

Jiancheng International Group Limited (ASX:JCI) – 2019 AGM

CEO's Address – Yonghong (John) Tang

31 July 2019

Tower 3, Level 25, 300 Barangaroo Avenue, Barangaroo NSW 2000

Dear Shareholders,

2018 was a year of significant progress for Jiancheng International Group Limited as we continued to deliver on our vision to become a leading one stop provider for labour hire and workforce solutions within the international construction sector.

During the year, we expanded our portfolio of projects and strengthened our relationships with high profile clients. We also began to diversify our business model as part of our wider strategy to capitalise on international growth opportunities. We look forward to keeping the market informed on progress on this front.

Our focus for 2018 was on expanding into international markets and in doing so administer strict cost management, and we are pleased to report we have achieved success against both of these metrics. During the year we secured ten new contracts across Algeria, Malaysia and Indonesia, double that of 2017.

The Company's strict cost management allowed it to realise an after-tax profit of \$7 million and increase its revenue by 25% to \$96.5 million in 2018. The Company's net assets increased to \$56.8 million as at 31 December 2018, compared to \$45.5 million as at the end of 2017.

JCI also continued to develop its presence in the Malaysian market by securing repeat clients. In addition, we also made positive progress in markets such as Algeria, Indonesia and Dubai, and continue to see positive opportunities in these regions.

In Algeria, we signed a labour services contract for the construction of the country's largest belt pipe transportation system in terms of scale and ore transportation volume. This system will connect the Tosyali Steel Plant in Oran to the Port of Azrew. JCI was appointed a sub-contractor by SinoSteel MECC, a one of ENR's Top 250 International Contractors for this project. JCI endeavours to strengthen its relationship with SinoSteel as we continue to focus on regions under the Chinese government's "One Road, One Belt" initiative.

In 2017, the Company laid foundations for its entry into the Indonesian market, and we are pleased to share that in 2018 we signed our first contract in the Indonesian market. The Company secured two agreements with SinoSteel MECC - both for Dexin Steel, a large-scale steel making facility and an Indonesian and Chinese joint venture. The Company's expansion into this market was as part of our aim to grow our international presence, and we are pleased with this development.

Having multiple contracts with a high-profile client such as SinoSteel MECC in different regions is testament to JCI's commitment to strengthen relationships with top international contractors. We will continue to deepen relationships with other similar groups.

As shareholders will know, we are currently in a trading halt from the ASX pending our submission and the subsequent review of our half-year report. We are working on ensuring this is delivered in a timely manner and have established proper contact and dialogue with the ASX about this.

Looking to 2019, JCI aims to continue the strong momentum built in 2018. We remain committed to our vision of becoming a leading 'one stop' workforce solutions provider and tapping into the enormous potential of China's "One Belt One Road". As we continue to focus on international markets, we will also strengthen our relationships with Chinese State-Owned Enterprises to ensure we are well positioned for new and upcoming opportunities.

Lastly, I would like to thank our shareholders for their support during our recent delay with the auditing process. Our business operations and services remained as they had always been during this period and we will maintain our careful management of working capital and cash flow, as well as strengthen our collection of receivables.

JCI enters 2019 with a strong forward order book and we look forward to updating shareholders on our progress in expanding our international footprint, clients and projects.