SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)

Consolidated interim financial statements
for the quarter and six months ended 30 June 2018 (Unaudited)

Contents	**Page**

Commercial registration number	1010164391	
Directors*	H.E. Engr. Khalid Bin Abdulaziz Al-Faleh	- Chairman
	H.E. Sulaiman Bin Abdulrahman Al-Gwaiz	- Vice chairman
	H.E. Engr. Abdullah Bin Ibrahim Al-Saadan	
	H.E. Engr. Khalid Saleh Al-Mudaifer	
	Engr. Abdullah Bin Mohammed Al-Issa	
	Ms. Lubna Bint Suliman Al-Olayan	
	Engr. Azzam Bin Yaser Shalabi	
	Dr. Klaus Christian Kleinfeld	
	Mr. Richard O'Brien	
Registered address	Building number 395 Abi Bakr Asseddiq Road, South Exit 6, North Ring Road Riyadh 11537 Kingdom of Saudi Arabia	
Postal address	P.O. Box 68861 Riyadh 11537 Kingdom of Saudi Arabia	
Banker	The Saudi British Bank (SABB)	
Auditors	PricewaterhouseCoopers Kingdom Tower - 21st Floor King Fahad Road Riyadh 11414 Kingdom of Saudi Arabia	

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's review report, set out on page 4, is made with a view to distinguish the responsibilities of management and those of the independent auditors in relation to the consolidated interim financial statements of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated interim financial statements that present fairly the consolidated interim financial position of the Group as at 30 June 2018, its financial performance, changes in equity and cash flows for the quarter and six months then ended, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

In preparing the consolidated interim financial statements, the management is responsible for:

- selecting suitable accounting policies and applying them consistently,
- making judgments and estimates that are reasonable and prudent,
- stating whether IFRS and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants (SOCPA), as endorsed in the Kingdom of Saudi Arabia, have been followed, subject to any material departures disclosed and explained in the consolidated interim financial statements and
- preparing and presenting the consolidated interim financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the companies will continue its business for the foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group,
- maintaining statutory accounting records in compliance with local legislation and IFRS in the respective jurisdictions in which the Group operates,
- taking steps to safeguard the assets of the Group and
- detecting and preventing fraud and other irregularities.

The consolidated interim financial statements for the quarter and six months ended 30 June 2018 set out on pages 5 to 122, were approved and authorized for issue by the Board of Directors on 25 July 2018 and signed on their behalf by:

H.E. Engr. Abdullah Bin Ibrahim Al-Saadan Authorized by the Board	Mr. Darren C. Davis President and Chief Executive Officer (A)	Mr. Ali Saeed Al-Qahtani VP Finance and Chief Financial Officer (A)

12 Dhual Qa'dah 1439H
25 July 2018
Riyadh
Kingdom of Saudi Arabia

Report on review of Consolidated Interim Financial Statements

To the shareholders of Saudi Arabian Mining Company ("Ma'aden"):
(A Saudi Arabian Joint Stock Company)

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Saudi Arabian Mining Company ("Ma'aden") (the "Company") and its subsidiaries (the "Group") as of 30 June 2018 and the related consolidated statements of profit or loss and other comprehensive income and cash flows for the three-month and six-month periods then ended and the consolidated interim statement of changes in equity for the six-month period ended 30 June 2018, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 June 2018, and of its financial performance and its cash flows for the three-month and six-month periods then ended in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Omar M. Al Sagga
License Number 369

25 July 2018

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص رقم ٢٥
س.ت: ١٠١٠٣٧١٦٢٢
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTANTS
LICENSE NO. 25
C.R.1010371622

Consolidated interim statement of profit or loss and other comprehensive income
for the quarter and six months ended 30 June 2018 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Sales	8	**3,414,423,520**	2,987,171,015	**6,978,050,622**	5,695,257,368	12,085,934,170
Cost of sales	9	**(2,096,416,808)**	(1,975,249,283)	**(4,247,636,721)**	(3,757,691,950)	(8,152,429,566)
Gross profit		**1,318,006,712**	1,011,921,732	**2,730,413,901**	1,937,565,418	3,933,504,604
Operating expenses						
Selling, marketing and logistic expenses	10	**(147,462,306)**	(92,931,329)	**(267,159,112)**	(190,444,657)	(530,877,495)
General and administrative expenses	11	**(100,913,666)**	(96,896,857)	**(185,501,688)**	(176,665,008)	(381,807,060)
Exploration and technical services expenses	12	**(24,188,607)**	(13,980,592)	**(41,325,952)**	(24,320,967)	(62,201,293)
Write-off of mine properties	17	**-**	-	**(18,579,156)**	-	-
Write-off of plant and equipment	18	**-**	(517,788)	**-**	(16,362,625)	(45,354,346)
Impairment of capital work-in-progress	19,21.2	**-**	-	**-**	-	(477,000,000)
Operating profit		**1,045,442,133**	807,595,166	**2,217,847,993**	1,529,772,161	2,436,264,410
Other income / (expenses)						
Income from time deposits	13	**25,953,992**	18,806,185	**47,455,670**	41,474,776	77,496,643
Finance cost	14	**(399,965,014)**	(350,761,889)	**(764,399,315)**	(713,935,846)	(1,616,005,964)
Other income / (expenses), net	15	**7,435,661**	(32,443,272)	**(12,836,017)**	(58,878,875)	(66,201,532)
Share in net profit of a joint venture that have been equity accounted	21.1.3	**26,341,207**	22,054,986	**70,487,620**	32,996,471	101,650,424
Profit before zakat and income tax		**705,207,979**	465,251,176	**1,558,555,951**	831,428,687	933,203,981
Income tax	22.1	**(40,001,003)**	(16,968,934)	**(53,410,953)**	(19,808,520)	(56,924,369)
Zakat expense	42.2	**(35,392,132)**	(14,092,078)	**(121,493,405)**	(36,899,866)	(91,834,417)
Profit for the quarter / period / year		**629,814,844**	434,190,164	**1,383,651,593**	774,720,301	784,445,195
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods						
Gain attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	**-**	-	45,969,473
Other comprehensive income for the quarter / period / year		**-**	-	**-**	-	45,969,473
Total comprehensive income for the quarter / period / year		**629,814,844**	434,190,164	**1,383,651,593**	774,720,301	830,414,668

Continued

		Quarter ended		Six months ended		Year ended
		30 June	30 June	30 June	30 June	31 December
	Notes	2018	2017	2018	2017	2017
Profit for the quarter / period / year is attributable to:						
Shareholders' of the parent company	16	**517,760,803**	356,467,375	**1,155,925,615**	632,078,664	714,841,886
Non-controlling interest	34.2	**112,054,041**	77,722,789	**227,725,978**	142,641,637	69,603,309
		629,814,844	434,190,164	**1,383,651,593**	774,720,301	784,445,195
Total comprehensive income for the quarter / period / year is attributable to:						
Shareholders' of the parent company		**517,760,803**	356,467,375	**1,155,925,615**	632,078,664	755,503,131
Non-controlling interest	34.2	**112,054,041**	77,722,789	**227,725,978**	142,641,637	74,911,537
		629,814,844	434,190,164	**1,383,651,593**	774,720,301	830,414,668
Earnings per ordinary share (Saudi Riyals)						
Basic and diluted earnings per share from continuing operations attributable to shareholders of the parent company	16	**0.44**	0.30	**0.98**	0.54	0.61

Consolidated interim statement of financial position as at 30 June 2018 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 June 2018	30 June 2017	31 December 2017
Assets				
Non-current assets				
Mine properties	17	**8,951,052,471**	9,284,103,726	9,098,033,447
Property, plant and equipment	18	**44,127,614,910**	44,795,555,960	44,450,932,788
Capital work-in-progress	19	**26,293,652,810**	26,842,484,950	26,409,469,977
Intangible assets	20	**329,335,437**	357,768,519	345,623,460
Investment in joint venture	21	**1,004,544,159**	865,402,586	934,056,539
Deferred tax assets	22.2	**465,642,478**	464,639,097	461,724,817
Other investments	23	**50,000,000**	50,000,000	50,000,000
Other non-current assets	24	**1,087,731,229**	78,374,982	1,183,464,512
Total non-current assets		**82,309,573,494**	82,738,329,820	82,933,305,540
Current assets				
Due from joint venture partner	25	**21,622,251**	51,734,426	13,652,075
Advances and prepayments	26	**289,883,649**	190,537,576	142,274,924
Inventories	27	**3,839,938,198**	3,437,132,942	3,436,233,644
Trade and other receivables	28	**2,428,025,341**	1,833,383,325	1,999,913,097
Time deposits	29	**2,899,058,472**	2,837,962,190	2,240,000,000
Cash and cash equivalents	30	**3,435,137,826**	3,059,657,864	4,351,617,030
Total current assets		**12,913,665,737**	11,410,408,323	12,183,690,770
Total assets		**95,223,239,231**	94,148,738,143	95,116,996,310
Equity and liabilities				
Equity				
Share capital	31	**11,684,782,610**	11,684,782,610	11,684,782,610
Statutory reserve				
Share premium	32	**8,391,351,697**	8,391,351,697	8,391,351,697
Transfer of net income	33	**869,459,731**	797,975,542	869,459,731
Retained earnings		**6,306,570,599**	5,099,982,619	5,151,922,897
Equity attributable to shareholders of the parent company		**27,252,164,637**	25,974,092,468	26,097,516,935
Non-controlling interest	34.3	**8,631,381,524**	8,073,423,933	8,432,462,583
Total equity		**35,883,546,161**	34,047,516,401	34,529,979,518
Non-current liabilities				
Deferred tax liabilities	22.3	**454,381,204**	361,349,431	388,478,975
Due to a joint venture partner	35	**274,328,900**	241,541,684	266,358,724
Long-term borrowings	36.7	**49,855,347,853**	49,728,733,569	50,700,770,922
Provision for decommissioning, site rehabilitation and dismantling obligations	37	**277,813,837**	278,617,761	288,673,151
Non-current portion of obligation under finance lease	38	**18,367,959**	44,156,145	27,183,780
Employees' benefits	39	**557,156,447**	532,530,743	532,627,294
Projects, trade and other payables	40	**543,098,689**	1,188,310,991	659,518,920
Total non-current liabilities		**51,980,494,889**	52,375,240,324	52,863,611,766
Current liabilities				
Projects, trade and other payables	40	**2,178,484,965**	2,104,840,073	2,315,780,978
Accrued expenses	41	**1,853,665,063**	1,960,303,571	1,963,136,900
Zakat and income tax payable	42	**97,588,317**	79,650,094	141,656,670
Severance fees payable	43	**67,377,253**	13,568,314	73,079,354
Current portion of long-term borrowings	36.7	**3,136,294,400**	3,532,849,582	3,195,086,817
Current portion of obligation under finance lease	38	**25,788,183**	34,769,784	34,664,307
Total current liabilities		**7,359,198,181**	7,725,981,418	7,723,405,026
Total liabilities		**59,339,693,070**	60,101,221,742	60,587,016,792
Total equity and liabilities		**95,223,239,231**	94,148,738,143	95,116,996,310
Commitments and contingent liabilities	46			

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim statement of changes in equity for the six months ended 30 June 2018 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Equity attributable to shareholders of the parent company					Non-controlling interest				
		Statutory reserve								
	Share capital (Note 31)	Share premium (Note 32)	Transfer of net income (Note 33)	Retained earnings	Sub-total	Share capital (Note 34.3)	Payments to increase share capital* (Note 34.3)	Net income attributable to non-controlling interest (Note 34.3)	Sub-total (Note 34.3)	Total equity
1 January 2017	11,684,782,610	8,391,351,697	797,975,542	4,467,903,955	25,342,013,804	8,148,320,890	110,292,857	(464,312,701)	7,794,301,046	33,136,314,850
Profit for the period	-	-	-	632,078,664	632,078,664	-	-	142,641,637	142,641,637	774,720,301
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	632,078,664	632,078,664	-	-	142,641,637	142,641,637	774,720,301
Payment to increase share capital during the period	-	-	-	-	-	-	136,481,250	-	136,481,250	136,481,250
30 June 2017	11,684,782,610	8,391,351,697	797,975,542	5,099,982,619	25,974,092,468	8,148,320,890	246,774,107	(321,671,064)	8,073,423,933	34,047,516,401
Profit / (loss) for the remainder of the year	-	-	-	82,763,222	82,763,222	-	-	(73,038,328)	(73,038,328)	9,724,894
Other comprehensive income for the remainder of the year (Note 39.1.1)	-	-	-	40,661,245	40,661,245	-	-	5,308,228	5,308,228	45,969,473
Total comprehensive income / (loss) for the remainder of the year	-	-	-	123,424,467	123,424,467	-	-	(67,730,100)	(67,730,100)	55,694,367
Transfer of net income to statutory reserve	-	-	71,484,189	(71,484,189)	-	-	-	-	-	-
Increase in non-controlling interest / share capital contributed during the remainder of the year	-	-	-	-	-	375,000,000	-	-	375,000,000	375,000,000
Payment to increase share capital during the remainder of the year	-	-	-	-	-	-	51,768,750	-	51,768,750	51,768,750
31 December 2017	11,684,782,610	8,391,351,697	869,459,731	5,151,922,897	26,097,516,935	8,523,320,890	298,542,857	(389,401,164)	8,432,462,583	34,529,979,518

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Equity attributable to shareholders of the parent company					Non-controlling interest				
		Statutory reserve								
	Share capital (Note 31)	Share premium (Note 32)	Transfer of net income (Note 33)	Retained earnings	Sub-total	Share capital (Note 34.3)	Payments to increase share capital* (Note 34.3)	Net income attributable to non-controlling interest (Note 34.3)	Sub-total (Note 34.3)	Total equity
31 December 2017 - as previously reported	11,684,782,610	8,391,351,697	869,459,731	5,151,922,897	26,097,516,935	8,523,320,890	298,542,857	(389,401,164)	8,432,462,583	34,529,979,518
IFRS 9 adjustments on expected credit losses (Note 5.1)	-	-	-	(1,277,913)	(1,277,913)	-	-	-	-	(1,277,913)
1 January 2018 - restated	11,684,782,610	8,391,351,697	869,459,731	5,150,644,984	26,096,239,022	8,523,320,890	298,542,857	(389,401,164)	8,432,462,583	34,528,701,605
Profit for the period	-	-	-	1,155,925,615	1,155,925,615	-	-	227,725,978	227,725,978	1,383,651,593
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,155,925,615	1,155,925,615	-	-	227,725,978	227,725,978	1,383,651,593
Dividend paid to non-controlling interest during the period	-	-	-	-	-	-	-	(28,807,037)	(28,807,037)	(28,807,037)
30 June 2018	**11,684,782,610**	**8,391,351,697**	**869,459,731**	**6,306,570,599**	**27,252,164,637**	**8,523,320,890**	**298,542,857**	**(190,482,223)**	**8,631,381,524**	**35,883,546,161**

* These payments, to ultimately increase share capital of the applicable subsidiaries over a period of time, are treated as part of the total equity of these subsidiaries. No shares have been issued as yet, and the Commercial Registration certificate has not yet been amended, but it will be once these payments have been converted to share capital.

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim statement of cash flows for the quarter and six months ended 30 June 2018 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended 30 June 2018	30 June 2017	Six months ended 30 June 2018	30 June 2017	Year ended 31 December 2017
Operating activities						
Profit before zakat and income tax		**705,207,979**	465,251,176	**1,558,555,951**	831,428,687	933,203,981
Adjustments for non-cash flow items:						
Inventory loss	9	**-**	-	**-**	14,754,862	8,388,636
Income from time deposits	13	**(25,953,992)**	(18,806,185)	**(47,455,670)**	(41,474,776)	(77,496,643)
Finance cost	14	**399,965,014**	350,761,889	**764,399,315**	713,935,846	1,616,005,964
Adjustment to mine properties	17	**(6)**	781,063	**24,000**	1,784,502	1,275,527
Mine properties written-off	17	**-**	-	**18,579,156**	-	-
Depreciation of mine properties	17.1	**170,452,245**	117,472,568	**319,315,998**	233,952,061	505,825,294
Adjustment to property, plant and equipment	18	**-**	83,014	**-**	83,014	(932,588)
Plant and equipment written-off	18	**-**	517,788	**-**	16,362,625	45,354,346
Depreciation of property, plant and equipment	18.1	**590,971,989**	570,834,206	**1,209,103,758**	1,152,862,114	2,317,126,056
Impairment of capital work-in-progress	19	**-**	-	**-**	-	446,250,000
Amortisation of intangible assets	20.1	**7,823,906**	8,083,832	**15,640,990**	15,779,729	26,629,765
Share in net profit of joint venture	21.1.3	**(26,341,207)**	(22,054,986)	**(70,487,620)**	(32,996,471)	(101,650,424)
Impairment of investment in joint venture	21.2	**-**	-	**-**	-	30,750,000
Write-off of obsolete and slow moving spare parts and consumable materials	27	**-**	-	**-**	-	4,058,354
Provision for allowance for inventory obsolescence	27.1	**10,000,000**	-	**20,000,000**	-	22,438,321
Trade receivables written-off	28	**146,519**	-	**146,519**	-	-
Provision for decommissioning, site rehabilitation and dismantling obligations	37.1	**-**	-	**-**	-	1,103,556
Current service cost of employees' termination benefits	39.1	**20,293,248**	19,424,856	**41,766,258**	47,526,412	84,510,923
Contribution for the employees' savings plan	39.2	**10,901,423**	6,294,097	**20,555,522**	11,635,954	30,530,337
Provision for severance fees	43	**30,862,507**	5,111,865	**66,369,158**	13,582,674	73,093,714
Changes in working capital:						
Advances and prepayments	24,26	**(68,610,450)**	41,247,523	**(139,799,136)**	(52,442,362)	10,242,435
Inventories	24,27	**(279,787,390)**	(177,710,969)	**(376,192,541)**	(405,074,617)	(474,825,687)
Trade and other receivables	24,28	**17,479,219**	(313,533,800)	**(397,093,292)**	(557,747,982)	(633,295,672)
Projects and other payables – Trade	40	**107,260,365**	50,659,900	**(257,852,751)**	(89,888,497)	192,738,236
Accrued expenses – Trade	41	**(122,425,474)**	77,390,130	**(161,709,579)**	298,371,725	55,149,140
Employees' termination benefits paid	39.1	**(20,337,645)**	(4,570,507)	**(26,990,472)**	(11,344,986)	(24,120,417)
Employees' savings plan withdrawal	39.2	**(16,793,786)**	(9,438,324)	**(20,513,553)**	(12,856,058)	(19,998,687)
Zakat paid	42.2	**(98,101,165)**	(61,545,657)	**(142,676,352)**	(61,545,657)	(61,545,657)
Income tax paid	42.5	**(14,311,791)**	-	**(14,311,791)**	-	-
Severance fees paid	43	**(1,074,400)**	-	**(72,071,259)**	(8,284,996)	(8,284,996)
Finance cost paid		**(476,426,512)**	(439,621,627)	**(842,140,076)**	(654,457,471)	(1,984,891,082)
Net cash generated from operating activities		**921,200,596**	666,631,852	**1,465,162,533**	1,423,946,332	3,017,632,732
Investing activities						
Income received from time deposits		**22,089,330**	3,986,070	**49,240,495**	39,056,336	79,045,955
Additions to mine properties	17	**(80,851,453)**	(92,473,447)	**(140,702,776)**	(259,459,522)	(344,753,501)
Additions to property, plant and equipment	18	**(110,053,337)**	(81,522,484)	**(173,798,517)**	(114,169,930)	(142,155,657)
Additions to capital work-in-progress	19	**(158,607,477)**	(795,937,171)	**(349,210,612)**	(887,583,978)	(2,451,837,442)
Additions to intangible assets	20	**-**	-	**(20,000)**	-	-
Addition to investment in joint venture	21.2	**-**	-		-	(30,750,000)
Due from joint venture partners	25	**-**	(51,734,426)	**(7,970,176)**	(51,734,426)	(13,652,075)
(Increase) / decrease in time deposits	29	**(1,970,000,000)**	1,278,734,576	**(660,000,000)**	(126,962,190)	471,000,000
Decrease / (increase) in restricted cash	30	**5,892,363**	3,144,227	**(41,969)**	1,220,104	(10,531,650)
Projects and other payables - Projects	40	**70,489,123**	(99,502,025)	**(1,970,175)**	(53,759,700)	(696,182,314)
Accrued expenses - Projects	41	**7,027,549**	(513,304,039)	**(63,160,993)**	(1,096,208,271)	(831,961,263)
Net cash utilized in investing activities		**(2,214,013,902)**	(348,608,719)	**(1,347,634,723)**	(2,549,601,577)	(3,971,777,947)

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Notes	Quarter ended 30 June 2018	30 June 2017	Six months ended 30 June 2018	30 June 2017	Year ended 31 December 2017
Financing activities						
Dividend paid to non-controlling interest	34.3	**(28,807,037)**	-	**(28,807,037)**	-	-
Increase in share capital of non-controlling interest	34.3	**-**	-	**-**	-	375,000,000
Payment to increase share capital of non-controlling interest	34.3	**-**	42,356,250	**-**	136,481,250	188,250,000
Due to a joint venture partner	35	**-**	50,525,321	**7,970,176**	50,525,321	75,342,361
Proceeds from long-term borrowings received	36	**7,042,341**	19,438,109	**3,527,492,170**	772,875,006	9,176,645,159
Repayment of long-term borrowings	36	**(351,705,322)**	(467,566,759)	**(4,521,392,822)**	(1,125,254,259)	(8,851,098,518)
Obligations under finance lease	38	**(9,655,734)**	(9,071,316)	**(19,311,470)**	(17,808,634)	(38,622,936)
Net cash (utilized in) / generated from financing activities		**(383,125,752)**	(364,318,395)	**(1,034,048,983)**	(183,181,316)	925,516,066
Net change in cash and cash equivalents		**(1,675,939,058)**	(46,295,262)	**(916,521,173)**	(1,308,836,561)	(28,629,149)
Unrestricted cash and cash equivalents at the beginning of the quarter / period / year	30	**5,041,162,044**	3,047,832,009	**4,281,744,159**	4,310,373,308	4,310,373,308
Unrestricted cash and cash equivalents at the end of the quarter / period / year	30	**3,365,222,986**	3,001,536,747	**3,365,222,986**	3,001,536,747	4,281,744,159
Non-cash flow transactions						
Transfer to mine properties from capital work-in-progress	17,19	**-**	-	**85,067,479**	13,829,815	13,829,815
Transfer to property, plant and equipment from mine properties	18,17	**-**	-	**15,668,716**	-	-
Transfer to property, plant and equipment from capital work-in-progress	18,19	**73,048,214**	39,350,195	**717,415,613**	3,412,508,669	4,253,223,327
Borrowing cost capitalized as part of capital work-in-progress	19, 14.1	**154,855,566**	55,031,008	**294,105,713**	154,741,223	495,873,199
Depreciation of property, plant and equipment capitalized as part of capital-work-in-progress	19,18	**10,996,224**	10,329,255	**21,096,966**	20,868,487	41,951,983
Transfer to capital work-in-progress from intangible assets	19,20	**-**	-	**-**	-	23,165,191
Amortization of intangible assets capitalized as part of capital-work-in-progress	19,20.1	**771,788**	847,348	**1,482,447**	1,781,321	1,653,489
Amortization of transaction cost capitalised as part of capital work-in-progress	19, 36.10	**10,736,374**	9,985,014	**21,585,601**	20,095,531	40,484,382
Transfer to intangible assets from capital work-in-progress	20,19	**815,414**	-	**815,414**	880,992	22,623,328
Transfer to employees' home ownership program receivable under trade and other receivables from capital work-in-progress	24,19	**-**	-	**-**	-	1,092,691,590
Adjustment of the provision for decommissioning, site rehabilitation and dismantling obligation	37.2,17	**19,163,361**	-	**19,163,361**	-	-
Gains attributable to re-measurement of employees' end of service termination benefits obligation capitalized as part of capital work-in-progress	39.1.1, 19	**-**	-	**-**	-	(1,511,535)

(All amounts in Saudi Riyals unless otherwise stated)

1 General information

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi Arabian joint stock company, following the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to 17 March 1997) and incorporated in the Kingdom of Saudi Arabia pursuant to the Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to 23 March 1997) with Commercial Registration No. 1010164391, dated 10 Zul Qaida 1421H (corresponding to 4 February 2001). The Company has an authorized and issued share capital of Saudi Riyals ("SAR") 11,684,782,610 divided into 1,168,478,261 ordinary shares with a nominal value of SAR 10 each (Note 31).

The objectives of the Company and its subsidiaries (the "Group") are to be engaged in various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. These activities exclude:

- petroleum and natural gas and materials derived there from,
- any and all hydrocarbon substances, products, by-products and derivatives and
- activities related to all stages of the oil industry and the industries associated therewith and supplementary thereto.

The Group's principal mining activities are at the Mahd Ad-Dahab, Bulghah, Al-Amar, Sukhaybarat, As Suq, Ad Duwayhi, Al-Jalamid, Al-Khabra, Az Zabirah, Al-Ghazallah and Al-Ba'itha mines. Currently, the Group mainly mines gold, phosphate rock, bauxite, low-grade bauxite, kaolin and magnesite.

2 Group structure

The Company has the following subsidiaries and joint ventures, all incorporated in the Kingdom of Saudi Arabia:

		Effective ownership		
Subsidiaries	**Type of company**	**30 June 2018**	**30 June 2017**	**31 December 2017**
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	**100%**	100%	100%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	**100%**	100%	100%
Industrial Minerals Company ("IMC")	Limited liability company	**100%**	100%	100%
Ma'aden Aluminium Company ("MAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Rolling Company ("MRC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	**74.9%**	74.9%	74.9%
Ma'aden Phosphate Company ("MPC")	Limited liability company	**70%**	70%	70%
Ma'aden Wa'ad Al-Shamal Phosphate Company ("MWSPC")	Limited liability company	**60%**	60%	60%
Joint ventures				
Ma'aden Barrick Copper Company ("MBCC")	Limited liability company	**50%**	50%	50%
Sahara and Ma'aden Petrochemicals Company ("SAMAPCO")	Limited liability company	**50%**	50%	50%

The financial year end of all the subsidiaries and joint ventures coincide with that of the parent company ("Ma'aden).

2.1 MGBM

The company was incorporated on 9 August 1989 in the Kingdom of Saudi Arabia, which is also its principal place of business. The objectives of the company are:

- the exploration and mining of gold and associated minerals within their existing mining lease area by way of drilling, mining and concentrating and
- construct, operate and maintain all mines, buildings, highways, pipelines, refineries, treatment plants, communication systems, power plants and other facilities necessary or suitable for the purposes of the leases.

2.2 MIC

The company was incorporated on 18 August 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business. The objectives of the company are to:

- manage the infrastructure project to develop, construct and operate the infrastructure and
- provide services to Ras Al-Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia.

2.3 IMC

The company was incorporated on 31 March 2009 in the Kingdom of Saudi Arabia, which is also its principal place of business. The objectives of the company are:

- the exploitation of industrial minerals within the existing mining lease area by way of drilling, mining, concentrating, smelting and refining and
- extract, refine, export and sell such minerals in their original or refined form.

The company currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine at Al Ghazallah and the VSK processing plant at Al Madinah Al Munawarah declared full commercial production on 1 August 2017.

2.4 MAC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company (“Ma’aden”) and
- 25.1% by Alcoa Saudi Smelting Inversiones S.L. (“ASSI”), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are the production of primary aluminium products:

- ingots;
- T shape ingots;
- slabs and
- billets.

2.5 MRC

The company was incorporated on 10 October 2010 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company (“Ma’aden”) and
- 25.1% by Alcoa Saudi Rolling Inversiones S.L. (“ASRI”), a foreign shareholder, a company wholly owned by Alcoa Corporation, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are the production of:

- can body sheets and
- can ends stock.

The company is currently in its commissioning phase.

2.6 MBAC

The company was incorporated on 22 January 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by AWA Saudi Limited ("AWA"), a foreign shareholder, which is owned 60% by Alcoa Corporation and 40% by Alumina Limited, an unrelated third party, which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Ba'itha bauxite deposits
- produce and refine bauxite and
- produce alumina.

2.7 MPC

The company was incorporated on 1 January 2008 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 70% by Saudi Arabian Mining Company ("Ma'aden") and
- 30% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the company are to:

- exploit the Al-Jalamid phosphate deposits;
- utilize local natural gas and sulphur resources to manufacture Phosphate fertilizers at the processing facilities at Ras Al-Khair and
- produce ammonia as a raw material feed stock for the production of fertilizer with the excess ammonia exported or sold domestically.

2.8 MWSPC

The company was incorporated on 27 January 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 60% by Saudi Arabian Mining Company ("Ma'aden");
- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1) and
- 15% by Saudi Basic Industries Corporation ("SABIC"), which is accounted for as a non-controlling interest in these consolidated interim financial statements (Note 34.1).

The objectives of the Company are the production of:

- di-ammonium and mono-ammonium phosphate fertilizer,
- ammonia,
- purified phosphoric acid,
- phosphoric acid,
- sulphuric acid and
- sulphate of potash

The company declared commercial production of the ammonia plant on 1 January 2017 and has commenced the initial production of Diammonium Phosphate (DAP) on 8 July 2017. The rest of the development is in the commissioning phase.

2.9 SAMAPCO

The company was incorporated on 14 August 2011 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.2) and
- 50% by Sahara Petrochemical Company.

SAMAPCO is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of:

- concentrated caustic soda;
- chlorine and
- ethylene dichloride.

The operations of the company includes the production and supply of:

- concentrated caustic soda (CCS) feedstock to the alumina refinery at MBAC and to sell any excess production not taken up by Ma'aden in the wholesale and retail market and
- Ethylene dichloride (EDC) in the wholesale and retail market.

2.10 MBCC

The company was incorporated on 2 November 2014 in the Kingdom of Saudi Arabia, which is also its principal place of business and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden") (Note 21.1.3) and
- 50% by Barrick Middle East PTY Limited ("Barrick"), a foreign shareholder.

MBCC is a joint venture project and is accounted for as an investment in a joint venture under the equity method of accounting in these consolidated interim financial statements.

The objectives of the company are the production of copper and associated minerals within their existing mining lease area by way of drilling, mining and concentrating.

3 Basis of preparation

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and
- interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS.

The consolidated interim financial statements fully comply with IFRS and other standards and pronouncements that are issued by SOCPA, as endorsed in the Kingdom of Saudi Arabia for financial reporting.

The Group has prepared a complete set of consolidated interim financial statements for its interim financial reporting, as allowed under **IAS 34 – "*Interim Financial Reporting*"**. Accordingly, these consolidated interim financial statements conform to the requirements of **IAS 1 – "*Presentation of Financial Statements*",** relating to a complete set of financial statements.

The consolidated interim financial statements have been prepared on the historical cost basis, except where IFRS requires other measurement basis, as disclosed in the applicable accounting policies in Note 4 – Summary of significant accounting policies.

These consolidated interim financial statements are presented in SAR which is both the functional and reporting currency of the Group.

3 Basis of preparation (continued)

Impact of changes in accounting policies due to the adoption of new IFRS standards

Effective 1 January 2018, the Group has adopted two new accounting standards, the impact of the adoption of these standards is explained below:

IFRS 9 – Financial Instruments

The Group has adopted **IFRS 9 – *"Financial Instruments"*** – for all reporting periods commencing on or after 1 January 2018. IFRS 9 replaces **IAS 39 – *"Financial Instruments: Recognition and Measurement"***. IFRS 9 eliminates the following categories of financial assets previously recognised under IAS 39:

- held-to-maturity,
- loans and receivables and
- available-for-sale.

IFRS 9 utilizes:

- a revised model for recognition and measurement of financial assets and
- a single, forward-looking lifetime "expected credit loss" ("ECL") impairment model.

IFRS 9 retained most of the requirements in IAS 39 for classification and measurement of financial liabilities, so the Group's accounting policy with respect to financial liabilities is unchanged.

Key changes arising from the adoption of IFRS 9

Classification of financial assets and financial liabilities

IFRS 9 contains the following three principal classification categories for financial assets based on the business model in which a financial asset and its contractual cash flows are managed:

- measured at amortized cost ("AC"),
- fair value through other comprehensive income ("FVOCI") and
- fair value through profit or loss ("FVTPL").

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

IFRS 9 retained the existing requirements in IAS 39 for the classification of financial liabilities. Under IAS 39 all the fair value changes of financial liabilities, designated under the fair value option, were recognized in the consolidated statement of profit or loss. However, under IFRS 9 all the fair value changes are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the financial liability, is presented in the consolidated statement of other comprehensive income and
- the remaining amount of change in the fair value is presented in the consolidated statement of profit or loss.

(All amounts in Saudi Riyals unless otherwise stated)

3 Basis of preparation (continued)

Impairment of financial assets

IFRS 9 replaces the “incurred loss” model in IAS 39 with a forward looking “expected credit loss” (“ECL”) model. The new impairment model applies to all financial assets measured at amortized cost.

The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group’s financial assets and financial liabilities as at 1 January 2018:

	Notes	New classification under IFRS 9 1 January 2018	Original classification under IAS 39 31 December 2017	New carrying value under IFRS 9 1 January 2018	Original carrying value under IAS 39 31 December 2017
Financial assets					
Other investments	23	Amortised cost	Amortised cost	50,000,000	50,000,000
Due from joint venture partner	25	Amortised cost	Amortised cost	13,652,075	13,652,075
Trade and other receivable (less zakat and employees’ home ownership program receivables)	28	Amortised cost / FVTPL	Amortised cost	1,900,272,825	1,900,609,210
Time deposits	29	Amortised cost	Amortised cost	2,239,058,472	2,240,000,000
Cash and cash equivalents	30	Amortised cost	Amortised cost	4,351,617,030	4,351,617,030
Total				**8,554,600,402**	**8,555,878,315**
Financial liabilities					
Due to a joint venture partner	35	Amortised cost	Amortised cost	266,358,724	266,358,724
Long-term borrowings	36.7	Amortised cost	Amortised cost	54,686,382,447	54,686,382,447
Obligation under finance lease	38	Amortised cost	Amortised cost	65,380,978	65,380,978
Projects, trade and other payables	40	Amortised cost	Amortised cost	2,975,299,898	2,975,299,898
Accrued expenses	41	Amortised cost	Amortised cost	1,969,671,122	1,969,671,122
Total				**59,963,093,169**	**59,963,093,169**

Transition

The Group has adopted IFRS 9, using the modified retrospective transitional method, taking into consideration the exemption allowing it not to restate comparative information for prior periods presented with respect to the changes resulting from the measurement of financial assets and financial liabilities.

Any differences in the carrying amounts of financial assets and financial liabilities, resulting from the adoption of IFRS 9 are recognized in the opening consolidated retained earnings as at 1 January 2018 (Note 5). Accordingly, the financial information presented for the quarter / period ended 30 June 2017 and year ended 31 December 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the financial information presented for the 2018 financial year under IFRS 9.

3 Basis of preparation (continued)

IFRS 15 – Revenue from contracts with customers

The Group has adopted **IFRS 15 – *"Revenue from contracts with customers"*** – for all reporting periods commencing on or after 1 January 2018. The new standard creates a comprehensive framework for determining whether, how much and when revenue is recognized from contracts with customers.

IFRS 15 replaces the following standards and interpretations:

- **IAS 11 – *"Construction contracts"***
- **IAS 18 – *"Revenue"***
- **IFRIC 13 – *"Customer loyalty programs"***
- **IFRIC 15 – *"Agreements for construction of real estate assets"***
- **IFRIC 18 – *"Transfer of assets from customers"***
- **SIC 31 – *"Revenue: Barter transactions involving advertising services"***

Key changes arising from the adoption of IFRS 15

Revenue recognition

The core revenue recognition principle under IAS 18 was as follows:

- Sale of goods – revenue was recognized when the seller has transferred to the customer (buyer) the significant risks and rewards of ownership, measured at the fair value of the consideration received or receivable.
- Rendering of service – revenue was recognized by reference to the stage of completion of the transaction at the balance sheet date (the percentage of completion method) measured at the fair value of the consideration received or receivable.

IFRS 15 requires that revenue is recognized from contracts with customers based on a five step model as follows:

- identification of contracts with customer,
- identification of performance obligations in the contract,
- determination of transaction price,
- allocation of transaction price to performance obligations in the contract and
- recognition of revenue when the Company satisfies the performance obligation.

The key changes to the Group's accounting policies resulting from its adoption of IFRS 15 are summarized below:

Revenue is recognised, when (or as) the Company satisfies the performance obligations as specified in the contract with the customer (buyer), when the seller has transferred to the customer (buyer) control over the promised goods and services, either:

- at a point in time or
- over a time basis equivalent to the stage of completion of the service.

Transition

The Group has adopted IFRS 15, using the modified retrospective transitional method, taking into consideration the exemption allowing it not to restate the comparative financial information for the prior periods presented with respect to the changes resulting from the recognition and measurement of revenue and the corresponding adjustment to the carrying amounts of trade receivables.

Any difference in the amounts recognized as revenue and the corresponding carrying amounts of trade receivables, resulting from the adoption of IFRS 15, are recognized in the opening consolidated retained earnings as at 1 January 2018.

3 Basis of preparation (continued)

New IFRS standards, amendments and interpretations not yet effective and not early adopted

At the date of authorization of these consolidated interim financial statements, the following new and amended IFRS accounting standards, which are applicable to the Group, were issued by the IASB but not yet effective. The Group is currently evaluating the impact that these new accounting standards, amendments and interpretations may have on its consolidated financial statements.

IFRS 16 – *"Leases"*

Nature of change

The IASB has issued a new standard for the recognition of leases. This standard will replace:

- **IAS 17 – *"Leases"***
- **IFRIC 4 – "*Whether an arrangement contains a lease"***
- **SIC 15 – *"Operating leases – Incentives"***
- **SIC-27 – *"Evaluating the substance of transactions involving the legal form of a lease"***

Under IFRS 16, a lessee is required to:

- recognize all right-of-use assets and lease liabilities, with the exception of short term (under 12 months) and low value leases, on the statement of financial position. The liability is initially measured at the present value of future lease payments for the lease term. This includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right-of-use assets reflects the lease liability, initial direct cost, any lease payments made before the commencement date of the lease, less any lease incentives and, where applicable, provisions for dismantling and restoration.
- recognize the depreciation of the right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss over the lease term and
- separate the total amount of cash paid into a principal portion (presented within financing activities) and an interest portion (which the Group presents in operating activities) in the consolidated statement of cash flows.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Mandatory application date / Date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Group is 1 January 2019.

4 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all quarters / periods / year presented.

4.1 Basis of consolidation and equity accounting

Subsidiaries

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Controls exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following three elements:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

4.1 Basis of consolidation and equity accounting (continued)

Inter-company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of not wholly owned subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

***Joint* ventures**

A joint venture exists where the Group has a contractual arrangements (rights and obligations) in place, with one or more parties, to undertake activities typically, however not necessarily, through a legal entity that is subject to joint control.

Interests in joint ventures are accounted for using the equity method of accounting. The investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of:

- the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss and
- the movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income.

The Group's share of the results of joint ventures is based on the financial statements prepared up to consolidated statement of financial position date, adjusted to conform with the accounting policies of the Group, if any.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment when the right to receive a dividend is established.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.10.

4.2 Foreign currency translation

Foreign currency transactions are translated into SAR at the rate of exchange prevailing at the date the transaction first qualifies for recognition and are initially recorded by each entity in the Group.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

4.3 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the considerations specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer, by transferring control over the promised goods or services to the customer.

The Group recognizes revenue from the following main sources:

a) Sale of the following goods directly to the customers:
   - Phosphate fertilizer, ammonia and industrial minerals
   - Alumina, primary aluminium products and flat rolled products
   - Gold bullion (including copper, zinc and silver concentrate)

4.3 Revenue recognition (continued)

b) Rendering of the following services directly to the customers:
- Transportation of goods

The timing and measurement of revenue recognition for the above-mentioned main sources of revenue i.e. sales of goods and rendering of services directly to customers are as follows:

Sales of phosphate fertilizer, ammonia and industrial minerals

The Group, as principal, sells phosphate fertilizer, ammonia and industrial minerals products directly to customers and also through two marketing agents SABIC and The Mosaic Company, acting as agents, for the sale of phosphate fertilizer and ammonia.

The Group sells a significant proportion of its goods on Cost and freight ocean transport ("CFR") International Commercial terms ("Incoterms") and therefore, the Group is responsible for providing shipping services after the date at which control over the promised goods have passed to the customer at the loading port. The Group is therefore, responsible for the satisfaction of two performance obligations under its CFR contracts with the customers and recognizes revenue as follows:

- sale and delivery of goods at the loading port resulting in the transfer of control over such promised goods to the customer and recognizing the related revenue at a point in time basis and
- shipping services for the delivery of the promised goods to the customer's port of destination and recognizing the related revenue over a time basis, equivalent to the stage of completion of the services

At the loading port, quality and quantity control of the promised goods are carried out by independent internationally accredited consultants before the loading of the vessel, in accordance with the specifications contained in the contract. The physical loading of the approved promised goods on the vessel, satisfies the Group's performance obligation and triggers the recognition of revenue at a point in time. Ma'aden has full discretion over the price to sell the goods.

The selling price includes revenue generated for the sale of goods and transportation services depending on the Incoterms contained in the contract with the customer. The selling price is therefore unbundled or disaggregated into these two performance obligations, being the sale of the promised goods and the transportation thereof and it is being disclosed separately.

The Group recognizes a trade receivable for the sale and delivery of the promised goods when the goods, delivered to the loading port, are loaded on to the vessel as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. However, the trade receivable related to the transportation service are recognized over time, if material, based on the stage of completion of service which is assessed at the end of each reporting period. The disaggregation between separate performance obligations is done based on the standalone selling price.

All shipping and handling costs incurred by the Group, in relation to the satisfaction of performance obligation for the transportation of the promised goods, under CFR contracts with the customers, are recognized as selling expenses in the consolidated statement of profit or loss.

Sale of alumina, primary aluminium products and flat rolled products

The Group, as principal, sells alumina, primary aluminium products and flat rolled products directly to customers and in accordance with the contract, the promised goods are provisionally priced. The sales price is not settled until a predetermined future date and is based on the market price at a time or over a pre-defined period of time. Revenue on these sales is initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract.

Sale of gold bullion and concentrates

The Group, as principal, sells gold bullion, copper, zinc and silver concentrate directly to customers under contract, which vary in tenure and pricing mechanisms. The Group's primary product is gold and the concentrates produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenues from by-product sales, are insignificant and are credited to production cost applicable to gold bullion sales as a by-product credit.

4.3 Revenue recognition (continued)

- **Gold bullion sales**

The Group primarily sell gold bullion in the spot market. The selling price is fixed on the date of sale based on the gold spot price and the revenue and related trade receivable is recognized, on a point in time basis, when the gold bullion is delivered to the airport, which is also the date, the place and the time that the control over the gold bullion is transferred to the customer.

Sales revenue is commonly subject to a quantity adjustment based on a fire assay of the gold bullion upon arrival at the refinery of the customer.

The selling price of a bullion bar is based on provisionally invoiced quantities. The Group uses the “expected value method” to recognize revenue on provisionally invoiced quantities. The revenue recognized is based on probability of gold content and amounts in a range of possible consideration amounts.

- **Metal concentrate sales**

Revenue from the sale of metal concentrates (copper, zinc and silver) is based on selling prices that are provisionally set, for a specified future date after shipment, based on ruling market prices. Revenue and related trade receivable is recognized, at a point in time basis, at the time of shipment, which is also the date that the control transfers to the customer.

The final selling price on such concentrates is settled within a predetermined future date and is based on the ruling market price at that time or over a quotation period stipulated in the contract. Revenue for provisionally priced metal concentrates is initially recognized at the current market price. However, subsequently at each reporting date, such provisionally priced sales are marked-to-market using the relevant forward market prices for the period stipulated in the contract. This marked-to-market adjustment is recognized in sales.

Income from time deposits

Investment income on time deposits is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

4.4 Selling, marketing and logistic expenses

Selling, marketing and logistic expenses comprise of all costs for selling and marketing the Group’s products and include expenses for advertising, marketing fees and other sales related overheads. Allocation between selling, marketing and logistic expenses and cost of sales are made on a consistent basis, when required.

4.5 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales or the selling, marketing and logistics activity of the Group. Allocation between general and administrative expenses and cost of sales, are made on a consistent basis, when required.

4.6 Earnings per share

Basic and diluted earnings per share from continuing operations is calculated by dividing:

- the profit from continuing operations attributable to ordinary shareholders of the parent company
- by the weighted average number of ordinary shares outstanding during the financial quarter / period / year.

The Group has not issued any potential ordinary shares, therefore the basic and diluted earnings per share are the same.

4.7 Mine properties and property, plant and equipment

Mine properties and property, plant and equipment

Freehold land is carried at historical cost and is not depreciated.

Property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and development of the asset and includes:

- the purchase price
- costs directly attributable to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of any mine closure, rehabilitation and decommissioning obligation and
- for qualifying assets, that take a substantial period of time to get ready for their intended use, the applicable borrowing costs

Mine properties are depreciated using the unit of production ("UOP") method, based on economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life of the mine, in which case the straight line method is applied.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of profit or loss using the straight line method. Significant components of an item of mine properties and property, plant and equipment are separately identified and depreciated using the economic useful life of the component.

Buildings and items of plant and equipment for which the consumption of economic benefit is linked primarily to utilization or to throughput rather than production, are depreciated at varying rates on a straight line basis over their economic useful lives or the life-of-mine ("LOM"), whichever is the shorter.

Depreciation is charged to the consolidated statement of profit or loss to allocate the costs of the related assets less their residual values over the following estimated economic useful lives:

Categories of assets	**Number of years**
• Mine properties	Using UOP method over economically recoverable proven and probable reserves or straight line method over economic useful life, whichever is shorter
• Civil works	4 – 50
• Buildings	9 – 40
• Heavy equipment	5 – 40
• Other equipment including mobile and workshop equipment, laboratory and safety equipment and computer equipment	4 – 40
• Fixed plant	4 – 20
• Office equipment	4 – 10
• Furniture and fittings	4 – 10
• Motor vehicles	4

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or increase the production output are charged to the consolidated statement of profit or loss as and when incurred.

The assets' residual values and estimated economic useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.7 Mine properties and property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure is expensed in the year in which it is incurred.

Exploration expenditures relates to the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with:

- acquisition of the exploration rights to explore,
- topographical, geological, geochemical and geophysical studies,
- exploration drilling,
- trenching,
- sampling and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Evaluation expenditures relates to the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- determining the optimal methods of extraction and metallurgical and treatment processes,
- studies related to surveying, transportation and infrastructure requirements in relation to both production and shipping,
- permitting activities and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibilities studies.

All exploration and evaluation costs are expensed until prospective mineral exploration project is identified as having economic development potential. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body. Exploration and evaluation expenditures are capitalised as a tangible asset, if management determines that future economic benefits could be generated as a result of these expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalised as mine development cost following the completion of an economic evaluation equivalent to a feasibility study.

All exploration and evaluation costs incurred after management has concluded that economic benefit is more likely to be realized than not, i.e. "probable" and are capitalised as "Exploration and evaluation assets" only until the technical feasibility and commercial viability of extracting of mineral resource are demonstrable. Once the technical feasibility and commercial viability is demonstrable i.e. economic benefit will or will not be realised, the asset is tested for impairment and any impairment loss is recognised.

Exploration and evaluation assets are carried at historical cost less accumulated impairment. Exploration and evaluation assets are not depreciated.

4.7 Mine properties and property, plant and equipment (continued)

For the purposes of exploration and evaluation assets only, one or more of the following facts and circumstances are considered for identifying whether or not exploration and evaluation assets may be impaired. These include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed,
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned,
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once it has been identified that an exploration and evaluation asset may be impaired, the entity performs impairment and reversal of impairment on exploration and evaluation assets as specified in Note 17. Based on the final technical scope, receipt of mining license and commercial feasibility, if the economic benefit will be realized and management intends to develop and execute the mine, the exploration and evaluation asset is transferred to “Mine under construction”.

Once the commissioning phase is successfully completed and the declaration of commercial production stage has been reached, the capitalized “Mine under construction“ is reclassified as “Operating mines”.

Cash flows attributable to capitalized exploration and evaluation assets are classified as investing activities in the consolidated statement of cash flows.

Stripping activity asset and stripping activity expense

Ma’aden incurs stripping (waste removal) costs during the development and production stages of its open pit mining operations.

Stripping costs incurred during the development stage of an open pit mine in order to access the underlying ore deposit are capitalised prior to the commencement of commercial production. Such costs are then amortised over the remaining life of the component of the ore body (for which access has improved), using the unit of production (“UOP”) method over economically recoverable proven and probable reserves.

Stripping activities during production phase generally create two types of benefits being as follows:

- production of inventory or
- improved access to the ore to be mined in the future.

Where the benefits are realized in the form of inventory produced in the period under review, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to the ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a ‘Stripping activity asset’, provided that all the following conditions are met:

- it is probable that the future economic benefits associated with the stripping activity will be realized,
- the component of the ore body for which the access has been improved can be identified and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the conditions are not met, the production stripping costs are charged to the consolidated statement of profit or loss, as production costs of inventories as they are incurred.

The stripping activity asset is initially measured at cost, being the directly attributable cost for mining activity which improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. Incidental operations occurring at the same time as the production stripping activity which are not necessary for the production stripping activity to continue as planned are not included in the cost of the stripping activity asset.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing mining asset, being a tangible asset (based upon the nature of existing asset) as part of mine properties in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

4.7 Mine properties and property, plant and equipment (continued)

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less accumulated depreciation and any impairment losses.

4.8 Capital work-in-progress

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The mine under construction or the asset under construction or development is transferred to the appropriate category in mine properties or property, plant and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other directly attributable to the construction or acquisition of an item intended by management. Costs associated with commissioning the items (prior to its being available for use) are capitalised net of proceeds from the sale of any production during the commissioning period.

Borrowing costs related to qualifying assets are capitalised as part of the cost of the qualified assets until the commencement of commercial production.

Capital work-in-progress is measured at cost less any recognized impairment.

Capital work-in-progress is not depreciated.

Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

4.9 Intangible assets

Intangible assets acquired separately are initially recognised and measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, where applicable.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their respective economic useful lives, using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation methods, residual values and estimated economic useful lives are reviewed at least annually. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss within the expense category that is consistent with the function of the intangible assets. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:

Categories of intangible assets	Number of years
• Infrastructure (Contractual right-to-use)	35
• Internally developed software (ERP System)	4 – 10
• Technical development	5 – 7
• Software and licenses (mine related)	Over life-of-mine using straight line method

The Group tests an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount either annually or whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

4.10 Impairment of mine properties, property, plant and equipment, capital work-in-progress and intangible assets

At each reporting date, the Group reviews the carrying amounts of its mine properties, property, plant and equipment, capital work-in-progress and intangible assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal (“FVLCD”) or value-in-use (“VIU”). In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

Assets or CGUs (other than the goodwill component) for which an impairment loss had been previously recorded, could reverse the impairment loss allocated if, and only if, there has been a change in the estimates used in determining the asset’s or CGU’s recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU. A reversal of an impairment loss is recognized in the operating section of the consolidated statement of profit or loss.

4.11 Inventories

Finished goods

Finished goods are measured at the lower of unit cost of production or net realizable value. The unit cost of production is determined as the total cost of production divided by the saleable unit output.

Total cost of production assigned to inventories on hand at the reporting date comprises of:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore,
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore and the amortisation of any deferred stripping assets,
- direct production overheads and
- the revenue generated from the sale of by-products is credited against production costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

By-products are valued at net realizable value, with reference to the spot price of the commodities ruling at the reporting date.

Work-in-process

The cost of work-in-process is determined using unit cost of production for the period based on percentage of completion at the applicable stage, the estimated recoverable content:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore, and production activities,
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore, and the amortisation of any deferred stripping assets and
- direct production overheads;

Net realizable value is the estimated selling price in the ordinary course of business using the same percentage of completion at the applicable stage, the estimated recoverable content less any selling expense.

4.11 Inventories (continued)

Ore stockpiles

Ore stockpiles represent ore that has been extracted from the mine, and considered to be of future economic benefits under current prices and is available for further processing. If the ore stockpiles is not expected to be processed in the next 12 months after the reporting date, it is included in non-current assets. Cost of ore stockpile is determined by using the weighted-average method. If the ore is considered not to be economically viable it is expensed immediately.

If there is significant uncertainty as to when the stockpiled ore will be processed, the cost is expensed as incurred. Where the future processing of this ore can be predicted with confidence because it exceeds the mine's cut-off grade and is economically viable, it is valued at the lower of cost of production or net realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Spares and consumables

Spares and consumable inventory are valued at lower of cost or net realizable value. Cost is determined on the weighted average cost basis. An allowance for obsolete and slow moving items, if any, is estimated at each reporting date.

Net realizable value is the estimated selling price less selling expenses.

Raw materials

Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the weighted average cost basis.

Net realizable value is the estimated selling price less selling expenses.

4.12 Trade and other receivables

Trade receivables

Trade receivables are carried at the transaction price related to a performance obligation less an allowance for doubtful debt.

The Group assesses on a forward looking basis the allowance for doubtful debts using an expected credit losses ("ECL") approach over the lifetime of the assets. Such allowances for doubtful debt are charged to the consolidated statement of profit or loss and reported under "General and administrative expenses".

When a trade receivable is uncollectible, it is written-off against the allowance for the doubtful debts in the consolidated statement of profit or loss. When a subsequent event causes the amount of allowance for doubtful debt to decrease, the decrease in the allowance for doubtful debt is reversed through the consolidated statement of profit or loss as per the staging criteria logic defined in the Group's policy.

Employees' home ownership program receivable

Certain companies of the Group has established an employees' home ownership program (HOP) that offers eligible employees the opportunity to buy housing units constructed by the company through a series of payments over a particular number of years. Ownership of the housing unit is transferred upon completion of the full payment (Note 4.20).

Under the HOP, the housing units are classified under other non-current assets as long-term employees' home ownership program receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the company.

4.13 Time deposits

Time deposits include placements with banks and other short term highly liquid investments, with original maturities of more than three months but not more than one year from the date of acquisition. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence provision is recognised at an amount equal to 12 month's ECL, unless there is evidence of significant increase in credit risk of the counter party.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash held at banks and time deposits with an original maturity of three months or less at the date of acquisition, which are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Restricted cash and cash equivalents that are not available for use by the Group are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows. Restricted cash and cash equivalents are related to the employees' savings plan program, see Notes 4.20 and 30.

4.15 Financial assets and financial liabilities

Financial assets and financial liabilities are carried in the consolidated statement of financial position. Financial assets principally include other investments, due from joint venture partners, trade and other receivable, time deposits and cash and cash equivalents. Financial liabilities include amounts due to a joint venture partner, long-term borrowings, trade, projects and other payables and accrued expenses.

Initial recognition

Except for trade receivables that do not have a significant financing component, financial assets and financial liabilities are initially recognized at their fair value plus or minus, in the case of a financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. A trade receivable without a significant financing component is recognized at transaction price.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Classification of financial assets

Financial assets are measured at amortized cost, fair value through other comprehensive income or fair value through profit of loss. The decision to classify these financial assets into appropriate categories depends on the:

- business model for managing the financial asset and
- contractual cashflow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost except for the following:

- financial liabilities at fair value through profit or loss,
- financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies,
- financial guarantee contracts which are measured at the higher of the amount of loss allowance and the amount initially recognized and
- commitments to provide a loan at below market interest rate which shall be measured at the higher of the amount of loss allowance, the amount initially recognized and the contingent consideration in case of a business combination.

Impairment and uncollectibility of financial assets

At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if at the reporting date, the financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Regardless of the change in credit risk, loss allowances on trade receivables that do not contain a significant financing component are calculated at an amount equal to lifetime expected credit losses.

Such impairment losses are recognized in the statement of profit or loss.

4.15 Financial assets and financial liabilities (continued)

Offsetting a financial asset and a financial liability

A financial asset and liability is offset and net amount reported in the consolidated financial statements, when the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Derecognition of financial instruments

The Group derecognizes financial asset only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of profit or loss.

The Group derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of profit or loss.

4.16 Long-term borrowings

Long-term borrowings are initially recognised at the fair value (being proceeds received, net of eligible transaction costs incurred, if any). Subsequent to initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the long-term borrowings using the effective interest rate method.

Fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss as other income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred in the consolidated statement of profit or loss.

4.17 Provisions

Provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and
- a reliable estimate can be made of the amount of the obligation

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of profit or loss.

4.18 Provision for decommissioning, site rehabilitation and dismantling obligations

The mining, extraction and processing activities of the Group normally give rise to obligations for mine closure decommissioning, site rehabilitation and plant dismantling (collectively referred to as “decommissioning site rehabilitation and dismantling obligations”). Decommissioning and site restoration work can include facility decommissioning and dismantling of plant and buildings; removal or treatment of waste materials, site and land rehabilitation. The extent of the work required and the associated costs are dependent on the requirements of current laws and regulations.

The full estimated cost is discounted to its present value and capitalised as part of “Mine under construction” and once it has been transferred to “Mine properties” it is then depreciated as an expense over the expected life-of-mine using UOP method.

Costs included in the provision includes all decommissioning obligations expected to occur over the life-of-mine and at the time of closure in connection with the mining activities being undertaken at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual decommissioning expenditure is dependent upon a number of factors such as:

- the life-of-mine,
- developments in technology,
- the operating license conditions,
- the environment in which the mine operates and
- changes in economic sustainability.

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the mine related asset. Factors influencing those adjustments include:

- revisions to estimated ore reserves, mineral resources and lives of mines,
- developments in technology,
- regulatory requirements and environmental management strategies,
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation and
- changes in economic sustainability.

4.19 Leasing

Leases are classified as finance leases whenever the lease transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee. Finance leases are capitalised on the lease’s commencement date at the lower of the fair value of the leased property or the present value of the minimum future lease payments.

Each finance lease payment is allocated between settling the principal amount of the liability and the finance cost. The corresponding rental obligations, net of finance cost, are included in non-current liabilities. The interest element of the finance cost is charged to the consolidated statement of profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period. An asset acquired under finance leases is depreciated over the shorter of the economic useful life of the asset or the lease term.

All other leases are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of profit or loss on a straight line basis over the term of the operating lease.

4.20 Employees’ benefits

Employees’ savings plan program

In accordance with Article 145 of the Labor Regulations, and in furtherance to Article 76 of the Company’s Internal Work Regulation, approved by resolution No. 424 dated 6th of Rabi II 1420H (corresponding to 19 July 1999), issued by His Highness the Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage the Saudi employees of the Group to save and invest their savings in areas more beneficial to them, to secure their future and as an incentive for them to continue working with the Group.

4.20 Employees' benefits (continued)

Participation in the Savings Plan Program is restricted to Saudi Nationals only and optional with employees required to contribute a monthly minimum installment of 1% to a maximum of 15% of their basic salary subject to a minimum of SAR 300 per month.

The Group will contribute an amount equaling 10% of the monthly savings of each member per year for the first year and increase it by 10% per year in the years there after until it reaches 100% in the 10th year and continue contributing 100% from year 11 onwards, which will in turn be credited to the savings accounts of the employee. The Group's portion is charged to consolidated statement of profit or loss on a monthly basis. The Group's portion will only be paid to the employee after the expiry of 10 years upon termination or resignation.

Other short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled in full, within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Employees' home ownership program

The program has three categories:

Housing project

Certain companies within the Group have established employees' home ownership program (HOP) that offer eligible employees the opportunity to buy housing units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the housing unit is transferred upon completion of full payment.

Under the HOP, the housing units are classified under other non-current assets as long-term employees' receivable upon signing of the sales contract with the eligible employees. The monthly installments paid by the employee towards the housing unit are repayable back to the employee in case the employee discontinues employment to the extent of the amounts paid in addition to the monthly housing allowance and the house is returned back to the Group.

Home loan

Certain companies within the Group provides an interest free loan to an eligible employee to purchase or build his own house by mortgaging the property in the company's name as a security. The repayment of the loan is deducted from the employee's salary in monthly installments.

The interest cost associated with the funding of the acquisition or construction of the employee's house is borne by the Company in accordance with the approved HOP, and expensed as part of finance cost.

HOP furniture loan

Certain companies within the Group provides a furniture loan to an eligible employee which is to be written-off equally over a 5-year period. In case the employee resigns or his services is terminated for any reason before completion of the stated period, the employee will be required to pay the remaining balance of the furniture loan.

Employees' end-of-service termination benefits obligation

The liability recognized in the consolidated statement of financial position, in respect of the defined end-of-service-benefits plan, is the present value of the employees' end-of-service termination benefits obligation at the end of the reporting period. The employees' end of service termination benefits obligation is calculated annually by independent actuaries using the projected unit credit method.

Since the Kingdom of Saudi Arabia has no deep market in high-quality corporate bonds, the market rates of high-quality corporate bonds of the United States of America are used to present value the employees' end of service termination benefits obligation by discounting the estimated future cash outflows.

4.20 Employees' benefits (continued)

The net finance cost is calculated by applying the discount rate to the net balance of the employees' end-of-service termination benefits obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the employees' end-of-service termination benefits obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

4.21 Projects, other payables and accrued expenses

Liabilities in respect of contract costs for capital projects (including trade payables) are recognised at amounts to be paid for goods and services received. The amount recognised is discounted to the present value of the future obligations using the respective entity's incremental borrowing rate; unless they are due in less than one year.

Liabilities in respect of other payables are recognised at amounts expected to be paid for goods and services received.

4.22 Zakat, income tax, withholding tax and deferred tax

Companies with only Saudi shareholders

The Company is subject to zakat in accordance with the regulations of the General Authority for Zakat and Tax (the "GAZT"). A provision for zakat for the Company and zakat related to the Company's wholly owned subsidiaries is charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Mix companies with foreign shareholders

The subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the GAZT. A provision for zakat and income tax for the mix companies is charged to the consolidated statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

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Zakat and income tax related to the minority shareholders in certain subsidiaries is included in their share of non-controlling interest in the consolidated statement of profit or loss.

The tax expense includes the current tax and deferred tax charge recognized in the consolidated statement of profit or loss.

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates except where the Group is be able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

(All amounts in Saudi Riyals unless otherwise stated)

4.22 Zakat, income tax, withholding tax and deferred tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.23 Severance fees

Effective from year 2005 onwards, as per Article No. 71 of the Saudi Mining Investment Code issued based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), the Group is required to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of the hypothetical income tax, whichever is the lower. The Zakat due shall be deducted from gross severance fee and the net severance fee amount is shown as part of cost of sales in the consolidated statement of profit or loss (Notes 9 and 43).

However, the minimum severance fee payable for a small mine license based on sales is:

Minerals	Basis	Rate
Low grade bauxite	Actual metric tonnes sold	SAR 1.50 per metric tonne
Kaolin	Actual metric tonnes sold	SAR 2.25 per metric tonne
Magnesia / Dead burned magnesia / Monolithic	Actual metric tonnes sold	SAR 4.50 per metric tonne

The minimum severance fee payable is SAR 90,000 if the minimum mining capacity is not achieved. Provision for severance fees is charged to the cost of sales in the consolidated statement of profit or loss and not included in the valuation of inventory.

5 Adoption of IFRS 9 and IFRS 15

5.1 Reconciliation of carrying amounts under IAS 39 to carrying amounts under IFRS 9

The following table reconciles the carrying amounts under IFRS 9 to the carrying amounts under IAS 39 on transition to IFRS 9 on 1 January 2018.

	Notes	IFRS 9 carrying amount as at 1 January 2018	Re-measurements (Note 5.2)	IAS 39 carrying amount as at 31 December 2017
Financial assets at amortized cost				
Other investments	23	**50,000,000**	-	50,000,000
Due from joint venture partner	25	**13,652,075**	-	13,652,075
Trade and other receivable (less zakat and employees' home ownership program receivables)	28	**1,900,272,825**	(336,385)	1,900,609,210
Time deposit	29	**2,239,058,472**	(941,528)	2,240,000,000
Cash and cash equivalents	30	**4,351,617,030**	-	4,351,617,030
Total		**8,554,600,402**	(1,277,913)	8,555,878,315

5.2 Reconciliation of retained earnings as at 1 January 2018 and retained earnings as at 31 December 2017, attributable to the shareholders' of the parent company

	Note	As at 1 January 2018	Re-measurements	As at 31 December 2017
31 December 2017 – as previously reported		**5,151,922,897**	-	5,151,922,897
IFRS 9 adjustment for expected credit losses	5.1	**(1,277,913)**	(1,277,913)	-
1 January 2018 – as restated		**5,150,644,984**	(1,277,913)	5,151,922,897

6 Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS and other standards and pronouncements that are issued by SOCPA, as endorsed in the Kingdom of Saudi Arabia, requires the Group's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying accounting disclosures, and the disclosures of contingent liabilities at the date of the consolidated financial statements.

Estimates and assumptions are continually evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.

6.1 Critical accounting judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recorded in the consolidated financial statements:

- economic useful lives of mine properties, property, plant and equipment
- impairment and the reversal of impairment
- zakat and income tax
- exploration and evaluation expenditure
- stripping costs
- commercial production start date

Economic useful lives of mine properties, property, plant and equipment

The Group's assets, classified within mine properties, are depreciated / amortized on a UOP basis over the economically recoverable proven and probable ore reserves of the mine concerned, except in the case of those mining assets whose economic useful life is shorter than the life of the mine, in which case the straight line method is applied. When determining the life-of-mine, assumptions that were valid at the time of estimation, may change when new information becomes available.

The factors that could affect estimation of the life-of-mine include the following:

- changes in proven and probable ore reserves,
- the grade of ore reserves varying significantly from time to time,
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves,
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

Any of these changes could affect prospective depreciation of mining assets and their carrying value. The economic useful lives of non-mining property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

The Group's assets, classified within property, plant and equipment, are depreciated on a straight line basis over their economic useful lives.

Impairment and the reversal of impairment

The Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets are impaired or whether there is any indicator that an impairment loss recognized in previous years may no longer exist or may have decreased.

6.1 Critical accounting judgements in applying accounting standards (continued)

Zakat and income tax

The Company and its three wholly owned subsidiaries are subject to zakat, whereas, the subsidiaries with foreign shareholders are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the GAZT.

A provision for zakat and income tax is estimated on each reporting period in accordance with the regulations of the GAZT and on a yearly basis zakat and income tax returns are submitted to the GAZT. Differences, if any, at the submission of zakat and income tax returns and subsequently at the finalization of final assessments are accounted for when such amounts are determined.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

Stripping costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset. Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations.

An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Commercial production start date

Commercial production is achieved when mining related assets are capable of operating in the manner envisaged by the entity's management which is generally when the mining related assets are capable of operating continuously at a nominated percentage of design capacity.

The decision on when commercial production for mining related assets is achieved is however judgmental and should be based after discussions between the accountants, engineers and metallurgists. Consideration should be taken of the following list of non-exhaustive factors, such as:

- a nominated percentage of design capacity for a mine or a mill,
- mineral recoveries at or near expected levels,
- achievement of continuous production and
- the level of future capital expenditure still to be incurred.

Various aspects of the mining / production process (e.g. mine, processing plant, refinery, mill, etc.) needs to be considered separately when concluding on when commercial production has commenced, especially if one aspect of the process has commenced production in advance of the others. Once the mine is capable of commercial production, depreciation should commence.

6.2 Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

- mineral resource and ore reserve estimates,
- mine decommissioning obligation,
- allowances for obsolete and slow moving spare parts and
- contingencies.

Mineral resource and ore reserve estimates

There is a degree of uncertainty involved in the estimation and classification of mineral resource and ore reserve and corresponding grades being mined or dedicated to future production. Until mineral resource and ore reserve are actually mined and processed, the quantity of mineral resource and ore reserve grades must be considered as estimates only. Further, the quantity of mineral resource and ore reserve may vary depending on, amongst other things, metal prices and currency exchange rates.

The ore reserve estimates of the Group have been determined based on long-term commodity price and forecasts cut-off grades. Any material change in the quantity of reserves, grades or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will give the same result in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these ore reserves, could have a material adverse effect on the Group's business, prospects, financial condition and operating results.

Mine decommissioning obligation

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates environmental obligations based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates. Provision is made for decommissioning as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations and life-of-mine estimates could affect the carrying amount of this provision.

Allowances for obsolete and slow moving spare parts

The Group also creates an allowance for obsolete and slow-moving spare parts. At 30 June 2018, the allowance for obsolete slow-moving items amounted to SAR 58,291,650 (30 June 2017: SAR 15,853,329 and 31 December 2017: SAR 38,291,650). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the quarter / period / year (Note 27.1).

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

7 Segmental information

Segment reporting

Operating business segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Group has appointed a committee (the Management Committee) which assesses the financial performance and position of the Group, and makes strategic decisions. The Management Committee comprises the President and Chief Executive Officer and other senior management personnel.

7.1 Business segment

A business segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- the results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment and
- for which discrete financial information is available.

Transactions between segments are carried out at arm’s length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the consolidated interim statement of profit or loss.

The accounting policies used by the Group in reporting business segments internally are the same as those contained in Note 4 of the consolidated interim financial statements.

The Group’s operations consist of the following business segments:

- **Phosphate Strategic Business Unit Segment,** consist of operations related to:
  - ***MPC*** – the mining and beneficiation of phosphate concentrated rock at Al-Jalamid. The utilization of natural gas and sulphur to produce Phosphate fertilizers as well as ammonia products at Ras-Al-Khair.
  - ***IMC*** – the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az-Zabirah and a high grade magnesite mine at Al-Ghazallah and the VSK processing plant at Al-Madinah Al Munawarah.
  - ***MWSPC*** – the development of a mine to exploit the Al-Khabra phosphate deposit. The company declared commercial production of the ammonia plant on 1 January 2017 and has commenced the trial production of Diammonium Phosphate (DAP) on 8 July 2017.
  - ***Phosphate and Industrial Minerals division under Corporate*** – related cost and exploration expenses in Ma’aden Corporate has been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma’aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 33% proportionate share of MIC’s revenues, costs and assets have been allocated to this segment.
- **Aluminium Strategic Business Unit Segment**, consists of the operations related to:
  - ***MAC*** – operates the smelter at Ras-Al-Khair and it currently processes the alumina feedstock that it purchases from MBAC and produces aluminium products. MAC declared commercial production on 1 September 2014.
  - ***MRC*** – in the process of constructing a rolling mill. The project is in the commissioning phase.
  - ***MBAC*** – the mining of bauxite at the Al-Ba’itha mine and the transportation thereof to its refinery at Ras Al Khair. The alumina from MBAC is then processed at MAC. The refinery declared commercial production on 1 October 2016.
  - ***Automotive sheet project*** include automotive heat treated and non-treated sheet, building and construction sheet and foil stock sheet. The project is in the development stage.
  - ***Aluminium division under Corporate*** – related cost and external sales revenue have been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma’aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a 67% proportionate share of MIC’s revenues, costs and assets have been allocated to this segment.

7.1 Business segment (continued)

- **Precious and Base Metals Strategic Business Unit Segment**, consists of operations related to:
  - ***MGBM*** – that operates five gold mines, i.e. Mahd Ad-Dahab, Al-Amar, Bulghah, As-Suq and Ad-Duwayhi and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia.
  - ***MBCC*** – a joint venture that produces copper and various by-products located in the southeast of Al Madinah Al Munawarah. MBCC started commercial production on 1 July 2016.
  - ***Precious and base metals division under Corporate*** – related cost and exploration expenses in Ma’aden Corporate has been allocated to this segment.

- **Corporate**
  - Is responsible for effective management and governance including funding of subsidiaries and joint ventures that carry out various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products.

(All amounts in Saudi Riyals unless otherwise stated)

7.2 Business segment financial information for the period / year ended

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
30 June 2018						
Sales of goods and services to external customers	7.3	3,026,081,791	2,861,290,869	1,090,677,962	-	6,978,050,622
Gross profit		1,174,060,007	1,090,091,743	466,262,151	-	2,730,413,901
Income from time deposits	13	850	-	-	47,454,820	47,455,670
Underlying EBITDA		1,541,530,409	1,707,261,688	617,847,500	(104,730,858)	3,761,908,739
Depreciation and amortization		(598,179,392)	(707,866,506)	(229,295,589)	(8,719,259)	(1,544,060,746)
Underlying EBIT		943,351,017	999,395,182	388,551,911	(113,450,117)	2,217,847,993
Operating special items and re-measurements:						
Non-operating other (expenses) / income, net	15	(4,909,136)	3,731,081	(11,374,152)	(283,810)	(12,836,017)
Share in net profit of a joint venture	21.1.3	-	-	70,487,620	-	70,487,620
Net profit / (loss) before net finance income / (cost), zakat and income tax		938,441,881	1,003,126,263	447,665,379	(113,733,927)	2,275,499,596
Net profit / (loss) attributable to shareholders of the parent company		478,844,305	437,030,585	403,824,466	(163,773,741)	1,155,925,615
Mine properties	17	4,898,335,299	1,396,392,312	2,656,324,860	-	8,951,052,471
Property, plant and equipment	18	15,848,744,742	28,141,147,272	9,955,460	127,767,436	44,127,614,910
Capital work-in-progress	19	20,937,951,275	5,310,018,098	1,811,514	43,871,923	26,293,652,810
Intangible assets	20	83,136,668	208,326,570	19,742,512	18,129,687	329,335,437
Investment in a joint venture	21	-	-	1,004,544,159	-	1,004,544,159
Total assets		46,069,695,154	39,583,194,988	4,192,807,470	5,377,541,619	95,223,239,231
Long-term borrowings	36.7	27,857,412,209	24,050,099,341	1,084,130,703	-	52,991,642,253
Obligation under finance lease	38	-	6,336,816	37,819,326	-	44,156,142
Total liabilities		30,839,345,903	26,514,696,326	1,600,095,123	385,555,718	59,339,693,070

(All amounts in Saudi Riyals unless otherwise stated)

7.2 Business segment financial information for the period / year ended (continued)

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
30 June 2017						
Sales of goods and services to external customers	7.3	2,737,367,531	2,302,388,658	655,501,179	-	5,695,257,368
Gross profit		1,001,580,886	707,030,496	228,954,036	-	1,937,565,418
Income from time deposits	13	3,005,466	1,501,795	-	36,967,515	41,474,776
Underlying EBITDA		1,391,034,551	1,314,629,130	330,939,196	(104,236,812)	2,932,366,065
Depreciation and amortization		(545,051,765)	(696,345,936)	(151,543,565)	(9,652,638)	(1,402,593,904)
Underlying EBIT		845,982,786	618,283,194	179,395,631	(113,889,450)	1,529,772,161
Operating special items and re-measurements:						
Non-operating other (expenses) / income, net	15	(8,501,587)	2,683,024	(2,001,699)	(51,058,613)	(58,878,875)
Share in net profit of a joint venture	21.1.3	-	-	32,996,471	-	32,996,471
Net profit / (loss) before net finance income / (cost), zakat and income tax		837,481,199	620,966,218	210,390,403	(164,948,063)	1,503,889,757
Net profit / (loss) attributable to shareholders of the parent company		430,889,462	176,255,188	187,704,913	(162,770,899)	632,078,664
Mine properties	17	4,941,460,768	1,431,781,248	2,910,861,710	-	9,284,103,726
Property, plant and equipment	18	15,574,920,943	29,070,053,992	10,571,543	140,009,482	44,795,555,960
Capital work-in-progress	19	20,650,543,603	6,139,645,026	8,686,519	43,609,802	26,842,484,950
Intangible assets	20	90,789,257	240,586,760	10,562,828	15,829,674	357,768,519
Investment in a joint venture	21	-	-	865,402,586	-	865,402,586
Total assets		44,716,807,449	40,694,526,019	4,278,599,128	4,458,805,547	94,148,738,143
Long-term borrowings	36.7	27,359,648,175	24,604,182,706	1,297,752,270	-	53,261,583,151
Obligation under finance lease	38	-	20,484,905	58,441,024	-	78,925,929
Total liabilities		30,753,357,704	26,558,982,035	1,777,421,806	1,011,460,197	60,101,221,742

(All amounts in Saudi Riyals unless otherwise stated)

7.2 Business segment financial information for the period / year ended (continued)

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
31 December 2017						
Sales of goods and services to external customers	7.3	5,461,224,495	5,031,550,231	1,593,159,444	-	12,085,934,170
Gross profit		1,867,195,503	1,427,175,664	639,133,437	-	3,933,504,604
Income from time deposits	13	3,477,570	3,309,962	-	70,709,111	77,496,643
Underlying EBITDA		2,545,032,912	2,572,185,313	820,832,204	(175,204,904)	5,762,845,525
Depreciation and amortization		(1,127,967,078)	(1,362,227,713)	(338,744,184)	(20,642,140)	(2,849,581,115)
Underlying EBIT		1,417,065,834	1,209,957,600	482,088,020	(195,847,044)	2,913,264,410
Operating special items and re-measurements:						
Non-operating other (expenses) / income, net	15	(17,257,193)	(444,749)	(1,000,615)	(47,498,975)	(66,201,532)
Impairment of capital work-in-progress*	19	-	(446,250,000)	-	-	(446,250,000)
Impairment of investment in joint ventures**	21.2	-	(30,750,000)	-	-	(30,750,000)
Share in net profit of a joint venture	21.1.3	-	-	101,650,424	-	101,650,424
Net profit / (loss) before net finance income / (cost), zakat and income tax		1,399,808,641	732,512,851	582,737,829	(243,346,019)	2,471,713,302
Net profit / (loss) attributable to shareholders of the parent company		640,361,277	(183,046,140)	517,064,487	(259,537,738)	714,841,886
Mine properties	17	4,943,241,944	1,420,759,553	2,734,031,950	-	9,098,033,447
Property, plant and equipment	18	15,610,933,567	28,693,443,136	12,848,842	133,707,243	44,450,932,788
Capital work-in-progress*	19	21,030,769,552	5,252,622,714	86,878,993	39,198,718	26,409,469,977
Intangible assets	20	86,896,716	216,256,255	21,581,350	20,889,139	345,623,460
Investment in joint ventures**	21	-	-	934,056,539	-	934,056,539
Total assets		45,861,745,801	39,950,561,537	4,291,293,331	5,013,395,641	95,116,996,310
Long-term borrowings	36.7	28,369,128,044	24,369,956,783	1,156,772,912	-	53,895,857,739
Obligation under finance lease	38	-	13,592,151	48,255,936	-	61,848,087
Total liabilities		31,265,446,048	27,049,649,164	1,673,267,341	598,654,239	60,587,016,792

*An amount of SAR 446,250,000 was recognised as an impairment in capital work-in-progress of the aluminium segment at the year ended 31 December 2017.

**An amount of SAR 30,750,000 was recognised as an impairment in joint ventures of the aluminium segment during the period ended 30 June 2017.

(All amounts in Saudi Riyals unless otherwise stated)

7.3 Geographical segment

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operation is conducted only in the Kingdom of Saudi Arabia and therefore all the non-current assets of the Group are located within the Kingdom of Saudi Arabia.

The Group's geographical distribution of revenue generation by destination for the period / year ended is as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2018						
International						
Indian subcontinent and Asia-pacific		**2,048,640,521**	**497,418,907**	**2,909,360**	**-**	**2,548,968,788**
Brazil, Singapore, GCC MENA, Europe, Latin America and North America		**639,384,471**	**1,238,315,798**		**-**	**1,877,700,269**
Switzerland and others		**313,494,222**	**700,525,516**	**1,087,768,602**	**-**	**2,101,788,340**
Sub-total		**3,001,519,214**	**2,436,260,221**	**1,090,677,962**	**-**	**6,528,457,397**
Domestic		**18,393,708**	**425,030,648**	**-**	**-**	**443,424,356**
Total	7.2,8	**3,019,912,922**	**2,861,290,869**	**1,090,677,962**	**-**	**6,971,881,753**
30 June 2017						
International						
Indian subcontinent and Asia-pacific		1,742,927,045	734,575,598	-	-	2,477,502,643
Brazil, Singapore, GCC MENA, Europe, Latin America and North America		380,485,354	1,175,905,174	1,428,491	-	1,557,819,019
Switzerland and others		595,282,198	71,457,753	654,072,688	-	1,320,812,639
Sub-total		2,718,694,597	1,981,938,525	655,501,179	-	5,356,134,301
Domestic		18,672,934	320,450,133	-	-	339,123,067
Total	7.2,8	2,737,367,531	2,302,388,658	655,501,179	-	5,695,257,368
31 December 2017						
International						
Indian subcontinent and Asia-pacific		3,811,780,222	1,133,740,902	-	-	4,945,521,124
Brazil, Singapore, GCC MENA, Europe, Latin America and North America		705,713,599	2,345,321,499	3,993,525	-	3,055,028,623
Switzerland and others		897,149,773	939,798,617	1,589,165,919	-	3,426,114,309
Sub-total		5,414,643,594	4,418,861,018	1,593,159,444	-	11,426,664,056
Domestic		46,580,901	612,689,213	-	-	659,270,114
Total	7.2,8	5,461,224,495	5,031,550,231	1,593,159,444	-	12,085,934,170

(All amounts in Saudi Riyals unless otherwise stated)

7.3 Geographical segment (continued)

The Group's geographical distribution of external revenue by major customers by destination for the period / year ended are as follows:

	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2018					
Customer No. 1 – Switzerland	**-**	**-**	**1,017,673,620**	**-**	**1,017,673,620**
Customer No. 2 – Indian subcontinent	**922,192,540**	**-**	**-**	**-**	**922,192,540**
Customer No. 3 – Spain	**-**	**623,240,652**	**-**	**-**	**623,240,652**
Customer No. 4 – Brazil	**631,352,496**	**-**	**-**	**-**	**631,352,496**
30 June 2017					
Customer No. 1 – Indian subcontinent	721,088,799	-	-	-	721,088,799
Customer No. 2 – Switzerland	-	-	580,271,658	-	580,271,658
Customer No. 3 – Spain	-	543,303,492	-	-	543,303,492
Customer No. 4 – Brazil	372,431,588	-	-	-	372,431,588
31 December 2017					
Customer No. 1 – Indian subcontinent	1,950,271,753	-	-	-	1,950,271,753
Customer No. 2 – Switzerland	-	-	1,428,230,236	-	1,428,230,236
Customer No. 3 – Spain	-	1,192,670,053	-	-	1,192,670,053
Customer No. 4 – Brazil	691,069,381	-	-	-	691,069,381

The Group's revenue generation by product for the period / year ended is as follows:

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2018						
Phosphate fertilizer and ammonia		**2,951,134,648**	**-**	**-**	**-**	**2,951,134,648**
Low grade bauxite, caustic calcined magnesia, dead burned magnesia and monolithic		**68,471,930**	**-**	**-**	**-**	**68,471,930**
Primary aluminium		**-**	**2,653,707,366**	**-**	**-**	**2,653,707,366**
Alumina		**-**	**206,961,531**	**-**	**-**	**206,961,531**
Gold		**-**	**-**	**1,090,677,962**	**-**	**1,090,677,962**
Infrastructure		**306,344**	**621,972**	**-**	**-**	**928,316**
Total	7.2, 8	**3,019,912,922**	**2,861,290,869**	**1,090,677,962**	**-**	**6,971,881,753**

(All amounts in Saudi Riyals unless otherwise stated)

7.4 Geographical segment (continued)

The Group's revenue generation by product for the period / year ended is as follows (continued):

	Notes	Phosphate	Aluminium	Precious and base metals	Corporate	Total
30 June 2017						
Phosphate fertilizer and ammonia		2,691,682,769	-	-	-	2,691,682,769
Low grade bauxite and caustic calcined magnesia		45,679,193	-	-	-	45,679,193
Primary aluminium		-	2,262,968,907	-	-	2,262,968,907
Alumina		-	39,408,445	-	-	39,408,445
Gold		-	-	655,501,179	-	655,501,179
Infrastructure		5,569	11,306	-	-	16,875
Total	7.2, 8	2,737,367,531	2,302,388,658	655,501,179	-	5,695,257,368
31 December 2017						
Phosphate fertilizer and ammonia		5,350,833,240	-	-	-	5,350,833,240
Low grade bauxite, caustic calcined magnesia and dead burned magnesia		110,187,810	-	-	-	110,187,810
Primary aluminium		-	4,991,567,481	-	-	4,991,567,481
Alumina		-	39,569,695	-	-	39,569,695
Gold		-	-	1,593,159,444	-	1,593,159,444
Infrastructure		203,445	413,055	-	-	616,500
Total	7.2, 8	5,461,224,495	5,031,550,231	1,593,159,444	-	12,085,934,170

All the subsidiaries and joint venture entities listed in Notes 2 and 7.1, are incorporated in the Kingdom of Saudi Arabia.

(All amounts in Saudi Riyals unless otherwise stated)

8 Sales

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Phosphate segment						
Phosphate fertilizer and ammonia						
• Sale of goods		**1,384,860,887**	1,461,463,822	**2,855,244,488**	2,691,682,769	5,350,833,240
• Rendering of transportation services		**68,152,287**	-	**102,059,029**	-	-
Sub-total		**1,453,013,174**	1,461,463,822	**2,957,303,517**	2,691,682,769	5,350,833,240
Industrial minerals		**31,075,718**	25,816,207	**68,471,930**	45,679,193	110,187,810
Sub-total		**1,484,088,892**	1,487,280,029	**3,025,775,447**	2,737,361,962	5,461,021,050
Aluminium segment						
Primary aluminium		**1,320,314,103**	1,170,888,398	**2,653,707,366**	2,262,968,907	4,991,567,481
Alumina		**114,208,967**	-	**206,961,531**	39,408,445	39,569,695
Sub-total		**1,434,523,070**	1,170,888,398	**2,860,668,897**	2,302,377,352	5,031,137,176
Precious and base metals segment						
Gold		**495,337,742**	328,994,150	**1,090,677,962**	655,501,179	1,593,159,444
Infrastructure						
Rendering of services		**473,816**	8,438	**928,316**	16,875	616,500
Total	7.3	**3,414,423,520**	2,987,171,015	**6,978,050,622**	5,695,257,368	12,085,934,170
Gold sales analysis						
Quantity of gold ounces (Oz) sold		**103,290**	69,471	**221,023**	139,823	333,381
Average realized price per ounce (Oz) in:						
US$		**1,279**	1,263	**1,316**	1,250	1,274
Saudi Riyals (equivalent)		**4,796**	4,736	**4,935**	4,688	4,779

(All amounts in Saudi Riyals unless otherwise stated)

9 Cost of sales

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Salaries and staff related benefits		**262,951,287**	255,940,898	**517,023,264**	474,860,500	973,017,780
Contracted services		**166,109,484**	176,564,645	**328,895,466**	355,427,102	717,876,809
Repairs and maintenance		**28,996,925**	30,086,327	**55,251,700**	57,561,050	117,064,675
Consumables		**45,431,684**	42,079,557	**87,042,876**	79,503,592	134,087,056
Overheads		**40,306,015**	54,350,157	**167,616,822**	182,045,708	442,319,490
Raw material and utilities consumed		**758,704,697**	851,029,811	**1,672,902,556**	1,523,932,801	3,304,668,344
Sale of by-products	4.3,9.1	**(25,232,780)**	(12,965,098)	**(47,385,282)**	(32,984,424)	(90,852,704)
Inventory losses		**-**	-	**-**	14,754,862	8,388,636
Write-off of obsolete and slow moving spare parts and consumable materials	27	**-**	-	**-**	-	4,058,354
Allowance for inventory obsolescence	27.1	**10,000,000**	-	**20,000,000**	-	22,438,321
Severance fees	43	**30,862,507**	5,111,865	**66,369,158**	13,582,674	73,093,714
Total cash operating costs		**1,318,129,819**	1,402,198,162	**2,867,716,560**	2,668,683,865	5,706,160,475
Depreciation of mine properties	17.1	**170,317,393**	117,321,971	**319,046,294**	233,666,612	505,285,879
Depreciation of property, plant and equipment	18.1	**581,569,635**	564,008,289	**1,189,172,789**	1,139,221,053	2,287,053,143
Amortisation of intangible assets	20.1	**6,194,031**	6,935,130	**12,381,243**	13,843,673	20,294,014
Total operating costs		**2,076,210,878**	2,090,463,552	**4,388,316,886**	4,055,415,203	8,518,793,511
(Increase) / decrease in inventory	24,27	**20,205,930**	(115,214,269)	**(140,680,165)**	(297,723,253)	(366,363,945)
Total		**2,096,416,808**	1,975,249,283	**4,247,636,721**	3,757,691,950	8,152,429,566

9.1 Sale of by-products comprise of the following commodities:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Copper		**8,888,998**	4,717,283	**17,614,590**	14,559,217	34,700,739
Zinc		**16,145,170**	7,359,301	**27,092,755**	15,293,142	48,263,728
Silver		**198,612**	888,514	**2,677,937**	3,132,065	7,888,237
Total	9	**25,232,780**	12,965,098	**47,385,282**	32,984,424	90,852,704

(All amounts in Saudi Riyals unless otherwise stated)

10 Selling, marketing and logistic expenses

	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Salaries and staff related benefits	**12,854,923**	14,493,786	**23,758,382**	21,182,809	45,418,518
Contracted services	**1,739,637**	242,150	**2,074,826**	1,259,792	6,991,550
Freight and overheads	**48,438,605**	45,995,410	**92,462,710**	75,555,374	177,529,820
Consumables	**8,774**	238,497	**51,122**	293,327	184,760
Marketing fees and deductibles	**81,927,521**	26,324,176	**140,615,293**	83,230,910	273,102,217
Other selling expenses	**2,492,846**	5,637,310	**8,196,779**	8,922,445	27,650,630
Total	**147,462,306**	92,931,329	**267,159,112**	190,444,657	530,877,495

11 General and administrative expenses

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Salaries and staff related benefits		**72,084,114**	56,229,136	**130,752,925**	89,089,210	201,964,648
Contracted services		**9,600,595**	16,218,709	**18,531,810**	48,719,744	79,542,650
Overheads and other		**8,922,829**	16,539,056	**14,282,928**	23,609,145	64,428,407
Consumables		**160,234**	219,386	**395,287**	523,668	1,627,255
Repair parts		**29,246**	107,840	**157,865**	107,840	586,964
Depreciation of mine properties	17.1	**98,206**	114,477	**196,412**	212,683	392,830
Depreciation of property, plant and equipment	18.1	**8,388,567**	6,319,551	**17,924,714**	12,466,662	26,928,555
Amortisation of intangible assets	20.1	**1,629,875**	1,148,702	**3,259,747**	1,936,056	6,335,751
Total		**100,913,666**	96,896,857	**185,501,688**	176,665,008	381,807,060

12 Exploration and technical services expenses

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Salaries and staff related benefits		**11,250,227**	9,269,490	**20,685,583**	13,637,206	28,530,175
Contracted services		**10,417,222**	2,992,374	**14,434,533**	7,334,904	25,802,021
Overheads and other		**494,366**	952,596	**2,205,149**	1,724,728	3,003,498
Consumables		**967,759**	105,322	**1,617,685**	253,064	1,308,357
Repair parts		**8,600**	118,324	**303,455**	123,900	266,299
Depreciation of mine properties	17.1	**36,646**	36,120	**73,292**	72,766	146,585
Depreciation of property, plant and equipment	18.1	**1,013,787**	506,366	**2,006,255**	1,174,399	3,144,358
Total		**24,188,607**	13,980,592	**41,325,952**	24,320,967	62,201,293

(All amounts in Saudi Riyals unless otherwise stated)

13 Income from time deposits

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Income from time deposits – measured at amortised cost	7.2	**25,953,992**	18,806,185	**47,455,670**	41,474,776	77,496,643

14 Finance cost

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Public Investment Fund		**95,053,939**	79,581,021	**190,843,966**	158,287,525	354,174,576
Saudi Riyal procurement		**33,427,468**	62,809,603	**61,606,177**	125,429,024	258,351,526
Commercial		**21,384,145**	9,130,191	**40,357,641**	18,083,863	55,658,912
US Dollar procurement		**7,197,257**	13,401,801	**14,568,124**	26,699,779	55,101,085
Wakala		**8,037,685**	15,103,112	**16,431,149**	30,200,528	65,908,680
Saudi Industrial Development Fund		**5,633,333**	1,404,501	**10,483,333**	2,809,000	19,890,000
Riyal Murabaha facility		**117,006,085**	98,871,645	**239,077,592**	195,367,157	382,248,125
Sukuk facility		**30,423,828**	-	**44,141,167**	-	-
Revolving credit facility		**4,921,875**	5,680,974	**9,843,750**	11,343,421	24,187,500
Others		**6,362,750**	19,767,397	**20,070,977**	58,694,894	43,755,761
Sub-total		**329,448,365**	305,750,245	**647,423,876**	626,915,191	1,259,276,165
Amortization of revolving loan transaction cost	24	**3,562,500**	-	**7,125,000**	-	-
Amortization of transaction cost on long-term borrowings	36.10	**51,750,884**	31,361,282	**77,574,565**	62,823,965	274,320,433
Accretion of provision for mine decommissioning obligations	37.1,37.2, 37.3,37.4	**3,486,336**	4,504,806	**8,304,047**	9,095,197	18,047,031
Unwinding of discount of non-current obligations under finance lease	38	**731,444**	1,339,506	**1,619,525**	3,073,625	5,307,249
Finance cost on employees' end of service termination benefits obligation	39.1	**4,855,700**	3,893,573	**9,711,398**	7,813,192	19,429,917
Unwinding of discount of long-term retention payable	40.1	**6,129,785**	3,912,477	**12,640,904**	4,214,676	39,625,169
Total	14.1	**399,965,014**	350,761,889	**764,399,315**	713,935,846	1,616,005,964

14.1 Summary of finance cost

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Expensed during the quarter / period / year	14	**399,965,014**	350,761,889	**764,399,315**	713,935,846	1,616,005,964
Borrowing cost capitalised as part of qualifying assets in capital work-in-progress during the quarter / period / year	19	**154,855,566**	55,031,008	**294,105,713**	154,741,223	495,873,199
Amortization of transaction cost capitalized as part of qualifying assets in capital work-in-progress during the quarter / period / year	19,36.10	**10,736,374**	9,985,014	**21,585,601**	20,095,531	40,484,382
Total		**565,556,954**	415,777,911	**1,080,090,629**	888,772,600	2,152,363,545

(All amounts in Saudi Riyals unless otherwise stated)

15 Other income / (expenses), net

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Purchase order price adjustment		**(932,364)**	17,956	**(1,886,274)**	(22,350,660)	(26,788,319)
Trade receivables written-off	28	**(146,519)**	-	**(146,519)**	-	-
Loss on exchange difference	47.1.1	**(1,978,573)**	(196,102)	**(3,260,483)**	(643,756)	(2,011,643)
Withholding taxes related to prior years		**-**	-	**-**	-	(28,954,944)
Provision for research and development fund	40.2	**(1,285,937)**	-	**(2,959,173)**	-	(6,534,222)
Provision for community development fund	40.2	**(1,285,937)**	-	**(2,959,173)**	-	(6,534,221)
Award payable in a legal case to a contractor		**-**	-	**(9,402,909)**	-	-
Gain from supply of electricity to Saudi Ports Authority		**6,985,634**	-	**6,985,634**	-	-
Others, net		**6,079,357**	(32,265,126)	**792,880**	(35,884,459)	4,621,817
Total	7.2	**7,435,661**	(32,443,272)	**(12,836,017)**	(58,878,875)	(66,201,532)

16 Earnings per ordinary share

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Profit attributable to shareholders of the parent company		**517,760,803**	356,467,375	**1,155,925,615**	632,078,664	714,841,886
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	31	**1,168,478,261**	1,168,478,261	**1,168,478,261**	1,168,478,261	1,168,478,261
Basic and diluted earnings per ordinary share from continuing operations		**0.44**	0.30	**0.98**	0.54	0.61

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares in issue during the quarter / period / year.

(All amounts in Saudi Riyals unless otherwise stated)

17 Mine properties

				----- Operating mines -----								
	Notes	**Exploration and evaluation assets**	**Mines under construction**	**Fixed plant and heap leaching***	**Mine infrastructure / buildings**	**Civil works**	**Heavy equipment***	**Others***	**Mine closure and rehabilitation provision**	**Stripping activity asset**	**Mining capital work-in-progress**	**Total**
Cost												
1 January 2017		269,803,530	2,319,071,679	4,603,694,631	1,927,739,705	467,701,274	348,803,224	397,751,810	197,425,201	93,545,847	470,218,016	11,095,754,917
Additions during the period		8,439,946	146,706,106	-	-	-	-	-	-	46,638,648	57,674,822	259,459,522
Transfers within mine properties		-	(164,408,974)	66,578,535	1,708,047	33,373,975	5,185,116	8,470,192	-	-	49,093,109	-
Transfer from capital work-in-progress	19	-	-	-	-	-	-	-	-	-	13,829,815	13,829,815
Adjustments		-	-	-	-	-	-	-	-	-	(1,784,502)	(1,784,502)
30 June 2017		278,243,476	2,301,368,811	4,670,273,166	1,929,447,752	501,075,249	353,988,340	406,222,002	197,425,201	140,184,495	589,031,260	11,367,259,752
Additions during the remainder of the year		28,632,615	30,573,050	6,402,090	-	-	-	34,730	1,103,556	52,259,636	(33,711,698)	85,293,979
Transfers within mine properties		-	-	56,780,093	8,707,000	-	6,521,507	4,087,183	-	-	(76,095,783)	-
Adjustments		-	-	(1,526,053)	-	-	-	(1,619,640)	-	-	1,784,502	(1,361,191)
31 December 2017		306,876,091	2,331,941,861	4,731,929,296	1,938,154,752	501,075,249	360,509,847	408,724,275	198,528,757	192,444,131	481,008,281	11,451,192,540
Additions during the period		14,530,624	15,425,848	442,098	-	-	-	-	-	32,793,289	77,510,917	140,702,776
Transfers within mine properties		-	-	(9,576,425)	14,831,666	1,550,742	4,228,897	24,630,406	-	-	(35,665,286)	-
Transfer from capital work-in-progress	19	-	-	-	-	-	-	-	-	-	85,067,479	85,067,479
Written-off during the period		-	-	-	-	-	-	-	-	-	(18,579,156)	(18,579,156)
Transfers to property, plant and equipment	18	-	-	(2,285,413)	2,213,979	(48,263,059)	2,987,698	17,978,925	-	-	-	(27,367,870)
Adjustment of the provision for decommissioning, site rehabilitation and dismantling obligation	37.3	-	-	-	-	-	-	-	(18,847,132)	-	-	(18,847,132)
Adjustments		-	-	-	(24,000)	-	-	-	-	-	-	(24,000)
30 June 2018		**321,406,715**	**2,347,367,709**	**4,720,509,556**	**1,955,176,397**	**454,362,932**	**367,726,442**	**451,333,606**	**179,681,625**	**225,237,420**	**589,342,235**	**11,612,144,637**

(All amounts in Saudi Riyals unless otherwise stated)

17 Mine properties (continued)

				---------- Operating mines ----------								
	Notes	**Exploration and evaluation assets**	**Mines under construction**	**Fixed plant and heap leaching***	**Mine infrastructure / buildings**	**Civil works**	**Heavy equipment***	**Others***	**Mine closure and rehabilitation provision**	**Stripping activity asset**	**Mining capital work-in-progress**	**Total**
Accumulated depreciation												
1 January 2017		-	-	1,104,639,978	445,743,189	23,550,074	93,884,739	131,927,108	33,636,384	15,822,493	-	1,849,203,965
Charge for the period	17.1	-	-	126,890,723	33,597,231	8,783,921	13,578,874	35,383,083	4,220,939	11,497,290	-	233,952,061
30 June 2017		-	-	1,231,530,701	479,340,420	32,333,995	107,463,613	167,310,191	37,857,323	27,319,783	-	2,083,156,026
Charge for the remainder of the year	17.1	-	-	150,289,035	70,482,825	8,288,199	21,659,083	14,021,522	2,953,945	4,178,624	-	271,873,233
Adjustments / reclassifications		-	-	(593,465)	-	-	-	(1,276,701)	-	-	-	(1,870,166)
31 December 2017		-	-	1,381,226,271	549,823,245	40,622,194	129,122,696	180,055,012	40,811,268	31,498,407	-	2,353,159,093
Charge for the period	17.1	-	-	160,531,840	74,845,781	7,615,277	25,054,800	28,472,037	1,172,124	21,624,139	-	319,315,998
Transfers to property, plant and equipment	18	-	-	(4,724,434)	2,389,431	(17,818,262)	3,797,550	4,656,561	-	-	-	(11,699,154)
Adjustment of the provision for decommissioning, site rehabilitation and dismantling obligation	37.3	-	-	-	-	-	-	-	316,229	-	-	316,229
30 June 2018		**-**	**-**	**1,537,033,677**	**627,058,457**	**30,419,209**	**157,975,046**	**213,183,610**	**42,299,621**	**53,122,546**	**-**	**2,661,092,166**
Net book value as at												
30 June 2017	7.2	278,243,476	2,301,368,811	3,438,742,465	1,450,107,332	468,741,254	246,524,727	238,911,811	159,567,878	112,864,712	589,031,260	9,284,103,726
31 December 2017	7.2	306,876,091	2,331,941,861	3,350,703,025	1,388,331,507	460,453,055	231,387,151	228,669,263	157,717,489	160,945,724	481,008,281	9,098,033,447
30 June 2018	7.2	**321,406,715**	**2,347,367,709**	**3,183,475,879**	**1,328,117,940**	**423,943,723**	**209,751,396**	**238,149,996**	**137,382,004**	**172,114,874**	**589,342,235**	**8,951,052,471**

* Mine properties includes plant and equipment acquired as part of finance lease (Note 17.3).

17. Mine properties (continued)

Initial recognition at cost

Exploration and evaluation asset

Expenditure is transferred from “Exploration and evaluation assets” to “Mines under construction” which is a sub-category of “Mine properties” once the work completed to date supports the future development of the property and such development receives appropriate approvals.

Mines under construction

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in “Mines under construction”. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine.

Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss and other comprehensive income. After production starts, all assets included in “Mines under construction” are then transferred to “Producing mines” which is also a sub-category of “Mine properties”.

Mine closure and rehabilitation provision

Mine closure and rehabilitation provision includes the following restoration activities:

- dismantling and removing structures,
- rehabilitating mines and tailing dams,
- dismantling operating facilities,
- closing plant and waste sites and
- restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operations location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing carrying amount of the related mining assets to the extent that is was incurred as a result of the development/construction of the mine.

Operating mines

Upon completion of the “Mine under construction” phase, the assets are transferred into “Mine properties” or “Property, plant and equipment”. Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchases price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included in property, plant and equipment.

Stripping activity asset

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of mine, before the production phase commences (development stripping), are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using a UOP method. The capitalization of developing stripping costs ceases when the mine / component is commissioned and ready for use as intended by management.

17. Mine properties (continued)

Stripping activities undertaken during the production phase of a surface mine (production stripping) is generally considered to create two benefits:

- the production of inventory or
- improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a "stripping activity asset".

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of "Mine properties" in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mining capital work-in-progress

It is normal industry practice for producing mines to embark on major capital expenditure projects to enhance or improve the existing flow sheet and are accounted for as "Capital work-in-progress" until its completion for intended use, when it is transferred at cost to the producing mine and put into use, from which point onwards it is being depleted.

Depreciation and impairment

Exploration and evaluation assets

Exploration and evaluation assets are not being depreciated, but are tested annually for impairment in accordance with IFRS 6.

Mines under construction

"Mines under construction" are not depreciated until construction is completed and the assets are available for their intended use. This is signified by the formal commissioning of the mine for commercial production.

Mine closure and rehabilitation provision, operating mines and stripping activity asset

The carrying values of mine closure and rehabilitation provision, producing mines and stripping activity assets are depleted on a systematic basis and are tested for impairment on an annual basis and when impairment indicators have been identified.

Mining capital work-in-progress

Mining capital work-in-progress are not depreciated until the construction is completed and the assets are available for their intended use. Mining capital work-in-progress are tested for impairment annually and when impairment indicators have been identified.

(All amounts in Saudi Riyals unless otherwise stated)

17. Mine properties (continued)

17.1 Allocation of depreciation charge for the quarter / period / year to:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Expensed through profit or loss						
Cost of sales	9	**170,317,393**	117,321,971	**319,046,294**	233,666,612	505,285,879
General and administrative expenses	11	**98,206**	114,477	**196,412**	212,683	392,830
Exploration and technical services expenses	12	**36,646**	36,120	**73,292**	72,766	146,585
Total	17	**170,452,245**	117,472,568	**319,315,998**	233,952,061	505,825,294

17.2 Mining properties pledged as security

Mine properties with a net book value at 30 June 2018 of SAR 5,722,323,047 (30 June 2017: SAR 5,884,954,976 and 31 December 2017: SAR 5,682,315,912) are pledged as security to lenders under the Common Term Agreements (Note 36.11).

17.3 Plant and equipment acquired as part of finance lease

	Notes	Fixed plant and heap leaching	Heavy equipment	Others	Total
Cost					
30 June 2017		89,732,132	56,931,767	46,673,816	193,337,715
31 December 2017		89,732,132	56,931,767	46,673,816	193,337,715
30 June 2018		**89,732,132**	**56,931,767**	**46,673,816**	**193,337,715**
Accumulated depreciation					
1 January 2017		32,901,782	19,840,338	15,866,366	68,608,486
Charge for the period		8,973,214	3,070,066	3,582,861	15,626,141
30 June 2017		41,874,996	22,910,404	19,449,227	84,234,627
Charge for the remainder of the year		8,973,213	3,932,803	3,582,861	16,488,877
31 December 2017		50,848,209	26,843,207	23,032,088	100,723,504
Charge for the period		8,973,215	3,501,434	3,582,860	16,057,509
30 June 2018		**59,821,424**	**30,344,641**	**26,614,948**	**116,781,013**
Net book value					
30 June 2017	17	47,857,136	34,021,363	27,224,589	109,103,088
31 December 2017	17	38,883,923	30,088,560	23,641,728	92,614,211
30 June 2018	17	**29,910,708**	**26,587,126**	**20,058,868**	**76,556,702**

Leased plant and equipment with a net book value of SAR 76,556,702 at 30 June 2018 (30 June 2017: SAR 109,103,088 and 31 December 2017: SAR 92,614,211) has been pledged as security to the lessors (Note 38.3).

(All amounts in Saudi Riyals unless otherwise stated)

18 Property, plant and equipment

		Non – mining assets									
	Notes	**Land**	**Civil works**	**Buildings**	**Heavy equipment**	**Other equipment**	**Fixed plant**	**Office equipment**	**Furniture and fittings**	**Motor vehicles**	**Total**
Cost											
1 January 2017		61,550,000	5,237,880,463	12,249,669,327	160,917,722	2,468,853,443	29,516,395,049	75,384,733	66,446,886	45,755,932	49,882,853,555
Additions during the period		-	-	-	-	-	114,169,930	-	-	-	114,169,930
Transfer from capital work-in-progress during the period	19	-	1,247,138	103,974,171	-	9,295,179	3,291,958,509	5,662,790	90,539	280,343	3,412,508,669
Written-off during the period		-	-	-	-	(25,929,339)	-	-	-	-	(25,929,339)
Adjustments		-	-	-	-	-	-	-	-	(588,354)	(588,354)
30 June 2017		61,550,000	5,239,127,601	12,353,643,498	160,917,722	2,452,219,283	32,922,523,488	81,047,523	66,537,425	45,447,921	53,383,014,461
Addition during the remainder of the year		-	-	-	-	-	27,749,116	236,611	-	-	27,985,727
Transfer from capital work-in-progress during the remainder of the year	19	-	47,311,543	172,179,160	170,457	129,678,309	487,949,105	2,917,091	508,993	-	840,714,658
Written-off during the remainder of the year		-	-	-	-	(93,934,488)	-	-	-	-	(93,934,488)
Adjustments		-	-	-	-	-	1,526,053	(1,072,287)	-	(647,226)	(193,460)
31 December 2017		61,550,000	5,286,439,144	12,525,822,658	161,088,179	2,487,963,104	33,439,747,762	83,128,938	67,046,418	44,800,695	54,157,586,898
Additions during the period		-	-	-	-	-	173,798,517	-	-	-	173,798,517
Transfers from mine properties	17	-	23,537,872	485,063	1,037,893	(12,419,545)	14,222,596	46,685	422,505	34,801	27,367,870
Transfer from capital work-in-progress during the period	19	-	8,499,197	571,526,283	-	109,620,238	27,716,314	53,581	-	-	717,415,613
Written-off during the period		-	-	-	-	(96,149,202)	-	-	-	-	(96,149,202)
Adjustments		-	-	24,000	-	-	-	-	-	-	24,000
30 June 2018		**61,550,000**	**5,318,476,213**	**13,097,858,004**	**162,126,072**	**2,489,014,595**	**33,655,485,189**	**83,229,204**	**67,468,923**	**44,835,496**	**54,980,043,696**

(All amounts in Saudi Riyals unless otherwise stated)

18 Property, plant and equipment (continued)

	Notes	Non – mining assets									
		Land	Civil works	Buildings	Heavy equipment	Other equipment	Fixed plant	Office equipment	Furniture and fittings	Motor vehicles	Total
Accumulated depreciation											
1 January 2017		-	463,755,831	740,891,518	52,314,277	654,665,713	5,389,867,555	39,051,260	53,823,458	29,430,342	7,423,799,954
Charge for the period	18.1	-	84,416,092	190,599,843	3,999,735	149,055,726	733,561,299	5,327,321	2,326,628	4,443,957	1,173,730,601
Written-off during the period		-	-	-	-	(9,566,714)	-	-	-	-	(9,566,714)
Adjustment		-	-	-	-	-	-	-	-	(505,340)	(505,340)
30 June 2017		-	548,171,923	931,491,361	56,314,012	794,154,725	6,123,428,854	44,378,581	56,150,086	33,368,959	8,587,458,501
Charge for the remainder of the year	18.1	-	88,773,938	147,732,610	4,011,454	130,336,824	802,368,901	5,959,768	2,020,125	4,143,818	1,185,347,438
Written-off during the remainder of the year		-	-	-	-	(64,942,767)	-	-	-	-	(64,942,767)
Adjustment		-	-	-	-	-	593,465	(1,072,287)	-	(730,240)	(1,209,062)
31 December 2017		-	636,945,861	1,079,223,971	60,325,466	859,548,782	6,926,391,220	49,266,062	58,170,211	36,782,537	9,706,654,110
Charge for the period	18.1	-	85,805,590	182,684,044	4,021,043	160,503,256	787,809,600	4,447,439	1,116,106	3,813,646	1,230,200,724
Written-off during the period		-	-	-	-	(96,149,202)	-	-	-	-	(96,149,202)
Transfers from mine properties	17	-	11,518,329	(30,505)	1,037,893	(11,486,302)	10,163,847	38,586	422,505	34,801	11,699,154
Adjustment		-	-	24,000	-	-	-	-	-	-	24,000
30 June 2018		**-**	**734,269,780**	**1,261,901,510**	**65,384,402**	**912,416,534**	**7,724,364,667**	**53,752,087**	**59,708,822**	**40,630,984**	**10,852,428,786**
Net book value											
30 June 2017	7.2	61,550,000	4,690,955,678	11,422,152,137	104,603,710	1,658,064,558	26,799,094,634	36,668,942	10,387,339	12,078,962	44,795,555,960
31 December 2017	7.2	61,550,000	4,649,493,283	11,446,598,687	100,762,713	1,628,414,322	26,513,356,542	33,862,876	8,876,207	8,018,158	44,450,932,788
30 June 2018	7.2	**61,550,000**	**4,584,206,433**	**11,835,956,494**	**96,741,670**	**1,576,598,061**	**25,931,120,522**	**29,477,117**	**7,760,101**	**4,204,512**	**44,127,614,910**

(All amounts in Saudi Riyals unless otherwise stated)

18. Property, plant and equipment (continued)

18.1 Allocation of depreciation charge for the quarter / period / year to:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Expensed through profit or loss						
Cost of sales	9	**581,569,635**	564,008,289	**1,189,172,789**	1,139,221,053	2,287,053,143
General and administrative expenses	11	**8,388,567**	6,319,551	**17,924,714**	12,466,662	26,928,555
Exploration and technical services expenses	12	**1,013,787**	506,366	**2,006,255**	1,174,399	3,144,358
Sub-total		**590,971,989**	570,834,206	**1,209,103,758**	1,152,862,114	2,317,126,056
Capital work-in-progress	19	**10,996,224**	10,329,255	**21,096,966**	20,868,487	41,951,983
Total	18	**601,968,213**	581,163,461	**1,230,200,724**	1,173,730,601	2,359,078,039

18.2 Property, plant and equipment pledged as security

Property, plant and equipment with a net book value at 30 June 2018 of SAR 15,410,170,787 (30 June 2017: SAR 32,191,923,557 and 31 December 2017: SAR 15,133,757,446) are pledged as security to lenders under the Common Term Agreement (Note 36.11).

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress

	Notes	Non-mining assets				
		Property, plant and equipment	**Automotive sheet**	**Administrative offices and others**	**Mutrafiah housing**	**Total**
1 January 2017		27,175,503,366	913,018,798	14,832,306	1,081,279,416	29,184,633,886
Additions during the period		1,027,756,983	49,298,671	49,595	7,965,291	1,085,070,540
Transfer to mine properties	17	(13,829,815)	-	-	-	(13,829,815)
Transfer to property, plant and equipment	18	(3,412,423,669)	-	(85,000)	-	(3,412,508,669)
Transfer to intangible assets	20	(880,992)	-	-	-	(880,992)
30 June 2017	7.2	24,776,125,873	962,317,469	14,796,901	1,089,244,707	26,842,484,950
Additions during the remainder of the year		1,842,445,752	99,278,586	47,199	3,446,883	1,945,218,420
Transfer to property, plant and equipment	18	(840,714,658)	-	-	-	(840,714,658)
Transfer to intangible assets	20	(21,742,336)	-	-	-	(21,742,336)
Transfer from intangible assets	20	23,165,191	-	-	-	23,165,191
Transfer to employees' home ownership program receivable	24	-	-	-	(1,092,691,590)	(1,092,691,590)
Impairment at the end of the year*		(446,250,000)	-	-	-	(446,250,000)
31 December 2017	7.2	25,333,029,822	1,061,596,055	14,844,100	-	26,409,469,977
Additions during the period		654,316,374	33,224,008	(59,043)	-	687,481,339
Transfer to mine properties	17	(85,067,479)	-	-	-	(85,067,479)
Transfer to property, plant and equipment	18	(717,415,613)	-	-	-	(717,415,613)
Transfer to intangible assets	20	(815,414)	-	-	-	(815,414)
30 June 2018	7.2	**25,184,047,690**	**1,094,820,063**	**14,785,057**	**-**	**26,293,652,810**

*In 2017 MRC's five year business plan was updated. The update involved an in depth review of each key element of MRC's income and costs (including sales volume and prices, operating costs and capital expenditure) and included a review of historical results and also a review of third party forecasts of the aluminium market. The updated plan included revised assumptions for the business including a lower rate of production growth than had been assumed previously and an impairment test was therefore carried out at the end of 2017.

The methodology used was again the discounted cash flow analysis. Key assumptions used in this analysis included a weighted average cost of capital (WACC) of 10.5% p.a. which was calculated using a Capital Asset Pricing Model (CAPM) methodology.

For the calculation of the terminal value, the Gordon Growth Method was adopted which included a growth rate assumption of 3.5% which has been estimated based on third party consultants forecasts for the industry.

The results of this analysis showed a deterioration in the fair value of MRC's assets and the requirement for an additional impairment charge of SAR 446 million.

(All amounts in Saudi Riyals unless otherwise stated)

19 Capital work-in-progress (continued)

The Group has capitalized as part of capital work-in-progress the following:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Net borrowing cost attributable to qualifying assets	14.1	**154,855,566**	55,031,008	**294,105,713**	154,741,223	495,873,199
Depreciation of property, plant and equipment	18.1	**10,996,224**	10,329,255	**21,096,966**	20,868,487	41,951,983
Amortisation of intangible assets	20.1	**771,788**	847,348	**1,482,447**	1,781,321	1,653,489
Amortization of transaction cost	14.1, 36.10	**10,736,374**	9,985,014	**21,585,601**	20,095,531	40,484,382
Gains attributable to re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	**-**	-	(1,511,535)
Total	18	**177,359,952**	76,192,625	**338,270,727**	197,486,562	578,451,518

At 30 June 2018, the net book value of SAR 24,621,109,443 (30 June 2017: SAR 23,867,440,245 and 31 December 2017: SAR 24,675,759,709) are pledged as security to the lenders (Note 36.11).

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets

	Notes	Infrastructure	Software and licenses	Internally developed software	Technical development	Total
Cost						
1 January 2017		297,876,390	208,027,038	24,369,462	17,705,112	547,978,002
Transfer from capital work-in-progress during the period	19	-	880,992	-	-	880,992
30 June 2017		297,876,390	208,908,030	24,369,462	17,705,112	548,858,994
Transfer from capital work-in-progress during the remainder of the year	19	-	21,742,336	-	-	21,742,336
Transfer to capital work-in-progress during the remainder of the year	19	-	(23,165,191)	-	-	(23,165,191)
31 December 2017		297,876,390	207,485,175	24,369,462	17,705,112	547,436,139
Additions during the period		-	20,000	-	-	20,000
Transfer from capital work-in-progress during the period	19	-	815,414	-	-	815,414
30 June 2018		**297,876,390**	**208,320,589**	**24,369,462**	**17,705,112**	**548,271,553**
Accumulated amortisation						
1 January 2017		78,092,468	75,485,638	15,145,646	4,805,673	173,529,425
Charge for the period	20.1	4,437,853	10,527,330	1,394,450	1,201,417	17,561,050
30 June 2017		82,530,321	86,012,968	16,540,096	6,007,090	191,090,475
Charge for the remainder of the year	20.1	3,770,440	4,359,944	1,390,401	1,201,419	10,722,204
31 December 2017		86,300,761	90,372,912	17,930,497	7,208,509	201,812,679
Charge for the period	20.1	4,104,147	10,423,424	1,394,449	1,201,417	17,123,437
30 June 2018		**90,404,908**	**100,796,336**	**19,324,946**	**8,409,926**	**218,936,116**
Net book value						
30 June 2017	7.2	215,346,069	122,895,062	7,829,366	11,698,022	357,768,519
31 December 2017	7.2	211,575,629	117,112,263	6,438,965	10,496,603	345,623,460
30 June 2018	7.2	**207,471,482**	**107,524,253**	**5,044,516**	**9,295,186**	**329,335,437**

(All amounts in Saudi Riyals unless otherwise stated)

20 Intangible assets (continued)

Intangible assets of with a net book value at 30 June 2018 of SAR 37,069,855 (30 June 2017: SAR 97,591,057 and 31 December 2017: SAR 40,075,519) are pledged as security to lenders under the Common Term Financing Agreement (Note 36.11).

Intangible assets for infrastructure comprises the infrastructure and support services assets at Ras Al-Khair that are transferred to the Royal Commission of Jubail and Yanbu (“RCJY”) as stated in the Implementation Agreement signed between Ma’aden and RCJY. The cost of the intangible assets comprises its purchase price and any costs directly attributable to bringing such assets to working condition for their intended use. Such intangible assets are carried at historical cost less accumulated amortization. Amortization is provided over the remaining period of LUSA (Land Usage and Service Agreement) term.

20.1 Allocation of amortisation charge for the quarter / period / year to:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Expensed through profit or loss						
Cost of sales	9	**6,194,031**	6,935,130	**12,381,243**	13,843,673	20,294,014
General and administrative expenses	11	**1,629,875**	1,148,702	**3,259,747**	1,936,056	6,335,751
Sub-total		**7,823,906**	8,083,832	**15,640,990**	15,779,729	26,629,765
Capital work-in-progress	19	**771,788**	847,348	**1,482,447**	1,781,321	1,653,489
Total	20	**8,595,694**	8,931,180	**17,123,437**	17,561,050	28,283,254

(All amounts in Saudi Riyals unless otherwise stated)

21 Investment in joint ventures

	Notes	30 June 2018	30 June 2017	31 December 2017
MBCC	21.1.3	**1,004,544,159**	865,402,586	934,056,539
SAMAPCO	21.2	**-**	-	-
Total	7.2	**1,004,544,159**	865,402,586	934,056,539

The Group's 50% interest in the issued and paid-up share capital of these two joint ventures are accounted for using the equity method of accounting, see Note 4.1.

Summarised financial information related to joint ventures

The financial statements of these two joint ventures are prepared in accordance with IFRS. The accounting policies used, in the preparation of these IFRS financial statements, as well as their reporting dates are consistent with that of the Group.

Summarized financial information (100% share) of MBCC, based on their reviewed interim or audited annual IFRS financial statements and a reconciliation with the carrying amount of the respective investments, as shown in the consolidated interim financial statements of the Group, are set out below:

21.1 MBCC

21.1.1 Summarised statement of profit or loss and other comprehensive income

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Sales and other operating revenues		**171,340,365**	210,070,167	**451,699,573**	357,711,922	796,098,526
Finance cost		**(1,760,064)**	(4,229,005)	**(4,394,312)**	(5,840,417)	(9,785,786)
Depreciation		**(35,933,076)**	(33,180,960)	**(73,277,352)**	(62,663,964)	(130,366,645)
Other expenses		**(62,576,257)**	(109,116,754)	**(199,076,210)**	(204,658,245)	(395,814,257)
Profit before zakat, severance fees and income tax		**71,070,968**	63,543,448	**174,951,699**	84,549,296	260,131,838
Zakat and severance fees		**(9,194,277)**	-	**(16,583,425)**	-	(30,498,641)
Income tax		**(9,195,709)**	-	**(16,584,857)**	-	(30,498,640)
Profit for the quarter / period / year from continuing operations		**52,680,982**	63,543,448	**141,783,417**	84,549,296	199,134,557
Other comprehensive income		**-**	-	**-**	-	2,998,388
Total comprehensive income		**52,680,982**	63,543,448	**141,783,417**	84,549,296	202,132,945
Group's share of total comprehensive income for the quarter / period / year *	7.2, 21.1.3	**26,341,207**	22,054,986	**70,487,620**	32,996,471	101,650,424

*Ma'aden's share in net income is reduced by zakat and severance fees which is applicable to Saudi shareholder only. Furthermore, share in net income is calculated based on available draft of MBCC financial statements at the time of issuance of Ma'aden consolidated financial statements. This sometimes may lead to minor variation which is adjusted in the next period.

(All amounts in Saudi Riyals unless otherwise stated)

21. Investment in joint ventures (continued)

21.1.2 Summarised statement of financial position

	30 June 2018	30 June 2017	31 December 2017
Assets			
Non-current assets	**1,826,453,769**	1,817,181,725	1,824,542,656
Current assets			
Other current assets	**305,104,473**	263,334,308	265,235,756
Cash and cash equivalents	**288,614,365**	57,759,924	189,267,716
Total assets	**2,420,172,607**	2,138,275,957	2,279,046,128
Liabilities			
Non-current liabilities			
Long-term borrowings	**-**	-	180,000,000
Other non-current liabilities	**59,077,183**	49,626,712	56,752,137
Current liabilities			
Current portion of long-term borrowings	**225,000,000**	225,000,000	45,000,000
Other current liabilities	**125,444,813**	139,819,426	128,426,796
Total liabilities	**409,521,996**	414,446,138	410,178,933
Net assets	**2,010,650,611**	1,723,829,819	1,868,867,195
Group's proportionate ownership %	**50%**	**50%**	**50%**
Group's proportionate ownership share in net assets*	**1,004,544,159**	865,402,586	934,056,539

*Group's proportionate ownership share in net assets includes zakat and severance fees impact (Note 21.1.1).

21.1.3 Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in MBCC (Note 2.10) is as follows:

	Notes	30 June 2018	30 June 2017	31 December 2017
Shares at cost	53	**202,482,646**	202,482,646	202,482,646
Other component of equity	44.2	**626,197,939**	626,197,939	626,197,939
Total equity contribution		**828,680,585**	828,680,585	828,680,585
Share of the accumulated profit		**175,863,574**	36,722,001	105,375,954
Carrying value of investment	21	**1,004,544,159**	865,402,586	934,056,539

Ma'aden's share of the accumulated profit in MBCC:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
1 April / 1 January		**149,522,367**	14,667,015	**105,375,954**	3,725,530	3,725,530
Share in net profit for the quarter / period / year	7.2, 21.1.1	**26,341,207**	22,054,986	**70,487,620**	32,996,471	101,650,424
30 June / 31 December		**175,863,574**	36,722,001	**175,863,574**	36,722,001	105,375,954

(All amounts in Saudi Riyals unless otherwise stated)

21. Investment in joint ventures (continued)

21.2 SAMAPCO

Reconciliation to carrying amounts

The investment of 50% in the issued and paid up share capital in SAMAPCO (Note 2.9) together with the Group's share of SAMAPCO's accumulated loss which has been impaired on the date of transition to IFRS i.e. 1 January 2016, is as follows:

	Notes	30 June 2018	30 June 2017	31 December 2017
Shares at cost	53	**450,000,000**	450,000,000	450,000,000
Additional contribution		**78,748,419**	47,998,419	78,748,419
Prior years		**78,748,419**	47,998,419	47,998,419
Current period / year		**-**	-	30,750,000
Sub-total		**528,748,419**	497,998,419	528,748,419
Share of the accumulated loss		**(125,224,180)**	(125,224,180)	(125,224,180)
Carrying value of investment		**403,524,239**	372,774,239	403,524,239
Less: Accumulated impairment		**(403,524,239)**	(372,774,239)	(403,524,239)
Prior years		**(403,524,239)**	(372,774,239)	(372,774,239)
Current period / year	7.2	**-**	-	(30,750,000)
Total	21	**-**	-	**-**

The impairment test was done using an equity valuation model, which included an appropriate market related discount rate.

The Group has issued guarantees in favor of SIDF and other financial institutions for financing facilities available to MBCC and SAMAPCO as is fully disclosed in Note 46.2.

Fair value of the investment in joint ventures cannot be determined, as no quoted market price is available for the investment in joint ventures.

22 Deferred tax

22.1 Income tax

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Deferred income tax		**(54,469,706)**	2,018,673	**(61,984,568)**	(820,913)	(30,864,737)
Deferred tax assets (charged) / credited to the consolidated statement of profit or loss	22.2	**(8,141,739)**	44,562,088	**3,917,661**	86,200,051	83,285,771
Deferred tax liabilities charged to the consolidated statement of profit or loss	22.3	**(46,327,967)**	(42,543,415)	**(65,902,229)**	(87,020,964)	(114,150,508)
Current income tax	42.5	**14,468,703**	(18,987,607)	**8,573,615**	(18,987,607)	(26,059,632)
Total income tax		**(40,001,003)**	(16,968,934)	**(53,410,953)**	(19,808,520)	(56,924,369)

The deferred income tax has arisen because of the temporary differences between the carrying value of certain items and their tax base. Following are the details of the deferred tax assets, liabilities and profit or loss charges and credits.

(All amounts in Saudi Riyals unless otherwise stated)

22 Deferred tax (continued)

22.2 Deferred tax assets

The balance comprises temporary differences attributable to:

	30 June 2018	30 June 2017	31 December 2017
Tax losses	**333,027,836**	361,576,432	335,575,658
Allowance for obsolete and slow moving spare parts and consumable materials	**2,008,000**	-	999,500
Property, plant and equipment, capital work-in-progress and intangible assets	**112,955,868**	92,500,164	113,943,609
Provision for decommissioning, site rehabilitation and dismantling obligations	**6,441,959**	1,712,517	1,757,007
Employees' end of service termination benefits obligation	**10,259,476**	8,849,984	9,449,043
Provision for research and development	**949,339**	-	-
Total deferred tax assets	**465,642,478**	464,639,097	461,724,817

The movement in net deferred tax assets during the period / year is as follows:

	Notes	Total
1 January 2017		378,439,046
Credited to the consolidated interim statement of profit or loss during the period	22.1	86,200,051
30 June 2017		464,639,097
Debited to the consolidated statement of profit or loss during the remainder of the year	22.1	(2,914,280)
31 December 2017		461,724,817
Credited to the consolidated interim statement of profit or loss during the period	22.1	3,917,661
30 June 2018		**465,642,478**

22.3 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	30 June 2018	30 June 2017	31 December 2017
Property, plant and equipment, capital work-in-progress and intangible assets	**454,381,204**	361,349,431	388,478,975

The movement in net deferred tax liabilities during the period / year is as follows:

	Notes	Total
1 January 2017		274,328,467
Debited to the consolidated interim statement of profit or loss during the period	22.1	87,020,964
30 June 2017		361,349,431
Debited to the consolidated statement of profit or loss during the remainder of the year	22.1	27,129,544
31 December 2017		388,478,975
Debited to the consolidated interim statement of profit or loss during the period	22.1	65,902,229
30 June 2018		**454,381,204**

(All amounts in Saudi Riyals unless otherwise stated)

23 Other investments

	Note	30 June 2018	30 June 2017	31 December 2017
Securities with original maturities of more than a year at the date of acquisition	5,49	**50,000,000**	50,000,000	50,000,000

This investment is a non-derivative financial assets with a fixed maturity that the Group has the intention and the ability to hold to maturity and which do not qualify as loans or receivables. This investment is classified as non-current assets based on its maturity, and initially recognised at fair value. At subsequent reporting dates, this financial asset is measured at amortised cost less any impairment losses.

24 Other non-current assets

	Notes	30 June 2018	30 June 2017	31 December 2017
Revolving loan transaction cost		**71,250,000**	-	71,250,000
Amortization of revolving loan transaction cost over the term of the facility	14	**(7,125,000)**	-	-
		64,125,000	-	71,250,000
Less: Current portion of revolving loan transaction cost	26	**(14,250,000)**	-	(14,250,000)
Sub-total		**49,875,000**	-	57,000,000
Stockpile of mined ore		**229,799,127**	317,950,744	230,362,092
Less: Current portion of stockpile of mined ore	27	**(180,610,517)**	(271,770,040)	(133,661,469)
Sub-total		**49,188,610**	46,180,704	96,700,623
Employees' home ownership program receivables	19	**1,052,470,456**	-	1,092,691,590
Less: repaid during the period / year		**(28,053,521)**	-	(40,221,134)
		1,024,416,935	-	1,052,470,456
Less: Current portion of employees' home ownership program receivables	28	**(59,961,860)**	-	(54,728,700)
Sub-total		**964,455,075**	-	997,741,756
Home ownership program – furniture and home loan		**24,212,544**	32,194,278	32,022,133
Total		**1,087,731,229**	78,374,982	1,183,464,512

25 Due from joint venture partner

	Notes	30 June 2018	30 June 2017	31 December 2017
Due from Alcoa Corporation	5,35, 44.2,49	**21,622,251**	51,734,426	13,652,075

This represents contribution receivable from Alcoa Corporation for its share of 25.1% in the automotive sheet project (Note 19 and 35), to extend the product mix of the aluminium complex at Ras Al-Khair, to also include automotive sheet.

(All amounts in Saudi Riyals unless otherwise stated)

26 Advances and prepayments

	Note	30 June 2018	30 June 2017	31 December 2017
Advances to contractors		**58,767,484**	83,994,534	51,450,134
Advances to employees		**52,173,664**	35,471,761	21,725,281
Prepaid rent		**20,506,854**	22,159,477	8,037,011
Prepaid insurance		**50,639,414**	37,736,453	30,717,827
Advances to Saudi Electricity Company		**70,000,000**	-	-
Current portion of revolving loan transaction cost	24	**14,250,000**	-	14,250,000
Other prepayments		**23,546,233**	11,175,351	16,094,671
Total		**289,883,649**	190,537,576	142,274,924

27 Inventories

	Notes	30 June 2018	30 June 2017	31 December 2017
Finished goods – ready for sale		**665,601,207**	398,408,282	563,174,513
Work-in-process		**589,126,651**	555,612,273	552,902,687
Current portion of stockpile of mined ore	24	**180,610,517**	271,770,040	133,661,469
By-products		**5,235,381**	8,470,210	2,642,909
Sub-total	9	**1,440,573,756**	1,234,260,805	1,252,381,578
Spare parts and consumables materials				
1 January		**1,458,835,545**	1,293,172,895	1,293,172,895
Net additions during the period / year		**129,773,730**	183,891,109	165,662,650
30 June / 31 December		**1,588,609,275**	1,477,064,004	1,458,835,545
Write-off of obsolete and slow-moving spare parts and consumable materials	9	**-**	-	(4,058,354)
Allowance for obsolete and slow-moving spare parts and consumable materials	27.1	**(58,291,650)**	(15,853,329)	(38,291,650)
		1,530,317,625	1,461,210,675	1,416,485,541
Raw materials		**869,046,817**	741,661,462	767,366,525
Sub-total		**2,399,364,442**	2,202,872,137	2,183,852,066
Total		**3,839,938,198**	3,437,132,942	3,436,233,644

27.1 Movement in the allowance for obsolete and slow moving spare parts and consumable materials is as follows:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**48,291,650**	15,853,329	**38,291,650**	15,853,329	15,853,329
Provision for / (reversal of) allowance for obsolescence	9	**10,000,000**	-	**20,000,000**	-	22,438,321
30 June / 31 December	27	**58,291,650**	15,853,329	**58,291,650**	15,853,329	38,291,650

(All amounts in Saudi Riyals unless otherwise stated)

28 Trade and other receivables

	Notes	30 June 2018	30 June 2017	31 December 2017
Trade receivables				
Other third party receivables		**1,758,225,615**	1,494,121,414	1,432,456,109
Due from Alcoa Inespal, S.A.	44.2	**127,859,631**	96,698,538	104,208,538
Due from SABIC	44.2	**298,912,587**	146,221,139	182,767,681
Due from The Mosaic Company	44.2	**23,874,305**	-	40,082,398
Due from Alcoa Warrick LLC	44.2	**19,134,858**	-	22,067,292
	47.1.3	**2,228,006,996**	1,737,041,091	1,781,582,018
Less: Trade receivables written-off	15	**(146,519)**	-	-
Less: Allowance for expected credit losses	28.1	**(336,385)**	-	-
Sub-total	47.2	**2,227,524,092**	1,737,041,091	1,781,582,018
Due from SABIC	44.2	**-**	28,807,037	28,807,037
Due from MBCC	44.2	**1,264,989**	-	747,566
Due from Saudi Mining Polytechnic (“SMP”)	44.2	**4,185,855**	4,225,888	4,183,905
Due from Saudi Ports Authority		**11,930,998**	4,561,745	5,748,858
Gross amount due		**15,443,473**	8,074,220	9,261,333
Allowance for doubtful debts	28.2	**(3,512,475)**	(3,512,475)	(3,512,475)
Zakat receivable from GAZT	42.2	**-**	-	44,575,187
Other		**110,577,534**	40,414,974	65,174,988
Investment income receivable		**12,580,013**	18,332,590	14,364,838
Current portion of employees’ home ownership program receivables	24	**59,961,860**	-	54,728,700
Total	49	**2,428,025,341**	1,833,383,325	1,999,913,097

The Group holds all its trade receivables, within a business model, with the objective of collecting the contractual cash flows. However, the contractual terms of certain trade receivables do not give rise, on a specific date, to cash flows that are solely payments of principal and interest on the principal outstanding. The contractual cash flows vary based on the change in price of the commodity, and will therefore be subsequently measured at FVTPL.

28.1 Movement in allowance for expected credit losses

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**336,385**	-	**336,385**	-	-
Increase in allowance for expected credit losses		**-**	-	**-**	-	-
30 June / 31 December	28	**336,385**	-	**336,385**	-	-

28.2 Movement in allowance for doubtful debts

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**3,512,475**	3,512,475	**3,512,475**	3,512,475	3,512,475
Increase in allowance for doubtful debts		**-**	-	**-**	-	-
30 June / 31 December	28	**3,512,475**	3,512,475	**3,512,475**	3,512,475	3,512,475

(All amounts in Saudi Riyals unless otherwise stated)

29 Time deposits

	Notes	30 June 2018	30 June 2017	31 December 2017
Time deposits with original maturities of more than three months and less than a year at the date of acquisition	47.3	**2,900,000,000**	2,837,962,190	2,240,000,000
Less: ECL allowance	29.1	**(941,528)**	-	-
Total	49	**2,899,058,472**	2,837,962,190	2,240,000,000

Time deposits yield financial income at prevailing market prices.

29.1 Movement in ECL allowance

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**941,528**	-	**941,528**	-	-
Increase in ECL allowance during the quarter / period / year		**-**	-	**-**	-	-
30 June / 31 December	29	**941,528**	-	**941,528**	-	-

30 Cash and cash equivalents

	Notes	30 June 2018	30 June 2017	31 December 2017
Unrestricted				
Time deposits with original maturities equal to or less than three months at the date of acquisition		**2,792,864,725**	2,533,126,453	3,625,320,169
Cash and bank balances		**572,358,261**	468,410,294	656,423,990
Sub-total	47.3	**3,365,222,986**	3,001,536,747	4,281,744,159
Restricted				
Cash and bank balances	4.14, 4.20,39.2	**69,914,840**	58,121,117	69,872,871
Total	49	**3,435,137,826**	3,059,657,864	4,351,617,030

Restricted cash and bank balances are related to employees' savings plan obligation.

31 Share capital

		30 June 2018	30 June 2017	31 December 2017
Authorized, issued and fully paid				
1,168,478,261	Ordinary shares with a nominal value of SAR 10 per share (Note 1 and 16)	**11,684,782,610**	11,684,782,610	11,684,782,610

(All amounts in Saudi Riyals unless otherwise stated)

32 Share premium

		30 June 2018	30 June 2017	31 December 2017
525,000,000	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share	**5,250,000,000**	5,250,000,000	5,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share, net of transaction cost	**3,141,351,697**	3,141,351,697	3,141,351,697
768,478,261	**Total**	**8,391,351,697**	8,391,351,697	8,391,351,697

33 Transfer of net income

	30 June 2018	30 June 2017	31 December 2017
1 January	**869,459,731**	797,975,542	797,975,542
Transfer of 10% of net income for the period / year	**-**	-	71,484,189
30 June / 31 December	**869,459,731**	797,975,542	869,459,731

In accordance with, the Company's Articles of Association, which is in compliance with the applicable Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of its annual net profit until such reserve equals 30% of the share capital.

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

34.1 Summarized statement of financial position

Non-controlling % interest in	Notes	MAC 25.1 % (Note 2.4)	MRC 25.1 % (Note 2.5)	MBAC 25.1 % (Note 2.6)	MPC 30 % (Note 2.7)	MWSPC 40 % (Note 2.8)	Total
30 June 2018							
Non-current assets		17,037,762,773	5,081,374,591	12,450,961,949	14,938,153,833	26,717,288,806	76,225,541,952
Current assets		3,197,635,212	1,876,537,143	1,261,988,097	2,370,901,266	1,991,258,609	10,698,320,327
Total assets		**20,235,397,985**	**6,957,911,734**	**13,712,950,046**	**17,309,055,099**	**28,708,547,415**	**86,923,862,279**
Non-current liabilities		11,277,089,437	4,072,139,741	7,290,519,444	9,158,413,600	17,912,814,717	49,710,976,939
Current liabilities		1,937,227,403	2,213,700,367	1,554,907,796	1,427,501,463	2,137,533,655	9,270,870,684
Total liabilities		**13,214,316,840**	**6,285,840,108**	**8,845,427,240**	**10,585,915,063**	**20,050,348,372**	**58,981,847,623**
Net assets of subsidiary company		**7,021,081,145**	**672,071,626**	**4,867,522,806**	**6,723,140,036**	**8,658,199,043**	**27,942,014,656**
Share of net assets		1,762,291,367	168,689,978	1,221,748,224	2,016,942,011	3,463,279,617	8,632,951,197
Zakat and tax impact		(63,659,074)	99,370,869	(13,132,063)	-	(17,030,175)	5,549,557
Impact of payment to increase share capital		-	(7,119,230)	-	-	-	(7,119,230)
Net assets attributable to non-controlling interest	34.3	**1,698,632,293**	**260,941,617**	**1,208,616,161**	**2,016,942,011**	**3,446,249,442**	**8,631,381,524**
30 June 2017							
Non-current assets		17,999,945,945	5,274,415,256	12,794,802,021	15,668,829,326	25,008,856,222	76,746,848,770
Current assets		2,172,807,250	1,322,700,850	1,050,713,042	2,241,233,677	1,287,897,141	8,075,351,960
Total assets		**20,172,753,195**	**6,597,116,106**	**13,845,515,063**	**17,910,063,003**	**26,296,753,363**	**84,822,200,730**
Non-current liabilities		10,192,299,249	4,240,393,005	8,070,142,813	9,866,246,388	17,491,308,525	49,860,389,980
Current liabilities		3,277,280,351	1,249,691,387	996,607,896	1,744,891,411	1,404,739,993	8,673,211,038
Total liabilities		**13,469,579,600**	**5,490,084,392**	**9,066,750,709**	**11,611,137,799**	**18,896,048,518**	**58,533,601,018**
Net assets of subsidiary company		**6,703,173,595**	**1,107,031,714**	**4,778,764,354**	**6,298,925,204**	**7,400,704,845**	**26,288,599,712**
Share of net assets		1,682,496,572	277,864,960	1,199,469,853	1,889,677,561	2,960,281,938	8,009,790,884
Zakat and tax impact		(19,436,268)	83,913,132	11,912,856	-	(9,162,422)	67,227,298
Impact of payment to increase share capital		-	(3,594,249)	-	-	-	(3,594,249)
Net assets attributable to non-controlling interest	34.3	**1,663,060,304**	**358,183,843**	**1,211,382,709**	**1,889,677,561**	**2,951,119,516**	**8,073,423,933**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.1 Summarized statement of financial position (continued)

Non-controlling % interest in	Note	MAC 25.1 %	MRC 25.1 %	MBAC 25.1 %	MPC 30 %	MWSPC 40 %	Total
31 December 2017							
Non-current assets		17,423,459,721	5,052,651,116	12,672,259,329	15,219,204,586	26,328,595,279	76,696,170,031
Current assets		2,731,803,073	1,444,543,587	1,132,301,349	2,326,239,886	2,175,416,307	9,810,304,202
Total assets		**20,155,262,794**	**6,497,194,703**	**13,804,560,678**	**17,545,444,472**	**28,504,011,586**	**86,506,474,233**
Non-current liabilities		11,244,842,852	4,111,087,038	7,861,415,695	9,303,281,553	17,941,863,306	50,462,490,444
Current liabilities		2,173,045,741	1,594,536,585	1,224,655,348	1,761,779,690	2,111,058,187	8,865,075,551
Total liabilities		**13,417,888,593**	**5,705,623,623**	**9,086,071,043**	**11,065,061,243**	**20,052,921,493**	**59,327,565,995**
Net assets of subsidiary company		**6,737,374,201**	**791,571,080**	**4,718,489,635**	**6,480,383,229**	**8,451,090,093**	**27,178,908,238**
Share of net assets		1,691,080,924	198,684,341	1,184,340,898	1,944,114,969	3,380,436,037	8,398,657,169
Zakat and tax impact		(48,931,345)	98,087,643	4,293,176	-	(12,524,830)	40,924,644
Impact of payment to increase share capital		-	(7,119,230)	-	-	-	(7,119,230)
Net assets attributable to non-controlling interest	34.3	**1,642,149,579**	**289,652,754**	**1,188,634,074**	**1,944,114,969**	**3,367,911,207**	**8,432,462,583**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income

Non-controlling % interest in	Notes	MAC 25.1 %	MRC 25.1 %	MBAC 25.1 %	MPC 30 %	MWSPC 40 %	Total
30 June 2018							
Sales		3,968,842,824	-	1,406,173,873	2,491,038,964	466,264,553	8,332,320,214
Profit / (loss) before zakat and income tax for the period		314,569,831	(121,212,705)	172,297,842	347,607,494	222,123,101	935,385,563
Zakat and income tax for the period		(30,862,887)	1,713,251	(23,264,671)	(8,827,228)	(15,014,151)	(76,255,686)
Other comprehensive income / (loss) for the period		-	-	-	-	-	-
Total comprehensive income / (loss) for the period		**283,706,944**	**(119,499,454)**	**149,033,171**	**338,780,266**	**207,108,950**	**859,129,877**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the period		78,957,027	(30,424,388)	43,246,758	104,282,247	88,849,240	284,910,884
Share of zakat and income tax for the period		(22,474,313)	1,713,251	(23,264,671)	(2,648,168)	(10,511,005)	(57,184,906)
Share of profit / (loss) for the period	34.3	56,482,714	(28,711,137)	19,982,087	101,634,079	78,338,235	227,725,978
Share of other comprehensive income / (loss) for the period	34.3	-	-	-	-	-	-
Total		**56,482,714**	**(28,711,137)**	**19,982,087**	**101,634,079**	**78,338,235**	**227,725,978**
30 June 2017							
Sales		3,184,975,001	-	892,582,190	2,039,435,588	652,247,181	6,769,239,960
Profit / (loss) before zakat and income tax for the period		231,651,219	(102,823,040)	(185,875,348)	76,231,277	390,013,828	409,197,936
Zakat and income tax for the period		(12,795,877)	5,092,923	6,715,593	(2,187,364)	(26,069,713)	(29,244,438)
Other comprehensive income / (loss) for the period		-	-	-	-	-	-
Total comprehensive income / (loss) for the period		**218,855,342**	**(97,730,117)**	**(179,159,755)**	**74,043,913**	**363,944,115**	**379,953,498**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the period		58,144,456	(25,808,582)	(46,654,712)	22,869,383	156,005,531	164,556,076
Share of zakat and income tax for the period		(12,795,877)	5,092,923	6,715,593	(656,209)	(20,270,869)	(21,914,439)
Share of profit / (loss) for the period	34.3	45,348,579	(20,715,659)	(39,939,119)	22,213,174	135,734,662	142,641,637
Share of other comprehensive income / (loss) for the period	34.3	-	-	-	-	-	-
Total		**45,348,579**	**(20,715,659)**	**(39,939,119)**	**22,213,174**	**135,734,662**	**142,641,637**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.2 Summarized statement of profit or loss and other comprehensive income (continued)

Non-controlling % interest in	Notes	MAC 25.1 %	MRC 25.1 %	MBAC 25.1 %	MPC 30 %	MWSPC 40 %	Total
31 December 2017							
Sales		6,822,085,531	-	1,934,061,919	4,253,915,855	1,096,917,385	14,106,980,690
Profit / (loss) before zakat and income tax for the year		293,871,203	(657,502,006)	(237,544,786)	252,264,600	514,038,664	165,127,675
Zakat and income tax for the year		(52,175,152)	24,017,505	(3,457,545)	(6,306,615)	(35,209,740)	(73,131,547)
Other comprehensive income / (loss) for the year		11,359,897	-	1,567,857	9,543,953	(1,999,561)	20,472,146
Total comprehensive income / (loss) for the year		**253,055,948**	**(633,484,501)**	**(239,434,474)**	**255,501,938**	**476,829,363**	**112,468,274**
Total comprehensive income / (loss) attributable to non-controlling interest:							
Share of profit / (loss) before zakat and income tax for the year		73,761,672	(165,033,003)	(59,623,741)	75,679,380	205,615,466	130,399,774
Share of zakat and income tax for the year		(52,175,152)	24,017,505	(3,457,545)	(1,891,984)	(27,289,289)	(60,796,465)
Share of profit / (loss) for the year	34.3	21,586,520	(141,015,498)	(63,081,286)	73,787,396	178,326,177	69,603,309
Share of other comprehensive income / (loss) for the year	34.3, 39.1.1	2,851,334	-	393,532	2,863,186	(799,824)	5,308,228
Total		**24,437,854**	**(141,015,498)**	**(62,687,754)**	**76,650,582**	**177,526,353**	**74,911,537**

(All amounts in Saudi Riyals unless otherwise stated)

34 Non-controlling interest (continued)

34.3 Movement of non-controlling interest

Non-controlling % interest in	Notes	MAC 25.1 %	MRC 25.1 %	MBAC 25.1 %	MPC 30 %	MWSPC 40 %	Total
1 January 2017		1,617,711,725	242,418,252	1,251,321,828	1,867,464,387	2,815,384,854	7,794,301,046
Share of net profit / (loss) for the period	34.2	45,348,579	(20,715,659)	(39,939,119)	22,213,174	135,734,662	142,641,637
Payment to increase share capital during the period	44.1	-	136,481,250	-	-	-	136,481,250
30 June 2017	34.1	1,663,060,304	358,183,843	1,211,382,709	1,889,677,561	2,951,119,516	8,073,423,933
Share of net profit / (loss) for the remainder of the year	34.2	(23,762,059)	(120,299,839)	(23,142,167)	51,574,222	42,591,515	(73,038,328)
Share of other comprehensive income / (loss) for the remainder of the year	34.2, 39.1.1	2,851,334	-	393,532	2,863,186	(799,824)	5,308,228
Increase in non-controlling interest during the remainder of the year	44.1	-	-	-	-	375,000,000	375,000,000
Payment to increase share capital during the remainder of the year	44.1	-	51,768,750	-	-	-	51,768,750
31 December 2017	34.1	1,642,149,579	289,652,754	1,188,634,074	1,944,114,969	3,367,911,207	8,432,462,583
Share of net profit / (loss) for the period	34.2	56,482,714	(28,711,137)	19,982,087	101,634,079	78,338,235	227,725,978
Dividend paid during the period	44.1	-	-	-	(28,807,037)	-	(28,807,037)
30 June 2018	34.1	**1,698,632,293**	**260,941,617**	**1,208,616,161**	**2,016,942,011**	**3,446,249,442**	**8,631,381,524**

(All amounts in Saudi Riyals unless otherwise stated)

35 Due to joint venture partner

	Notes	30 June 2018	30 June 2017	31 December 2017
Due to Alcoa Corporation	25, 44.2,49	**274,328,900**	241,541,684	266,358,724

Due to Alcoa Corporation, this represents their share of 25.1% in the joint venture project cost to extend the product mix of the aluminium complex at Ras Al-Khair, to also include automotive sheet.

(All amounts in Saudi Riyals unless otherwise stated)

36 Long-term borrowings

36.1 Facilities approved

- MRC, MBAC and MWSPC entered into Common Terms Agreements ("CTA") with the Public Investment Fund (PIF), Saudi Industrial Development Fund (SIDF) and consortiums of local financial institutions,
- the Company (Ma'aden) entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement,
- MGBM entered into two secured loan arrangements with Saudi Industrial Development Fund (SIDF),
- MIC and MPC entered into Murabaha Facility Agreement ("MFA") with Murabaha facility participants,
- MAC restructured its borrowing facility with PIF and entered into a new Common Terms Agreements ("CTA") with the consortiums of local financial institutions and
- MPC entered into a Sukuk Facility Agreement ("SFA") with Sukuk facility participants.

The facilities granted to the Group comprise of the following as at 30 June 2018:

	MRC agreement signed on 30 Nov. 2010	MBAC agreement signed on 27 Nov. 2011	Ma'aden agreement signed on 18 Dec. 2012 and renewed on 18 Dec. 2017	MWSPC agreement signed on 30 Jun. 2014	MGBM agreements signed on 24 Mar. 2015 and 26 Apr. 2015	MIC agreement signed on 30 Dec. 2015	MPC agreements signed on 25 Feb. 2016 and 28 Feb. 2018	MAC agreement signed on 14 Dec. 2017	Total
Public Investment Fund ("PIF")	3,078,750,000	3,750,000,000	-	7,500,000,000	-	-	-	4,275,375,000	18,604,125,000
Islamic and commercial banks									
Procurement*	1,041,000,000	2,690,712,844	-	4,299,854,655	-	-	-	-	8,031,567,499
Commercial*	-	258,750,000	-	5,450,145,345	-	-	-	1,503,750,000	7,212,645,345
Wakala	-	768,750,000	-	1,650,000,000	-	-	-	-	2,418,750,000
Sub-total	**1,041,000,000**	**3,718,212,844**	**-**	**11,400,000,000**	**-**	**-**	**-**	**1,503,750,000**	**17,662,962,844**
Saudi Industrial Development Fund ("SIDF")	600,000,000	900,000,000	-	2,100,000,000	1,379,000,000	-	-	-	4,979,000,000
Riyal Murabaha facility	-	-	-	-	-	1,000,000,000	11,493,750,000	5,178,750,000	17,672,500,000
Riyal Murabaha facility (a working capital facility)	375,000,000	340,000,000	-	-	-	-	-	-	715,000,000
Sub-total	**5,094,750,000**	**8,708,212,844**	**-**	**21,000,000,000**	**1,379,000,000**	**1,000,000,000**	**11,493,750,000**	**10,957,875,000**	**59,633,587,844**
Syndicated Revolving Credit Facility Agreement	-	-	7,500,000,000	-	-	-	-	-	7,500,000,000
HSBC Saudi Arabia – as agent for sukuk facility participants	-	-	-	-	-	-	3,500,000,000	-	3,500,000,000
Total facilities granted	**5,094,750,000**	**8,708,212,844**	**7,500,000,000**	**21,000,000,000**	**1,379,000,000**	**1,000,000,000**	**14,993,750,000**	**10,957,875,000**	**70,633,587,844**

36.1 Facilities approved (continued)

The CTAs impose the following conditions and financial covenants on each of the borrowing legal entities of the Group and if the conditions are met, the financial institutions will provide the long-term borrowing:

- the limitation on the creation of additional liens and/or financing obligations by MRC, MBAC and MWSPC, unless specifically allowed under the CTA,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

The MFAs imposed certain conditions and special covenants which include:

- safeguarding the entities' existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the MFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the MFA,
- payment obligations under MFA at all times rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders.

The SFA imposed certain conditions and special covenants which include:

- safeguarding the corporate existence as a limited liability company validly existing under the laws of the Kingdom of Saudi Arabia,
- restriction to substantial change in the general nature of company's business, unless specifically allowed under the SFA,
- restriction to enter into a single transaction or a series of transactions and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, unless specifically allowed under the SFA,
- financial ratio maintenance and
- restriction on dividend distribution to shareholders

MRC facility

*Facility Agents:

- Riyad Bank acts as Inter-creditor Agent,
- Bank Al Jazira acts as Riyal Procurement Facility Agent,
- Banque Saudi Fransi acts as Onshore Security Agent and
- Riyad Bank, London Branch acts as Offshore Security Trustee and Agent

MBAC facility

*Facility Agents:

- HSBC Saudi Arabia Limited acts as Inter-creditor Agent and as Commercial Facility Agent,
- National Commercial bank acts as Dollar Procurement Facility Agent and Riyal Procurement Facility Agent,
- Bank Al Jazira acts as Wakala Facility Agent,
- HSBC Saudi Arabia Limited acts as Onshore Security Agent and
- Riyad Bank, London Branch acts as Offshore Security Trustee and Agent.

36.1 Facilities approved (continued)

MWSPC facility

*Facility Agents:

- Islamic Development Bank and HSBC Saudi Arabia act as agents for procurement facility and
- Mizuho Corporate Bank Limited and Sumitomo Mitsui Banking Corporation act as agents for commercial facility.

Saudi Arabian Mining Company ("Ma'aden")

On 18 December 2012, the Company entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement ("Murabaha Facility Agreement") and other agreements (together referred to as "financing agreements") totaling to SAR 9 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. The facility is with a syndicate of local and international financial institutions, comprising of the following financial institutions:

- Al-Rajhi Bank
- Arab National Bank
- Bank Al-Bilad
- Bank AlJazira
- Banque Saudi Fransi
- J.P.Morgan Chase Bank, N.A., Riyadh Branch
- Riyad Bank
- Samba Financial Group
- The National Commercial Bank
- The Saudi British Bank
- The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

On 18 December 2017, the Company renewed its financing agreements revising the total facility amount from SAR 9 billion to SAR 7.5 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. This revolver facility is with a syndicate of local and international financial institutions, comprising the following financial institutions:

- Al-Rajhi Bank
- Arab National Bank
- Gulf International Bank B.S.C, Riyadh Branch
- Al-Awwal Bank
- Bank AlJazira
- Banque Saudi Fransi
- J.P.Morgan Chase Bank, N.A., Riyadh Branch
- Riyad Bank
- Samba Financial Group
- The National Commercial Bank
- The Saudi British Bank
- The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

(All amounts in Saudi Riyals unless otherwise stated)

36.1 Facilities approved (continued)

MGBM facility

The company entered into two secured loan arrangements with Saudi Industrial Development Fund ("SIDF). The facilities granted to the Company comprise of the following:

Date approved	Purpose	Facility approved
24 March 2015	To provide funding for the production of a semi alloy of gold at As Suq Mine	179,000,000
26 April 2015	To provide funding for the capital expenditure of the new gold mine at Ad-Duwayhi and water pipeline	1,200,000,000
Total facilities granted		**1,379,000,000**

The financing arrangements impose certain conditions and special covenants which include:

- the limitation of the creation of additional liens and/or financing obligations by the Company, unless specifically allowed under the loan agreement,
- financial ratio maintenance,
- maximum capital expenditures allowed,
- restriction on dividend distribution to shareholders and
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

MIC facility

On 30 December 2015 the company entered into a Murabaha Facility Agreement ("MFA") with HSBC Saudi Arabia Limited, comprising of:

Murabaha facility	Facility approved
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	1,000,000,000

The facility was drawn down on 17 February 2016.

MPC facility

On 15 June 2008, the company had entered into a CTA with a consortium of financial institutions, however, the facility had been repaid in full from a drawing on 30 March 2016 under a new MFA signed by the company on 25 February 2016 with Murabaha facility participants comprising of:

Murabaha facility	Facility approved
Riyad Bank – as agent for the Murabaha facility participants	11,493,750,000

The MFA signed by the company on 25 February 2016, have been partially repaid from a drawing under a new SFA signed by the company on 20 February 2018 with sukuk facility participants comprising of:

Sukuk facility	Facility approved
HSBC Saudi Arabia – as agent for the sukuk facility	3,500,000,000

(All amounts in Saudi Riyals unless otherwise stated)

36.1 Facilities approved (continued)

MAC facility

On 30 November 2010, the company had entered into a CTA with PIF, SIDF and a consortium of financial institutions. On 14 December 2017 the facility with PIF was restructured resulting in a revised repayment schedule and covenants. Effective the same date, the company entered into a new CTA agreement with commercial banks in respect of new Dollar conventional and Riyal Murabaha facilities to replace the balance of the facilities. Consequently, MAC's financing facilities comprise of:

	Facility approved
PIF – Amendment to the existing agreement	4,275,375,000
Islamic and commercial banks	
Dollar conventional	1,503,750,000
Riyal Murabaha	5,178,750,000
Sub-total	6,682,500,000
Total facilities approved	**10,957,875,000**

In addition to the scheduled repayments, the restructured PIF facility and the Dollar conventional and Riyal Murabaha facilities include provisions to make prepayments to the participants depending on the availability of excess cash for debt servicing. The prepayments continue until certain conditions have been met in respect of the outstanding balance under each of the facilities and are also limited in respect of time for the Dollar conventional and the Riyal Murabaha facilities.

Facility agents:

- The National Commercial Bank acts as Inter-creditor Agent and as Riyal Murabaha Facility Agent,
- The First Abu Dhabi Bank acts as Dollar Conventional Facility Agent.

The details of the CTA signed on 30 November 2010 which has been repaid in full during December 2017 were as follows:

Public Investment Fund ("PIF")	4,875,000,000
Islamic and commercial banks	
Procurement	5,047,500,000
Commercial	900,000,000
Wakala	787,500,000
Sub-total	6,735,000,000
Saudi Industrial Development Fund ("SIDF")	600,000,000
Riyal Murabaha facility (a working capital facility)	375,000,000
Total facilities approved	**12,585,000,000**

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTAs

MAC facility

During December 2017, the Company restructured its borrowing facilities by amending the PIF agreement and entering into the new CTA, whereas, the other facilities were prematurely settled in full.

	30 June 2018	30 June 2017	31 December 2017
Public Investment Fund	-	4,375,312,500	4,375,312,500
Less: Repaid during the period / year	-	(99,937,500)	(4,375,312,500)
Sub-total (Note 44.2)	-	4,275,375,000	-
Less: Transaction cost balance at the period / year end	-	(72,822,364)	-
Sub-total	-	4,202,552,636	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

The repayment of the loan started on 31 December 2014, on a six monthly basis, starting at SAR 99.9 million and increasing over the term of the loan with the final repayment of SAR 1,218 million on 30 June 2026 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 78,459,966 (30 June 2017: SAR 5,637,602) (Note 36.10).

	30 June 2018	30 June 2017	31 December 2017
Islamic and commercial banks			
Dollar procurement	-	834,675,000	834,675,000
Saudi Riyal procurement	-	3,695,456,250	3,695,456,250
Commercial	-	807,750,000	807,750,000
Wakala	-	706,781,250	706,781,250
	-	6,044,662,500	6,044,662,500
Less: Repaid during the period / year	-	(138,067,500)	(6,044,662,500)
Sub-total	-	5,906,595,000	-
Less: Transaction cost balance at the period / year end	-	(77,390,750)	-
Sub-total	-	5,829,204,250	-

The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the US Dollar facilities is LIBOR plus a margin (mark-up in case of Wakala facilities) that varies over the term of the loan.

The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin (mark-up in case of Wakala facilities) that varies over the term of the loan.

The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.65% to 2.75% per annum.

The repayment of the loans started from 31 December 2014, starting at SAR 138 million and increasing over the term of the loan with the final repayment of SAR 1,684 million on 30 June 2026 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 83,472,594 (30 June 2017: SAR 6,081,844) (Note 36.10).

	30 June 2018	30 June 2017	31 December 2017
Sub-total carried forward	-	10,031,756,886	-

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MAC facility (continued)

	30 June 2018	30 June 2017	31 December 2017
Balance brought forward	**-**	10,031,756,886	-
Saudi Industrial Development Fund	**-**	450,000,000	450,000,000
Less: Repaid during the period / year	**-**	(50,000,000)	(450,000,000)
Sub-total	**-**	400,000,000	-
Less: Transaction cost balance at the period / year end	**-**	(14,719,405)	-
Sub-total	**-**	385,280,595	-
Repayment of the SIDF facility started from 4 February 2015. The repayments are starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on 7 June 2020 (Note 36.8).			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 18,690,882 (30 June 2017: SAR 3,971,477) (Note 36.10).			
Riyal Murabaha facility (a working capital facility)	**-**	375,000,000	-
The repayment of the Murabaha facility is due on 30 September 2018 (Note 36.8).			
Total MAC borrowings (Note 36.7)	**-**	10,792,037,481	-

MAC facility – restructured on 14 December 2017

	30 June 2018	30 June 2017	31 December 2017
Public Investment Fund (Note 44.2)	**4,275,375,000**	-	4,275,375,000
Less: Transaction cost balance at the period / year end	**(44,980,510)**	-	(47,029,125)
Sub-total	**4,230,394,490**	-	4,228,345,875
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.			
After the restructuring on 14 December 2017, the repayment of the loan will start on 31 March 2023, on a six monthly basis, starting at SAR 99.9 million and increasing over the term of the loan with the final repayment of SAR 1,218 million on 30 September 2031 (Note 36.8).			
In addition, the company is required to make certain prepayments as described in Note 36.1.			
The upfront transaction cost incurred on the restructuring amounting to SAR 47,029,125 has been netted off with the loan balance as on December 2017 and is amortized over the term of the loan amounted to SAR 2,048,615 (Note 36.10).			
Sub-total carried forward	**4,230,394,490**	-	4,228,345,875

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MAC facility – restructured on 14 December 2017 (continued)

	30 June 2018	30 June 2017	31 December 2017
Balance brought forward	**4,230,394,490**	-	4,228,345,875
Islamic and commercial banks			
Riyal Murabaha	**5,178,750,000**	-	5,178,750,000
Commercial – USD conventional	**1,503,750,000**	-	1,503,750,000
Less: Transaction cost balance at the period / year end	**(68,539,027)**	-	(73,507,500)
Sub-total	**6,613,960,973**	-	6,608,992,500

The rate of commission on the principal amount of the loan drawn on Islamic Murabaha Riyal is Saudi Interbank Offered Rate ("SIBOR") plus a margin of 1.65%. whereas, the rate of commission on the principal amount of the loan drawn on Dollar Conventional facility is LIBOR plus a margin of 1.55%.

The repayment of the loan drawn on Islamic Murabaha Riyal will start from 31 March 2021, on a six monthly basis starting at SAR 259 million and increasing over the term of the loan with the final repayment of SAR 1,812 million on 30 September 2027 (Note 36.8).

The repayment of the loan drawn on Dollar Conventional facility will start from 31 March 2021, on a six monthly basis starting at SAR 129 million and increasing over the term of the loan with the final repayment of SAR 601 million on 30 September 2024 (Note 36.8).

In addition, the company is required to make certain prepayments as described in Note 36.1.

The upfront transaction cost incurred on obtaining the loan amounting to SAR 73,507,500 has been netted off with the loan balance as on December 2017 and is amortized over the term of the loan amounted to SAR 4,968,473 (Note 36.10).

	30 June 2018	30 June 2017	31 December 2017
Total MAC borrowings (Note 36.7)	**10,844,355,463**	-	10,837,338,375

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MRC facility

	30 June 2018	30 June 2017	31 December 2017
Public Investment Fund	**2,986,387,500**	3,047,962,500	3,047,962,500
Less: Repaid during the period / year	**-**	(30,787,500)	(61,575,000)
Sub-total (Note 44.2)	**2,986,387,500**	3,017,175,000	2,986,387,500
Less: Transaction cost balance at the period / year end	**(57,711,395)**	(68,991,255)	(63,303,309)
Sub-total	**2,928,676,105**	2,948,183,745	2,923,084,191

The rate of commission on the principal amount of the loan drawn for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%.

The repayment of the loan started on 31 December 2016, on a six monthly basis, starting at SAR 30.8 million and increasing over the term of the loan with the final repayment of SAR 153.9 million on 30 June 2026 (Note 36.8).

During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 5,591,914 (30 June 2017: SAR 5,687,946 and 31 December 2017: SAR 11,375,892) (Note 36.10).

Islamic and commercial banks			
Riyal procurement	**1,009,770,000**	1,030,590,000	1,030,590,000
Less: Repaid during the period / year	**-**	(10,410,000)	(20,820,000)
Sub-total	**1,009,770,000**	1,020,180,000	1,009,770,000
Less: Transaction cost balance at the period / year end	**(14,595,198)**	(17,698,183)	(16,133,002)
Sub-total	**995,174,802**	1,002,481,817	993,636,998

The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin that varies over the term of the loan.

The margin / mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.65% to 2.45% per annum.

The repayment of the loan started on 31 December 2016, starting at SAR 10.4 million and increasing over the term of the loan with the final repayment of SAR 13.5 million on 30 June 2026 (Note 36.8).

During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 1,537,804 (30 June 2017: SAR 1,565,181 and 31 December 2017: SAR 3,130,362) (Note 36.10).

Sub-total carried forward	**3,923,850,907**	3,950,665,562	3,916,721,189

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MRC facility (continued)

	30 June 2018	**30 June 2017**	**31 December 2017**
Balance brought forward	**3,923,850,907**	3,950,665,562	3,916,721,189
Saudi Industrial Development Fund	**475,000,000**	550,000,000	550,000,000
Less: Repaid during the period / year	**(50,000,000)**	(25,000,000)	(75,000,000)
Sub-total	**425,000,000**	525,000,000	475,000,000
Less: Transaction cost balance at the period/ year end	**(16,580,228)**	(24,012,323)	(20,041,212)
Sub-total	**408,419,772**	500,987,677	454,958,788
Repayment of the SIDF facility started from 25 January 2016, starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on 19 July 2021 (Note 36.8).			
During June 2018, the repayments due on 30 June 2018 and 31 December 2018 were deferred to be paid on 30 June 2019.			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 3,460,984 (30 June 2017: SAR 3,971,111 and 31 December 2017: SAR 7,942,222) (Note 36.10).			
Riyal Murabaha facility (a working capital facility)	**375,000,000**	375,000,000	375,000,000
During the quarter ended 31 December 2017, the rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is revised to SIBOR plus 1.20% from SIBOR plus 0.95%.			
The repayment of the Murabaha facility is due on 31 July 2018 (Note 36.8).			
Total MRC borrowings (Note 36.7)	**4,707,270,679**	4,826,653,239	4,746,679,977

MBAC facility

	30 June 2018	**30 June 2017**	**31 December 2017**
Public Investment Fund	**3,600,000,000**	3,750,000,000	3,750,000,000
Less: Repaid during the period / year	**(93,750,000)**	(75,000,000)	(150,000,000)
Sub-total (Note 44.2)	**3,506,250,000**	3,675,000,000	3,600,000,000
Less: Transaction cost balance at the period / year end	**(69,746,252)**	(81,939,194)	(75,726,010)
Sub-total	**3,436,503,748**	3,593,060,806	3,524,273,990
The rate of commission on the principal amount of the loan drawn for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%.			
The repayment of the principal amount of PIF facility will be in 21 installments on a six monthly basis starting from 30 June 2017. The repayments are starting at SAR 75 million and increasing over the term of the loan with the final repayment of SAR 435 million on 30 June 2027 (Note 36.8).			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 5,979,758 (30 June 2017: SAR 6,213,184 and 31 December 2017: SAR 12,426,368) (Note 36.10).			
Sub-total carried forward	**3,436,503,748**	3,593,060,806	3,524,273,990

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	30 June 2018	30 June 2017	31 December 2017
Balance brought forward	**3,436,503,748**	3,593,060,806	3,524,273,990
Islamic and commercial banks			
Dollar procurement	**767,520,000**	799,500,000	799,500,000
Riyal procurement	**1,815,564,326**	1,891,212,844	1,891,212,844
Commercial	**248,400,000**	258,750,000	258,750,000
Wakala	**738,000,000**	768,750,000	768,750,000
	3,569,484,326	3,718,212,844	3,718,212,844
Less: Repaid during the period / year	**(92,955,322)**	(74,364,259)	(148,728,518)
Sub-total	**3,476,529,004**	3,643,848,585	3,569,484,326
Less: Transaction cost balance at the period / year end	**(41,795,041)**	(49,127,602)	(45,389,289)
Sub-total	**3,434,733,963**	3,594,720,983	3,524,095,037

The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on the all the dollar facilities is LIBOR plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan.

The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan.

The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.45% to 2.4% per annum.

The repayment of the principal amounts of Islamic and commercial total approved facilities started from 30 June 2017. The repayments are starting at SAR 74 million and increasing over the term of the loan with the final repayment of SAR 431 million on 30 June 2027 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 3,594,248 (30 June 2017: SAR 3,738,312 and 31 December 2017: SAR 4,185,358) (Note 36.10).

Sub-total carried forward	**6,871,237,711**	7,187,781,789	7,048,369,027

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MBAC facility (continued)

	30 June 2018	30 June 2017	31 December 2017
Balance brought forward	**6,871,237,711**	7,187,781,789	7,048,369,027
Saudi Industrial Development Fund	**860,000,000**	900,000,000	900,000,000
Less: Repaid during the period / year	**(90,000,000)**	-	(40,000,000)
Sub-total	**770,000,000**	900,000,000	860,000,000
Less: Transaction cost balance at the period / year end	**(43,219,512)**	(54,334,803)	(48,680,596)
Sub-total	**726,780,488**	845,665,197	811,319,404
Repayment of the SIDF facility started from July 2017. The repayments started at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 80 million in April 2024 (Note 36.8).			
SIDF has withheld loan processing and evaluation fee of SAR 75 million and will be amortized over the term of the loan.			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 5,461,084 (30 June 2017: SAR 5,654,209 and 31 December 2017: SAR 14,599,683) (Note 36.10).			
Riyal Murabaha facility (a working capital facility)	**340,000,000**	340,000,000	340,000,000
The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is Saudi Interbank Offered Rate ("SIBOR") plus 0.95%.			
The repayment of Murabaha facility is due on 24 January 2019 (Note 36.8).			
Total MBAC borrowings (Note 36.7)	**7,938,018,199**	8,373,446,986	8,199,688,431

MWSPC facility

	30 June 2018	30 June 2017	31 December 2017
Public Investment Fund (Note 44.2)	**6,839,278,174**	6,839,278,174	6,839,278,174
Less: Transaction cost balance at the period / year end	**(53,850,705)**	(61,142,066)	(57,478,142)
Sub-total	**6,785,427,469**	6,778,136,108	6,781,800,032
The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is LIBOR plus 1.5% per annum.			
The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from 30 June 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on 31 December 2030 (Note 36.8).			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 3,627,437 (30 June 2017: SAR 3,700,777 and 31 December 2017: SAR 7,364,701) (Note 36.10).			
Sub-total carried forward	**6,785,427,469**	6,778,136,108	6,781,800,032

(All amounts in Saudi Riyals unless otherwise stated)

36.2 Facilities utilized under the different CTA's (continued)

MWSPC facility (continued)

	30 June 2018	**30 June 2017**	**31 December 2017**
Balance brought forward	**6,785,427,469**	6,778,136,108	6,781,800,032
Islamic and commercial banks			
Dollar procurement	**304,392,518**	304,392,518	304,392,518
Saudi Riyal procurement	**2,620,254,420**	2,620,254,420	2,620,254,420
Commercial	**5,167,916,481**	5,099,154,158	5,140,424,311
Wakala	**1,488,141,198**	1,488,141,198	1,488,141,198
Sub-total	**9,580,704,617**	9,511,942,294	9,553,212,447
Less: Transaction cost balance at the period / year end	**(31,265,772)**	(62,588,863)	(46,703,936)
Sub-total	**9,549,438,845**	9,449,353,431	9,506,508,511

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.25% to 2.10% per annum.

The repayment of the principal amounts of loans will start from 30 June 2019. The repayments are starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on 31 December 2030 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 15,438,164 (30 June 2017: SAR 16,394,754 and 31 December 2017: SAR 32,279,681) (Note 36.10).

Saudi Industrial Development Fund	**1,680,000,000**	-	1,680,000,000
Less: Transaction cost balance at the period / year end	**(151,640,000)**	-	(154,160,000)
Sub-total	**1,528,360,000**	-	1,525,840,000

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of 1.7% per annum.

The repayment of the principal amounts of loans will start from 22 December 2018. The repayments are starting at SAR 60 million and increasing over the term of the loan (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 2,520,000 (30 June 2017: Nil and 31 December 2017: SAR 840,000) (Note 36.10).

Total MWSPC borrowings (Note 36.7)	**17,863,226,314**	16,227,489,539	17,814,148,543

(All amounts in Saudi Riyals unless otherwise stated)

36.3 Syndicated revolving credit facility

Ma'aden facility

	30 June 2018	30 June 2017	31 December 2017
Syndicated revolving credit facility (Note 36.7 and 47.3)	**-**	-	-

The rate of commission on the principal amount of the borrowing drawdown is SIBOR plus 0.85% per annum.

36.4 Facility utilized under the different CTA's

MGBM facility

	30 June 2018	30 June 2017	31 December 2017
As Suq mine			
Saudi Industrial Development Fund	**143,000,000**	171,000,000	171,000,000
Less: Repaid during the period / year	**(11,000,000)**	(8,000,000)	(28,000,000)
Sub-total	**132,000,000**	163,000,000	143,000,000
Less: Transaction cost balance at the period / year end	**(5,622,712)**	(7,980,603)	(6,755,017)
Sub-total	**126,377,288**	155,019,397	136,244,983
The repayment of this loan started on 20 July 2016, on a six monthly basis, starting at SAR 8 million and increasing over the term of the loan with the final repayment of SAR 18 million on 9 November 2022 (Note 36.8).			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 1,132,305 (30 June 2017: SAR 1,278,314 and 31 December 2017: SAR 2,503,900) (Note 36.10).			
Ad-Duwayhi mine and water pipeline			
Saudi Industrial Development Fund	**1,070,000,000**	1,200,000,000	1,200,000,000
Less: Repaid during the period / year	**(70,000,000)**	-	(130,000,000)
Sub-total	**1,000,000,000**	1,200,000,000	1,070,000,000
Less: Transaction cost balance at the period / year end	**(42,246,585)**	(57,267,127)	(49,472,071)
Sub-total	**957,753,415**	1,142,732,873	1,020,527,929
The repayment of this loan started on 9 July 2017, on a six monthly basis, starting at SAR 60 million and increasing over the term of the loan with the final repayment of SAR 100 million on 30 October 2023 (Note 36.8).			
The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 7,225,486 (30 June 2017: SAR 7,929,895 and 31 December 2017: SAR 15,724,951) (Note 36.10).			
Total MGBM borrowings (Note 36.7)	**1,084,130,703**	1,297,752,270	1,156,772,912

(All amounts in Saudi Riyals unless otherwise stated)

36.5 Facilities utilized under the different MFAs

MIC facility

	30 June 2018	**30 June 2017**	**31 December 2017**
HSBC Saudi Arabia Limited – as agent for the Murabaha facility participants	**883,000,000**	961,000,000	961,000,000
Less: Repaid during the period / year	**(39,000,000)**	(39,000,000)	(78,000,000)
Sub-total	**844,000,000**	922,000,000	883,000,000
Less: Transaction cost balance at the period / year end	**(7,500,000)**	(8,500,000)	(8,000,000)
	836,500,000	913,500,000	875,000,000
Total MIC borrowings (Note 36.7)	**836,500,000**	913,500,000	875,000,000

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1 % per annum.

The repayment of the principal amount of the loan started from 30 December 2016, in equal principal repayments of SAR 39 million, on a semi-annual over a 10 year period with the final principal repayment of SAR 298 million on 30 December 2025 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 500,000 (30 June 2017: SAR 500,000 and 31 December 2017: SAR 1,000,000) (Note 36.10).

MPC facility

	30 June 2018	**30 June 2017**	**31 December 2017**
Riyad Bank – as agent for the Murabaha facility participants	**10,344,375,000**	11,493,750,000	11,493,750,000
Less: Repaid during the period / year	**(4,074,687,500)**	(574,687,500)	(1,149,375,000)
Sub-total	**6,269,687,500**	10,919,062,500	10,344,375,000
Less: Transaction cost balance at the period / year end	**(47,024,640)**	(88,358,864)	(78,145,499)
	6,222,662,860	10,830,703,636	10,266,229,501
Total MPC borrowings (Note 36.7)	**6,222,662,860**	10,830,703,636	10,266,229,501

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1% per annum for SAR Murabaha facility and LIBOR plus 1.1% per annum for US Dollar Murabaha facility.

The repayment of this loan started from 25 February 2017, starting at SAR 575 million and increasing over the term of the loan with the final repayment of SAR 3,448 million on 25 February 2023 (Note 36.8).

The upfront transaction cost incurred, is amortized over the term of the loan amounted to SAR 35,870,859 (30 June 2017: SAR 10,594,890 and 31 December 2017: SAR 20,808,255) (Note 36.10).

(All amounts in Saudi Riyals unless otherwise stated)

36.6 Facility utilized under SFA

MPC facility

	30 June 2018	30 June 2017	31 December 2017
HSBC Saudi Arabia – as agent for the sukuk facility	**3,500,000,000**	-	-
Less: Repaid during the period / year	**-**	-	-
Sub-total	**3,500,000,000**	-	-
Less: Transaction cost balance at the period / year end	**(4,521,965)**	-	-
Total MPC borrowings (Note 36.7)	**3,495,478,035**	-	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of SIBOR plus 1.35% per annum

The one-time repayment of this loan of SAR 3,500 million will be on 20 February 2025 (Note 36.8).

The upfront transaction cost incurred in obtaining the sukuk facility amounting to SAR 4,725,000 has been netted off with the facility balance and is amortized over the term of the facility amounted to SAR 203,035 (Note 36.10).

36.7 Total borrowings

	Notes	30 June 2018	30 June 2017	31 December 2017
Facilities utilized under:				
CTAs:				
MAC – restructured on 14 December 2017	36.2	**10,957,875,000**	10,956,970,000	10,957,875,000
MRC	36.2	**4,796,157,500**	4,937,355,000	4,846,157,500
MBAC	36.2	**8,092,779,004**	8,558,848,585	8,369,484,326
MWSPC	36.2	**18,099,982,791**	16,351,220,468	18,072,490,621
Syndicated Revolving Credit Facility:				
Ma'aden	36.3	**-**	-	-
MGBM facility	36.4	**1,132,000,000**	1,363,000,000	1,213,000,000
MFAs:				
MIC	36.5	**844,000,000**	922,000,000	883,000,000
MPC	36.5	**6,269,687,500**	10,919,062,500	10,344,375,000
SFA:				
MPC	36.6	**3,500,000,000**	-	-
Sub-total	48,49	**53,692,481,795**	54,008,456,553	54,686,382,447
Less: Transaction cost balance at the period / year end		**(700,839,542)**	(746,873,402)	(790,524,708)
Sub-total	7.2	**52,991,642,253**	53,261,583,151	53,895,857,739
Less: Current portion of borrowings shown under current liabilities				
MAC		**-**	1,001,010,000	-
MRC		**663,732,999**	607,395,000	660,564,000
MBAC		**850,751,709**	466,069,582	513,410,645
MWSPC		**622,699,398**	-	621,737,172
MGBM		**183,500,000**	231,000,000	172,000,000
MIC		**78,000,000**	78,000,000	78,000,000
MPC		**737,610,294**	1,149,375,000	1,149,375,000
Sub-total		**3,136,294,400**	3,532,849,582	3,195,086,817
Long-term portion of borrowings		**49,855,347,853**	49,728,733,569	50,700,770,922

36.8 Maturity profile of long-term borrowings

	Notes	30 June 2018	30 June 2017	31 December 2017
2017		**-**	1,945,259,259	-
2018		**1,358,209,868**	3,779,821,779	3,195,086,817
2019		**3,490,931,635**	3,927,658,090	3,291,077,736
2020		**3,251,733,560**	4,382,892,575	3,661,668,070
2021		**4,340,244,791**	4,690,416,952	4,749,984,266
2022		**5,383,045,702**	6,244,110,405	6,204,421,881
2023		**6,468,346,069**	7,598,669,394	7,701,422,952
2024 through 2030		**29,399,970,170**	21,439,628,099	25,882,720,725
Total	47.1.2, 47.3	**53,692,481,795**	54,008,456,553	54,686,382,447

36.9 Facilities' currency denomination

Essentially half of the Group's facilities have been contracted in United States Dollar (US$) and Saudi Riyals (SAR) each and the drawdown balances of these facilities, represented in US$, are shown below:

	30 June 2018 (US$)	30 June 2017 (US$)	31 December 2017 (US$)
Public Investment Fund (US$)	**4,695,277,513**	4,748,487,513	4,720,277,513
Islamic and commercial banks			
Procurement (US$)	**280,513,338**	507,603,338	285,843,338
Procurement (SAR)	**1,439,548,913**	2,427,965,468	1,452,156,999
Commercial (US$)	**1,825,861,062**	1,619,254,442	1,819,779,816
Commercial (SAR)	**17,765,000**	18,620,000	18,240,000
Wakala (US$)	**-**	43,850,000	-
Wakala (SAR)	**588,512,653**	738,057,653	593,637,653
Murabaha (SAR)	**1,381,000,000**	-	1,381,000,000
Sub-total	**5,533,200,966**	5,355,350,901	5,550,657,806
Saudi Industrial Development Fund (SAR)	**1,068,533,333**	850,133,333	1,127,466,667
Riyal Murabaha facility (SAR)	**1,896,983,334**	3,157,616,667	2,993,966,666
Sukuk facility (SAR)	**933,333,333**	-	-
Riyal Murabaha facility (a working capital facility) (SAR)	**190,666,667**	290,666,667	190,666,667
Total	**14,317,995,146**	14,402,255,081	14,583,035,319

(All amounts in Saudi Riyals unless otherwise stated)

36.10 Amortization of transaction cost

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
CTAs:						
MAC – restructured on 14 December 2017	36.2	**3,508,544**	7,845,462	**7,017,088**	15,690,923	180,623,442
MRC	36.2	**5,295,351**	5,612,119	**10,590,702**	11,224,238	22,448,476
MBAC	36.2	**7,517,546**	7,802,853	**15,035,090**	15,605,705	31,211,409
MWSPC	36.2	**10,736,374**	9,985,014	**21,585,601**	20,095,531	40,484,382
MGBM facility	36.4	**4,201,983**	4,629,541	**8,357,791**	9,208,209	18,228,851
MFAs:						
MIC	36.5	**250,000**	250,000	**500,000**	500,000	1,000,000
MPC	36.5	**30,824,965**	5,221,307	**35,870,859**	10,594,890	20,808,255
SFA:						
MPC	36.6	**152,495**	-	**203,035**	-	-
Sub-total		**62,487,258**	41,346,296	**99,160,166**	82,919,496	314,804,815
Less: Capitalised as part of capital work-in-progress						
MWSPC	14.1,19	**10,736,374**	9,985,014	**21,585,601**	20,095,531	40,484,382
Total charged to finance cost	14	**51,750,884**	31,361,282	**77,574,565**	62,823,965	274,320,433

36.11 Security

The following assets were pledged as security for these long-term borrowings in accordance with the applicable CTAs:

	Notes	30 June 2018	30 June 2017	31 December 2017
Mine properties	17.2	**5,722,323,047**	5,884,954,976	5,682,315,912
Property, plant and equipment	18.2	**15,410,170,787**	32,191,923,557	15,133,757,446
Capital work-in-progress	19	**24,621,109,443**	23,867,440,245	24,675,759,709
Intangible assets	20	**37,069,855**	97,591,057	40,075,519
Total		**45,790,673,132**	62,041,909,835	45,531,908,586

(All amounts in Saudi Riyals unless otherwise stated)

37 Provision for decommissioning, site rehabilitation and dismantling obligations

	Notes	30 June 2018	30 June 2017	31 December 2017
Gold mines	37.1	**102,096,593**	91,997,922	97,248,815
Bauxite mine	37.2	**35,933,661**	34,113,885	35,000,134
Phosphate mines	37.3	**133,971,993**	147,064,229	150,804,353
Low grade bauxite, kaolin and magnesite mines	37.4	**5,811,590**	5,441,725	5,619,849
Total		**277,813,837**	278,617,761	288,673,151

Decommissioning provisions are made for the mine closure, reclamation and dismantling obligation of the mine and the related plants and infrastructure. These obligations are expected to be incurred in the year in which the mine is expected to be closed. Management estimates the provision based on management's understanding of the current legal requirements in the Kingdom of Saudi Arabia, terms of the license agreements and engineering estimates.

The provision for mine decommissioning obligation represents the present value of full amount of the estimated future closure and reclamation costs for the various operational mining properties, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognised when determined.

The movement in the provision for mine decommissioning obligation for each of the mines along with the year in which they commenced commercial production and expected date of closure is as follows:

(All amounts in Saudi Riyals unless otherwise stated)

37.1 Gold mines

	Notes	As Suq mine	Mahad mine	Ad Duwayhi mine	Al-Amar mine	Sukhaybarat mine	Bulghah mine	Total
1 January 2017		13,735,486	20,265,325	12,373,614	7,647,872	11,895,830	21,734,194	87,652,321
Increase arising from passage of time during the period	14	625,180	1,036,179	618,680	382,393	693,923	989,246	4,345,601
30 June 2017	37	14,360,666	21,301,504	12,992,294	8,030,265	12,589,753	22,723,440	91,997,922
Increase arising from passage of time during the remainder of the year	14	625,180	1,036,178	618,680	382,394	495,659	989,246	4,147,337
Increase / (decrease) in provision during the remainder of the year	17	324,652	-	(1,059,192)	25,234	774,959	1,037,903	1,103,556
31 December 2017	37	15,310,498	22,337,682	12,551,782	8,437,893	13,860,371	24,750,589	97,248,815
Increase arising from passage of time during the period	14	1,124,325	1,177,667	710,540	439,752	711,485	684,009	4,847,778
30 June 2018	37	**16,434,823**	**23,515,349**	**13,262,322**	**8,877,645**	**14,571,856**	**25,434,598**	**102,096,593**
Commenced commercial production in		2014	1988	2016	2008	1991	2001	
Expected closure date in		2020	2022	2026	2027	2028	2028	

(All amounts in Saudi Riyals unless otherwise stated)

37.2 Bauxite mine

	Notes	Al-Ba'itha mine
1 January 2017		33,227,636
Increase arising from passage of time during the period	14	886,249
30 June 2017	37	34,113,885
Increase arising from passage of time during the remainder of the year	14	886,249
31 December 2017	37	35,000,134
Increase arising from passage of time during the period	14	933,527
30 June 2018	37	**35,933,661**
Commenced commercial production in		2014
Expected closure date in		2059

37.3 Phosphate mines

	Notes	Al-Jalamid mine	Al-Khabra mine	Total
1 January 2017		57,279,831	86,099,173	143,379,004
Increase arising from passage of time during the period	14	1,519,719	2,165,506	3,685,225
30 June 2017	37	58,799,550	88,264,679	147,064,229
Increase arising from passage of time during the remainder of the year	14	1,519,720	2,220,404	3,740,124
31 December 2017	37	60,319,270	90,485,083	150,804,353
Increase arising from passage of time during the period	14	54,296	2,276,705	2,331,001
Adjustment	17	(19,163,361)	-	(19,163,361)
30 June 2018	37	**41,210,205**	**92,761,788**	**133,971,993**
Commenced commercial production in		2008	2017	
Expected closure date in		2035	2045	

37.4 Low grade bauxite, kaolin and magnesite mines

	Notes	Az-Zabirah mine	Al-Ghazallah mine	Madinah plants	Total
1 January 2017		2,028,674	209,997	3,024,932	5,263,603
Increase arising from passage of time during the period	14	97,310	10,155	70,657	178,122
30 June 2017	37	2,125,984	220,152	3,095,589	5,441,725
Increase arising from passage of time during the remainder of the year	14	53,735	53,733	70,656	178,124
31 December 2017	37	2,179,719	273,885	3,166,245	5,619,849
Increase arising from passage of time during the period	14	106,650	11,135	73,956	191,741
30 June 2018	37	**2,286,369**	**285,020**	**3,240,201**	**5,811,590**
Commenced commercial production in		2008	2011	2011	
Expected closure date in		2026	2031	2031	

(All amounts in Saudi Riyals unless otherwise stated)

38 Obligation under finance lease

	Notes	30 June 2018	30 June 2017	31 December 2017
Future minimum lease payments				
MGBM	38.1	**39,568,633**	62,589,469	51,079,051
MBAC	38.2	**6,500,875**	22,102,975	14,301,927
Sub-total	49	**46,069,508**	84,692,444	65,380,978
Less: Future finance cost not yet due				
MGBM	38.1	**(1,749,307)**	(4,148,445)	(2,823,115)
MBAC	38.2	**(164,059)**	(1,618,070)	(709,776)
Sub-total		**(1,913,366)**	(5,766,515)	(3,532,891)
Net present value of minimum lease payment	7.2	**44,156,142**	78,925,929	61,848,087
Less: Current portion shown under current liabilities	38.1,38.2	**(25,788,183)**	(34,769,784)	(34,664,307)
Long-term portion of obligation under finance lease	38.1,38.2	**18,367,959**	44,156,145	27,183,780

Movement in future finance cost:

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**(2,644,810)**	(7,106,021)	**(3,532,891)**	(8,840,140)	(8,840,140)
Unwinding of discount of non-current obligations under finance lease charged to finance cost	14	**731,444**	1,339,506	**1,619,525**	3,073,625	5,307,249
30 June / 31 December		**(1,913,366)**	(5,766,515)	**(1,913,366)**	(5,766,515)	(3,532,891)

38.1 MGBM

The company has entered into certain agreements which entitled the company to residential rights and obligations relating to certain assets related to these agreements. These assets have been classified as assets under finance lease in accordance with IFRIC – 4.

	Notes	30 June 2018	30 June 2017	31 December 2017
Future minimum lease payments	38	**39,568,633**	62,589,469	51,079,051
Less: Future finance cost not yet due		**(1,749,307)**	(4,148,445)	(2,823,115)
Net present value of minimum lease payment	38	**37,819,326**	58,441,024	48,255,936
Less: Current portion shown under current liabilities	38	**(19,451,367)**	(20,621,698)	(21,072,156)
Long-term portion of obligation under finance lease	38	**18,367,959**	37,819,326	27,183,780

Maturity profile

Minimum lease payments falling due during the following years:			
2017	**-**	11,510,418	-
2018	**11,451,621**	22,962,039	22,962,039
2019	**22,315,272**	22,315,272	22,315,272
2020	**5,801,740**	5,801,740	5,801,740
Total	**39,568,633**	62,589,469	51,079,051

(All amounts in Saudi Riyals unless otherwise stated)

38.2 MBAC

During 2013, MAC on behalf of MBAC entered in a finance lease agreement with a financial institution. The lease payments under such agreements are due in monthly installments. The amounts of future payments under the leases are as follows:

	Notes	30 June 2018	30 June 2017	31 December 2017
Future minimum lease payments	38	**6,500,875**	22,102,975	14,301,927
Less: Future finance cost not yet due		**(164,059)**	(1,618,070)	(709,776)
Net present value of minimum lease payment	38	**6,336,816**	20,484,905	13,592,151
Less: Current portion shown under current liabilities	38	**(6,336,816)**	(14,148,086)	(13,592,151)
Long-term portion of obligation under finance lease	38	**-**	6,336,819	-

Maturity profile

Minimum lease payments falling due during the following years:			
2017	**-**	7,801,050	-
2018	**6,500,875**	14,301,925	14,301,927
Total	**6,500,875**	22,102,975	14,301,927

The future minimum lease payments have been discounted, using an effective interest rate of approximately 0.858% per month, to its present value.

38.3 Security

The following net book value of assets were pledged as security to the lessors:

	Note	30 June 2018	30 June 2017	31 December 2017
MGBM		**40,008,411**	66,676,596	53,126,820
MBAC		**36,548,291**	42,426,492	39,487,391
Total	17.3	**76,556,702**	109,103,088	92,614,211

39 Employees' benefits

	Notes	30 June 2018	30 June 2017	31 December 2017
Employees' end of service termination benefits obligation	39.1	**487,241,607**	474,409,626	462,754,423
Employees' savings plan	39.2	**69,914,840**	58,121,117	69,872,871
Total		**557,156,447**	532,530,743	532,627,294

39.1 Employees' end of service termination benefits obligation

The Group operates a termination benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia for each of the respective subsidiary entities. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia.

Employees' end of service termination benefit plans are unfunded plans and the benefit payment obligations are met when they are due.

(All amounts in Saudi Riyals unless otherwise stated)

39.1 Employees' end of service termination benefits obligation (continued)

Amounts recognized in the consolidated statement of financial position

The amounts recognised in the consolidated statement of financial position and the movements in the employees' end of service termination benefits obligation over the quarters / periods / year are as follows:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**482,430,304**	455,661,704	**462,754,423**	430,415,008	430,415,008
Total amount recognised in profit or loss		**25,148,948**	23,318,429	**51,477,656**	55,339,604	103,940,840
Current service cost		**20,293,248**	19,424,856	**41,766,258**	47,526,412	84,510,923
Finance cost	14	**4,855,700**	3,893,573	**9,711,398**	7,813,192	19,429,917
Gains attributable to the re-measurements of employees' end of service termination benefits obligation	39.1.1	**-**	-	**-**	-	(47,481,008)
Gains from change in financial assumptions		**-**	-	**-**	-	(36,583,164)
Experience gains		**-**	-	**-**	-	(10,897,844)
Settlements		**(20,337,645)**	(4,570,507)	**(26,990,472)**	(11,344,986)	(24,120,417)
30 June / 31 December		**487,241,607**	474,409,626	**487,241,607**	474,409,626	462,754,423

39.1.1 Gains attributable to the re-measurements of employees' end of service termination benefits obligation recognised in other comprehensive income:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Re-measurement gains credited in other comprehensive income during the quarter / period / year*		**-**	-	**-**	-	(45,969,473)
Re-measurement gains capitalised as part of qualifying assets in capital work-in-progress during the quarter / period / year	19	**-**	-	**-**	-	(1,511,535)
Total	39.1	**-**	-	**-**	-	(47,481,008)
***Re-measurement gains credited in other comprehensive income during the quarter / period / year is attributable to:**						
Shareholders of the parent company		**-**	**-**	**-**	**-**	(40,661,245)
Non-controlling interest	34.2,34.3	**-**	**-**	**-**	**-**	(5,308,228)
Total		**-**	**-**	**-**	**-**	(45,969,473)

(All amounts in Saudi Riyals unless otherwise stated)

39.1 Employees' end of service termination benefits obligation (continued)

Significant actuarial assumptions

The significant actuarial assumptions used in determining employees' end of service benefits obligation were as follows:

	30 June 2018	30 June 2017	31 December 2017
Discount rate	**4.5%**	4.5%	4.5%
Salary increase rate	**2.5-4.5%**	4.5%	2.5-4.5%
Mortality rate	**A90 table**	A90 table	A90 table
Withdrawal rate	**5%**	5%	5%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Sensitivity level % increase	Impact on termination benefit obligation	Sensitivity level % decrease	Impact on termination benefit obligation
30 June 2018				
Discount rate	**1%**	**(51,292,906)**	**1%**	**62,057,847**
Salary increase rate	**1%**	**61,797,177**	**1%**	**(52,042,373)**
Mortality rate	**10%**	**(88,966)**	**10%**	**89,249**
Withdrawal rate	**10%**	**(1,469,977)**	**10%**	**1,536,728**
30 June 2017				
Discount rate	1%	(47,679,120)	1%	57,667,803
Salary increase rate	1%	57,066,633	1%	(48,098,121)
Mortality rate	10%	(103,457)	10%	103,640
Withdrawal rate	10%	(1,669,938)	10%	1,738,685
31 December 2017				
Discount rate	1%	(51,292,906)	1%	62,057,847
Salary increase rate	1%	61,797,177	1%	(52,042,373)
Mortality rate	10%	(88,966)	10%	89,249
Withdrawal rate	10%	(1,469,977)	10%	1,536,728

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employees' end of service termination benefit obligation to significant actuarial assumptions the same method (present value of the employees' end of service termination benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service termination benefit obligation recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior quarter / period / year.

(All amounts in Saudi Riyals unless otherwise stated)

39.1 Employees' end of service termination benefits obligation (continued)

Effect of employees' end of service termination benefits obligation on entity's future cash flows

The weighted average duration of the employees' end of service termination benefits obligation is 12.74 years. The expected maturity analysis of undiscounted employees' end of service termination benefits obligation is as follows:

	30 June 2018	30 June 2017	31 December 2017
2017	**-**	25,916,974	-
2018	**31,081,365**	16,846,574	33,655,290
2019	**21,012,053**	16,224,402	19,496,490
2020	**25,665,186**	25,203,921	27,271,871
2021	**25,815,733**	22,068,140	25,540,458
2022	**23,636,146**	22,068,140	23,961,641
2023	**23,636,146**	22,068,140	23,961,641
2024 and thereafter	**740,337,408**	641,578,434	722,720,981
Total	**891,184,037**	791,974,725	876,608,372

39.2 Employees' savings plan

		Quarter ended		Six months ended		Year ended
	Note	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
1 April / 1 January		**75,807,203**	61,265,344	**69,872,871**	59,341,221	59,341,221
Contribution for the quarter / period / year		**10,901,423**	6,294,097	**20,555,522**	11,635,954	30,530,337
Withdrawals during the quarter / period / year		**(16,793,786)**	(9,438,324)	**(20,513,553)**	(12,856,058)	(19,998,687)
30 June / 31 December	4.20, 30,39	**69,914,840**	58,121,117	**69,914,840**	58,121,117	69,872,871

40 Projects, trade and other payables

	Notes	30 June 2018	30 June 2017	31 December 2017
Non-current portion				
Gross retention withheld from progress payments		**1,121,927,852**	1,922,209,906	1,227,216,448
Less : Current portion of retention payable (see below)		**(679,810,704)**	(786,839,460)	(658,951,243)
		442,117,148	1,135,370,446	568,265,205
Less : Unamortized discount for long-term retention payable	40.1	**(29,687,967)**	(77,739,364)	(42,328,871)
Present value of long-term portion of retention payable		**412,429,181**	1,057,631,082	525,936,334
Non-refundable contributions	40.2	**130,669,508**	130,679,909	133,582,586
Sub-total		**543,098,689**	1,188,310,991	659,518,920
Current portion				
Projects		**467,137,720**	311,238,054	367,440,443
Trade		**974,343,652**	710,534,762	1,142,655,132
Current portion of retention payable		**679,810,704**	786,839,460	658,951,243
Advances from customers		**13,812,195**	205,246,975	109,204,677
Other		**43,380,694**	90,980,822	37,529,483
Sub-total		**2,178,484,965**	2,104,840,073	2,315,780,978
Total	49	**2,721,583,654**	3,293,151,064	2,975,299,898

(All amounts in Saudi Riyals unless otherwise stated)

40 Projects, trade and other payables (continued)

Non-current retentions and other payables are stated at their discounted value as these are due to be settled more than 12 months after the statement of financial position date.

Project payables mainly represents the liability in respect of contracts cost arising from MRC, MBAC and MWSPC.

40.1 Movement in unamortized discount for long-term retention payable

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**(35,817,752)**	(81,651,841)	**(42,328,871)**	(81,954,040)	(81,954,040)
Unwinding of discount of non-current obligations under finance lease charged to finance cost	14	**6,129,785**	3,912,477	**12,640,904**	4,214,676	39,625,169
30 June / 31 December	40	**(29,687,967)**	(77,739,364)	**(29,687,967)**	(77,739,364)	(42,328,871)

40.2 Movement in non-refundable contributions

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**130,232,806**	128,469,903	**133,582,586**	126,080,874	126,080,874
1% deduction from certain contractor's progress payments		**11,309,571**	12,155,085	**19,056,134**	18,029,120	24,404,276
Provision for research and development fund	15	**1,285,937**	-	**2,959,173**	-	6,534,222
Provision for community development fund	15	**1,285,937**	-	**2,959,173**	-	6,534,221
Payments made to community support project		**(13,444,743)**	(9,945,079)	**(27,887,558)**	(13,430,085)	(29,971,007)
30 June / 31 December	40	**130,669,508**	130,679,909	**130,669,508**	130,679,909	133,582,586

Contributed by one of the MAC's and MWSPC's contractors to support the companies' objective to establish a social responsibility fund for the development of a community project.

41 Accrued expenses

	Notes	30 June 2018	30 June 2017	31 December 2017
Projects		**730,178,181**	534,884,602	809,699,570
Trade		**661,646,524**	1,069,435,639	771,409,500
Employees		**160,455,083**	157,598,132	212,401,686
Accrued expenses – Alcoa Corporation	44.1,44.2	**50,512,151**	33,813,957	38,257,664
Accrued expenses – The Mosaic Company	44.1,44.2	**4,105,909**	15,011,667	-
Finance cost		**246,767,215**	149,559,574	137,902,702
Total	49	**1,853,665,063**	1,960,303,571	1,969,671,122

Accrued expenses for projects mainly represents the contract cost accruals in relation to MRC, MBAC and MWSPC.

Accrued expenses for Alcoa Corporation mainly represents the personnel and other cost accruals related to the Alcoa Corporation employees seconded to MAC, MRC and MBAC.

Accrued expenses for The Mosaic Company mainly represents the personnel and other cost accruals related to the Mosaic employees seconded to MWSPC.

(All amounts in Saudi Riyals unless otherwise stated)

42 Zakat and income tax payable

	Notes	30 June 2018	30 June 2017	31 December 2017
Zakat payable	42.2	**94,414,091**	60,662,487	115,597,038
Income tax payable	42.5	**3,174,226**	18,987,607	26,059,632
Total		**97,588,317**	79,650,094	141,656,670

42.1 Components of zakat base

The significant components of the zakat base of each company under the zakat and income tax regulation are as follows:

- shareholders' equity at the beginning of the quarter / period / year,
- provisions at the beginning of the quarter / period / year,
- long term borrowings,
- adjusted net income,
- spare parts and consumable materials,
- net book value of mine properties,
- net book value of property, plant and equipment,
- net book value of capital work-in-progress,
- net book value of intangible assets,
- carrying value of investment in joint ventures and
- other items.

Zakat is calculated at 2.5% of the higher of the zakat base or adjusted net income.

42.2 Zakat payable

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**157,123,124**	108,116,066	**115,597,038**	85,308,278	85,308,278
Provision for zakat		**35,392,132**	14,092,078	**121,493,405**	36,899,866	91,834,417
Current quarter / period / year	42.3	**50,068,717**	35,065,215	**91,594,803**	57,914,334	112,848,885
Prior quarter / period / year (over) / under provision		**(14,676,585)**	(20,973,137)	**29,898,602**	(21,014,468)	(21,014,468)
Paid during quarter / period / year to the authorities		**(98,101,165)**	(61,545,657)	**(142,676,352)**	(61,545,657)	(61,545,657)
30 June / 31 December	42	**94,414,091**	60,662,487	**94,414,091**	60,662,487	115,597,038

(All amounts in Saudi Riyals unless otherwise stated)

42.3 Provision for zakat consists of:

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Saudi Arabian Mining Company		**28,302,062**	22,775,600	**43,771,654**	42,775,600	78,730,860
Ma'aden Gold and Base Metals Company	43.2	**2,185,650**	1,003,448	**17,287,858**	2,827,125	12,584,744
Industrial Minerals Company		**669,859**	1,363,262	**1,658,199**	1,499,124	2,024,009
Ma'aden Infrastructure Company		**927,652**	682,550	**1,626,918**	1,376,567	3,302,094
Ma'aden Phosphate Company		**4,599,153**	1,991,801	**8,827,228**	2,187,364	6,306,615
Ma'aden Wa'ad Al-Shamal Phosphate Company		**8,678,553**	7,248,554	**10,034,372**	7,248,554	9,900,563
Ma'aden Aluminium Company		**4,705,788**	-	**8,388,574**	-	-
Total	42.2	**50,068,717**	35,065,215	**91,594,803**	57,914,334	112,848,885

42.4 Status of final assessments

The Company and its three wholly owned subsidiaries have diligently filed their consolidated zakat returns and have received provisional zakat certificates for the years ended 31 December 2009 to 31 December 2016. During April 2017, the GAZT has issued final zakat assessments for the Company and its three wholly owned subsidiaries for the 5 years starting from 2009 until 2013 with an additional zakat liability of SAR 46,336,320.

Ma'aden has paid these final zakat assessments in full, in compliance with Article 66 of the Zakat and Income Tax Law, to reserve its right to appeal. During the year ended 31 December 2017, Ma'aden had filed an appeal before the Preliminary Appeal Committee (PAC). However, during the quarter ended 31 March 2018, the appeal was withdrawn and the final assessments issued for the 5 years, were accepted.

No final assessment for the Company and its three wholly owned subsidiaries for the four years, 2014 to 2017, have been issued by GAZT. A consolidated zakat return has also been submitted for the fiscal year ended 31 December 2017 and the provisional zakat certificates have been received.

For the remaining 5 subsidiaries with minority shareholders, comprising of Saudi and foreign shareholders, zakat and income tax returns have been filed diligently from the date of incorporation (see Note 2) until 31 December 2016 and provisional zakat and income tax certificates upto 31 December 2016 have been received, but no final zakat and income tax assessments. Zakat and income tax returns have also been submitted for the fiscal year ended 31 December 2017 and we are awaiting the provisional zakat and income tax certificates.

42.5 Income tax payable

		Quarter ended		Six months ended		Year ended
	Notes	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
1 April / 1 January		**31,954,720**	-	**26,059,632**	-	-
Provision for income tax	22.1	**(14,468,703)**	18,987,607	**(8,573,615)**	18,987,607	26,059,632
Current quarter / period / year	42.6	**(2,720,862)**	18,987,607	**3,174,226**	18,987,607	26,059,632
Prior quarter / period / year over provision		**(11,747,841)**	-	**(11,747,841)**	-	-
Paid during quarter / period / year to the authorities		**(14,311,791)**	-	**(14,311,791)**	-	-
30 June / 31 December	42	**3,174,226**	18,987,607	**3,174,226**	18,987,607	26,059,632

(All amounts in Saudi Riyals unless otherwise stated)

42.6 Provision for income tax consist of:

	Note	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Ma'aden Aluminium Company		**497,593**	-	**3,119,035**	-	-
Ma'aden Wa'ad Al-Shamal Phosphate Company		**(3,218,455)**	18,987,607	**55,191**	18,987,607	26,059,632
Total	42.5	**(2,720,862)**	18,987,607	**3,174,226**	18,987,607	26,059,632

43 Severance fees payable

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
1 April / 1 January		**37,589,146**	8,456,449	**73,079,354**	8,270,636	8,270,636
Provision for severance fee made during the quarter / period / year	9	**30,862,507**	5,111,865	**66,369,158**	13,582,674	73,093,714
Current quarter / period / year charge	43.1	**30,862,505**	5,112,130	**67,377,253**	13,568,314	73,079,354
Prior quarter / period / year adjustment		**2**	(265)	**(1,008,095)**	14,360	14,360
Paid during quarter / period / year to the authorities		**(1,074,400)**	-	**(72,071,259)**	(8,284,996)	(8,284,996)
30 June / 31 December		**67,377,253**	13,568,314	**67,377,253**	13,568,314	73,079,354

In accordance with the Saudi Mining Code based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to 4 October 2004), the Group is required to pay to the Government of Saudi Arabia severance fees, representing 25% of the annual net income per mining license, as defined, or the equivalent of a hypothetical income tax, based on the annual net income, whichever is lower. The zakat due shall be deducted from this amount. Therefore the net income for each mining license registered in the name of MGBM, MPC and MBAC is subject to severance fees.

Severance fees are paid by IMC, the registered holder of a small mining license, at a fixed tariff per tonnes sold of low grade bauxite, kaolin and magnesia.

Severance fees are shown as part of cost of sales in the consolidated interim statement of profit or loss.

43.1 Provision for severance fees consists of:

	Notes	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Gold mines	43.2	**30,625,254**	4,883,809	**66,874,570**	13,123,049	72,004,956
Low grade bauxite		**97,977**	113,970	**215,254**	227,356	565,238
Kaolin		**73,340**	44,291	**135,468**	104,166	246,912
Magnesia		**49,971**	70,060	**92,475**	113,743	251,798
Dead burned magnesia		**15,740**	-	**58,536**	-	10,450
Monolithic		**223**	-	**950**	-	-
Total	43	**30,862,505**	5,112,130	**67,377,253**	13,568,314	73,079,354

(All amounts in Saudi Riyals unless otherwise stated)

43.2 The provision for severance fees payable by gold mines is calculated as follows:

		Quarter ended		Six months ended		Year ended
	Notes	**30 June 2018**	**30 June 2017**	**30 June 2018**	**30 June 2017**	**31 December 2017**
Net income from operating mines before zakat and severance fee for the year		**168,705,700**	72,987,414	**422,786,844**	162,164,900	546,616,529
25% of the year's net income as defined		**42,176,425**	18,246,853	**105,696,711**	40,541,225	136,654,132
Hypothetical income tax based on year's taxable net income		**32,810,904**	5,887,257	**84,162,428**	15,950,174	84,589,700
Provision based on the lower of the above two computations		**32,810,904**	5,887,257	**84,162,428**	15,950,174	84,589,700
Provision for zakat	42.3	**(2,185,650)**	(1,003,448)	**(17,287,858)**	(2,827,125)	(12,584,744)
Net severance fee provision for the quarter / period / year	43.1	**30,625,254**	4,883,809	**66,874,570**	13,123,049	72,004,956

(All amounts in Saudi Riyals unless otherwise stated)

44 Related party transactions and balances

44.1 Related party transactions

Transactions with related parties carried out during the year under review, in the normal course of business, are summarised below:

Transactions with different non-controlling shareholders in subsidiaries

	Notes	Six months ended 30 June 2018	30 June 2017	Year ended 31 December 2017
Sales of MPC through SABIC, in accordance with a marketing agreement, during the period / year		**758,187,923**	609,174,580	1,273,330,116
Sales to Alcoa Inespal, S.A., in accordance with a shareholders off-take agreement, during the period / year		**623,240,652**	543,303,492	1,192,670,053
Sales of MWSPC through SABIC, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the period ended 30 June 2018 amounting to SAR 65,029,117 (year ended 31 December 2017: SAR 39,394,796) has been credited against capital work-in-progress		**157,667,484**	-	85,053,278
Sales of MWSPC through The Mosaic Company, in accordance with a marketing agreement – the pre-commercial production DAP sales revenue, net of production cost for the period ended 30 June 2018 amounting to SAR 147,395,614 (year ended 31 December 2017: SAR 39,054,573) has been credited against capital work-in-progress		**357,370,617**	-	81,983,712
Raw material feedstock purchased from Alcoa Australia during the period / year		**-**	-	36,280,913
Dividend paid to SABIC, a non-controlling shareholder in MPC	34.3	**28,807,037**	-	-
Payments to increase share capital received from Alcoa Corporation	34.3	-	136,481,250	188,250,000
Increase in non-controlling interest of MWSPC contributed by:				
• The Mosaic Company		**-**	-	234,375,000
• SABIC		**-**	-	140,625,000
	34.3	**-**	-	375,000,000
Cost of seconded employees, technology fee and other cost paid to Alcoa Corporation during the period / year	41	**46,245,386**	73,298,493	133,263,732
Cost of seconded employees, technology fee and other cost paid to The Mosaic Company during the period / year	41	**22,589,295**	55,904,321	89,227,649

(All amounts in Saudi Riyals unless otherwise stated)

44.2 Related party balances

Amount due from / (to) related parties arising from transaction with related parties are as follows:

	Notes	30 June 2018	30 June 2017	31 December 2017
Due from joint venture partner				
Due from Alcoa Corporation being a parent company of a non-controlling shareholder in MAC, MRC and MBAC	25	**21,622,251**	51,734,426	13,652,075
Trade and other receivables due from:				
A non-controlling shareholder:				
• SABIC in MPC - trade	28	**193,378,681**	146,221,139	104,116,512
• SABIC in MWSPC - trade	28	**105,533,906**	-	78,651,169
• SABIC in MPC - other	28	**-**	28,807,037	28,807,037
• The Mosaic Company in MWSPC - trade	28	**23,874,305**	-	40,082,398
A subsidiary of a non-controlling shareholder:				
• Alcoa Inespal, S.A. in MAC - trade	28	**127,859,631**	96,698,538	104,208,538
• Alcoa Warrick LLC in MAC - trade	28	**19,134,858**	-	22,067,292
A joint venture company:				
• Ma'aden Barrick Copper Company - other	28	**1,264,989**	-	747,566
A special purpose vehicle:				
• Saudi Mining Polytechnic - other	28	**4,185,855**	4,225,888	4,183,905
Total		**475,232,225**	275,952,602	382,864,417
Payable to the parent company (ultimate shareholder) of a non-controlling shareholder:				
• Payments to increase share capital received from Alcoa Corporation in MRC and MBAC		**298,542,857**	246,774,107	298,542,857
• Accrued expenses due to Alcoa Corporation in MAC, MRC and MBAC	41	**50,512,151**	33,813,957	38,257,664
Total		**349,055,008**	280,588,064	336,800,521
Due to joint venture partner				
• Due to Alcoa Corporation	35	**274,328,900**	241,541,684	266,358,724
Payable to a non-controlling shareholder				
• Accrued expenses due to The Mosaic Company in MWSPC	41	**4,105,909**	15,011,667	-

(All amounts in Saudi Riyals unless otherwise stated)

44.2 Related party balances (continued)

	Notes	30 June 2018	30 June 2017	31 December 2017
***Long-term borrowings from PIF a* 65.44% shareholder in Ma'aden**				
Due to PIF for the financing of the :				
MAC facility – restructured on 14 December 2017	36.2	**4,275,375,000**	4,275,375,000	4,275,375,000
MRC facility	36.2	**2,986,387,500**	3,017,175,000	2,986,387,500
MBAC facility	36.2	**3,506,250,000**	3,675,000,000	3,600,000,000
MWSPC facility	36.2	**6,839,278,174**	6,839,278,174	6,839,278,174
Total		**17,607,290,674**	17,806,828,174	17,701,040,674

44.3 Key management personnel compensation

	Quarter ended		Six months ended		Year ended
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Short-term employee benefits	**7,528,387**	6,296,103	**14,570,475**	13,507,829	21,092,993
Employees' end of service termination benefits	**2,294,875**	880,929	**4,184,829**	1,450,560	1,797,814
Total	**9,823,262**	7,177,032	**18,755,304**	14,958,389	22,890,807

45 Operating lease agreements

Payments under operating leases, recognized as an expense during the quarter / period / year.

	Quarter ended		Six months ended		Year ended
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Minimum lease payments	**2,100,114**	690,972	**3,169,414**	1,381,944	2,787,580

	30 June 2018	30 June 2017	31 December 2017
Commitments for future minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
2017	**-**	1,381,944	**-**
2018	**2,222,900**	4,494,096	4,647,580
2019	**4,277,200**	4,031,760	4,494,096
2020	**3,617,200**	3,337,200	3,371,760
2021	**3,617,200**	3,337,200	3,337,200
2022	**3,617,200**	3,337,200	3,337,200
2023	**3,617,200**	3,337,200	3,337,200
2024	**3,617,200**	3,337,200	3,337,200
2025 through 2041	**45,563,200**	43,804,711	43,861,911
Total	**70,149,300**	70,398,511	69,724,147

Operating lease payments represent mainly rentals payable by the Group for mining lease areas. Leases are negotiated for an average term of 15 to 30 years and the rentals are fixed for an average of SAR 2,504,400 annually.

(All amounts in Saudi Riyals unless otherwise stated)

46 Commitments and contingent liabilities

46.1 Capital commitments

	30 June 2018	30 June 2017	31 December 2017
Capital expenditure contracted for:			
Property, plant and equipment	**4,439,193,248**	6,044,240,955	6,505,529,843

46.2 Guarantees

	Notes	30 June 2018	30 June 2017	31 December 2017
Guarantee in favor of Saudi Aramco, for future diesel and gas feedstock supplies		**327,185,541**	310,887,605	320,000,105
Guarantees in favor of Ministry of Energy, Industry and Mineral Resources, for future purified phosphoric acid, fuel and feed stocks supplies		**262,500,000**	262,500,000	262,500,000
Guarantee in favor of Saudi Aramco for future supply of molten sulfur		**234,375,000**	-	70,312,500
Guarantees in favor of SIDF and other financial institutions for financing facilities available to:*				
SAMAPCO	21.2	**450,000,000**	450,000,000	450,000,000
MBCC	21.2	**375,000,000**	375,000,000	375,000,000
Sub-total		**825,000,000**	825,000,000	825,000,000
Guarantee in favor of Saudi Ports Authority		**18,879,717**	18,512,402	18,512,402
Guarantee in favor of General Authority for Meteorology and Environment		**5,669,328**	-	3,604,900
Others		**12,200,130**	17,512,447	11,168,563
Total		**1,685,809,716**	1,434,412,454	1,511,098,470

*Ma'aden guarantees to SIDF and other financial institutions for granting financing facilities to SAMAPCO and MBCC to the extent of its shareholding of 50% in the jointly controlled entities (Note 21.2).

46.3 Letters of credit

	30 June 2018	30 June 2017	31 December 2017
Three letters of credit sight, for the purpose of purchasing equipment and materials	**2,143,800**	15,094,706	12,691,944

46.4 Contingent liabilities

The Group has contingent liabilities from time to time with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingent liabilities arise out of the ordinary course of business. It is not anticipated that any material liabilities will be incurred as a result of these contingent liabilities.

47 Financial risk management

The Group's activities expose it to a variety of financial risks such as:

- market risk
- credit risk and
- liquidity risk

47.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- foreign currency exchange risk,
- commission (interest) rate risk and
- commodity price risk

Financial instruments affected by market risk includes other investments, due from joint venture partner, trade receivables, time deposits, cash and cash equivalents, due to joint venture partner, long-term borrowings, obligation under finance lease, projects, trade and other payables, accrued expenses and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at the quarter / period / year end.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

The Group's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the Group's financial performance.

47.1.1 Foreign currency exchange risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is the Saudi Riyal. The Group's transactions are principally in Saudi Riyals, US Dollars and Euros. Management monitor the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD and the Saudi Riyal is pegged at SAR 3.75 : USD 1 therefore, the Group is not exposed to any risk from USD denominated financial instruments.

All commodity sales contracts are USD price and so is the bulk of the procurement and capital expenditure contracts.

Foreign currency exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in SAR, was as follows:

	30 June 2018	30 June 2017	31 December 2017
Trade receivables	**-**	30,305,338	-
Project, trade and other payables and accrued expenses	**38,847,846**	61,607,425	51,856,576
Total	**38,847,846**	91,912,763	51,856,576

Amount recognised in consolidated interim financial statements

During the quarter / period / year, the following foreign exchange related amounts were recognised in the consolidated interim statement of profit or loss:

		Quarter ended		Six months ended		Year ended
	Note	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Foreign exchange loss included in other income / expense	15	**(1,978,573)**	(196,102)	**(3,260,483)**	(643,756)	(2,011,643)

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

Foreign currency sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in SAR / EURO exchange rates. The sensitivity of profit or loss and equity to changes in the foreign exchange rates arises mainly from EURO denominated receivable balance.

Impact on post-tax profit / equity of increase / (decrease) in foreign exchange rate:

	Quarter ended		Six months ended		Year ended
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
SAR/ EURO exchange rate					
- Increase (10%)	**(368,119)**	752,103	**3,514,422**	7,644,779	4,790,355
- decrease (10%)	**368,119**	(752,103)	**(3,514,422)**	(7,644,779)	(4,790,355)

The Group's exposure to other foreign exchange movements is not material.

47.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which expose the Group to cash flow interest rate risk.

The Group's receivables and fixed rate borrowings carried at amortised cost are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group is not exposed to fair value interest rate risk.

Interest rate exposure

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	Note	30 June 2018	30 June 2017	31 December 2017
Fixed interest rate borrowings		**4,007,000,000**	3,188,000,000	4,228,000,000
Variable interest rate borrowings – repricing dates				
6 months or less		**49,685,481,795**	50,820,456,553	50,458,382,447
Total	36.8	**53,692,481,795**	54,008,456,553	54,686,382,447

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher / lower interest expense from long-term borrowings as a result of changes in interest rates. The Group's profit before tax is affected as follows:

	Quarter ended		Six months ended		Year ended
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	31 December 2017
Interest rate					
- increase by 100 basis points	**(123,667,047)**	(126,771,157)	**(248,427,409)**	(254,942,620)	(504,583,824)
- decrease by 100 basis points	**123,667,047**	126,771,157	**248,427,409**	254,942,620	504,583,824

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

47.1.3 Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of the mineral products it produces.

The Group makes sale of certain phosphate and aluminium products on a provisional pricing basis. Revenue and a corresponding receivable from the sale of provisionally priced commodities is recognised when control over the promised goods have been transferred to the customer (which would generally be at a point in time, i.e. the date of delivery) and revenue can be measured reliably. At this date, the amount of revenue and receivable to be recognised will be estimated based on the forward market price of the commodity being sold. However, the Group faces a risk that future adverse change in price of gold and phosphate products would result in the reduction of receivable balance. Except for gold and phosphate, the Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.

Commodity price exposure

The exposure of the Group's trade receivable balance to changes in commodity prices are as follows:

	Note	30 June 2018	30 June 2017	31 December 2017
Accounts receivable pertaining to:				
Phosphate		**1,126,897,275**	882,746,389	837,925,620
Aluminium		**918,473,867**	696,327,812	738,571,418
Gold		**182,152,950**	157,966,890	205,084,980
Total	28	**2,227,524,092**	1,737,041,091	1,781,582,018

Policies and procedure to manage commodity price risk

The Group policy is to manage these risks through the use of contract-base prices with customers.

Commodity price sensitivity analysis

The table below shows the impact on profit before tax and equity for changes in commodity prices. The analysis is based on the assumption that phosphate, aluminium and gold prices move 10% with all other variables held constant.

	30 June 2018	30 June 2017	31 December 2017
Increase / (decrease) in phosphate prices			
Increase of 10% in USD per tonne	**112,689,728**	88,274,639	83,792,562
Decrease of 10% in USD per tonne	**(112,689,728)**	(88,274,639)	(83,792,562)
Increase / (decrease) in aluminium LME prices			
Increase of 10% in USD per tonne	**91,847,387**	69,632,781	73,857,142
Decrease of 10% in USD per tonne	**(91,847,387)**	(69,632,781)	(73,857,142)
Increase / (decrease) in gold prices			
Increase of 10% in USD per oz	**18,215,295**	15,796,689	20,508,498
Decrease of 10% in USD per oz	**(18,215,295)**	(15,796,689)	(20,508,498)

Physical commodity contracts

The Group enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognized and measured at cost when the transaction occur.

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

47.2 Credit risk

Is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk if counterparties fail to make payments as they fall due.

Credit risk exposure

The Group ensures that the cash collection is made at time of sales delivery and from its financing activities, including deposits with banks and financial institutions. Credit limits are established for all customers based on internal rating criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management.

The Group has limited number of customers and have no history of defaults. The Group calculates life time ECL through an internally developed model. Life time ECL is computed based on days past due and rating grade of the counterparty. An allowance for life time ECL is reported either as “not impaired” or “impaired” exposure accordingly.

Cash and short-term investments are substantially placed with commercial banks with sound credit ratings. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk, hence provision is recognised at an amount equal to 12 month ECL unless there is evidence of significant increase in credit risk of the counter party.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

	Notes	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Trade and other receivable (less employees' home ownership program receivables)		2,368,216,812	183,054	2,368,399,866
Secured		118,731	-	118,731
Unsecured		53,434	164,220	217,654
Credit loss allowance	5.1,28	172,165	164,220	336,385
Carrying amount		**2,368,044,647**	**18,834**	**2,368,063,481**

	Notes	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Time deposits		2,900,000,000	-	-	2,900,000,000
Credit loss allowance	5.1,29	(941,528)	-	-	(941,528)
Carrying amount		**2,899,058,472**	**-**	**-**	**2,899,058,472**

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

Impairment losses on financial assets recognized in consolidated statement of profit or loss were as follows:

	Notes	30 June 2018	1 January 2018
Impairment loss on:			
• Trade and other receivables	28.1	-	336,385
• Time deposits	29	-	941,528
Total	5.1	-	1,277,913

Trade receivables

The analysis of trade receivables that were past due but not impaired are as follows:

	Note	30 June 2018	30 June 2017	31 December 2017
Neither past due nor impaired		**2,137,983,160**	1,302,918,606	1,425,511,488
Past due not impaired				
< 30 days		**81,616,632**	382,664,317	168,102,715
30-60 days		**4,020,840**	40,346,339	107,720,087
61-90 days		**3,115,153**	6,674,114	64,646,681
> 90 days, net		**788,307**	4,437,715	15,601,047
Total	28	**2,227,524,092**	1,737,041,091	1,781,582,018

47.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group held the following deposits and cash and cash equivalents that are expected to readily generate cash inflows for managing liquidity risk. Further, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

	Notes	30 June 2018	30 June 2017	31 December 2017
Time deposits	29	**2,900,000,000**	2,837,962,190	2,240,000,000
Unrestricted cash and cash equivalents	30	**3,365,222,986**	3,001,536,747	4,281,744,159
Total		**6,265,222,986**	5,839,498,937	6,521,744,159

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

Liquidity risk exposure

The Group had access to the following undrawn borrowing facilities at the end of the period / year:

	Notes	30 June 2018	30 June 2017	31 December 2017
Floating rate				
- Expiring within 1 year				
• Syndicated Revolving Credit Facility	36.3	**-**	9,000,000,000	-
- Expiring beyond 1 year				
• Syndicated Revolving Credit Facility	36.3	**7,500,000,000**	-	7,500,000,000
• Other facilities (mainly for project financing)		**2,480,017,209**	2,548,779,532	2,087,509,379
Fixed rate				
- Expiring within 1 year		**-**	-	-
- Expiring beyond 1 year		**420,000,000**	-	420,000,000
Total		**10,400,017,209**	11,548,779,532	10,007,509,379

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at:						
30 June 2018						
Projects, trade and other payables	2,178,484,965	543,098,689	-	-	2,721,583,654	2,721,583,654
Accrued expenses	1,853,665,063	-	-	-	1,853,665,063	1,853,665,063
Long-term borrowings	1,196,815,617	4,320,085,507	14,720,095,315	33,455,485,356	53,692,481,795	53,692,481,795
Finance lease liabilities	17,952,496	28,117,012	-	-	46,069,508	46,069,508
Total	**5,246,918,141**	**4,891,301,208**	**14,720,095,315**	**33,455,485,356**	**58,313,800,020**	**58,313,800,020**

(All amounts in Saudi Riyals unless otherwise stated)

47 Financial risk management (continued)

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at:						
30 June 2017						
Projects, trade and other payables	2,104,840,073	1,188,310,991	-	-	3,293,151,064	3,293,151,064
Accrued expenses	1,960,303,571	-	-	-	1,960,303,571	1,960,303,571
Long-term borrowings	2,639,946,759	5,231,196,779	14,824,674,504	31,312,638,511	54,008,456,553	54,008,456,553
Finance lease liabilities	19,311,468	37,263,964	28,117,012	-	84,692,444	84,692,444
Total	**6,724,401,871**	**6,456,771,734**	**14,852,791,516**	**31,312,638,511**	**59,346,603,632**	**59,346,603,632**

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Non-derivatives as at:						
31 December 2017						
Projects, trade and other payables	2,315,780,978	659,518,920	-	-	2,975,299,898	2,975,299,898
Accrued expenses	1,963,136,900	-	-	-	1,963,136,900	1,963,136,900
Long-term borrowings	3,195,086,817	3,291,077,736	14,616,074,217	33,584,143,677	54,686,382,447	54,686,382,447
Finance lease liabilities	37,263,966	22,315,272	5,801,740	-	65,380,978	65,380,978
Total	**7,511,268,661**	**3,972,911,928**	**14,621,875,957**	**33,584,143,677**	**59,690,200,223**	**59,690,200,223**

48 Capital management

Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

"Net debt divided by total equity and net debt (as shown in the consolidated statement of financial position, including non-controlling interests)."

The gearing ratios as at the end of the period / year were as follows:

	Note	30 June 2018	30 June 2017	31 December 2017
Net debt – Long term borrowings	36.7	**53,692,481,795**	54,008,456,553	54,686,382,447
Total equity		**35,883,546,161**	34,047,516,401	34,529,979,518
Total equity and net debt		**89,576,027,956**	88,055,972,954	89,216,361,965
Net debt to equity ratio		**0.60**	0.61	0.61

(All amounts in Saudi Riyals unless otherwise stated)

49 Financial assets and financial liabilities

The Group holds the following classes of financial instruments:

	Notes	30 June 2018	30 June 2017	31 December 2017
Financial assets measured at amortised cost				
Other investments	23	**50,000,000**	50,000,000	50,000,000
Due from joint venture partner	25	**21,622,251**	51,734,426	13,652,075
Trade and other receivable (less zakat and employees' home ownership program receivables)	28	**2,368,063,481**	1,833,383,325	1,900,609,210
Time deposits	29	**2,900,000,000**	2,837,962,190	2,240,000,000
Cash and cash equivalents	30	**3,435,137,826**	3,059,657,864	4,351,617,030
Total		**8,774,823,558**	7,832,737,805	8,555,878,315
Financial liabilities measured at amortised cost				
Due to a joint venture partner	35	**274,328,900**	241,541,684	266,358,724
Long-term borrowings	36.7	**53,692,481,795**	54,008,456,553	54,686,382,447
Obligation under finance lease	38	**46,069,508**	84,692,444	65,380,978
Projects, trade and other payables	40	**2,721,583,654**	3,293,151,064	2,975,299,898
Accrued expenses	41	**1,853,665,063**	1,960,303,571	1,963,136,900
Total		**58,588,128,920**	59,588,145,316	59,956,558,947

Other investments are measured at amortized cost less any impairment losses, see Note 23.

In accordance with IFRS 7 paragraph 29(a), disclosures of fair value are not required when the carrying amount is a reasonable approximation of its fair value for financial instruments such as short-term trade receivables and payables. IFRS 7 paragraph 29(d) equally applies to lease liabilities.

Long-term borrowings are initially recognised at their fair value (being proceeds received, net of eligible transaction costs incurred) if any. Subsequent to the initial recognition long-term borrowings are measured at amortised cost using the effective interest rate method. The fair value measurement hierarchy, on a non-recurring basis for liabilities, is Level 3 – significant unobservable inputs.

50 Events after the reporting date

On 17 July 2018, the Company announced that its subsidiary MBAC has executed an amendment agreement with the PIF, dated 16 July 2018, to amend the terms of its existing long-term borrowings and has also signed a financing agreement with a consortium of local and regional commercial banks which will refinance the existing long-term borrowings provided by a consortium of local and regional commercial banks and the SIDF. The financial impact of this event will be reflected in the Group's consolidated interim financial statements for the quarter and nine months period ending 30 September 2018.

No other events have arisen subsequent to 30 June 2018 and before the date of signing the auditor's review report, that could have a significant effect on the consolidated interim financial statements as at 30 June 2018.

51 Comparative figures

Certain comparative figures of the previous quarter / period / year have been reclassified, wherever necessary, to conform with the current quarter's / period's presentation. Such reclassifications did not affect either the net worth or the net profit of the Group for the previous quarter / period / year.

52 Contingent assets held and liabilities incurred under fiduciary administration

On 6 January 2013 MIC, a wholly owned subsidiary of Ma'aden, received an amount of USD 140 million (in a fiduciary capacity) from the Ministry of Finance of the Kingdom of Saudi Arabia, in accordance with the Council of Ministers' Resolution No 87, dated 28 Rabi ul Awal 1433H (corresponding to 20 February 2012), for the purpose of establishing an industrial city in the Northern Borders Province, by the name of "Waad Al-Shamal City for Mining Industries". The aggregate amount represents part payment of the following two amounts approved by the Council of Ministers:

- USD 500 million for the design and construction of the basic infrastructure and required utilities of the industrial city, and

- USD 200 million for the design and construction of the housing and required social facilities for the proposed industrial city.

In 2014, an additional amount of USD 250 million has been received and deposited in a separate bank account that does not form part of MIC's available cash resources and has been accounted for in its own standalone accounting records and has not been integrated with MIC's accounting records.

In 2016, the remaining amount of USD 310 million was received. The amounts can only be utilised for the designated purpose in accordance with the Council of Ministers Resolution and replenished based on the presentation of supporting documents for the expenditures incurred, in accordance with the applicable Governments Regulations.

As of 30 June 2018, total net assets of the project amounted to SAR 2,625,000,000 (30 June 2017: SAR 2,625,000,000 and 31 December 2017: SAR 2,625,000,000).

(All amounts in Saudi Riyals unless otherwise stated)

53 Detailed information about the subsidiaries and joint ventures

		Issued and paid-up share capital			Effective group interest %			Cost of investment by parent company		
Subsidiaries	**Nature of business**	**30 June 2018**	**30 June 2017**	**31 December 2017**	**30 June 2018**	**30 June 2017**	**31 December 2017**	**30 June 2018**	**30 June 2017**	**31 December 2017**
MGBM	Gold mining	**867,000,000**	867,000,000	867,000,000	**100**	100	100	**867,000,000**	867,000,000	867,000,000
MIC	Manage and develop infrastructure projects	**500,000**	500,000	500,000	**100**	100	100	**500,000**	500,000	500,000
IMC	Kaolin, low grade bauxite and magnesite mining	**344,855,200**	344,855,200	344,855,200	**100**	100	100	**344,855,200**	344,855,200	344,855,200
MAC	Aluminium ingots, T-shape ingots, slabs and billets	**6,573,750,000**	6,573,750,000	6,573,750,000	**74.9**	74.9	74.9	**4,923,738,750**	4,923,738,750	4,923,738,750
MRC	Aluminium sheets for can body and lids	**2,477,371,807**	2,477,371,807	2,477,371,807	**74.9**	74.9	74.9	**1,855,551,483**	1,855,551,483	1,855,551,483
MBAC	Bauxite mining and refining	**4,828,464,412**	4,828,464,412	4,828,464,412	**74.9**	74.9	74.9	**3,616,519,845**	3,616,519,845	3,616,519,845
MPC	Phosphate mining and fertilizer producer	**6,208,480,000**	6,208,480,000	6,208,480,000	**70**	70	70	**4,345,936,000**	4,345,936,000	4,345,936,000
MWSPC	Phosphate mining and fertilizer producer	**7,942,501,875**	7,005,001,875	7,942,501,875	**60**	60	60	**4,765,501,125**	4,203,001,125	4,765,501,125
								20,719,602,403	20,157,102,403	20,719,602,403
Joint ventures										
SAMAPCO*	Production of concentrated caustic soda and ethylene dichloride	**900,000,000**	900,000,000	900,000,000	**50**	50	50	**450,000,000**	450,000,000	450,000,000
MBCC	Production of copper and associated minerals	**404,965,291**	404,965,291	404,965,291	**50**	50	50	**202,482,646**	202,482,646	202,482,646
Total								**652,482,646**	652,482,646	652,482,646

All the subsidiaries and joint ventures listed above are incorporated in the Kingdom of Saudi Arabia.

*Equity investment in SAMAPCO has been fully impaired on 1 January 2016, following the transition from SOCPA to IFRS (Note 21.2).