

SUMMARY

This summary aims to give you an overview of the information contained in this [REDACTED]. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this [REDACTED]. You should read the whole [REDACTED] including the appendices hereto, which constitute an integral part of this [REDACTED], before you [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] are set out in the section headed "Risk Factors" in this [REDACTED]. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Our Group mainly provides materials for construction projects. Our Cable Business mainly provides bridge cables for long-span bridges and super-long-span bridges. Long-span bridges and super-long-span bridges are industry terms and are bridges that use cables as the main bearing structure. Super-long-span bridges generally refer to cable-stayed bridges with a main span of 400 m. or above and suspension bridges with a main span of 900 m. or above. The history of long-span bridges in China can be traced back to 1991 when the first Chinese-made super-long-span bridge, Shanghai Nanpu Bridge (南浦大橋) was built. Our Prestressed Materials Business mainly provides prestressed materials for various infrastructure constructions.

We are the largest provider of bridge cables for the construction of super-long-span bridges in China and the third largest prestressed materials manufacturer in China. According to Frost & Sullivan, we have supplied cables to 35.1% of the super-long-span bridges constructed in China between 1991 to 2017, of which 52.9% were for suspension bridges and 30.0% were for cable-stayed bridges in China. We ranked third in terms of prestressed materials sales revenue in 2017 according to Frost & Sullivan.

Cable Business. We focus on the manufacture and supply of cables for construction of bridges, with strong technical know-how in super-long-span suspension bridges and super-long-span cable-stayed bridges.

Prestressed Materials Business. We mainly engage in the manufacture of prestressed materials for infrastructure construction. Our main lines of products include rare earth coated prestressed products, plain surface prestressed products and galvanised prestressed products.

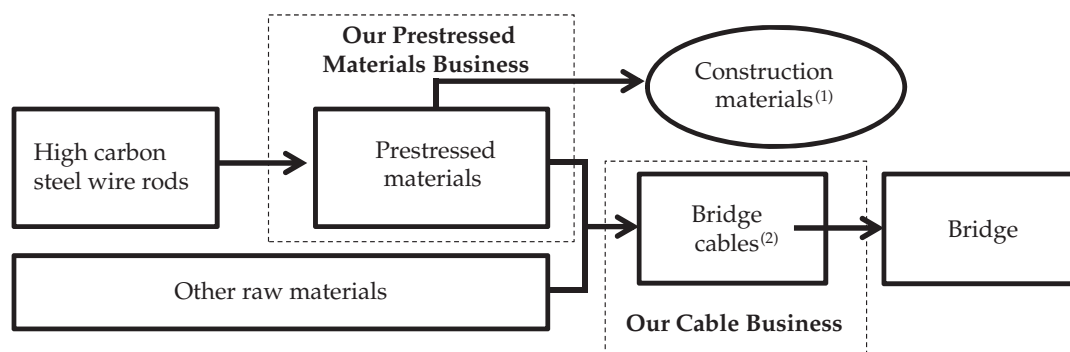
The following tables set out the breakdown of our revenue, gross profit and gross profit margin by business segment for the periods indicated.

	2015		Year ended 31 December			2017			Six months ended 30 June			2018			
	Revenue RMB'000	% of revenue	Gross profit margin %	Revenue RMB'000	% of revenue	Gross profit margin %	Revenue RMB'000	% of revenue	Gross profit margin %	Revenue RMB'000	% of revenue	Gross profit margin %	Revenue RMB'000	% of revenue	Gross profit margin %
Cable Business	282,723	27.8	34.6	303,275	28.0	34.7	425,803	32.3	34.6	132,719	27.1	35.2	189,457	30.7	31.5
Prestressed Materials Business	735,879	72.2	13.0	778,612	72.0	14.0	891,890	67.7	11.1	357,524	72.9	9.2	427,800	69.3	14.8
Total revenue	1,018,602	100.0	19.0	1,081,887	100.0	19.8	1,317,693	100.0	18.7	490,243	100.0	16.2	617,257	100.0	20.0

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Our Business

We engage in the bridge cable manufacturing and prestressed materials manufacturing. The following diagram illustrates the relationship between the two business segments that we operate in:



Notes:

- (1) Prestressed materials manufacturers mainly supply prestressed materials to construction materials manufacturers as raw materials to produce pre-cast concrete components or other construction materials such as building materials, railways sleepers or oil-drilling platforms.
- (2) Prestressed materials manufacturers mainly supply galvanised prestressed materials to bridge cable manufacturers as raw materials to produce bridge cables.

Cable Business

We focus on the manufacture and supply of cables for construction of bridges, with strong technical know-how in super-long-span suspension bridges and super-long-span cable-stayed bridges. In addition, we also manufacture a relatively small number of cables for constructing various architectural structures such as stadiums and exhibition centres.

We mainly manufacture and supply suspension cables (索股) for the fabrication of main cables for suspension bridges and stay cables for cable-stayed bridge. During the Track Record Period, we also derived a small portion of our revenue from the provision of bridge cable installation services. Our bridge cables have been or are currently used for constructing the three largest super-long-span bridges in China being Humen No. 2 Bridge (虎門二橋), Xihoumen Bridge (西堍門大橋) and Runyang Yangtze River Bridge (潤揚長江大橋).

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The following table sets out our revenue generated by project type and their percentage of our total revenue for our Cable Business for the periods indicated:

Project type	Year ended 31 December						Six months ended 30 June			
	2015		2016		2017		2017		2018	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
	(unaudited)									
Suspension bridge	147,965	52.3	125,988	41.5	313,798	73.7	119,060	89.7	82,897	43.8
Cable stayed bridge	128,848	45.6	167,957	55.4	92,387	21.7	10,738	8.1	101,638	53.6
Others ⁽¹⁾	5,910	2.1	9,330	3.1	19,618	4.6	2,921	2.2	4,922	2.6
Total revenue	282,723	100.0	303,275	100.0	425,803	100.0	132,719	100.0	189,457	100.0

Note:

- (1) Others include the provision of bridge cable installation services and sale of scrap materials.

Prestressed Materials Business

During the Track Record Period, we derived a significant portion of our revenue from the sales of prestressed materials, which accounted for 72.2%, 72.0%, 67.7% and 69.3% of our Group's revenue, respectively. Our three main types of products are (i) rare earth coated prestressed products, (ii) plain surface prestressed products and (iii) galvanised prestressed products.

The following table sets out our revenue generated and their percentage of our total revenue for our Prestressed Materials Business for the periods indicated:

Products	Year ended 31 December						Six months ended 30 June			
	2015		2016		2017		2017		2018	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
	(unaudited)									
Rare earth coated prestressed products	532,394	72.3	674,242	86.6	760,922	85.3	312,482	87.4	371,510	86.8
Plain surface prestressed products	99,036	13.5	45,461	5.8	46,171	5.2	25,806	7.2	18,656	4.4
Galvanised prestressed products	62,061	8.4	49,170	6.3	72,476	8.1	16,066	4.5	37,153	8.7
Others ⁽¹⁾	42,388	5.8	9,739	1.3	12,321	1.4	3,170	0.9	481	0.1
Total revenue	735,879	100.0	778,612	100.0	891,890	100.0	357,524	100.0	427,800	100.0

Note:

- (1) Others include the sale of unused raw materials or ad-hoc wire processing services.

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The following table sets out the designed production capacity, actual production volume and utilisation rate of our production facilities for the periods indicated based on the production of standardised product units:

Business segment	Year ended 31 December				Six months ended 30 June			
	2015		2016		2017		2018	
	Actual production capacity ⁽¹⁾ (tonnes)	Utilisation rate ⁽²⁾ (%)	Actual production volume ⁽¹⁾ (tonnes)	Utilisation rate ⁽²⁾ (%)	Actual production capacity ⁽¹⁾ (tonnes)	Utilisation rate ⁽²⁾ (%)	Actual production volume ⁽¹⁾ (tonnes)	Utilisation rate ⁽²⁾ (%)
Cable Business	40,000	56.8	22,718	59.2	40,000	98.6	20,000	80.9
Prestressed Materials Business								
– plain surface prestressed products ⁽³⁾	91,000	22.7	20,666	10.2	91,000	11.9	45,500	7.5
– rare earth coated prestressed products ⁽⁴⁾	269,000	62.7	168,543	92.7	269,000	79.4	134,500	62.1
– galvanised prestressed products ⁽⁵⁾	30,000	38.3	11,480	40.8	30,000	36.3	15,000	64.7

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Notes:

- (1) Production capacity for our Cable Business is determined on the basis of the optimal production speed of various production machines, number of working days per calendar year, taking into account staff holidays and public holidays and maintenance schedules.
- (2) Utilisation rate is calculated by dividing actual production volume by production capacity for the relevant year/period.
- (3) The production capacity is limited at the “wire drawing” stage of production.
- (4) The production capacity is limited at the “coating” stage of production.
- (5) The production capacity is limited at the “stabilisation” stage of production because we also purchased semi-finished galvanised prestressed products for further processing under this stage. The annual production capacity at the “galvanisation” stage is limited to only 10,000 tonnes per year.

Please refer to the section headed “Business — Our Production” for further analysis on the utilisation rate.

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Major Customers

For our Cable Business, we conduct sales of our bridge cables generally through participating in competitive bidding process and contract negotiations. Our major customers are project companies and main contractors in bridge construction projects in China. For certain overseas sales such as Korea, we sell to third parties which in turn sell our products to local project companies or contractors. For our Prestressed Materials Business, we generally obtain our customer contracts through our existing customer base and competitive bidding. Our major customers for our Prestressed Materials Business are steel material trading companies and steel materials manufacturers.

For the years ended 31 December 2015, 2016, 2017 and the six months ended 30 June 2018, our five largest customers of the Group in aggregate accounted for 51.9%, 55.8%, 56.7% and 48.0% of our total revenue, respectively, and our largest customer accounted for 12.1%, 31.3%, 20.7% and 11.2% of our total revenue, respectively.

Our Production Facilities

We conduct all of our manufacturing operations at our production facilities in China. We manufacture products for our Cable Business at our main facility in Xitang, China while we manufacture products for our Prestressed Materials Business at our facilities in Maanshan and Jiujiang, China. Please refer to the section headed "Business — Our Production — Our Production Facilities" in this [REDACTED] for further details on our production facilities.

The following table sets out the details of our three main production facilities:

Location	Main product manufactured	Brand
Xitang, Zhejiang Province	Bridge cables	Pujiang Cable (浦江纜索)
Maanshan, Anhui Province	Plain surface prestressed products, rare earth coated prestressed products	Ossen (奧盛)
Jiujiang, Jiangxi Province	Plain surface prestressed products, rare earth coated prestressed products and galvanised prestressed products	Ossen (奧盛)

COMPETITIVE STRENGTHS

We believe we have the following competitive strengths that will continue to drive our future success:

- We are a leader in the bridge cables manufacturing industry and the prestressed materials manufacturing industry in China
- We possess strong research and technological development capabilities and robust know-how
- We own industry-leading production facilities and have stringent control in our manufacturing process
- We have a strong customer base and close relationship with key suppliers
- We have an experienced management team and technical staff with prominent industry experience

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BUSINESS STRATEGIES

We aim to continue to strengthen our market position in the bridge cable manufacturing and prestressed materials manufacturing markets by pursuing the following strategies:

- We seek to enhance our leading market position by capturing the growing market opportunities in the fast-growing infrastructure market both in China and overseas
- We plan to continue to upgrade and increase our production facilities and enhance our operational effectiveness
- We will continue to invest in advancing our research and development capabilities
- We seek to enhance our competitiveness by exploring business acquisition opportunities in the industry and expand our overseas customer base

SUMMARY HISTORICAL FINANCIAL INFORMATION

The tables below present selected financial information derived from our combined statement of financial position set out in the Accountants' Report in Appendix I to this [REDACTED] as well as certain financial ratios relating to our Group as at the dates or for the periods indicated. The following information should be read in conjunction with our combined statements of financial position set out in the Accountants' Report, together with the accompanying notes, and the section headed "Financial Information" in this [REDACTED]. Our combined statement of financial position has been prepared in accordance with HKFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. Our historical results are not necessarily indicative of results that may be achieved in any future periods.

Summary Combined Statements of Profit or Loss and Other Comprehensive Income Information

	2015		Year ended 31 December 2016		2017		Six months ended 30 June 2017		2018	
	RMB'000	% of total revenue	RMB'000	% of total revenue	RMB'000	% of total revenue	RMB'000 (unaudited)	% of total revenue	RMB'000	% of total revenue
Revenue	1,018,602	100.0	1,081,887	100.0	1,317,693	100.0	490,243	100.0	617,257	100.0
Cost of sales	(824,969)	(81.0)	(867,432)	(80.2)	(1,071,786)	(81.3)	(410,735)	(83.8)	(493,973)	(80.0)
Gross profit	193,633	19.0	214,455	19.8	245,907	18.7	79,508	16.2	123,284	20.0
Other revenue	13,794	1.4	8,430	0.7	11,406	0.8	2,676	0.5	7,346	1.2
Other gains and losses	3,525	0.3	(3,392)	(0.3)	(1,902)	(0.2)	(185)	0.0	(2,131)	(0.4)
Distribution and selling expenses	(20,025)	(2.0)	(16,153)	(1.5)	(21,316)	(1.6)	(8,764)	(1.8)	(8,104)	(1.3)
Administrative expenses	(30,075)	(3.0)	(28,948)	(2.7)	(38,533)	(2.9)	(23,059)	(4.7)	(15,292)	(2.5)
Research and development expenses	(43,258)	(4.2)	(49,128)	(4.5)	(60,244)	(4.6)	(10,433)	(2.1)	(19,417)	(3.2)
Finance costs	(43,589)	(4.3)	(40,430)	(3.7)	(34,469)	(2.6)	(18,485)	(3.8)	(25,533)	(4.1)
Profit before tax	74,005	7.2	84,834	7.8	100,849	7.6	21,258	4.3	60,153	9.7
Income tax expense	(9,589)	(0.9)	(9,956)	(0.9)	(12,177)	(0.9)	(2,710)	(0.5)	(8,813)	(1.4)
Profit for the year/period	64,416	6.3	74,878	6.9	88,672	6.7	18,548	3.8	51,340	8.3
Profit attributable to:										
Owners of the Company	47,571	4.7	58,403	5.4	71,514	5.4	13,662	2.8	37,851	6.1
Non-controlling interests	16,845	1.6	16,475	1.5	17,158	1.3	4,886	1.0	13,489	2.2
	64,416	6.3	74,878	6.9	88,672	6.7	18,548	3.8	51,340	8.3

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Summary Consolidated Statements of Financial Position Information

	As at 31 December			As at 30 June 2018	As at 31 October 2018
	2015 RMB'000	2016 RMB'000	2017 RMB'000	RMB'000	RMB'000 (unaudited)
Current assets	1,489,807	1,520,592	1,760,196	2,101,706	2,358,430
Current liabilities	805,110	674,464	774,011	1,037,748	1,236,206
Net current assets	<u>684,697</u>	<u>846,128</u>	<u>986,185</u>	<u>1,063,958</u>	<u>1,062,224</u>

For details of our summary of consolidated statements of financial position, please refer to the section headed "Financial Information — Cash Flows — Net current assets".

Summary Consolidated Cash Flow Statements Information

	Year ended 31 December			Six months ended 30 June	
	2015 RMB'000	2016 RMB'000	2017 RMB'000	2017 RMB'000 (unaudited)	2018 RMB'000
Net cash flows generated from/(used in) operating activities	47,486	56,613	(171,064)	117,635	(55,425)
Net cash flows generated from/(used in) investing activities	31,160	42,457	12,917	(6,373)	(47,560)
New cash flows (used in)/generated from financing activities	<u>(44,942)</u>	<u>(55,049)</u>	<u>66,851</u>	<u>(7,498)</u>	<u>116,751</u>
Net (decrease)/increase in cash and cash equivalents	33,704	44,021	(91,296)	103,764	13,766
Cash and cash equivalents at the end of the year/period	60,828	104,881	13,571	208,640	27,343

We had net current assets of RMB684.7 million, RMB846.1 million, RMB986.2 million, RMB1,064.0 million and RMB1,112.2 million as at 31 December 2015, 2016 and 2017, 30 June 2018 and 31 October 2018, respectively. However, we recorded net cash used in operating activities of RMB171.1 million in 2017 and RMB55.4 million in the first half of 2018.

Our operations are working capital intensive due to the nature of our industry. We utilise a significant amount of working capital to procure raw materials for our products and to provide deposit guarantees (in terms of tender and performance bonds) for our Cable Business. However, our Cable Business customers provide us with a deposit of up to 20% of the contract value for some of our projects, which we record as contract liabilities on our balance sheet. Please refer to the section headed "Risk Factors — Risks Relating to our Business and Industry — Our operations are working capital intensive, any insufficient levels of liquidity may adversely affect our cash flow and working capital and results of operations".

Key Financial Ratios

	As at/ Year ended 31 December			As at/ Six months ended 30 June 2018
	2015	2016	2017	
Current ratio ⁽¹⁾	1.85	2.25	2.27	2.03
Quick ratio ⁽²⁾	1.57	1.92	2.10	1.88
Return on assets ⁽³⁾	3.7%	4.3%	4.6%	N/A
Return on equity ⁽⁴⁾	6.9%	7.4%	8.1%	N/A
Gearing ratio ⁽⁵⁾	42.7%	38.5%	44.1%	54.4%
Net debt to equity ratio ⁽⁶⁾	36.2%	28.1%	42.8%	52.1%
Net profit margin ⁽⁷⁾	6.3%	6.9%	6.7%	8.3%

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Notes:

- (1) Current ratio is calculated by dividing total current assets by total current liabilities as at the end of the year/period.
- (2) Quick ratio is calculated by dividing total current assets less inventories by total current liabilities as at the end of the year/period.
- (3) Return on assets is calculated by dividing profit for the year/period by total assets.
- (4) Return on equity is calculated by dividing profit for the year/period by total equity.
- (5) Gearing ratio is calculated by dividing total debt by total equity. Total debt is calculated as bank borrowings and bond payables. .
- (6) Net debt to equity ratio is calculated by dividing net debt by total equity as of the end of the year/period. Net debt is calculated as total debt less cash and cash equivalents.
- (7) Net profit margin is equal to our net profit divided by our total revenue for the year/period.

INFORMATION OF OUR CONTROLLING SHAREHOLDERS

Following completion of the [REDACTED] and assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the Share Option Scheme, each of Dr. Tang and Elegant Kindness is a Controlling Shareholder of our Company holding approximately [REDACTED] of the issued share capital of our Company. For further information on our Controlling Shareholder, please refer to "Relationship with Controlling Shareholders" in this [REDACTED].

[REDACTED] STATISTICS⁽¹⁾

The statistics below are based on the assumption that [REDACTED] are issued under the [REDACTED]:

	Based on the low end of the indicative [REDACTED] of [REDACTED] per Share	Based on the high end of the indicative [REDACTED] of [REDACTED] per Share
Market capitalisation of our Shares ⁽²⁾	[REDACTED]	[REDACTED]
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽³⁾	[REDACTED]	[REDACTED]

Notes:

- (1) All statistics presented herein are based on the assumption that the [REDACTED] is not exercised and do not take into account any Shares which may be issued pursuant to the exercise of options under the Share Option Scheme.
- (2) The calculation of market capitalisation is based on the assumption that [REDACTED] Shares will be in issue immediately following completion of the Capitalisation Issue and the [REDACTED].
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after the adjustments set out in the section headed "Financial Information — Unaudited Pro Forma Adjusted Combined Net Tangible Assets" in, and the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this [REDACTED] and on the basis of [REDACTED] Shares to be in issue immediately following completion of the Capitalisation Issue and the [REDACTED].

DIVIDEND

For the years ended 31 December 2015, 2016, 2017 and the six months ended 30 June 2018, and up to the date of this document, no dividend has been declared or paid by us. We have no plan to pay or declare any dividends prior to the [REDACTED]. As at the Latest Practicable Date, we also did not have any specific dividend policy nor pre-determined dividend payout ratios.

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The recommendation of the payment of dividend is subject to the absolute discretion of our Board, subject to applicable laws and regulations, and, after the [REDACTED], any declaration of final dividend for the year will be subject to the approval of our Shareholders. Such discretion to be exercised by the Board is subject to any applicable laws. The amount of any dividends to be declared and paid in the future will depend on, among other things, our results of operations, cash flows and financial condition, operating and capital requirements and other relevant factors. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. Please refer to section headed “Financial Information — Dividend” for details.

[REDACTED]

The [REDACTED] from the [REDACTED], after deducting [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], are estimated to be approximately HK\$[REDACTED] million before any exercise of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share. We intend to use such [REDACTED] for the following purposes:

- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the repayment of banking credit facilities obtained during our ordinary course of business primarily for the funding of our working capital that were secured by various personal and corporate guarantees;
- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the acquisition of business in order to strengthen our competitiveness or potentially increase our scale of production by June 2021;
- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the expansion of production capacity of galvanised prestressed products for our Prestressed Materials Business at Jiujiang, Jiangxi Province;
- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the expansion of research and development centre for our Cable Business;
- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for working capital and general corporate purposes; and
- approximately HK\$[REDACTED] (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the upgrade of production equipment and environmental protection facilities including waste treatment facilities for our Prestressed Materials Business at Jiujiang, Jiangxi Province.

For more information, please refer to the section headed “Future Plans and [REDACTED] — [REDACTED]” in this [REDACTED].

RISK FACTORS

Our business is subject to a number of risks, including but not limited to risks relating to our business and industry, risks relating to conducting business in China, risks relating to the [REDACTED] and our Shares and listing of Ossen Innovation on NASDAQ. In particular:

- our operations are working capital intensive, any insufficient levels of liquidity may adversely affect our cash flow and working capital and results of operations;

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- we may experience delays or defaults in payment of trade and retention receivables from our customers which may adversely affect our cash flow and working capital and results of operations;
- our revenues are dependent on our existing major customers and the loss of any one of them may have a material and adverse impact on our business, financial condition and results of operations;
- we procure a significant portion of our raw materials from our five largest suppliers; and
- our business, financial condition and results of operations may be affected by changes in the PRC government policies with respect to the infrastructure construction industry.

As different investors may have different interpretations and standards for determining the materiality of a risk, you should refer to the entire section headed "Risk Factors" in this [REDACTED] carefully before you decide to [REDACTED]. You should not place any reliance on any information contained in press articles, research analysts' reports or other media regarding us and the [REDACTED], certain of which may not be consistent with the information contained in this [REDACTED].

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since 1 July 2018 and up to the Latest Practicable Date, we have secured several significant bridge cable projects in both China and overseas countries, including the Yongdian River Bridge in Dandong, Liaoning Province and "1915 Canakkale Bridge" in Turkey. The aggregate amount of our total signed contract value was approximately RMB567.5 million. Based on the unaudited financial information of our Company for the four months ended 31 October 2018, our revenue increased as compared to the same period in 2017. We expect that our sales for the year ended 31 December 2018 will outpace the year ended 31 December 2017 due to increase in customer demand.

Our Directors have confirmed that, since 30 June 2018 and up to the date of this [REDACTED], there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially and adversely affect the information shown in our consolidated financial statements set out in the Accountants' Report in Appendix I to this [REDACTED].

We have prepared unaudited preliminary financial information for our Group as at and for the year ended 31 December 2018, which is set out in Appendix III to this [REDACTED].

[REDACTED] EXPENSES

During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED] (based on the mid-point of the indicative [REDACTED]), of which [REDACTED] was charged to our combined statement of profit or loss and other comprehensive income and the remaining amount of [REDACTED] was recorded as prepayment which is expected to be capitalised upon [REDACTED]. We expect to further incur [REDACTED] expenses (including [REDACTED]) of approximately [REDACTED] (based on the mid-point of our indicative [REDACTED] for the [REDACTED] and assuming that the [REDACTED] is not exercised and without taking into account any [REDACTED], if applicable) by the completion of the [REDACTED], of which an estimated amount of approximately [REDACTED] and [REDACTED] will be charged to our combined statement of profit or loss and other comprehensive income in the second half of 2018 and in 2019, respectively, and an estimated amount of approximately [REDACTED] and [REDACTED] will be capitalised in the second half of 2018 and in 2019, respectively. We do not expect these [REDACTED] expenses to have a material impact on our business and results of operations for the year ended 31 December 2018.