

12. Disposal Groups Held for Sale (continued)

Strategic Minerals Corporation

Following the sale agreement signed in 2016, on 6 April 2017, the Group sold Strategic Minerals Corporation (USA), in which it had a 78.76% ownership interest, to a third party for cash consideration of \$16 million. Strategic Minerals Corporation owns a 75% share in the Vametco vanadium mine and plant located in the Republic of South Africa. Prior to disposal both subsidiaries were included in the steel segment.

The Group recognised a \$2 million gain on sale of the subsidiary, including \$(3) million of cumulative exchange losses reclassified from other comprehensive income to the consolidated statement of operations. The result was included in the Gain/(loss) on disposal groups classified as held for sale caption of the consolidated statement of operations. Cash disposed with the subsidiary amounted to \$12 million.

13. Other Non-current Assets

Other non-current assets consisted of the following as of 31 December:

Non-current Financial Assets

US\$ million	2018	2017	2016
Financial assets measured at fair value through other comprehensive income	\$ -	\$ 33	\$ 3
Hedging instruments (Note 25)	-	4	-
Restricted deposits	6	6	11
Receivables from related parties	1	8	-
Loans receivable	1	20	21
Trade and other receivables	17	23	4
Other	66	57	52
	\$ 91	\$ 151	\$ 91

Other Non-current Assets

US\$ million	2018	2017	2016
Safety stock inventories	\$ 24	\$ 28	\$ 24
Defined benefit asset (Note 23)	3	-	-
Income tax receivable	8	2	7
Input VAT	1	1	2
Other	8	8	12
	\$ 44	\$ 39	\$ 45

Financial Assets Measured at Fair Value Through Other Comprehensive Income

At 31 December 2017 the Group held approximately 15% in Delong Holdings Limited ("Delong"), a flat steel producer headquartered in Beijing (China). At that date the investments in Delong were classified as available-for-sale and measured at fair value based on market quotations of the Singapore Exchange. At 31 December 2017, the carrying value of these investments amounted to \$33 million, including a \$30 million increase in the fair value recognised in other comprehensive income in 2017. At 31 December 2017, the carrying value was \$3 million.

At 1 January 2018, the Group irrevocably designated these investments as measured at fair value through other comprehensive income. For such financial instruments all subsequent changes in fair value are reported in other comprehensive income, no impairment losses are recognised in profit or loss and no gains or losses are recycled to profit or loss upon derecognition.

13. Other Non-current Assets (continued)

Financial Assets Measured at Fair Value Through Other Comprehensive Income (continued)

In June 2018, the Group sold its ownership interest in Delong to the major shareholder of the entity for cash consideration of \$92 million. According to the agreement, if within 12 months from the completion date the purchaser makes an offer to acquire all the remaining shares of Delong on the open market, the Group will be entitled to an additional consideration in the amount of excess of the offer price over \$5.283 per share. This additional consideration has not been recognised, as the Group considers such event to be very unlikely.

Market value of the equity instruments at the date of sale was \$71 million. Total gain, comprising the change in market value until the sale and the excess of the sale price over the market value of the investments at the sale date, amounting to \$59 million was recognised in other comprehensive income. Upon sale the Group transferred the realised gains accumulated in other comprehensive income (\$89 million) to accumulated profits.

14. Inventories

Inventories consisted of the following as of 31 December:

<i>US\$ million</i>	2018	2017	2016
Raw materials and spare parts	\$ 737	\$ 548	\$ 434
Work-in-progress	292	245	173
Finished goods	445	405	377
	\$ 1,474	\$ 1,198	\$ 984

As of 31 December 2018, 2017 and 2016, the net realisable value allowance was \$34 million, \$40 million and \$34 million, respectively.

As of 31 December 2018, 2017 and 2016, certain items of inventory with an approximate carrying amount of \$629 million, \$438 million and \$315 million, respectively, were pledged to banks as collateral against loans provided to the Group (Note 22).

15. Trade and Other Receivables

Trade and other receivables consisted of the following as of 31 December:

<i>US\$ million</i>	2018	2017	2016
Trade accounts receivable	\$ 806	\$ 722	\$ 518
Other receivables	71	63	31
	877	785	549
Allowance for expected credit losses	(42)	(54)	(47)
	\$ 835	\$ 731	\$ 502

Ageing analysis and movement in allowance for expected credit losses are provided in Note 28.