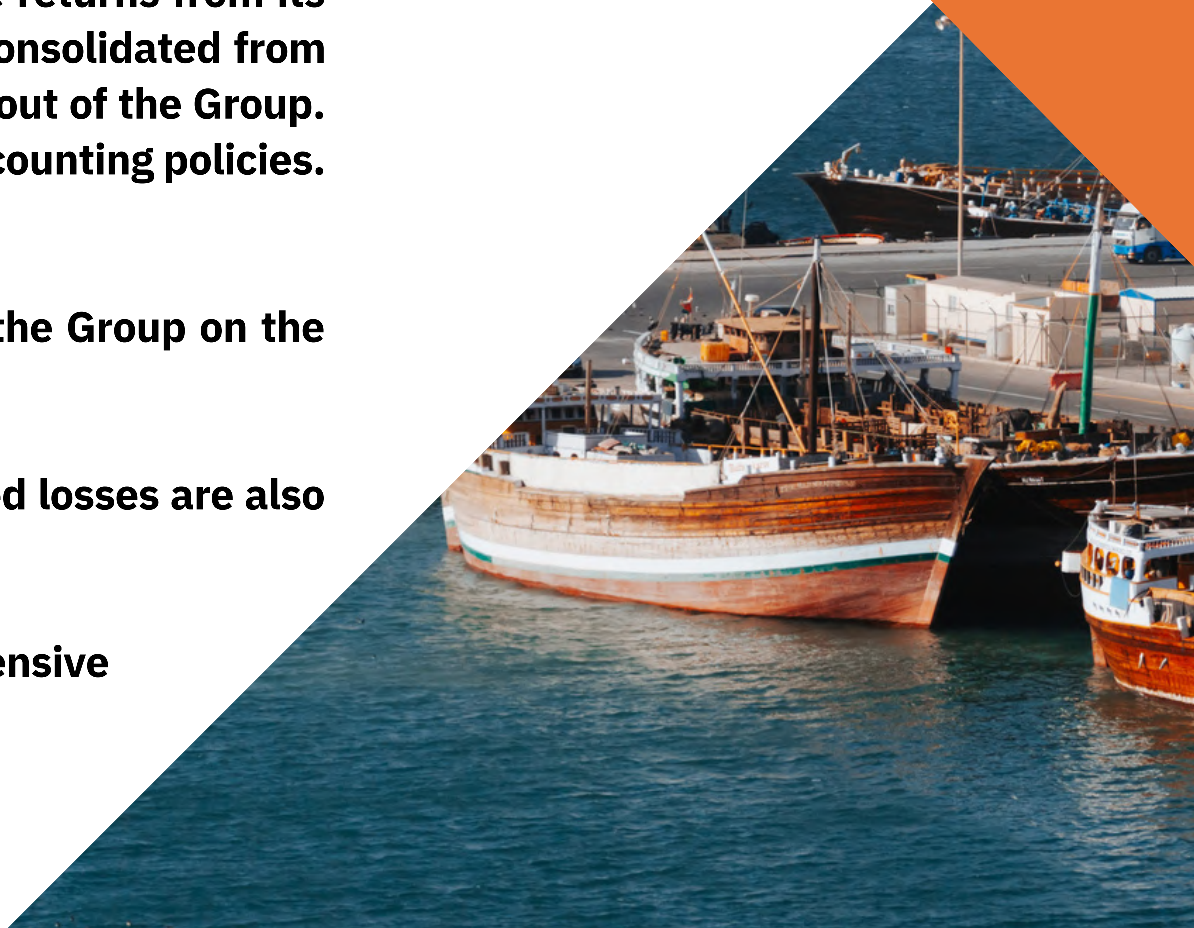
(i) Subsidiary

The subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

The acquisition method of accounting is used to account for business combinations including common control transactions by the Group on the date of acquisition.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidatedstatement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.



(ii) *Change in ownership interests in subsidiaries without loss of control*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners.

(iii) *Disposal of subsidiaries (loss of control)*

When the Group ceases to consolidate a subsidiary because of a loss of control, the Group:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded inequity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

(iv) *Non-controlling interest*

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

(v) Transactions eliminated on consolidation

All intercompany balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. A change in the ownership interest of a subsidiary, without space, a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Foreign currencies

(i) Presentation and functional currency

These financial statements are presented in Rials Omani (“RO”) and United States Dollars (‘‘US$’’) rounded off to the nearest thousands. The Group’s functional currency is RO. The Exchange rate considered for the conversion is RO 1 = US$ 2.6.US$ amounts represented only for the convenience of readers.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated to Rials Omani at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to Rials Omani at the foreign exchange rate ruling at that date. Foreign exchange differences arising on the translation of monetary assets and liability are recognised in the profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost, are translated to Rials Omani at the foreign exchange rate ruling at the date of the transaction. The functional currency of all Group companies is same.

(f) Revenue

Group revenue includes income from the container, general cargo and marine services.

- Container services represent the activities relating to stevedoring (import, export, and transhipment containers), yard handling, reefer electricity, storage, and other related activities.
- General cargo services represent the activities relating to handling general cargo vessels, including stuffing and un-stuffing, equipment rental and storage of non-containerized/ bulk cargo.
- Marine services represent activities relating to berth rental, pilotage, anchorage, towage and other related activities.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.
A receivable is recognised when the goods are delivered and services are rendered as this is when the consideration is unconditional because only the passage of time is required before the payment is due. Contract liabilities include advances received from customers as well as volume rebates in respect of certain customers having agreement with the Company to offset the rebate with the future invoices raised to those customers.

(g) Finance income and finance cost

Finance income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance costs mainly comprise interest expense on lease liabilities that is recognised in the statement of comprehensive income. Except for interest capitalised directly attributable to the acquisition, construction or production of qualifying assets, all borrowing costs are measured at amortised cost and recognised in statement of comprehensive income, using the effective interest method.

(h) Taxation

Income tax on the results for the year comprises deferred tax and current tax. Income tax expense is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

(i) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

(j) Property and equipment

(i) Recognition and measurement

Items of property and equipment are stated at historical cost less accumulated depreciation and impairment losses [refer accounting policy "o – impairment of non-financial assets"]. Borrowing costs that are directly attributable to acquisition, construction or production of an asset are included in the cost of that asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is charged to the profit and loss during the financial year in which they are incurred. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and recognised within 'other income' in the profit and loss.

(ii) Capital work-in-progress

Capital work-in-progress is measured at cost less impairment, if any. Capital work-in-progress is not depreciated until such time the assets are ready for intended use and transferred to the respective category under property and equipment.

(iii) Depreciation

Depreciation is recognised in the profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment as given below:

Class	Years
Leaseholdimprovements	3 – 5
Infrastructureimprovements	10–15
Quaygantrycranes	6 – 25
MobileharbourCranes	15
Rubbertyregantrycranes	15
Tractorsandtrailers	10–15
Forkliftsandreachstackers	3–5
Marineequipment	15–30
Motorvehicles	3–5
Computerequipment	1–5
Furniture,fixturesandequipment	3–5
Mooringsystems	7
Dry-dockingofvessels	3–5

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Expenditure incurred to dry-dock a vessel is capitalised and is depreciated over its useful life of three to five years. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property or equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

(iv) Variable consideration for the purchase of property, plant and equipment

For the items of property and equipment purchased for a variable or contingent amount for which the Group is contractually or statutorily obliged to make the additional payment if the future event occurs or the condition is met, the Group initially recognises the items of property and equipment at the date of acquisition including, an estimate for the future anticipated variable costs. A liability is also recognised at the same time. The liability is subsequently measured at amortised cost following the requirements of IFRS 9. However, subsequent changes in the liability are recognised against the cost of the asset.

(l) Intangible assets

These are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any [refer accounting policy (o)]. The intangible assets include development expenditure and licensed software. Amortisation of intangibles relating to development expenditure is charged to profit and loss on a straight-line basis over the Concession period, whereas acquired licensed software is amortised using the straight-line method over their estimated useful lives (three to five years).

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle till June 2022. From July 2022 the Company adopted weighted average principle to value its cost of inventory to provide reliable and more relevant information. There was no material impact observed to the financial statement due to this change on the prior period.

(n) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In case if the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate evaluation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit and loss in those expense categories consistent with the function of the impaired asset. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

(p) Financial assets

(i) Initial recognition and measurement

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(p) Financial assets (continued)

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- **Financial assets at amortised cost (debt instruments).**
- **Financial assets at fair value through Other Comprehensive Income (“OCI”) with recycling of cumulative gains and losses (debt instruments).**
- **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).**
- **Financial assets at fair value through profit or loss.**

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- **The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and**
- **The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.**

Financial assets at amortised cost are subsequently measured using the effective interest rates (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group’s financial assets at amortised cost includes trade receivables and cash and cash equivalents.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group does not have any such instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify its equity investments irrevocably as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any such instruments as of reporting date.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group does not have any such instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify its equity investments irrevocably as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group does not have any such instruments as of reporting date.

(ii) Subsequentmeasurement(continued)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Impairment of financial assets

The Group accounts for impairment losses for financial assets with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all debt financial assets not held at FVTPL. The Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience as adjusted for forward-looking factors.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group considers a financial asset in default when contractual payment is 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

(q) Trade receivables

Trade receivables represents the amount due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amounts of consideration that are unconditional unless they contain significant financing components, when they are recognised at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment. See note 14.a for further information about the Company's accounting for trade receivables and note 22 for a description of the Company's trade receivable impairment policies. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the statement of comprehensive income

(r) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Share capital and share premium

Ordinary shares are classified as equity. Any excess of the fair value of the consideration received over the par value of shares issued is recognised as share premium.

(t) Employees' end of service benefits

Government Social Security scheme under Royal Decree 72 / 91 for Omani employees.

The end of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, regarding the requirements of the Oman Labour Law 2003 as amended and in accordance with IAS - 19 'Employee Benefits'.

Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. The accrual relating to annual leave and leave passage is included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law of 1991, are recognised as an expense in the statement of comprehensive income as incurred.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Company's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of
service benefits payable under the Oman aforesaid Labour Law. Under this method, an assessment is made of an employee's expected service life with the Company and the expected basic salary at the date of leaving the service.

(u) Trade and other payables

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Liabilities arerecognised for amounts to be paid for goods and services received, whether or not billed to the Group.

(v) Royalty

Royalty is payable based on the respective concession agreements on an accrual basis.

(w) Provisions

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation that can be measured reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(x) Fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Port of Salalah

(x) Fair value

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing to the information in the valuation computation to contracts and other relevant documents.

The Group also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

5 Revenue

5.a Disaggregation of revenue from contracts with customers

The Group derives revenue from the provision of services at a point in time in the following category of services (revenue streams):

Parent Company 2021 US$ ’000	Parent Company 2022 US$ ’000	Consolidated 2021 US$ ’000	Consolidated 2022 US$ ’000		Parent Company 2022 RO’000	Parent Company 2021 RO’000	Consolidated 2022 RO’000	Consolidated 2021 RO’000
127,932	136,506	127,932	136,506	Stevedoring Revenue (net of rebates)	52,502	49,205	52,502	49,205
20,420	22,355	20,420	22,355	Yard Service Revenue	8,598	7,854	8,598	7,854
15,371	18,667	15,371	18,667	Marine Services Revenue	7,180	5,912	7,180	5,912
9,668	6,836	9,707	6,836	Other Revenue	2,629	3,718	2,629	3,733
173,391	184,364	173,430	184,364	Total Revenue	70,909	66,689	70,909	66,704

5.b Assets and liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

Parent Company 2021 US$ ’000	Parent Company 2022 US$ ’000	Consolidated 2021 US$ ’000	Consolidated 2022 US$ ’000		Parent Company 2022 RO’000	Parent Company 2021 RO’000	Consolidated 2022 RO’000	Consolidated 2021 RO’000
20,652	20,618	20,652	20,618	Contract liabilities - related party	7,930	7,943	7,930	7,943
2,137	1,739	2,137	1,739	Contract liabilities - others	669	822	669	822
22,789	22,357	22,789	22,357	Total	8,599	8,765	8,599	8,765

SALAHAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

6 Direct operating costs

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
59,523	64,625	59,523	64,625	Staff costs (note 11)	24,856	22,893	24,856	22,893
21,763	22,579	21,763	22,579	Depreciation (note 13.a)	8,684	8,370	8,684	8,370
15,607	15,166	15,607	15,166	Repair and maintenance	5,833	6,003	5,833	6,003
11,121	18,107	11,121	18,107	Power and fuel	6,964	4,277	6,964	4,277
1,798	272	1,798	272	Covid-19 Cost	105	692	105	692
2,860	1,335	2,860	1,335	System and communications	513	1,100	513	1,100
2,987	3,108	2,987	3,108	Marine Services	1,195	1,149	1,195	1,149
522	965	522	965	Equipment Leasing Costs	371	201	371	201
116,181	126,157	116,181	126,157	Total	48,521	44,685	48,521	44,685

7 Other operating expenses

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
6,856	7,432	6,856	7,432	Insurance	2,858	2,637	2,858	2,637
1,365	2,976	1,365	2,976	Government royalty fee	1,145	525	1,145	525
6,230	6,950	6,232	6,950	Management fees	2,673	2,396	2,673	2,397
1,297	1,924	1,326	1,954	Depreciation (note 13.a)	740	499	752	510
2,370	3,724	2,370	3,724	TerminalMaintenance	1,432	912	1,432	912
38	38	38	38	Amortization (note 13.c)	14	14	14	14
18,156	23,044	18,187	23,074	Total	8,862	6,983	8,874	6,995

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

8 Administration and general expenses

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
17,548	18,615	17,548	18,615	Staff costs (note11)	7,160	6,749	7,160	6,749
3,943	3,952	3,958	3,963	Depreciation right of use assets (note 13.b.i)	1,520	1,517	1,524	1,522
1,036	1,172	1,036	1,172	Systems and communications	451	399	451	399
908	1,175	908	1,175	Inventory Obsolescence (note 13.e)	452	349	452	349
510	338	510	338	Directors remuneration and sitting Fees	130	196	130	196
645	-	645	-	Other Claims	-	248	-	248
1,193	1,534	1,194	1,542	Legal and professional fees	590	459	593	460
181	126	181	126	Depreciation (note 13.a)	48	70	48	70
250	699	250	699	Travelling Expenses	269	96	269	96
260	232	260	232	Corporate social responsibility	89	100	89	100
248	288	248	288	Sales and marketing	111	95	111	95
149	102	149	102	Postage, printing and stationery	39	57	39	57
216	302	216	302	Office rent and maintenance costs	116	83	116	83
49	-	49	-	Others	-	19	-	19
27,136	28,535	27,152	28,554	Total	10,975	10,437	10,982	10,443

9 Other income

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US $ ’000	2021 US$ ’000	2022 US $ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
109	1,542	109	1,542	Gain on sale/scrap of assets	593	42	593	42
989	913	989	913	Others	351	380	351	380
1,098	2,455	1,098	2,455	Total	944	422	944	422

SALAHAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

10 Finance income and finance cost

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
2,621	2,268	2,621	2,268	Interest income on short term deposits	87	1,008	87	1,008
41	280	41	280	Other finance Income	2	16	2	16
2,662	2,548	2,662	2,548	Total Finance Income	10	1,024	10	1,024
					8		8	
					98		98	
1,827	1,631	1,832	1,636	Finance cost on lease liabilities	627	703	629	705
32	29	32	29	Other finance charges	11	12	11	12
1,859	1,660	1,864	1,665	Total Finance Cost	638	715	640	717

11 Staff costs

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
62,921	66,161	62,921	66,161	Wages and salaries	25,447	24,200	25,447	24,200
8,819	11,298	8,819	11,298	Other benefits	4,345	3,392	4,345	3,392
4,119	1,507	4,119	1,507	Contributions to defined contribution retirement plan	1,644	1,584	1,644	1,584
1,212	4,274	1,212	4,274	Un-funded defined benefit retirement plan	580	466	580	466
77,071	83,240	77,071	83,240	Total	32,016	29,642	32,016	29,642

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
59,523	64,625	59,523	64,625	Direct operating costs (note 6)	24,856	22,893	24,856	22,893
17,548	18,615	17,548	18,615	Administration and general expenses (note 8)	7,160	6,749	7,160	6,749
77,071	83,240	77,071	83,240	Total	32,016	29,642	32,016	29,642

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

12 Taxation

The Parent Company and its subsidiary are assessed separately for taxation. The tax rate applicable is 15% (2021: 15%). For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes relating to both income and expense items. After giving effect to these adjustments, the average effective tax rate is estimated to be 15% (2021: 15%).

The deferred tax has been computed at the tax rate of 15% (2021: 15%).

The tax assessment of the company has been assessed by Tax Authority (TA) upto Tax year (TY) 2020. TA had issued an order during 2022 for TY 2014 after correcting the error resulting in short fall of losses setoff against tax return filed for TY 2014 due which the company was liable to pay an additional tax of RO 91k which was paid in March 2022. Also for TY 2018 to 2020 there was a cumulative tax due of RO 10k due to disallowance of certain expenses by TA. The company has paid this in December 2022.

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US $ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
				Income tax expense				
3,879	1,376	3,879	1,376	Current tax	545	1,492	545	1,492
40	265	40	265	Prior year	86	16	86	16
(1,)	876 185	(1,876)	185	Deferred tax	71	(722)	71	(722)
2,043	1,826	2,043	1,826		702	786	702	786
				Tax Liability				
8,901	4,035	8,911	4,035	1 January	1,552	3,424	1,552	3,427
(8,746)	(3,992)	(8,756)	(3,995)	Paid during the year	(1,536)	(3,364)	(1,536)	(3,367)
-	26	-	26	Provision for prior year	10	-	10	-
3,880	1,375	3,880	1,375	Movement during the year	529	1,492	529	1,492
4,035	1,444	4,035	1,441	At 31 December	555	1,552	555	1,552

Deferred tax liability comprises the following temporary differences:

2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
				Deferred tax liability				
12,011	10,136	12,001	10,127	1 January	3,899	4,620	3,895	4,616
(1,874)	185	(1,874)	181	Movement for the year	71	(721)	70	(721)
10,137	10,321	10,127	10,308	At 31 December	3,970	3,899	3,965	3,895

Deferred tax adjustments relate to the following:

2021 US $ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
(11,531)	(11,787)	(11,521)	(11,776)	Net book value of property and equipment	(4,534)	(4,435)	(4,529)	(4,431
1,394	1,466	1,394	1,467	Provisions and losses	564	536	564	536
(10,137)	(10,321)	(10,127)	(10,309)		(3,970)	(3,899)	(3,965)	(3,895

12 Taxation

Reconciliation of income taxes calculated at the applicable tax rate with the income tax expense

Particulars	RO’000
Profit as per financial statements	**3,945**
Income tax as per rates mentioned above	**591**
Non-deductible expenses	13
Prior year tax	86
Prior year deferred tax	12
Tax expense for the year	**702**

13 Non-financial assets and liabilities

This note provides information about the Company's non-financial assets and liabilities, including:

● specific information about each type of non-financial asset and non-financial liability
- property and equipment(note13.a)
- right of use assets(note13.b(i))
- intangible assets(note13.c)
- investments in subsidiary(note13.d)
- inventories(note13.e)
- other current assets(note13.f)
- employees and of service benefits(note13.g)

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

13.a Property and equipment

(i) Refer pages 42 till 45 for the schedule of property and equipment.

The depreciation charge has been allocated in the Audited consolidated statement of comprehensive income as follows:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
21,763	22,579	21,763	22,579	Direct operating costs	8,684	8,370	8,684	8,370
1,297	1,924	1,326	1,954	Other operating expenses	740	499	752	510
181	126	181	126	Administration expenses	48	70	48	70
23,241	24,629	23,270	24,659	Total	9,472	8,939	9,484	8,950

13. Leases
b (i) Right of use assets:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US $ ’000	2021 US$ ’000	2022 US $ ’000		2022 RO’000	2021 RO’000	2022 RO’00 0	2021 RO’000
				Gross lease				
34,850	34,850	34,957	34,957	Government lease	13,404	13,404	13,445	13,445
1,550	1,550	1,550	1,550	Vehicles Lease	596	596	596	596
223	332	223	332	Muscat office lease	128	86	128	86
36,623	36,732	36,730	36,839		14,128	14,086	14,169	14,127
				Accumulated depreciation				
10,426	13,933	10,460	13,978	Depreciation – Government lease	5,359	4,010	5,376	4,023
1,131	1,518	1,131	1,518	Depreciation – Vehicle lease	584	435	584	435
223	281	223	281	Deprecation – Muscat office	108	86	108	86
11,780	15,732	11,814	15,777		6,051	4,531	6,068	4,544
24,843	21,000	24,916	21,062	Right of use assets net	8,077	9,555	8,101	9,583

(ii) Lease Liabilities

(ii) Lease Liabilities

	Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000	Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
Concession Agreement	28,032	25,091	28,115	25,168	9,637	10,755	9,666	10,787
Vehicles Lease	411	35	411	35	27	185	27	185
Muscat office Lease	14	66	14	66	25	5	25	5
	28,457	25,192	28,540	25,269	9,689	10,945	9,718	10,977
Current Portion	4,950	4,763	4,950	4,767	1,832	1,904	1,833	1,904
Non-Current Portion	23,507	20,429	23,590	20,502	7,857	9,041	7,885	9,073
	28,457	25,192	28,540	25,269	9,689	10,945	9,718	10,977

Movement in right of use assets

	Parent				Consolidated			
	Government lease RO '000	Vehicles Lease RO'000	Muscat office Lease RO'000	Total RO '000	Government lease RO '000	Vehicles Lease RO'000	Muscat office Lease RO'000	Total RO '000
Cost								
1 January 2022	13,404	596	86	14,086	13,445	596	86	14,127
Addition	-	-	42	42	-	-	42	42
31 December 2022	13,404	596	128	14,128	13,445	596	128	14,169
31 December 2021	13,404	596	86	14,086	13,445	596	86	14,127
Accumulated Depreciation								
1 January 2022	(4,010)	(435)	(86)	(4,531)	(4,023)	(435)	(86)	(4,544)
Depreciation for the year	(1,349)	(149)	(22)	(1,520)	(1,353)	(149)	(22)	(1,524)
31 December 2022	(5,359)	(584)	(108)	(6,051)	(5,376)	(584)	(108)	(6,068)
Carrying amounts								
31 December 2022	8,045	12	20	8,077	8,069	12	20	8,101
31 December 2021	9,394	161	-	9,555	9422	161	-	9,583
	Government lease US$ '000	Vehicles Lease US$'000	Muscat office Lease US$'000	Total US$ '000	Government lease US$ '000	Vehicles Lease US$'000	Muscat office Lease US$'000	Total US$ '000
Cost								
1 January 2022	34,850	1,550	223	36,623	34,957	1,550	223	36,730
Addition	-	-	109	109	-	-	109	109
31 December 2022	34,850	1,550	332	36,732	34,957	1,550	332	36,839
31 December 2021	34,850	1,550	223	36,623	34,957	1,550	223	36,730
Accumulated Depreciation								
1 January 2022	(10,426)	(1,131)	(223)	(11,780)	(10,460)	(1,131)	(223)	(11,814)
Depreciation for the year	(3,507)	(387)	(58)	(3,952)	(3,518)	(387)	(58)	(3,963)
31 December 2022	(13,933)	(1,518)	(281)	(15,732)	(13,978)	(1,518)	(281)	(15,777)
Carrying amounts								
31 December 2022	20,917	32	51	21,000	20,979	32	51	21,062
31 December 2021	24,424	419	-	24,843	24,497	419	-	24,916

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

(ii) Lease Liabilities

Movement in Lease liabilities

	Parent				Consolidated			
	Government lease RO '000	Vehicles Lease RO'000	Muscat office Lease RO'000	Total RO '000	Government lease RO '000	Vehicles Lease RO'000	Muscat office Lease RO'000	Total RO '000
Cost								
1 January 2022	10,755	185	5	10,945	10,787	185	5	10,977
Add: Addition	-	-	42	42	-	-	42	42
Add: Finance charges	614	10	3	627	616	10	3	629
Less: Lease payments	(1,732)	(168)	(25)	(1,925)	(1,737)	(168)	(25)	(1,930)
31 December 2022	9,637	27	25	9,689	9,666	27	25	9,718
31 December 2021	10,755	185	5	10,945	10,787	185	5	10,977

	Parent				Consolidated			
	Government lease US$ '000	Vehicles Lease US$'000	Muscat Lease office US$'000	Total US$ '000	Government lease US$ '000	Vehicles Lease US$'000	Muscat Lease office US$'000	Total US$ '000
Cost								
1 January 2022	27,963	481	13	28,457	28,046	481	13	28,540
Add: Addition	-	-	109	109	-	-	109	109
Add: Finance charges	1,596	26	8	1,630	1,603	26	8	1,637
Less: Lease payments	(4,503)	(436)	(65)	(5,004)	(4,516)	(436)	(65)	(5,017)
31 December 2022	25,056	71	65	25,192	25,133	71	65	25,269
31 December 2021	27,963	481	13	28,457	28,046	481	13	28,540

SALAHAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

13.c Intangible assets

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
1,105	1,105	1,105	1,105	Cost	425	425	425	425
				Accumulative amortisation				
(812)	(847)	(812)	(847)	1 January	(326)	(312)	(326)	(312)
(36)	(38)	(36)	(38)	Amortisation for the year	(14)	(14)	(14)	(14)
(848)	(887)	(848)	(887)	31 December	(341)	(326)	(341)	(326)
				Net book value				
257	220	257	220	31 December	85	99	85	99

13.d Investments in subsidiary

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
546	546	-	-	Ordinary Shares - Unquoted	210	210	-	-
546	564	-	-	Total	210	210	-	-

13.e Inventories

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2021 RO'000	Parent Company 2022 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
11,013	12,024	11,013	12,024	Spares and consumables	4,625	4,236	4,625	4,236
(3,988)	(5,163)	(3,988)	(5,163)	Less: Provision for slow moving inventories	(1,986)	(1,534)	(1,986)	(1,534)
7,025	6,861	7,025	6,861	Total	2,639	2,702	2,639	2,702

Movement in the provision for slow-moving inventories is as follows:

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
3,080	3,988	3,080	3,988	1 January	1,534	1,185	1,534	1,185
908	1,176	908	1,176	Provided during the year	452	349	452	349
3,988	5,164	3,988	5,164	31 December	1,986	1,534	1,986	1,534

13.f Other current assets

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
2,954	672	2,954	672	Advance to suppliers	259	1,136	259	1,136
-	110	-	110	Advance to related party (note 19)	42	-	42	-
3,174	3,509	3,174	3,509	Prepaid expenses	1,350	1,221	1,350	1,221
6,128	4,291	6,128	4,291	Total	1,651	2,357	1,651	2,357

SALAHAL PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

13.g Employees' end of service benefits

End of service benefits for Omani employees is covered by the Public Authority for Social Insurance (PASI) scheme in accordance with the terms of the Social Securities Law 1991 to which employees and employer contribute monthly on a fixed percentage of the basic salaries. The Company's share of contributions to this funded scheme, which is defined as contribution scheme under IAS 19- Employee Benefits, is recognized as an expense in profit and loss.

Non-Omani employees are entitled to leaving indemnities payable under the Oman Labour Law based on the length of service and final salary and other allowances paid. Provision for this un-funded commitment, which represents a defined scheme under IAS 19- Employee Benefits, has been made by calculating a notional liability had all employees left at the reporting date is recognized as an expense in the profit and loss account.

The accruals are disclosed as the end of service benefits under non-current liability. Movements in the liability recognised in the consolidated statement of financial position are as follows:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US $ '000	2022 US $ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
9,453	9,673	9,453	9,673	1 January	3,720	3,636	3,720	3,636
1,212	1,507	1,212	1,507	Accruals during the year	580	466	580	466
(993)	(581)	(993)	(581)	End of service benefit paid	(224)	(382)	(224)	(382)
9,672	10,599	9,672	10,599	31 December	4,076	3,720	4,076	3,720

SALAHAL PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

14 Financial assets and liabilities

This note provides information about the Group's financial instruments, including:

- **an overview of all financial instruments held by the Group**
- **specific information about each type of financial instrument**
- **accounting policies**
- **information about determining the fair value of the instruments, including judgments and estimation uncertainty involved.**

The Company holds the following financial instruments:

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000	Financial assets	Note	2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
23,026	24,103	23,083	24,103	Trade receivables	14.a	9,270	8,856	9,270	8,878
7,977	5,054	7,977	5,054	Other financial assets at amortised cost	14.b	1,944	3,068	1,944	3,068
32,500	36,201	32,500	36,201	Short term deposits	14.c	13,923	12,500	13,923	12,500
70.247	67,520	70,247	67,520	Cash and cash equivalents	14.d	25,969	27,018	25,969	27,018
133,750	132,878	133,807	132,878			51,106	51,442	51,106	51,464

Parent Company		Consolidated				Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000	Financial liabilities	Note	2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
23,457	25,192	28,547	25,269	Lease liabilities	13.b (ii)	9,689	10,945	9,718	10,977
48,226	48,201	47,450	47,398	Trade and other payables	14.e	18,538	18,549	18,232	18,253
71,683	73,393	75,997	72,667			28,227	29,494	27,950	29,230

14.a Trade receivables

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
15,598	15,678	15,598	15,678	Receivables from related parties (note 19)	6,030	5,999	6,030	5,999
8,723	9,464	8,780	9,464	Trade receivables	3,640	3,355	3,640	3,377
(1,295)	(1,039)	(1,295)	(1,039)	Less: Provision for impairment	(400)	(498)	(400)	(498)
23,026	24,103	23,083	24,103	Total Trade Receivables	9,270	8,856	9,270	8,878

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

Terms and conditions relating to related party receivables are set out in note 19.

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. These receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised fair value.
The Group holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 22.

(ii) Carryingandfairvaluesoftradereceivables

The carrying amounts of the Group's trade receivables are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount approximates their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 22.

Port of Salalah

14 Financial assets and liabilities

14.b Other financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- **The asset is held within a business model whose objective is to collect the contractual cash flows, and**
- **The contractual terms give rise to cash flows that are solely payment so principal and interest.**

Financial assets at amortized cost include the following:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
3,149	1,253	3,149	1,253	Receivables from the Government of Sultanate of Oman	483	1,211	483	1,211
1,858	1,108	1,858	1,108	Value added tax receivable	426	715	426	715
796	1,108	796	1,108	Other receivables	426	305	426	305
976	755	976	755	Accrued Bank interest income	290	376	290	376
1,198	830	1,198	830	Due from Employees	319	461	319	461
7,977	5,054	7,977	5,054	Total	1,944	3,068	1,944	3,068

(i) Classification

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(ii) Carrying and fair values of other financial assets at amortized cost

The carrying amounts of the Group's other financial assets at amortized cost are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount approximates to their fair value

(iii) Impairment and risk exposure

Information about the impairment of other financial assets at amortized cost and Group's exposure to foreign currency risk, and interest rate risk and credit risk can be found in note 4 (p).

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

14.c Short term deposits

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
32,500	36,201	32,500	36,201	Short term deposits	13,923	12,500	13,923	12,500

At 31 December 2022, short term deposits are placed in US$ and RO with local commercial banks in Oman. Short term deposits carry an effective annual interest rate of 2.650% to 3.250% on RO deposits (December 2021: 4.250%).

14.d Cash and cash equivalents

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’00 0	2022 RO’000	2021 RO’000
1,541	9,784	1,541	9,784	Cash and bank balances	3,763	592	3,763	592
69,107	58,111	69,107	58,111	Call deposit accounts	22,350	26,580	22,350	26,580
70,648	67,895	70,648	67,895		26,113	27,172	26,113	27,172
(401)	(375)	(401)	(375)	Less: Allowance for impairment loss	(144)	(154)	(144)	(154)
70,247	67,520	70,247	67,520	Total	25,969	27,018	25,969	27,018

Call deposits are placed in US$ and RO with local commercial banks in Oman. Call deposits carry effective annual interest rates ranging from 1.000% to 3.000% (December 2021: 1.000% to 3.250%) on US$ and RO deposits.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

14.e Trade and other payables

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
4,367	3,681	4,367	3,681	Trade payables	1,416	1,680	1,416	1,680
915	2,976	915	2,976	Amounts due to Government of Sultanate of Oman	1,145	352	1,145	352
3,037	4,175	2,266	3,348	Amounts due to related parties (note 19)	1,606	1,168	1,288	871
39,907	37,369	39,902	37,393	Accrued expenses and other liabilities	14,371	15,349	14,383	15,350
48,226	48,201	47,450	47,397	Total	18,538	18,549	18,232	18,253

15 Equity

(a) Share capital

	2022 RO'000	2021 RO'000
No. of Shares Authorised (in 000's)	200,000	200,000
Authorised Share Capital @ RO 0.100 per Share	20,000	20,000

	2022 RO'000	2021 RO'000
No. of Shares Issued and fully paid (in 000's)	179,837	179,837
Issued and Fully Paid Share Capital @ RO 0.100 per Share	17,984	17,984

In the extraordinary General Meeting held on 25 March 2009, approval was obtained to split the nominal value of the shares in the Parent company from RO 1 to Bzs 100 and then split each share into 10 shares.

(b) Sharepremium

Share premium of RO 2,948,569 represents a premium on shares issued during the year 2000 and transferred to share premium account during the year 2001.

Shareholders of the Company who own 10% or more of the Company's shares, as at year end whether in their name, or through a nominee account, and the number of shares they hold are as follows:

Notes to Consolidated and parent financial statements

	2022		2021	
	No. of shares	%	No. of shares	%
APM Terminal B.V.	54,180,000	30	54,180,000	30
Asyad Group SAOC	36,120,000	20	36,120,000	20
HSBC A/C HSBC BK PLC A/C IB	27,445,320	15	25,445,320	14

(c) Legal reserve

The Commercial Companies Law of 2019 of the Sultanate of Oman, requires that 10% of a Company's profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of the Company's share capital. The reserve is not available for distribution. This has been achieved; therefore no further transfers were being made during the year.

16 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year is as follows:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000	Earnings per share	2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
12,072	8,427	12,059	8,373	Net profit for the year	3,243	4,643	3,222	4.638
179,837	179,837	179,837	179,837	Weighted average number of shares outstanding at the end of the period ('000)	179,837	179,837	179,837	179,837
0.07	0.05	0.07	0.05	Basic earnings per share	0.02	0.03	0.02	0.03

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

17 Dividends

The Board of Directors have proposed a cash dividend of RO 0.010 (2021: RO 0.010) [US$ 0.026 (2021: US$ 0.026)] per share totalling to amount of approximately RO 1.798 million (2021: RO 1.798 million) [US$ 4.496 million (2021: US$ 4.496 million)] for the year ended 31 December 2022, which is subject to approval by the shareholders at the Annual General Meeting in March 2023. Withholding tax, if any applicable, will be deducted and paid on the payment of the dividends to non-resident shareholders.

Shareholders approved cash dividend of RO 0.010 (US$ 0.026) per share for 2021 totalling to RO 1.798 million (US$ 4.496 million) approving the board's proposal of RO 0.010 (US$ 0.026) amounting to RO 1.798 million (US$ 4.496 million) in the Company's annual general meeting held in March 2022.

As per the directives of the Capital Market Authority (CMA), the amount of unpaid dividend which is outstanding for more than six months is required to be transferred to the Investors' Trust Fund established by the CMA. As on 31 December 2022, total amount of unclaimed dividend amounted to RO 56,989.64. Any outstanding unpaid dividend more than six months has been transferred to the Investors' Trust Fund in October 2022.

18 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company at the end of the period by the number of ordinary shares outstanding at 31 December as follows:

Parent Company		Consolidated			Parent Company		Consolidated	
2021	2022	2021	2022		2022	2021	2022	2021
US$ '000	US$ '000	US$ '000	US$ '000		RO'000	RO'000	RO'000	RO'000
189,090	192,841	189,595	193,292	Net assets	74,171	72,726	74,342	72,918
179,837	179,837	179,837	179,837	Weighted average number of shares outstanding at the end of the year ('000)	179,837	179,837	179,837	179.837
1.05	1.07	1.05	1.07	Net assets per share	0.41	0.40	0.41	0.41

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

The balance with related parties included in the statement of financial position are as follows:

	2022		2021	
	Trade and other receivables RO '000	Trade and other payables RO '000	Trade and other receivables RO '000	Trade and other payables RO '000
Associated companies	6,072	1,288	5,999	871
	US $ '000	US $ '000	US $ '000	US $ '000
Associated companies	15,788	3,348	15,598	2,266

Amounts due from and due to the related parties are disclosed in notes 13.f, 14.a and 14.e, respectively. Amount due to related parties represents the amount payable towards management fees.
Outstanding balances at the year-end arise in the normal course of business. Amounts due from related parties are not impaired and are estimated to the collectible based on the past experience.

20 Operating Segment information

For management purposes, the Company is organised into two major operating divisions – Container Terminal and General Cargo Terminal. The Container Terminal Division is engaged in leasing, equipping, operating and managing a Container Terminal. The General Cargo Terminal Division is engaged in providing stevedoring and other cargo related services to vessel and cargo operators. Non operating segments have been aggregated to form the above reportable operating segment.
The two segments are organised on the basis of the classification of individual berths as set out in the two concession agreements with the Government of the Sultanate of Oman including the conversion of a berth to come under Container Terminal Concession Agreement for which in principle approval was received, and awaiting endorsement from agovernment authority tocomplete documentation. As such,all operational revenues of berth swhich are classified as Container Terminal are classified within the Container Terminal segment, whether or not they constitute Containeroperations,andviceversa. The impact of these gmentation on royalty feesiscurrently underdiscussion with the government and the management believes that no significant adjustment on the basis of royalty fees calculation will be warranted.
Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

	Container Terminal		General Cargo Terminal		Total	
	2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
Revenue	49,581	48,183	21,327	18,521	70,909	66,704
Depreciation and amortisation	(8,005)	(7,352)	(1,482)	(1,602)	(9,487)	(8,954)
Net Profit	(1,698)	1,128	4,941	3,515	3,243	4,643
Operating Assets	72,829	79,014	46,769	41,142	119,598	120,156
Operating Liabilities	72,829	79,014	46,769	41,142	119,598	120,156
Other disclosures						
Capital Expenditure	7,097	8,055	4,418	843	11,515	8,898

	Container Terminal		General CargoTerminal		Total	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Revenue	128,910	125,277	55,454	48,154	184,364	173,430
Depreciation and amortisation	(20,814)	(19,116)	(3,853)	(4,164)	(24,667)	(23,281)
Net Profit	(4,414)	2,932	12,841	9,138	8,427	12,072
Operating Assets	188,355	205,436	121,600	106,970	310,955	312,406
Operating Liabilities	188,355	205,436	121,600	106,970	310,955	312,406
Other disclosures Capital Expenditure	18,451	20,943	11,487	2,192	29,938	23,135

During the year, the Company has allocated common marine and IT assets among Container terminal and General cargo terminal segment as per the policy approved by the Board of Directors.

Port of Salalah

20 Operating Segment information

Inter-segment revenue is eliminated on consolidation. Capital expenditure consists of additions of property and equipment. A geographical analysis of revenue by the location of the customer is set out below:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’000
62,680	64,828	62,719	64,828	Oman	24,934	24,108	24,934	24,123
108,499	118,813	108,499	118,813	Europe	45,697	41,731	45,697	41,731
1,590	527	1,590	527	Other Asia	203	611	203	611
622	197	622	196	Africa	75	239	75	239
173,391	184,364	173,430	184,364	Total	70,909	66,689	70,909	66,704

21 Commitments and contingencies

21.a Capital expenditure

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ ’000	2022 US$ ’000	2021 US$ ’000	2022 US$ ’000		2022 RO’000	2021 RO’000	2022 RO’000	2021 RO’00 0
25,520	9,681	25,520	9,681	Capital expenditure commitments	3,724	9,815	3,724	9,815

21.b StateAudit

State Audit Institution (SAI) has issued a report on 2nd November 2020, mainly relating to Container Terminal and a second report related to General Cargo Terminal on 1st February 2021. The Company has noted the observations an appropriately responded on 6th April 2021 after discussions with the Board. The SAI has further issued follow up report dated 19th December 2022 enquiring about the latest up date swhich has also been responded reiterating our submissions.

21.c Claims and contingent liability

Various claims against the Company have been made by suppliers and customers which the Company does not acknowledge as liabilities based on agreed contractual terms. The Company's management strongly feels that these claims lack locus standi and based on available documents and processes, and the Company has strong grounds to succeed in all these claim matters. The outcome of these claims is not expected to have a material impact on the Company's financial statements for the current year or the future period.

(i) Three separate cases filed by the legal heirs of the deceased who died due to their fatal injuries following a crane rope tripping tragedy in the General Cargo Terminal area of the Port in the month of February 2020. In each case, the Salalah Primary Court had rejected their claims against the Company, while passing an Order against the crane equipment insurer (Vision Insurer) to pay RO 25,000 towards "Blood Money" to each of the deceased families. In Vision Insurance's Appeal, the Court of Appeal, Salalah held a similar view as that of the Primary Court and rejected the Appeals. Hence, Vision Insurance (Appellant) had appealed before the Supreme Court of Oman. In accordance with the directions of the Supreme Court of Oman to conduct re-trial of the three Appeals by another committee of Judges before the Court of Appeal, Salalah, the Court of Appeal had heard the Appeals and had decided to reserve the Appeals for Judgment on 8th February 2023.

(ii) In Cyclone Mekunu related cargo claim matters, on 23rd November 2020, Maersk issued arbitration notice before LMAA against the Company to protect their time in respect of any indemnity claims that Maersk have in respect of Cyclone Mekunu. Based on the delayed extension of time given by the Company, Maersk subsequently granted the Company an extension of time to appoint an arbitrator in its arbitration proceeding for which notice was given, and that extension of time remains in place. Meanwhile, the Company had replied to Maersk's Arbitration notice as it is time barred from claiming any indemnity and that preconditions to initiate an arbitration proceeding by Maersk has not been met with. Till date no response received from Maersk.

(iii) In the same Cyclone Mekunu related cargo claims, MSC commenced LCIA Arbitration proceedings against the Company on 24th May 2019 to protect their time in respect of any indemnity claims that MSC have in respect of Cyclone Mekunu. In the said Arbitration proceeding, the parties entered into an agreement to stay the proceeding in March 2020 and to transfer the proceedings to LMAA Arbitration Tribunal, if commenced. The Arbitration proceedings have remained on hold since that time.

Port of Salalah

(iii) (continued)

As per the latest letter dated 5 February 2022 received from the Company's London Lawyers HFW, present Cyclone Mekunu related Maersk cargo claims are valued at USD 1.492 million pending before various courts/tribunals in Oman, India and Egypt. In the same notification, in the Cyclone Mekunu related MSC claim case, HFW further notified that MSC had negotiated a settlement of a claim issued in the English High Court at GBP 80,000 against the claim value of GBP 799,827. MSC had also settled the legal cost of this case at GBP 55,000 . Further to above, MSC had offered the Company to share 50% of its negotiated settlement and the legal cost (GBP 40,000 + GBP 27,500 totalling GBP 67,500 or OMR 28,800). This offer is being deliberated by the Company's Loss Adjuster, Sedgwick and their lawyers Beachcroft. The Company awaits details from its Lawyers on pending, settled and disposed Maersk claims as both Maersk and MSC claims arise out of one cause of action. Subject to settlement of the Cyclone Mekunu related Maersk and MSC cargo claims, Company will reclaim from its insurers under its insurance policies.

(iv) Oscar Middle East Ships Management, Dubai (Claimant) owners ofMVFox(Vessel)hasfiledacaseagainst 1. Public Prosecution, 2. Ministry of Transport and Telecommunication, 3. SPS (Company) and 4. Royal Oman Police, Salalah claiming compensation of Omani Rials Ten Million plus legal and lawyers' fees the sum of RO 100,000 due to the reason that detention of their Vessel at Port of Salalah for a longer period had caused monetary loss due to loss of business. The date of hearing was on 8th February 2023 for Claimant to file their counter to SPS reply statement.

22 Financial risk management

The Company's activities expose it to variety of risks from its use of financial instruments:

(i) Creditrisk
(ii) Liquidityrisk
(iii) Marketrisk
(iv) Currencyrisk

The Company has established a risk policy whose administration is vested with the Chief Executive Officer. The Chief Financial Officer is nominated as the Risk Champion and a body consisting of departmental Managers constitutes the Risk Management Committee. The working of the Risk management framework as above is coordinated through the Audit Committee.

SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

ميناء صلالة
Port of Salalah

22 Financial risk management

(i) Credit risk is the risk of financial loss to the Company if a customerorcounterpartytoafinancialinstrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables: Credit is extended to customers only with an objective of optimizing the Company's profits and the prime responsibility for providing credit to customers and the timely collection of all debts rests with the functional manager. Credit has a cost to the business and necessary controls and procedures are established to manage the Company's credit risk and its working capital. It is therefore Company's policy to have effective credit control systems in place which are flexible enough to respond to changing market needs yet rigorous enough to ensure that customer credit limits are established and regularly updated on the basis of reliable up-to-date information.

This is an aggregate of our transactions with many customers and the risk profiles vary with their composition from time to time. Generally, the Company deals with the customers based on cash or guarantees from reputed banks. In the case of major customers who have been provided credit status, their credit worthiness has been thoroughly evaluated in advance and their credit terms are governed by their respective contracts with the Company. The Company has an approved credit policy forming part of its financial policies and procedures. In case of exceptions provisions are created as appropriate. Exposure to credit risk for trade receivables including related parties and receivables from government at the end of the reporting date by geographic region:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
11,894	10,375	11,952	10,375	Oman	3,990	4,575	3,990	4,597
17,384	17,082	17,384	17,082	Europe	6,570	6,686	6,570	6,686
50	48	50	48	Other and Asia	19	19	19	19
29,328	27,505	29,386	27,505	Total	10,579	11,280	10,579	11,302

Exposure to credit risk for trade receivables including related parties and receivables from government at the end of reporting date by the type of customer:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
17,391	17,425	17,449	17,425	Shipping Lines	6,701	6,689	6,701	6,711
11,937	10,080	11,937	10,080	Others	3,877	4,591	3,877	4,591
29,328	27,505	29,386	27,505	Total	10,579	11,280	10,579	11,302

The ageing of the trade and related parties receivables and receivables from government at the reporting date was:

Parent Company		Consolidated			Parent Company		Consolidated	
2021 US$ '000	2022 US$ '000	2021 US$ '000	2022 US$ '000		2022 RO'000	2021 RO'000	2022 RO'000	2021 RO'000
24,082	22,140	24,139	22,140	Within credit period	8,515	9,262	8,515	9,284
3,113	2,168	3,113	2,168	Past due 90-180days	834	1,197	834	1,197
2,133	3,197	2,134	3,197	More than 180 Days	1,230	821	1,230	821
29,328	27,505	29,325	27,505	Total	10,579	11,280	10,579	11,302

Port of Salalah

22 Financial risk management

(ii) Cash and cash equivalent:

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
468	401	468	401	1 January	154	181	154	181
(70)	(26)	(70)	(26)	Reversed during the year	(10)	(27)	(10)	(27)
401	375	398	375	31 December	144	154	144	154

(iii) Impairment losses on financial assets

Parent Company 2021 US$ '000	Parent Company 2022 US$ '000	Consolidated 2021 US$ '000	Consolidated 2022 US$ '000		Parent Company 2022 RO'000	Parent Company 2021 RO'000	Consolidated 2022 RO'000	Consolidated 2021 RO'000
(226)	(256)	(226)	(256)	Trade receivables	(98)	(87)	(98)	(87)
(70)	(26)	(70)	(26)	Cash & cash equivalent	(10)	(27)	(10)	(27)
(296)	(282)	(296)	(282)		(108)	(114)	(108)	(114)

On that basis, the loss allowance as of 31 December 2022 was determined for trade receivables (refer note 14 (a)).

	Not due	0 - 30 days	31 - 60 days	61 - 90 days	Above 90 days
31 December 2022					
Trade receivables	1.56%	11.11%	43.09%	100%	100%
31 December 2021					
Trade receivables	2.07%	13.83%	38.22%	84.59%	100%

22 Financial risk management

The loss allowance for cash & cash equivalent balance as of 31 December 2022 has been computed based on rating grades issued by external rating agency.

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

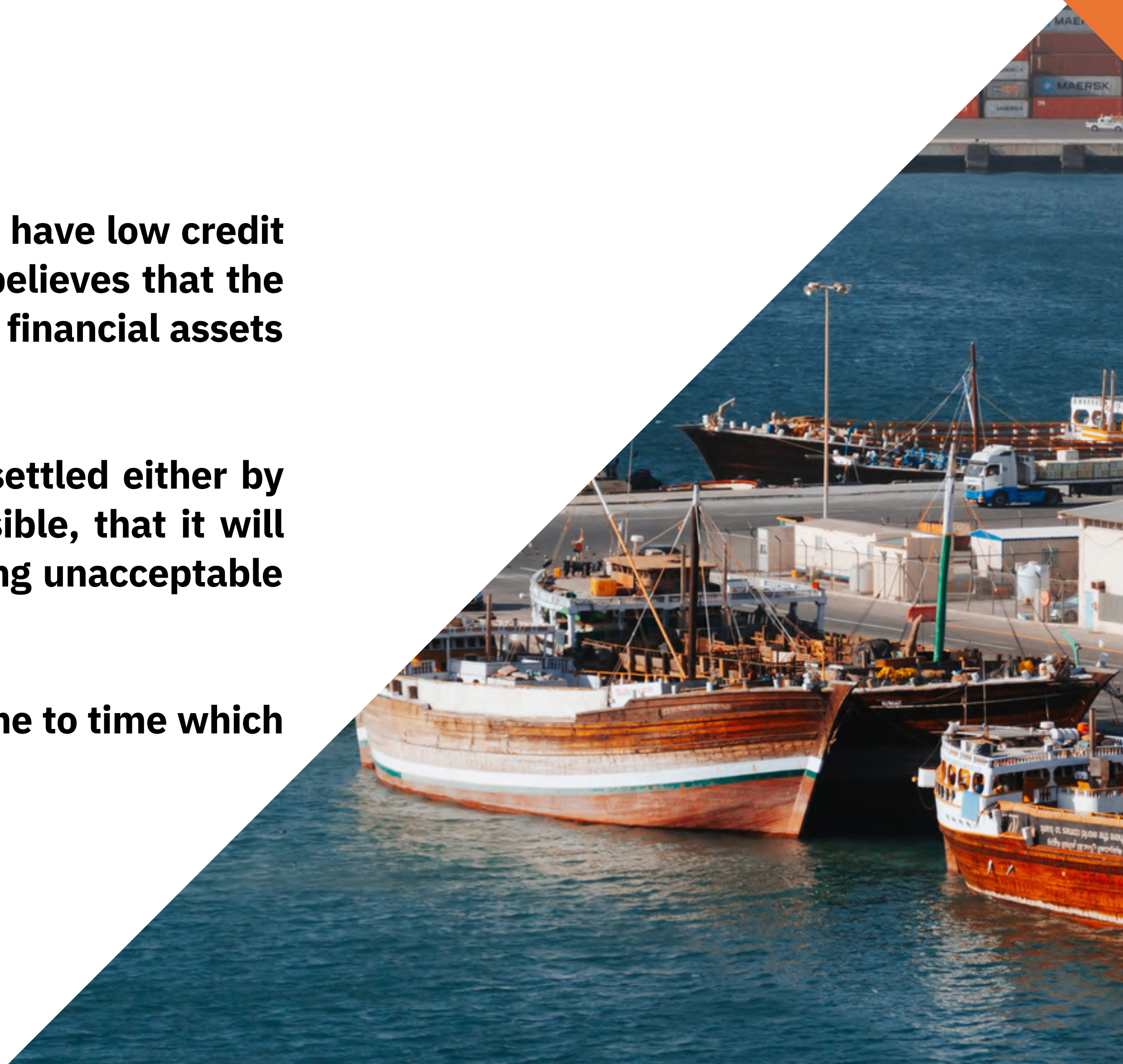
Impairment losses on financial assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables. Other financial assets at amortised cost are considered to have low credit risk, and the loss allowance considered during the year was therefore limited to 12 months expected losses. Management believes that the expected credit loss on the above category of financial assets is not material and hence no loss allowance was made for such financial assets at 31 December 2022 and 31 December 2021.

(ii) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due which are settled either by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Trade and other payables: The Company prepares periodical forecast cash flows to assess the liquidity requirements from time to time which forms the basis for allocation of available "cash and cash equivalent" resources.



SALALAH PORT SERVICES COMPANY SAOG

Notes to Consolidated and parent financial statements

22 Financial risk management

The table below summarises the maturities of the Group's undiscounted non-derivative financial liabilities based on contractual payment dates:

	2022				2021			
	Less than 1 year	More than 1 year	Total Contractual Cash flow	Carrying Amount	Less than 1 year	More than 1 year	Total Contractual Cash flow	Carrying Amount
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Lease Liabilities	1,833	9,694	11,527	9,718	1,904	11,353	13,257	10,977
Trade and Other Payables	16,944	-	- 16,944	16,944	17,382	-	17,382	17,382
Amount due to related Parties	1,288	-	9.694	1,288	871	-	871	871
	20,065	9.694	29,759	27,950	20,157	11,353	31,510	29,320
	US $'000	US$'000	US$'000	US $'000	US $'000	US$'000	US$'000	US $'000
Lease Liabilities	4,767	25,203	29,970	25,269	4,950	29,518	34,468	28,540
Trade and Other Payables	44,050	-	44,050	44,050	45,184	-	45,184	45,184
Amount due to related Parties	3,348	-	3,348	3,348	2,266	-	2,266	2,266
	52,165	25,203	77,368	72,667	52,400	29,518	81,918	75,990

(iii) Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(iv) Currency risk: The Group's income is generally based in US dollars to whichthelocalcurrencyOmaniRial, is pegged. Therefore, the effect on the financial statements is minimal. However, it affects the alternative currency purchases. This is partly mitigated by opting for purchase of alternate currencies when such requirements can be forecasted well in advance. Depended on emerging scenarios the Company may opt for appropriate risk mitigating measures, such as entering into forward exchange contracts.

Investments: The Company generally does not invest in stock markets. The Company has no investments as of reporting date.

Capital management: The Company recognises the importance of maintenance of a strong capital base which would assist in maintenance of investor, creditor and market confidence. With this end in view, the Company has in place adequate mechanisms to monitor return on capital, shareholder value creation, etc.

The Board of Directors monitors the return on equity, which the Company defines as profit divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders. There were no changes in the Company's approach to capital management during the year. The Company and its subsidiary's capital requirements are determined by the requirements of Capital Market Authority and by the Commercial Companies Law of 2019 of the Sultanate of Oman.

ميناء صلالة
Port of Salalah

23 Fair values of the financial in struments

Financial instruments comprise financial assets, financial liabilities, and derivatives.

Financial assets consist of cash and bank balances, term deposits, available-for-sale investments, and receivables.

Financial liabilities consist of payables, term loans, and loans and borrowings. Derivatives consist of interest rate swap arrangements entered by the Company.

The fair values of the financial assets, financial liabilities, and derivatives at the end of the reporting date are not materially different from their carrying values:

The fair value of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade and related parties receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of quote instruments is based on price quotations at the reporting date.
- Interest at swaps is fair value and doesn't have valuation provided by the counterparties.

Fair value hierarchy

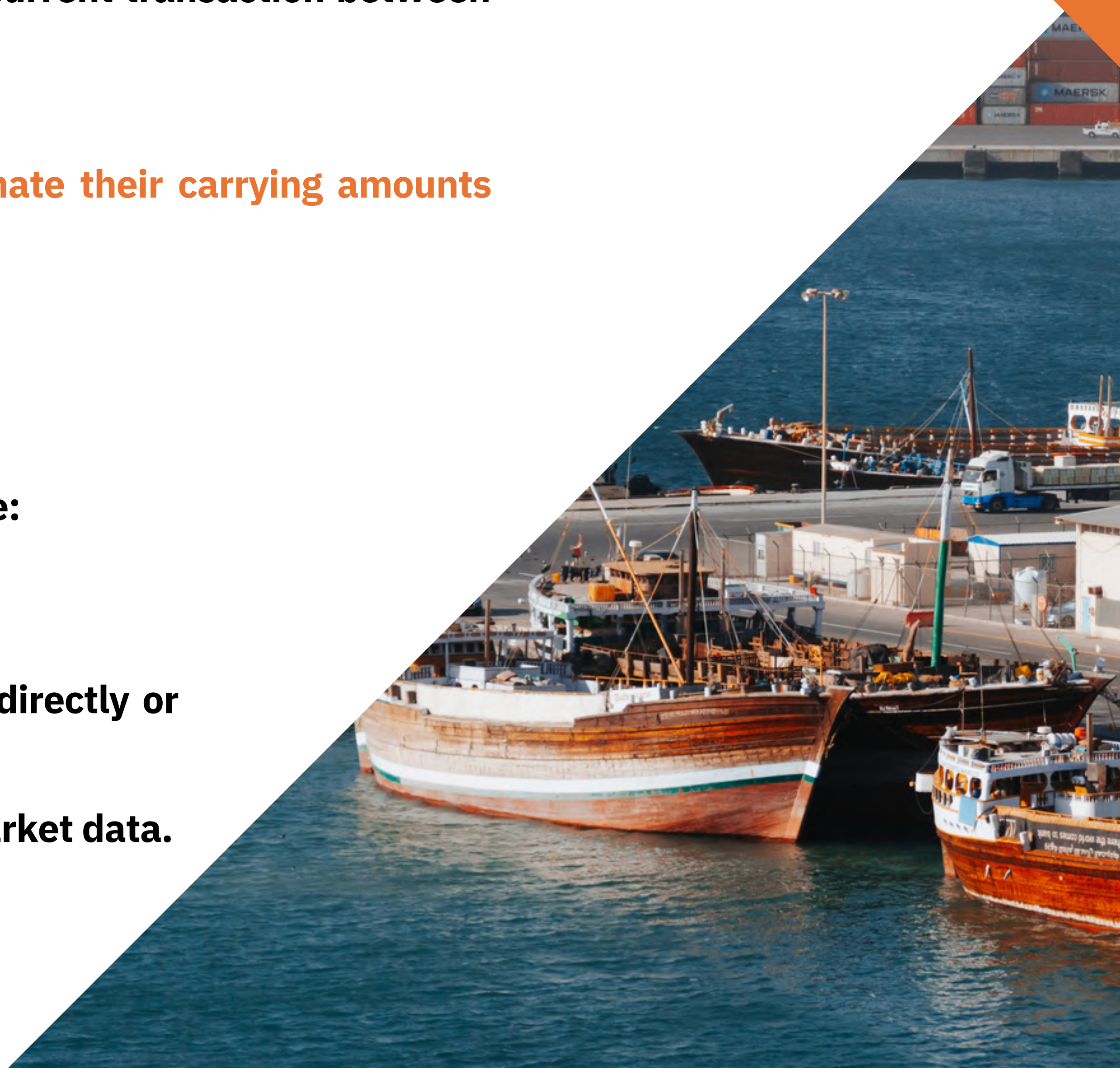
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements



24 Critical accounting estimates

(i) Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(ii) Allowance for slow moving or obsolete inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

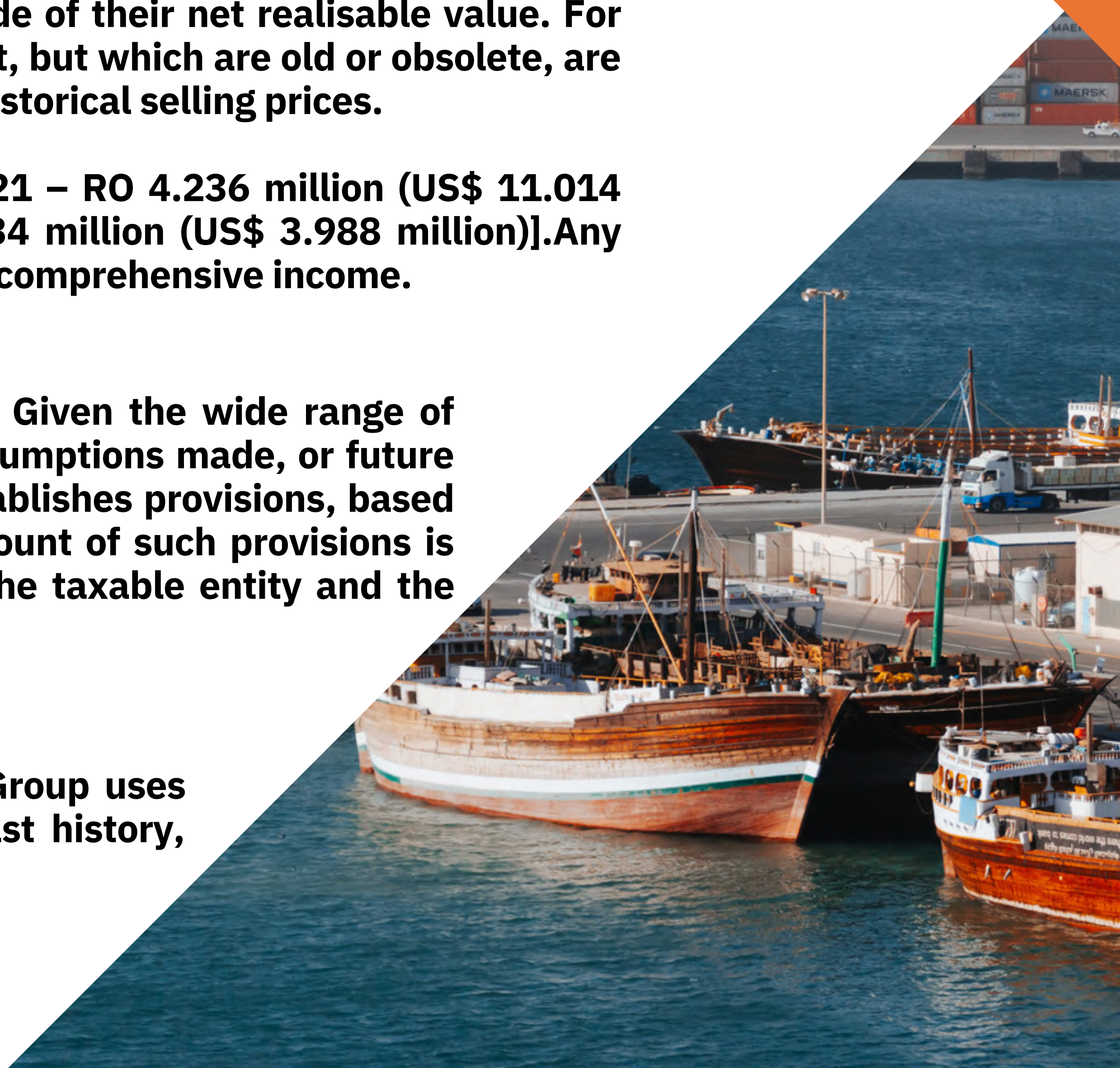
At the end of the December 2022, gross inventories were approximately RO 4.624 million (US$ 12.023 million) [December 2021 – RO 4.236 million (US$ 11.014 million)] and provisions for old and obsolete inventories was RO 1.986 million (US$ 5.163 million) [December 2021 – RO 1.534 million (US$ 3.988 million)].Any difference between the amounts actually realised in future years and the amounts expected will be recognised in the statement of comprehensive income.

(iii) Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of respective Group companies. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



Note 13.a Property and equipment *for the year ended 31 December 2022*

	Leasehold / Infrastructure improvements RO '000	Quay gantry cranes RO '000	Rubber tyre gantry cranes RO '000	Tractors and trailors RO '000	Forklifts and reach Stackers RO '000	Marine equipment RO '000	Motor vehicles RO '000	Computer equipment RO '000	Furniture, fixtures and equipment RO '000	Capital work in progress RO '000	Total RO '000
Cost											
1 January 2022	9,606	73,060	37,930	8,022	3,355	17,601	208	3,917	4,928	9,904	168,531
Transfers	316	5,689	10,583	1,096	26	1,327	-	854	1,022	(20,913)	-
Additions for the year	-	-	-	-	-	-	-	-	-	11,515	11,515
Disposal	-	(8,892)	(3,549)	(17)	-	-	(27)	-	-	-	(12,485)
31 December 2022	9,922	69,857	44,964	9,101	3,381	18,928	181	4,771	5,950	506	167,561
1 January 2022	(7,046)	(50,143)	(32,317)	(3,166)	(2,615)	(11,378)	(208)	(3,881)	(3,902)	-	(114,656)
Depreciation for the year	(607)	(2,938)	(2,599)	(755)	(299)	(1,599)	-	(124)	(563)	-	(9,484)
Disposal	-	8,892	3,549	16	-	-	27	-	-	-	12,484
31 December 2022	(7,653)	(44,189)	(31,367)	(3,905)	(2,914)	(12,977)	(181)	(4,005)	(4,465)	-	(111,656)
Net book value											
31 December 2022	2,269	25,668	13,597	5,196	467	5,951	-	766	1,485	506	55,905
31 December 2021	2,560	22,917	5,613	4,856	740	6,223	-	36	1,026	9,904	53,875

SALALAH PORT SERVICES COMPANY SAOG

Note to Consolidated and parent statement of comprehensive income

For the year ended 31 December 2022

	Leasehold / Infrastructure improvements US$ '000	Quay gantry cranes US$ '000	Rubber tyre gantry cranes US$ '000	Tractors and trailors US$ '000	Forklifts and reach Stackers US$ '000	Marine equipment US$ '000	Motor vehicles US$ '000	Computer equipment US$ '000	Furniture, fixtures and equipment US$ '000	Capital work in progress US$ '000	Total US$ '000
Cost											
1 January 2022	24,977	189,957	98,618	20,857	8,723	45,763	541	10,183	12,813	25,752	438,183
Transfers	821	14,792	27,516	2,851	68	3,449	-	2,219	2,658	(54,374)	-
Additions for the year	-	-	-	-	-	-	-	-	-	29,938	29,938
Disposal	-	(23,119)	(9,228)	(45)	-	-	(70)	-	-	-	(32,462)
31December2022	25,798	181,630	116,906	23,663	8,791	49,212	470	12,402	15,471	1,316	435,659
1 January 2022	(18,319)	(130,378)	(84,024)	(8,230)	(6,798)	(29,584)	(540)	(10,089)	(10,146)	-	(298,108)
Depreciation for the year	(1,578)	(7,639)	(6,758)	(1,961)	(777)	(4,157)	-	(322)	(1,465)	-	(24,657)
Disposal	-	23,119	9,228	41	-	-	70	-	-	-	32,458
31 December 2022	(19,897)	(114,898)	(81,554)	(10,150)	(7,575)	(33,741)	(470)	(10,411)	(11,611)	-	(290,307)
Net book value											
31 December 2022	5,901	66,732	35,352	13,513	1,216	15,471	-	1,991	3,860	1,316	145,352
31 December 2021	6,658	59,579	14,594	12,627	1,925	16,179	-	94	2,667	25,752	140,075

SALALAH PORT SERVICES COMPANY SAOG

Note to Consolidated and parent statement of comprehensive income

For the year ended 31 December 2022

	Leasehold / Infrastructure improvements RO '000	Quay gantry cranes RO '000	Rubber tyre gantry cranes RO '000	Tractors and trailors RO '000	Forklifts and reach Stackers RO '000	Marine equipment RO '000	Motor vehicles RO '000	Computer equipment RO '000	Furniture, fixtures and equipment RO '000	Capital work in progress RO '000	Total RO '000
Cost											
1 January 2021	8,202	72,753	37,930	8,022	3,355	17,156	208	3,917	4,888	2,394	158,825
Transfers	-	307	-	-	-	445	-	-	40	(792)	-
Additions for the year	1,404	-	-	-	-	-	-	-	-	8,302	9,706
Disposal	-	-	-	-	-	-	-	-	-	-	-
31 December 2021	9,606	73,060	37,930	8,022	3,355	17,601	208	3,917	4,928	9,904	168,531
1 January 2021	(6,698)	(46,425)	(30,204)	(2,443)	(2,337)	(9,855)	(193)	(3,719)	(3,832)	-	(105,706)
Depreciation for the year	(348)	(3,718)	(2,113)	(723)	(278)	(1,523)	(15)	(162)	(70)	-	(8,950)
Disposal	-	-	-	-	-	-	-	-	-	-	-
31 December 2021	(7,046)	(50,143)	(32,317)	(3,166)	(2,165)	(11,378)	(208)	(3,881)	(3,902)	-	(114,656)
Net book value											
31 December 2021	2,560	22,917	5,613	4,856	740	6,223	-	36	1,026	9,904	53,875
31 December 2020	1,504	26,328	7,726	5,579	1,018	7,301	15	198	1,056	2,394	53,119

SALALAH PORT SERVICES COMPANY SAOG

Note to Consolidated and parent statement of comprehensive income

For the year ended 31 December 2022

	Leasehold / Infrastrcuture improvements US$ '000	Quay gantry cranes US$ '000	Rubber tyre gantry cranes US$ '000	Tractors and trailors US$ '000	Forklifts and reach Stackers US$ '000	Marine equipment US$ '000	Motor vehicles US$ '000	Computer equipment US$ '000	Furniture, fixtures and equipment US$ '000	Capital work in progress US$ '000	Total US$ '000
Cost											
1 January 2021	21,327	189,159	98,618	20,857	8,723	44,606	541	10,183	12,710	6,223	412,946
Transfers	-	798	-	-	-	1,157	-	-	103	(2,058)	-
Additions for the year	3,650	-	-	-	-	-	-	-	-	21,587	25,237
Disposal	-	-	-	-	-	-	-	-	-	-	-
31 December 2021	24,977	189,957	98,618	20,857	8,723	45,763	541	10,183	12,813	25,752	438,183
1 January 2021	(17,415)	(120,706)	(78,531)	(6,351)	(6,076)	(25,622)	(502)	(9,669)	(9,964)	-	(274,836)
Depreciation for the year	(904)	(9,672)	(5,493)	(1,879)	(722)	(3,962)	(38)	(420)	(182)	-	(23,272)
Disposal	-	-	-	-	-	-	-		-	-	-
31 December 2021	(18,319)	(130,378)	(84,024)	(8,230)	(6,798)	(29,584)	(540)	(10,089)	(10,146)	-	(298,108)
Net book value											
31 December 2021	6,658	59,579	14,594	12,627	1,925	16,179	0 39	94 514	2,667	25,752	140,075
31 December 2020	3,912	68,453	20,087	14,506	2,647	18,983			2,746	6,223	138,110

Thank you!