JC INTERNATIONAL GROUP LIMITED ACN 605 248 904

JC
建诚国际
INTERNATIONAL

CREDIBILITY BUILDS THE WORLD

Prospectus

Initial public offering of ordinary shares

OFFER

For an offer of 15,000,000 Shares at an offer price of $0.80 each to raise $12,000,000 before costs, with a minimum subscription requirement to raise at least $5,000,000 before costs (**Offer**).

LEAD MANAGER

The Lead Manager to the Offer is Patersons Securities Limited.

UNDERWRITING

The Offer is not underwritten.

IMPORTANT NOTICE

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered highly speculative.

LEAD MANAGER

PATERSONS

Prospectus

JC INTERNATIONAL GROUP LIMITED

ACN 605 248 904

Nb: The pictures of buildings on the cover page and elsewhere in this Prospectus (unless noted otherwise) depict the Olympia Complex of the Asian Olympic Committee project undertaken by the JCI Group in Kuwait.

Contents

IMPORTANT INFORMATION

This Prospectus is dated 6 October 2015 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility as to the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investments in the Company should be considered highly speculative. Applicants should read this Prospectus in its entirety and persons considering applying for Shares pursuant to this Prospectus should obtain professional advice.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

The offer of Shares under this Prospectus does not constitute an offer in any jurisdiction outside Australia. The Offer is not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed. For information on selling restrictions that apply to the Shares in certain jurisdictions outside of Australia, see Section 9.12.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at **www.jcigroup.com.au**. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Lead Manager on (08) 9263 1118. For further information, see Sections 1.21 and 9.9.

RISKS

Before deciding to invest in the Company, potential investors should read the entire Prospectus and in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 6 for details relating to risk factors.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

EXCHANGE RATE

Unless otherwise stated, all amounts in RMB that have been converted to AUD in this Prospectus have been converted using RMB 1: AUD$0.21308, being the spot rate as at 30 June 2015. The Company notes that exchange rates are subject to change. Investors are advised to take this into consideration when considering historical figures in RMB that have been converted into AUD using the exchange rate as at 30 June 2015 (unless otherwise stated).

MISCELLANEOUS

All references in this Prospectus to "$", "A$", "AUD", "dollar", "cents" are references to Australian currency unless otherwise stated.

All references to "RMB", "Renminbi" or "Chinese Renminbi" are references to PRC currency unless otherwise stated.

All references to time relate to the time in Perth, Western Australia.

The people and assets depicted in this Prospectus are not employees or assets of the Company unless specifically stated.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 12.

CORPORATE DIRECTORY

DIRECTORS

Mr. John Dixon
Non-Executive Director and Chairman
Ms. Bronwyn Barnes
Non-Executive Director
Mr. Yonghong Tang
Executive Director
Mr. Youxi Sun
Executive Director
Mr. Yangyu Zhu
Executive Director

COMPANY SECRETARY

Mr. Dennis Wilkins
DWCorporate Pty Ltd

REGISTERED OFFICE

Ground Floor, 20 Kings Park Road
West Perth WA 6005

PRC OFFICE

Gushu Industrial Park Concentration Area
Ma'anshan City, Anhui Province, 243100
People's Republic of China

AUSTRALIAN CORPORATE ADVISER AND LEAD MANAGER

Patersons Securities Limited
Level 23, Exchange Tower 2
The Esplanade
Perth WA 6000

PRC CORPORATE ADVISER

Dao Capital Group Limited
11F, Magnolia Plaza,
No. 365 West Huaihai,
Shanghai 200030
People's Republic of China

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

AUDITOR

Moore Stephens Assurance Adelaide Pty Ltd
Level 4, 81 Flinders Street
Adelaide SA 5000

INDEPENDENT ACCOUNTANT

Moore Stephens Corporate Services Pty Ltd
Level 3, 12 St Georges Terrace
Perth, WA 6000

AUSTRALIAN TAXATION ADVISER

Moore Stephens Adelaide Pty Ltd
Level 4, 81 Flinders Street
Adelaide SA 5000

AUSTRALIAN LEGAL ADVISER

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

PRC LEGAL ADVISER

Beijing DHH Law Firm
16/F CBD International Mansion
No. 16 Yong'an Dongli,
Chaoyang District
Beijing 100022
People's Republic of China

HONG KONG LEGAL ADVISER

Dentons Hong Kong
3201 Jardine House,
1 Connaught Place,
Central,
Hong Kong

ASX CODE

JCI

CHAIRMAN'S LETTER

DEAR INVESTOR,

On behalf of the Directors of JC International Group Limited (the **Company** and, together with its Subsidiaries, the **JCI Group**), I am pleased to present this Prospectus and offer you the opportunity to become a shareholder of this exciting Company.

Founded in 2003, JCI Group provides an integrated, one-stop workforce sub-contracting solution. Initially, the Company provided a total workforce solution to China's State Owned Enterprises (**SOEs**) in their domestic construction projects. In recent years, the Company has grown to become the leading Chinese company with the requisite licences to provide these same workforce solutions to Chinese SOEs expanding overseas construction operations.

Looking ahead, JCI Group's main business strategy is to become a strong international contracting company by building on its existing relationships with SOEs as well as expand its operations to non-SOEs internationally.

As part of this strategic objective, JCI Group now seeks to list on the Australian Securities Exchange (ASX). The Company has attracted a strong and reputable international Board, and considers that the ASX's international reputation as a leading securities exchange with internationally recognised, strong and transparent governance will further enhance its ability to compete on the global construction stage.

JCI Group is an ISO 9001:2008 accredited quality management company, and has attained an AA rating from China International Contractor Association, the only People's Republic of China (**PRC**) workforce subcontracting company so certified with an overseas project focus.

The current PRC Government of President Xi Jinping has a stated policy of using China's huge foreign capital reserves towards foreign construction projects, primarily in Asia (under the Silk Road Economic Belt Policy), and Africa. JCI Group has forged very strong ties to several of the largest Chinese construction companies, including a strategic relationship with China Railway Construction Corp.

JCI Group has experienced strong growth over the last three years on the back of its good working relationship with these important Chinese SOE's providing them with a unique one-stop workforce sub-contracting solution. Between 2012 and 2014, the Company's revenues have more than doubled from A$14 million to over A$33 million, with a corresponding increase in EBIT from A$110,000 to A$8.2 million. In 2014, over 50% of profits came from overseas projects.

This Prospectus contains an offer to the public of up to 15 million Shares at an offer price of A$0.80 each to raise up to A$12 million before costs. These funds are primarily to be used to establish additional operational offices in Beijing and in other key operational locations outside China, and to provide additional working capital to fund performance bonds and other expenses required to bid for and win new contracts.

I believe JCI Group has excellent prospects as set out in this Prospectus. The Board of JCI Group commends the Offer to you and looks forward to welcoming you as a Shareholder.

Yours faithfully,

John Dixon
Chairman

6 October 2015

KEY OFFER DETAILS

KEY FINANCIAL INFORMATION

	MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
Offer price per Share	$0.80	$0.80
Number of Shares to be offered under the Offer	6,250,000	15,000,000
Amount to be raised under the Offer (before costs)	$5,000,000	$12,000,000
Total number of Shares on issue before completion of the Offer	50,000,000	50,000,000
Total number of Shares on issue upon completion of the Offer[3]	56,250,000	65,000,000
Indicative market capitalisation at the Offer Price upon completion of the Offer[1]	$45,000,000	$52,000,000

NOTES

1. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the case above, the price is calculated at the Offer Price. Please note that there is no guarantee that the Shares will be trading at the Offer Price upon the Company listing.
2. Please refer to Section 1.6 for further details relating to the proposed capital structure of the Company.
3. 200,000 Loyalty Options are being issued to Mr John Dixon, the terms of which are subject to ASX approval. The Loyalty Options will be issued for nil cash consideration, and will vest upon Mr Dixon remaining a Director of the Company until 7 September 2017 (representing 2 years of continuous service), or, if before 7 September 2017, Mr Dixon resigns at the request of the Company's major shareholder or is removed by resolution (unless such removal is for cause). Once the 200,000 Loyalty Options vest, they may be exercised for nil consideration at any time before 31 December 2017, and 200,000 Shares will be issued to Mr Dixon. Further details of the Loyalty Options are contained in Section 9.3.

INDICATIVE TIMETABLE

EVENT	DATE
Lodgement of this Prospectus with ASIC	6 October 2015
Opening Date for the Offer	20 October 2015
Closing Date for the Offer	27 November 2015
Issue of new Shares under the Offer	2 December 2015
Holding statements sent to Shareholders	4 December 2015
Expected date for Shares to commence trading on ASX	14 December 2015

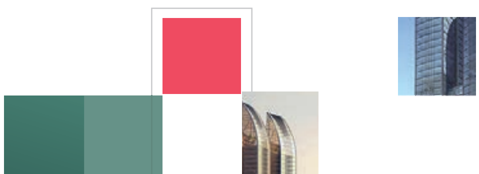
NOTES

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

QUESTION	ANSWER	MORE INFORMATION
OVERVIEW OF JCI GROUP AND ITS BUSINESS MODEL		
WHO IS THE ISSUER OF THIS PROSPECTUS?	JC International Group Limited ACN 605 248 904 (**Company** and, together with its Subsidiaries, the **JCI Group**).	Section 3.1
WHO IS THE COMPANY AND WHAT DOES IT DO?	The Company is the parent company of Jiancheng International Holdings Limited (a company incorporated in Hong Kong) which in turn has a wholly-owned subsidiary Ma'anshan City Jiancheng Human Resources Service Limited (incorporated in the PRC). Ma'anshan City Jiancheng Human Resources Service Limited owns 75% of the shares in Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd (incorporated in the PRC), and the other 25% of the shares are owned by Ms Wang Jinxiang. However, pursuant to a shareholders agreement between Ma'anshan City Jiancheng Human Resources Service Limited and Ma'anshan City Jiancheng Human Resources Service Limited, Ms Wang Jinxiang has irrevocably assigned to Ma'anshan City Jiancheng Human Resources Service Limited her economic and legal rights to Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd. (see section 8.4 for further details). Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd is also the sponsor of Ma'anshan City Jiancheng Occupational Training School. Together, these companies make up the JCI Group. The JCI Group is the owner of a business which provides a complete workforce solution for construction projects, with a particular focus on international and domestic construction projects undertaken by PRC state-owned enterprises (**SOEs**).	Section 3.1
WHAT IS THE JCI GROUP'S BUSINESS IN THE PRC?	The JCI Group provides a complete workforce solution for construction projects, with a particular focus on international and domestic construction projects undertaken by PRC SOEs.	Section 3.1

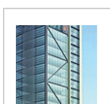


INVESTMENT OVERVIEW

WHAT IS THE COMPANY'S BUSINESS MODEL?	The Company's business model is providing a one-stop complete workforce solution for PRC SOE head contractors. The Company (through the Jiancheng Occupational Training School, which it sponsors) also provides training in construction trades and accreditation testing in trades to international standards. The Company is seeking to expand the number of SOEs the Company partners with as well as expand its operations internationally with non-SOE projects. By continuing to operate and develop its core business, the Company hopes to achieve capital growth for its Shareholders.	Section 3.1
WHAT ACTIVITIES HAS THE COMPANY PLANNED?	The Company plans to grow its business through • building on existing partnerships with SOEs; • setting up business offices in Beijing and overseas, and establishing partnerships with new SOEs; and • exploring opportunities to work with non-PRC contractors.	Sections 1.5 and 3.1

THE OFFER AND USE OF FUNDS RAISED

WHAT IS THE OFFER?	The Offer is for 15,000,000 Shares at an Offer Price of $0.80 per Share to raise funds of $12 million. The Offer has a Minimum Subscription of $5 million.	Section 1.1
WHAT IS THE MINIMUM SUBSCRIPTION?	The Minimum Subscription is 6,250,000 shares to raise $5 million. Applications under the Offer must be for a minimum of 2,500 Shares ($2,000) and then in increments of 250 Shares ($200).	Section 1.3
WHY IS THE OFFER BEING CONDUCTED?	The principal purposes of the Offer are to: • comply with ASX's requirements for listing the Company and its Shares on ASX; • enhance the public and financial profile of the Company to facilitate further growth of the Company's business; • provide funds for the purposes set out in Section 1.4; and • provide the Company with access to equity capital markets for further funding needs.	Section 1.4



HOW WILL FUNDS RAISED UNDER THE OFFER BE USED?

Depending on how much is raised, it is proposed that funds raised under the Offer will be applied towards:

- the expenses of the offer;
- setting up offices in Beijing and other key operational locations, such as Algeria and Bangladesh;
- capital to support performance bonds and financial arrangements required to bid for and win new contracts;
- employee re-location expenses; and
- general working capital.

Section 1.5

KEY RISK FACTORS

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 6 for a more detailed summary of the risks.

CREDIT AND WORKING CAPITAL RISK

The delay or failure of customers or other counterparties to pay their debts or other obligations to JCI Group when due (as a result of insolvency or other reasons) may have a material adverse impact on JCI Group's future financial performance and position.

Also, at any point in time JCI Group holds a significant level of trade receivables, and is therefore exposed to the risk that it may not be able to collect the full value of its trade receivables if the creditworthiness of its individual customers were to deteriorate. While the concentration of JCI Group's credit risk is limited by contracting with SOE's, an economic downturn could adversely affect JCI Group's revenue and profitability and result in losses to JCI Group.

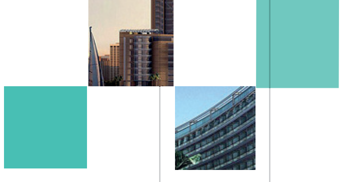
Similarly, JCI Group must ensure that trade payables are maintained at appropriate levels over time and that its key suppliers are paid within reasonable periods. Any misalignment between the movement in receivables and payables could significantly impact JCI Group's cash position.

Section 6.1.1

INDUSTRY AND MARKET RISK

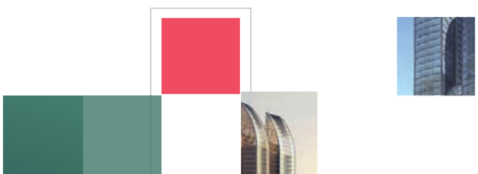
As the JCI Group operates mainly in the construction workforce subcontracting market in the non-PRC and PRC jurisdictions, its financial performance is closely tied to the performance of the markets in which it operates. Those markets are affected by various factors beyond the JCI Group's control. A significant downturn in the performance of those markets mentioned above could have an adverse impact on the JCI Group's revenues and profitability.

Section 6.1.2



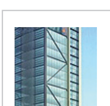
JCI GROUP MAY NOT BE ABLE TO SECURE FUTURE FUNDING ON ACCEPTABLE TERMS	JCI Group's existing finance facilities will require refinancing in the future, and JCI Group may seek additional debt finance in the future to support growth. The terms which debt financiers are willing to offer may depend on macroeconomic conditions, the tenor of the facilities, the performance of JCI Group and the risks associated with the intended use of the funds. Deterioration of JCI Group's financial condition, reduction in its credit standing, an inability to procure the renewal of existing guarantees or the grant of new guarantees acceptable to debt financiers or instability in local and global bank and capital markets could increase JCI Group's cost of borrowing or eliminate its ability to raise additional debt or replace existing debt as it matures. An inability for JCI Group to secure debt funding on reasonable terms or, to continue to comply with its financial covenants could constrain the future growth of its business and could adversely impact JCI Group's operating and financial performance.	Section 6.3.20
PAYMENT OF DIVIDENDS FROM PRC SUBSIDIARIES	The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. As the JCI Group receives some of its revenues in RMB, the Company relies partially on dividends from its PRC Subsidiaries to fund any cash and financing requirements the Company may have. As JCI Group's Training School is a not-for-profit entity, it is not permitted to make a distribution of any accumulated profits. It is however permitted to use those profits to pay its expenses.	Section 6.2.1
DEPENDENCE ON MANAGEMENT TEAM	The success of the JCI Group has been in large part due to the talent, effort, experience and leadership of its senior management team and the leadership of Mr Yonghong Tang. Most of the JCI Group's senior management team members have been with the JCI Group for over 5 years. Although the JCI Group has entered into employment contracts with all of its executive Directors and senior management, there is no assurance that such contracts will not be terminated or breached, or will not be renewed at their conclusion. The loss of the services of JCI Group's senior executives or other key personnel, or an inability to attract and retain qualified and competent senior executives or other key personnel, could have a material adverse effect on JCI Group's operating and financial performance.	Section 6.3.1

OPERATIONS IN THE PRC AND OTHER COUNTRIES	The JCI Group conducts substantial business operations in the PRC and other countries. Accordingly, the JCI Group's results of operations, financial condition and prospects are significantly dependent on economic and political developments in the PRC and those other countries. Although the PRC's economy has experienced significant growth in the past 30 years, the Company cannot assure investors that the PRC's economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such a slowdown will not have a negative effect on its business and results of operations. Similarly, the Company cannot provide any assurance regarding the economies of the other countries in which JCI Group operates.	Section 6.3.2
PRC AND FOREIGN LEGAL SYSTEMS AND LEGAL RISKS	The JCI Group's operations in the PRC are governed by PRC laws and regulations. The JCI Group's PRC Subsidiaries are foreign-invested enterprises and are subject to laws and regulations applicable to foreign investment in the PRC. The JCI Group's operations in foreign jurisdictions are governed by both PRC and foreign laws and regulations. The introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities may have an adverse impact on the JCI Group's operations.	Section 6.3.3
RELATIONSHIPS WITH STATE OWNED ENTERPRISES	The success of the JCI Group has been in large part due to its good relationships with the SOEs with which JCI Group contracts. However, there is no assurance that JCI Group will be able to maintain those relationships, or that other competitors will not be able to supplant those relationships. A breakdown in the relationships between the JCI Group and the SOEs could have a material adverse effect on JCI Group's operating and financial performance.	Section 6.3.4
RELATIONSHIPS BETWEEN PRC, STATE OWNED ENTERPRISES AND OTHER COUNTRIES	The success of the JCI Group has been in large part due to its good relationships between the PRC, the relevant SOEs and the countries with which those SOEs contract. However, there is no assurance that the PRC and the SOEs will be able to maintain relationships with those foreign countries, or that other countries or head contractors will not be able to supplant those relationships. A breakdown in the relationships between the PRC, the SOEs and target countries could have a material adverse effect on JCI Group's operating and financial performance.	Section 6.3.5



ADEQUACY OF INSURANCE	For each project where JCI Group is subcontracted, the relevant head contractor obtains work safety insurance for JCI Group's employees. While JCI Group considers that such insurance is appropriate, it is not insured against all foreseeable risks. It is also not guaranteed that insurance will continue to be available on commercially acceptable terms and conditions or at a commercially acceptable cost. If an event occurs that is not covered by insurance or exceeds the insurable limits, it may have a material adverse impact on JCI Group's future financial performance and position.	Section 6.3.8
INDUSTRIAL RELATIONS	Industrial relations could be influenced by changes in government legislation and policy in the PRC and other relevant countries, relationships between governments, negotiation of workplace and project agreements, and related matters. JCI Group or the entities to which it subcontracts could be the subject of industrial action which, if sustained, could result in lower productivity levels that could adversely impact project completion and have an adverse impact on JCI Group's future financial performance and position. Additionally, for some of its projects, JCI Group may be dependent on transport, logistics, raw material processing and other support operations. Should these operations be impacted by labour disputes, there may be an adverse impact on JCI Group's operations and future financial performance and position.	Section 6.3.10
HEAD CONTRACTORS MAY CHANGE FROM OUTSOURCING TO IN-SOURCING OF SERVICES	JCI Group's financial performance depends on the relevant head contractors continuing to outsource construction services. JCI Group's anticipated future growth depends in part on additional services being outsourced in the future. A reduction in outsourcing may result from a variety of factors, including changing economic conditions or industry trends, changes in the specific strategies of JCI Group's customers or poor performance by outsourced service providers. A decline in outsourcing in the construction industry, or an increase in customers taking services back in-house (i.e. in-sourcing) may adversely affect JCI Group's future revenue and profitability and its prospects for growth. JCI Group's existing business largely consists of providing construction workforce services to SOEs. Outsourcing decisions by the SOEs may be driven by political and public policy considerations. These are subject to change, and a decline in outsourcing by SOEs may adversely affect JCI Group's future revenue and profitability and its prospects for growth.	Section 6.3.17

EXPIRY OF ESCROW	ASX may determine that all 50,000,000 existing Shares, representing 88.89% (assuming Minimum Subscription), or 76.92% (assuming Full Subscription) of the total number of Shares on issue following the Offer, are required to be held in escrow for a period of between 12 and 24 months. In the event ASX does not impose mandatory escrow on any of the Company's Shares, the Company will instead enter into voluntary escrow agreements with the existing Shareholders. This will result in all 50,000,000 existing Shares, representing 88.89% (assuming Minimum Subscription), or 76.92% (assuming Full Subscription), of the total number of Shares on issue following the Offer, being held in escrow for a period of 18 months. Following the end of these escrow periods a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. Please see in Section 1.12, for further information on escrow arrangements.		Section 6.3.23
TRADE LIQUIDITY	A high proportion of Shares may be subject to escrow following completion of the Offer (see Sections 1.12 and 6.3.24 for further information). This poses a risk that illiquidity in the trading of the Shares will arise and that Shareholders may be unable to sell their investment due to limited demand for the Shares or may only be able to sell their Shares in small parcels. An illiquid market is likely to have an adverse impact upon the Share price.		Section 6.3.24
SHARE MARKET	The Shares to be issued pursuant to this Prospectus should be considered highly speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances. Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.		Section 6.4.2



OTHER KEY TERMS OF THE OFFER

WHAT ARE THE KEY DATES OF THE OFFER?

Key Offer Details

Event	Date
Lodgement of this Prospectus with ASIC	6 October 2015
Opening Date for Offer	20 October 2015
Closing Date for Offer	27 November 2015
Dispatch of holding statements	4 December 2015
Expected date for Shares to commence trading on ASX	14 December 2015

The above dates are indicative only and may change without notice.

WHAT RIGHTS AND LIABILITIES ATTACH TO THE SHARES BEING OFFERED?	The Company is offering 15,000,000 Shares at $0.80 each to raise $12,000,000 (before costs of the Offer) with a Minimum Subscription of $5,000,000. The rights and liabilities attaching to the Shares are described at Section 9.2.	Section 9.2
IS THE OFFER UNDERWRITTEN?	No.	Section 1.8
WILL THE SHARES ISSUED UNDER THE OFFER BE LISTED?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of the Shares on the ASX under the code, "JCI".	Section 1.11
WILL ANY SHARES BE SUBJECT TO ESCROW?	The Company expects that all 50,000,000 existing Shares on issue at the date of this Prospectus will be subject to escrow.	Section 1.12
WILL THE COMPANY PAY DIVIDENDS?	The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the time. The Company is not likely to be subject to any Australian tax that will allow it to generate franking credits. Please see the Taxation Report at Section 10 for further details.	Section 1.20
WHAT ARE THE TAX IMPLICATIONS OF INVESTING IN SHARES UNDER THE OFFER?	The tax consequences of any investment in Shares will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 9.11

INVESTMENT OVERVIEW

HOW DO I APPLY FOR SHARES UNDER THE OFFER?	All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being $0.80 per Share. Cheques must be made payable to "JC International Group Limited" and should be crossed "Not Negotiable".	Section 1.2
WHEN WILL I KNOW IF MY APPLICATION WAS SUCCESSFUL?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful. Holding statements are expected to be issued on or about 4 December 2015.	Section 1.9
CAN I SPEAK TO A REPRESENTATIVE ABOUT THE OFFER?	Questions relating to the Offer can be directed to the Lead Manager, Patersons Securities Limited, on (08) 9263 1118. Questions relating to the completion of the Application Form can be directed to the Share Registry, Computershare Investor Services Pty Limited on +61 1300 850 505.	Section 1.21

BOARD AND MANAGEMENT

WHO ARE THE COMPANY'S DIRECTORS?	The Directors of the Company are: • Mr John Dixon, Non-Executive Chairman and Director; • Ms Bronwyn Barnes, Non-Executive Director; • Mr Yonghong Tang; • Mr Youxi Sun; and • Mr Yangyu Zhu.	Section 7.2
WHO COMPRISES THE SENIOR MANAGEMENT TEAM?	The senior management team is comprised of: • Mr Yonghong Tang – Managing Director and General Manager; • Mr Youxi Sun – Vice General Manager; • Ms Ru Shen – Vice General Manger • Mr Yonghui Yu – Chief Financial Officer; and • Mr Lei Du – Operational Manager.	Section 7.5

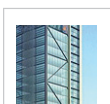
WHAT ARE THE SIGNIFICANT INTERESTS OF THE DIRECTORS?

Section 7.6

Upon the Company listing on the ASX, the Directors will be remunerated as follows:

- As Managing Director and General Manager, Mr Yonghong Tang will be paid AUD 63,924 (RMB 300,000) per annum plus statutory superannuation.
- As Executive Director and Executive Vice General Manager, Mr Youxi Sun will be paid AUD 44,747 (RMB 210,000) per annum plus statutory superannuation.
- As Executive Director and Vice General Manager, Mr Yangyu Zhu will be paid AUD 63,924 (RMB 300,000) per annum plus statutory superannuation.
- As Non-Executive Chairman, Mr John Dixon will receive director's fees of AUD 80,000 per annum inclusive of statutory superannuation, plus 200,000 Loyalty Options (the terms of which are subject to ASX approval). The Loyalty Options will be issued for nil cash consideration, and will vest upon Mr Dixon remaining a Director of the Company until 7 September 2017 (representing 2 years of continuous service), or, if before 7 September 2017, Mr Dixon resigns at the request of the Company's major shareholder or is removed by resolution (unless such removal is for cause). Once the 200,000 Loyalty Options vest, they may be exercised for nil consideration at any time before 31 December 2017, and 200,000 Shares will be issued to Mr Dixon. Further details of the Loyalty Options are contained in Section 9.3.
- As Non-Executive Director, Ms. Bronwyn Barnes will receive director's fees of AUD 60,000 per annum inclusive of statutory superannuation.

Further information on the security holdings, interests and remuneration of the Directors is set out in Section 7.6.



MISCELLANEOUS

WHAT MATERIAL CONTRACTS ARE THE COMPANY AND JCI GROUP A PARTY TO?

The Company is a party to the following material contracts:

- Employment agreement with its Managing Director and General Manager, Mr Yonghong Tang;
- Employment agreement with Chief Financial Officer Mr Yonghui Yu;
- Corporate adviser and lead manager mandate;
- Deeds of access, indemnity and insurance; and
- Escrow agreements.

Other members of the JCI Group are a party to the following material contracts:

- Subcontracting agreements with various head contractors;
- Strategic Alliance Agreements;
- Borrowing Arrangements;
- Loan to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd;
- Training School Articles of Association;
- Tripartite Agreement; and
- Shareholders Agreement.

For further information on Directors' interests in the material contracts, please refer to Section 8.

Section 8

WHAT IS THE FINANCIAL POSITION OF THE COMPANY?

The Company was formed on 13 April 2015 and has limited financial history. The Company was formed for the purpose of the JCI Group listing on the official list of ASX.

As at 30 June 2015, the JCI Group has:

- Cash and cash equivalents balance of $1,078,000;
- Total assets of $42,188,000;
- Net assets of $20,095,000; and
- Shareholders' equity of $20,095,000.

Section 4

WHAT IS THE EFFECT OF THE OFFER ON THE COMPANY?

The Offer will provide the Company with additional cash reserves to facilitate the expansion of its business and operations, including through marketing, promotion and R&D. In addition, the Company will become a publicly listed company on the ASX.

The capital structure of the Company will be impacted by the number of new Shares issued. Control of the Company will remain with the major Shareholder, Mr Yonghong Tang.

The future of the Company will be dependent on many things, some of which are outside the control of the Company. The Directors recommend that investors read this Prospectus carefully and, in particular, the risks associated with an investment in the Company set out in Section 6.

Sections 1.5, 9.8 and 6

JC 建诚国际 INTERNATIONAL

1 Details of the offer

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

1 DETAILS OF THE OFFER

1.1 OVERVIEW

By this Prospectus, the Company offers 15,000,000 Shares at an Offer Price of $0.80 cents per Share to raise funds of $12 million, with a minimum subscription of $5 million. There is no allowance for oversubscriptions.

The Offer is open to the general public however non-Australian resident investors are directed to the statements and restrictions set out in Sections 1.15 and 9.12.

The Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to Shares are further described in Section 9.2.

Applications for Shares must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.2 and the Application Form for further details and instructions.

1.2 APPLICATIONS AND PAYMENT

Applications for Shares under the Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 2,500 Shares ($2,000) and then in increments of 250 Shares ($200). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "JC International Group Limited – Subscription Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to, or posted to, the following address:

DELIVERED TO:

JC International Group Limited
c/o Computershare Investor
Services Pty Limited
GPO Box 52
Melbourne VIC 3001

MAILED TO:

JC International Group Limited
c/o Computershare Investor
Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Board's decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

1.3 MINIMUM SUBSCRIPTION

The minimum subscription requirement for the Offer is $5 million, representing 6,250,000 Shares at $0.80 each (**Minimum Subscription**). No Shares will be issued until the Offer has reached the Minimum Subscription. If the Minimum Subscription has not been achieved within four months after the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

1.4 PURPOSE OF THE OFFER

The principal purposes of the Offer are to:

a) comply with ASX's requirements for listing the Company and its Shares on ASX;

b) enhance the public and financial profile of the Company to facilitate further growth of the Company's business;

c) provide funds for the purposes set out in Section 1.5; and

d) provide the Company with access to equity capital markets for future funding needs.

1.5 PROPOSED USE OF FUNDS

The Company intends to use the funds raised under the Offer as follows:

USE OF FUNDS

	MINIMUM SUBSCRIPTION		FULL SUBSCRIPTION	
	AMOUNT	%	AMOUNT	%
Expenses of the Offer (incl. Lead Manager fees)[1]	$1,220,000	24.4	$1,723,000	14.3
Setting up offices in Beijing and other key operational locations, such as Algeria and Bangladesh.	$1,000,000	20.0	$1,500,000	12.5
Capital to support performance bonds and financial arrangements required to bid for and win new contracts	$1,400,000	28.0	$6,000,000	50.0
General working capital[2]	$1,380,000	27.6	$2,777,000	23.2
Total	**$5,000,000**	**100%**	**$12,000,000**	**100%**

NOTES

1. Additional expenses of the Offer have been paid from the existing funds of the Company (for further information, refer to Section 9.8).
2. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, as determined by the Board at the relevant time.
3. If the proceeds from the Offer are between the Minimum Subscription and the Full Subscription, the funds will be allocated between the above uses on a pro-rata basis.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the implementation on projects in hand, marketing strategies, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

After reviewing the Company's business and investment plans, the Board is satisfied that upon completion of the Offer (regardless of whether the Minimum Subscription or Full Subscription is raised), the Company will have sufficient capital to meet its stated objectives.

If only the Minimum Subscription, or less than the Full Subscription, is raised the Company believes that this may have an effect on the rate at which any expansion plans are undertaken. Additional funding may be considered by the Board where it is appropriate to accelerate a specific project.

It is also possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by additional financing and/or equity issues (subject to any necessary shareholder approvals).

1.6 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offer.

CAPITAL STRUCTURE

	MINIMUM SUBSCRIPTION		FULL SUBSCRIPTION	
	AMOUNT	%	AMOUNT	%
Shares on issue at the date of this Prospectus	50,000,000	88.89	50,000,000	76.92
Shares issued under this Prospectus	6,250,000	11.11	15,000,000	23.08
Total Shares on issue at completion of the Offer	56,250,000	100%	65,000,000	100%

NOTE

A substantial portion of the Shares on issue at the date of this Prospectus will be subject to escrow. Please refer to Section 1.12 for further details.

1.7 CAPITAL RAISING FEES

Patersons Securities Limited (**Lead Manager**) has agreed to act as Corporate Adviser and Lead Manager to the Offer. As part of the consideration for its services under the Lead Manger Mandate, the Lead Manager will receive a selling commission equal to 5.5% of the gross amount raised from all sources, excluding GST. In addition, the Lead Manager will receive a lead manager commission capital raising fee equal to 1.5% of the gross amount raised from all sources, excluding GST. Accordingly, a maximum of 7.0% of the amount raised under the Offer will be paid by the Company to the Lead Manager.

A summary of the Lead Manager Agreement is provided at Section 8.9.

1.8 UNDERWRITING

The Offer is not underwritten.

1.9 ALLOCATION AND ISSUE OF SHARES

The Board, in conjunction with the Lead Manager, reserves the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. All Shares issued pursuant to the Offer will rank equally in all respects with existing Shares in the Company. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statement will do so at their own risk.

1.10 APPLICATION MONIES TO BE HELD IN TRUST

All Application Monies will be held in a separate bank account on behalf of applicants until the Shares are issued pursuant to the Offer. If the Minimum Subscription is not achieved within a period of four months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued pursuant to this Prospectus. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

1.11 ASX LISTING

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares offered pursuant to this Prospectus. If the Shares are not admitted to quotation within three months of the date of this Prospectus (or any later date permitted by law), no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation of the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.12 ESCROW ARRANGEMENTS

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and vendors of classified assets may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period.

If ASX imposes mandatory escrow under the Listing Rules, the Company considers that a total of 50,000,000 Shares on issue at the date of this Prospectus may be escrowed for a period of between 12 and 24 months from the date of quotation of the Company's Shares.

If ASX determines that mandatory escrow applies to some or all of the existing Shares then, prior to listing, the Company will enter into escrow agreements with existing Shareholders in relation to those Shares in accordance with the Listing Rules. Please note that ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares.

If ASX does not impose mandatory escrow on the Company's Shares then, prior to listing, the Company will instead enter into voluntary escrow agreements with existing Shareholders on terms substantially the same as ASX's standard terms set out in Appendix 9A of the Listing Rules. In these circumstances, the 50,000,000 Shares on issue at the date of this Prospectus will be escrowed for a period of 18 months from the date of quotation of the Company's Shares.

1.13 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. All trading on the ASX in existing Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after Shares are issued. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares issued under this Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.14 RISKS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 6 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.15 FOREIGN INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See Section 9.12, for information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia.

1.16 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder through contacting the Company or the Share Registry, Computershare Investor Services Pty Limited, on +61 1300 850 505.

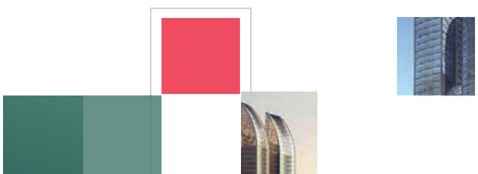
1.17 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. During the Exposure Period, this Prospectus may be viewed online at the above website or a hard copy of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

1.18 ELECTRONIC PROPECTUS

In addition to issuing this Prospectus in printed form, a read-only version of this Prospectus is also available on the Company's website, **www.jcigroup.com.au**. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. For further information, see Section 9.9.



1.19 FINANCIAL FORECASTS

After considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the JCI Group and, accordingly, financial forecasts are not included in this Prospectus. In reaching this decision, the Directors have had regard to various issues including the significant recent growth of the Company, that existing and future contracts and tenders are subject to variations as to timing and scope, the future expansion plans of the Company and uncertainty about future economic conditions in the PRC and globally.

1.20 DIVIDENDS

Pursuant to the current PRC Company Law, the PRC Subsidiaries are required to transfer 10% of its profit after tax to a statutory reserve until the surplus reserve balance reaches 50% of its registered capital. For the purposes of calculating the transfer to this reserve, the profit after taxation will be the amount determined under PRC accounting standards. The ability of a PRC Subsidiary to pay dividends is also subject to regulations in the PRC. As the Training School is a not-for-profit entity, it is not permitted to make a distribution of any accumulated profits. It is however permitted to use those profits to pay its expenses. For further information see Section 6.2.1.

The Company is targeting an annual dividend of 20% of JCI Group's net profit after tax. Depending on available profits and the financial position of the Company, it is the current intention of the Board to pay an annual dividend.

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the time.

The Company is not likely to be subject to any Australian tax that will allow it to generate franking credits. Please see the Taxation Report at Section 10 for further details.

1.21 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offer can be directed to the Lead Manager, Patersons Securities Limited, on (08) 9263 1118.

Questions relating to the completion of Application Forms can be directed to the Share Registry, Computershare Investor Services Pty Limited, on +61 1300 850 505.

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2 Industry Overview

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

2 INDUSTRY OVERVIEW

2.1 TIMELINE OF OVERSEAS PROJECTS CONDUCTED BY PRC ENTITIES

From when the PRC was established in 1949 until 1979, almost all overseas construction projects were arranged by government bodies, represented by State Owned Enterprises (**SOEs**). These construction projects were usually closely linked with the PRC government's policy objectives.

Non-government PRC firms began competing in the international engineering market in the late 1970s. From 1980 to 2014, the aggregate value of overseas construction projects conducted by PRC entities grew from AUD 159.9 million to AUD 186.5 billion. The number of PRC workers sent overseas also averaged between 20,000 to 30,000 persons per year from 1980 to 1995. As noted in the next section, after 1995 the rate continued to increase, especially after 2007.

Figure 1 is a timeline of overseas construction projects conducted by entities from the People's Republic of China (**PRC**).

FIGURE 1 TIMELINE

1949

- The PRC is a planned socialist economy
- Large numbers of PRC engineers and workers are sent to Asia and Africa to provide economic aid.
- Almost all projects are arranged by government bodies, represented by State Owned Enterprises (**SOEs**).

1980

- The PRC's doors open to the outside world, and a series of policies are issued to permit SOEs to play a greater part in overseas engineering business.
- Private PRC engineering companies also begin to actively pursue market opportunities in the late 1990s.
- With 30+ years of steady growth, PRC engineering conglomerates are now competing with Western firms.

2014

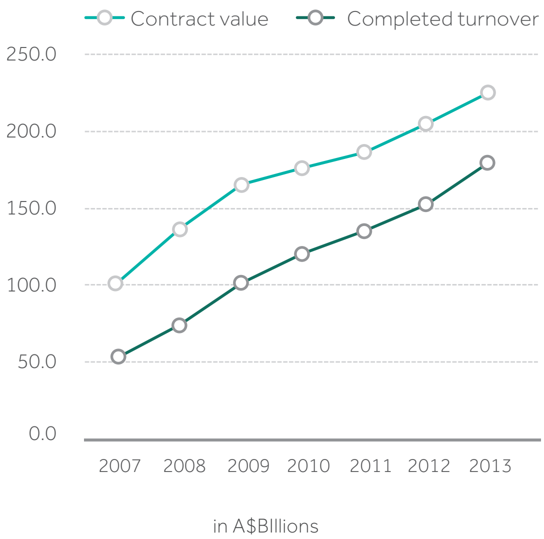
- "One Belt, One Road" and other new national strategies provide policy support for PRC engineering companies.
- Excess domestic production capabilities are exported for overseas construction projects.
- The PRC continues to apply its large forex reserve towards foreign construction projects.
- Steps are taken to establish the Asian Infrastructure Investment Bank.

2.2 MARKET OF OVERSEAS CONSTRUCTION PROJECTS CONTRACTED BY PRC COMPANIES

A CONTRACT VALUE & COMPLETED TURNOVER

Since 2007, foreign engineering projects completed by PRC companies have increased significantly from AUD 53.2 billion in 2007 to AUD 179.7 billion in 2013 as shown in Figure 2 below.

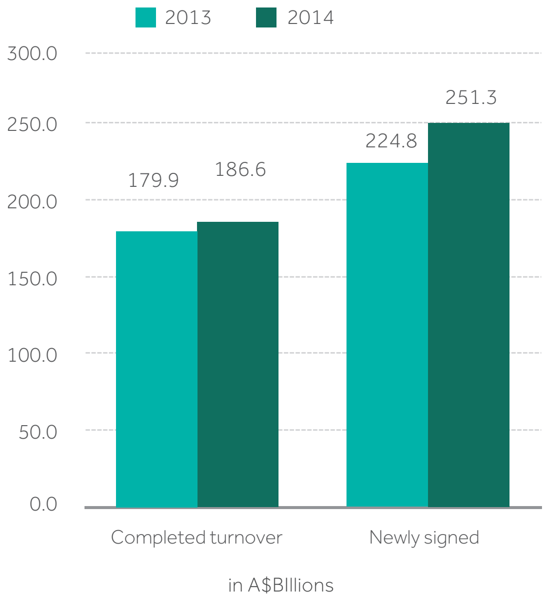
FIGURE 2
OVERSEAS CONSTRUCTION PROJECTS CONTRACTED BY PRC COMPANIES
2007-2013



Source National Bureau of Statistics of China

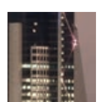
More recently, foreign engineering projects completed by PRC companies increased by 3.8% from AUD 179.7 billion in 2013 to AUD 186.5 billion in 2014, and newly signed contracts for foreign engineering projects increased by 11.8% from AUD 224.8 million in 2013 to AUD 251.3 billion in 2014 as shown in Figure 3 to the right.

FIGURE 3
OVERSEAS CONSTRUCTION PROJECTS CONTRACTED BY PRC COMPANIES
2013-2014



Source The Ministry of Commerce of the People's Republic of China

The increase in overseas construction projects contracted by PRC companies is supported by the current PRC President Xi Jinping who, after taking office in March 2013, has a stated policy of strong international expansion.



B CONCENTRATION STATUS

In 2013, PRC entities exported AUD 179.7 billion worth of construction services outside of the PRC. Out of that total, AUD 101.6 billion worth of construction sales were exported by the 59 PRC companies ranked in the Top 250 International Contractor List by Engineering News-Record (ENR) 2014.

The 59 major PRC contractors were responsible for 56.5% of construction services exported by PRC entities in 2013, demonstrating a clear dominance of the overseas market. In contrast, the same 59 companies were only responsible for 18.8% of PRC domestic sales in 2013.

FIGURE 4 PRC COMPANIES RANKED IN TOP 250 INTERNATIONAL CONTRACTORS BY ENR

RANK			2013 REVENUE USD$ MILLION	
2013	2014		OVERSEAS	TOTAL
9	10	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., BEIJING, CHINA	13,162.50	54,181.70
20	24	CHINA STATE CONSTUCTION ENGINEERING CORP.,BEIJING, CHINA	5,742.70	97,870.20
23	20	SINOHYDRO GROUP LTD.,BEIJING, CHINA	5,314.40	20,674.70
25	25	CHINA NATIONAL MACHINERY INDUSTRY CORP.,BEIJING, CHINA	5,288.90	5,789.80
28	34	CHINA RAILWAY GROUP LTD.,BEIJING, CHINA	4,766.90	88,944.00
39	53	CHINA RAILWAY CONSTURCTION CORP.LTD.,BEIJING, CHINA	3,486.00	96,195.00
46	43	CITIC CONSTRUCTION CO.LTD.,BEIJING, CHINA	2,830.90	3,156.60
51	56	CHINA GEZHOUBA GROUP CO. LTD.,WUHAN CITY, CHINA	2,532.70	8,921.70
58	54	SEPCOIII ELECTRIC POWER CONSTUCTION CORP., QING DAO CHINA	2,356.30	2,587.40
63	98	CHINA PETROLEUM BUREAU(CPP),LANGFANG CITY,CHINA	2,114.00	4,032.00
64	72	SHANGHAI ELECTRIC GROUP CO. LTD.,SHANGHAI,CHINA	2,105.50	2,998.30
68	51	CHINA METALLURGICAL CONSTR. CORP.,BEIJING, CHINA	1,945.00	27,256.30
71	71	CHINA CIVIL ENGINEERING CONSTR. CORP.,BEIJING, CHINA	1,879.50	1,968.50
76	84	CHINA PETROLEUM ENG'G&CONSTRUCTION CORP.,BEIJING, CHINA	1,576.60	3,004.30
79	92	DONGFANG ELECTRIC CORP.,CHENGDU,SICHUAN,CHINA	1,480.40	7,302.50
82	82	CHINA NATIONAL CHEMICAL ENGINEERING GROUP,BEIJING, CHINA	1,315.50	10,119.20
84	86	CHINA INT'L WATER&ELECTRIC CORP.(CWE),BEIJING, CHINA	1,266.20	1,294.00
85	81	CHINA GENERAL TECHNOLOGY(GROUP)HOLDING LTD.,BEIJING, CHINA	1,123.60	4,693.10
89	91	SINOPEC ENGINEERING(GROUP)CO.LTD.,BEIJING, CHINA	1,153.20	7,146.60

93	89	CGC OVERSEAS CONSTRUCTION GROUP CO.LTD.,BEIJING, CHINA	1,057.50	1,068.00
98	95	QINGJIAN GROUP CO. LTD.,QINGDAO,SHANGDONG,CHINA	945	7,359.00
102	61	SEPCO ELECTRIC POWER CONSTRUCTION CORP.,JINAN CITY, CHINA	900.8	2,033.70
104		CHINA WANBAO ENGINEERING CORP.,BEIJING, CHINA	843.6	843.6
115		SHENYANG YUANDA ALUMINUM INDUS. ENG'G CO.,SHENYANG,CHINA	713.5	1,767.80
126	122	CHINA JIANGSU INT'L ECON. AND TECHNICAL COOP.,NANJING,CHINA	563.3	1,853.50
128	133	BEIJING CONSTRUCTION ENG'G GROUP CO. LTD.,BEIJING, CHINA	558.8	6,879.60
129	96	SHANGHAI CONSTRUCTION GROUP,SHANGHAI,CHINA	550.7	24,820.10
130	138	XPCC CONSTRUCITON&ENGINEERING(GROUP)CO., URUMQI,CHINA	548.2	3,091.30
133	151	ANHUI CONSTRUCTION ENGINEERING GROUP CO. LTD.,HEFEI,CHINA	537.8	7,016.80
136	155	CHINA PETROLEUM ENGINEERING CO. LTD.,BEIJING, CHINA	533.8	2,550.60
137	116	SINOPEC ZHONGYUAN PETROLEUM ENGINEERING LTD.,PUYANG,CHINA	528.9	1,972.30
139	157	CHINA JIANGXI CORP.FOR INT'L ECO.&TECH. COOP.,NANCHANG,CHINA	519.2	633.3
140	147	CHINA HENAN INT'L COOPERATION GROUP CO. LTD.,ZHENGZHOU,CHINA	517.6	517.6
147	185	SINOSTEEL EQUIPMENT&ENGINEERING CO. LTD.,BEIJING, CHINA	467.6	1,972.40
148	137	CHINA DALIAN INT'L ECO.&TECHN. COOP.GRP.,DALIAN, CHINA	465.4	601.6
149	161	CHINA ZHOUGYUAN ENGINEERING CORP.,BEIJING, CHINA	460.3	482
154	164	ZHONGMEI ENGINEERING GROUP LTD., NANCHANG CITY,CHINA	435.4	435.4
164	209	WEIHAI INTERNATIONAL ECO.&TECH.COOP. CO.LTD.,WEIHAI,CHINA	360.6	360.6
166	169	CHINA YUNAN CONSTRUCTION ENG'G GROUP CO.LTD.,KUNMING,CHINA	350.2	7,291.60
167	183	ZHONGDING INTERNATIONAL ENGINEERING CO.,NANCHANG CITY,CHINA	347.2	347.2
170	172	CHINA WU YI CO. LTD.,FUZHOU,FUJIAN,CHINA	338.7	1,882.90
171	197	JIANGSU NANTONG NO.3 CONSTRUCTION GRP. CO.LTD.,HAIMEN,CHINA	334.2	5,979.40
175	199	JIANGSU ZHONGXIN CONST.GROUP CO. LTD.,QIDONG,JIANGSU,CHINA	327.2	1,995.00
180	205	ZHEJIANG CONSTR.INVESTMENT GROUP CO. LTD.,HANGZHOU,CHINA	311	8,908.30

196	195	NATONG CONSTRUCTION GROUP JOINT-STOCK CO., NANTONG,CHINA	262.2	1,974.50
201	149	DAQING QIL FIELD CONSTRUCTION GROUP CO.LTD.,DAQING CITY,CHINA	237.8	2,333.80
204		CHINA GANSU INT'L CORP. FOR ECON.&TECH. COOP.,LANZHOU,CHINA	231.3	337.9
207		SINPECO OILFIELD SERVICE SHENGLI CORP., DONGYING,CHINA	224.1	3,269.70
210		YANJIAN GROUP CO., LTD., YANTAI,SHANDONG,CHINA	219.6	1,433.00
214		BEIJING URBAN CONSTRUCTION GROUP,BEIJING, CHINA	210.8	7,431.00
216		CHINA NATIONAL COMPLETE IMPORT&EXPORT CORP.,BEIJING, CHINA	201.7	201.7
221		YANTAI INT'L ECON.&TECH.COOP.GROUP CO. LTD.,YANTAI,CHINA	194.3	244.3
222		CHONGQING INT'L CONSTRUCTION CORP.,CHONGQING,CHINA	192.1	650
229		CHINA ENERGY ENG'G GROUP TIANJIN ELEC. POWER,TIANJIN,CHINA	173	914.1
233		BEIJING UNI-CONSTRUCTION GROUP CO.LTD.,BEIJING, CHINA	161.1	161.1
238	186	CHINA HUANQIU CONTRACTING&ENGINEERING CORP.,BEIJING, CHINA	146.3	3,319.10
240		CHINA SHENYANG INT'L ECO.&TECH.COOP. CORP.,SHENYANG,CHINA	142.8	258.80
243	211	JIANGSU NANTONG LIUJIAN CONSTRUCTION GROUP CO.LTD.,RUGAO,CHINA	133.0	2,751.90
244		CHINA NONFERROUS METAL INDUS.FOREIGN E&C,BEIJING, CHINA	131.3	131.3
SUM, IN MILLION US DOLLARS			**77,818.70**	**566,211.70**
SUM, IN BILLION AUSTRALIAN DOLLARS			**101.6**	**739.2**

Source Engineering News-Record (ENR)

NOTE

The above figures use the median Chinese Yuan, Australian Dollar (**AUD**) and US Dollar (**USD**) exchange rates announced by Bank of China on 1 June 2015.

C EFFECT OF NEW NATIONAL STRATEGIES

The ENR data above indicates that SOEs continue to play a significant role in overseas construction projects contracted or sponsored by PRC entities. Of the 59 PRC companies in the top 250 International Contractors, almost all of them are either controlled by SOEs, or are otherwise related to SOEs. This is to be expected, as these SOEs have a long history of implementing the PRC's domestic and overseas economic and political strategies.

ONE BELT, ONE ROAD

"One Belt, One Road" (Chinese: 一带一路; pinyin: Yídài yílù, also known as the Belt and Road Initiative; abbreviated OBOR) is a development strategy and framework proposed by the PRC that focuses on connectivity and cooperation among countries primarily in Eurasia. The policy, unveiled by PRC President Xi Jinping in September and October 2013, consists of two main components: the land-based "Silk Road Economic Belt" (**SREB**) and oceangoing "Maritime Silk Road" (**MSR**). The strategy underlines China's push to assume a greater role in global affairs and its need to export China's production capacity in industries of domestic overproduction, such as metal manufacturing and building materials manufacturing.

AIIB

The Asian Infrastructure Investment Bank (**AIIB**) is a proposed international financial institution focused on providing financial support to infrastructure projects in the Asian region. Currently, there are 57 Proposed Financial Members, 50 of which signed on 29 June 2015 in Beijing. The AIIB is expected to be fully established by the end of 2015.

China's direct non-financial overseas investment reached USD 102.9 billion in 2014, which is 4.1% more than in 2013. According to the Asian Development Bank, Asia will require approximately USD 750 billion for infrastructure development every year from 2015 to 2020 of which 4%, or approximately USD 30 billion, is expected to be financed by AIIB each year.

FIGURE 5 PROSPECTIVE FOUNDING MEMBERS (PFM) OF AIIB

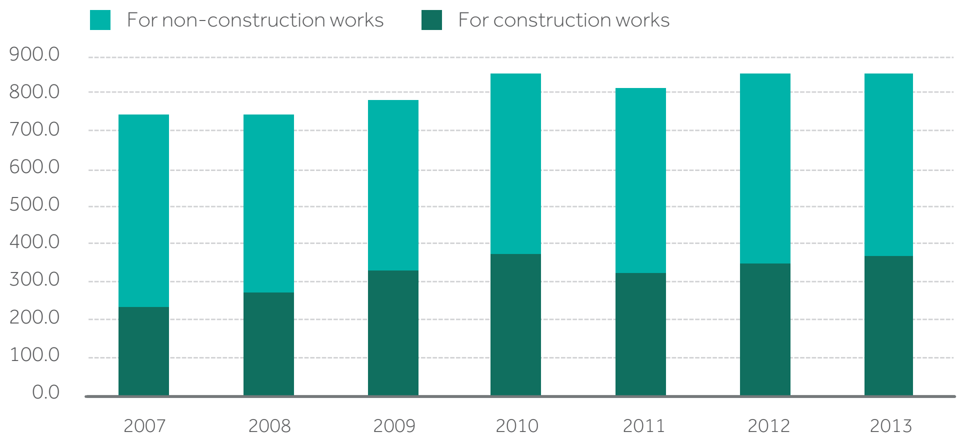
2.3 WORKFORCE OUTSOURCING FOR OVERSEAS CONSTRUCTION PROJECTS CONTRACTED BY PRC COMPANIES

A NUMBER OF PERSONS DISPATCHED

From 2007 to 2013, the yearly number of PRC workers dispatched overseas decreased from 505,100 to 482,600. Of these, the number of construction workers increased from 236,000 in 2007 to 370,100 in 2013 while the number of non-construction workers decreased from 269,100 in 2007 to 112,500 in 2013.

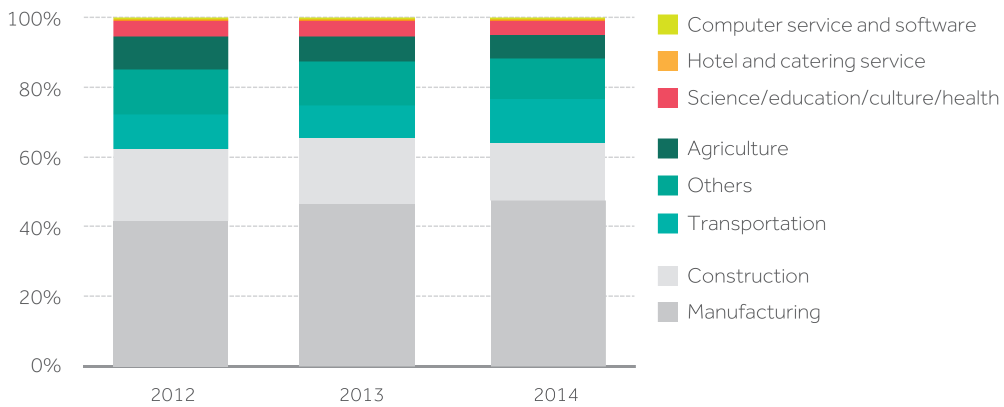
By industry, the majority of PRC workers are in the construction industry, the number of which has increased from 41.6% in 2012 to 47.7% in 2014, while the number of manufacturing workers has increased from 21% in 2012 to 47.7% in 2014. The number of PRC workers in the transportation industry increased from 9.5% in 2012 to 12.4% in 2014 while the number of agriculture workers decreased from 9.3% in 2012 to 6.7% in 2014 and the number of workers in the hotel and catering service industry decreased from 4.6% in 2012 to 4.3% in 2014.

FIGURE 6 NUMBER OF PRC WORKING OVERSEAS AT THE END OF YEAR 2007-2013



Source National Bureau of Statistics of China

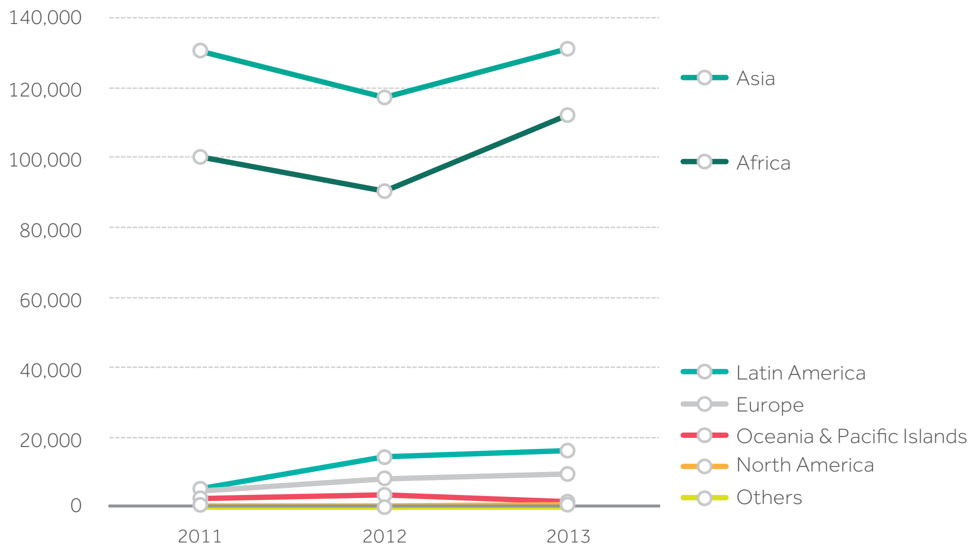
FIGURE 7 PRC WORKERS DISPATCHED ABROAD BY INDUSTRY



Source Report on Development of China's Overseas Worker Service Cooperation

2.3.4 PLACE OF PERSONS DISPATCHED

FIGURE 8 PRC DISPATCHED TO OVERSEAS CONSTRUCTION PROJECTS BY REGION



Source: National Bureau of Statistics of China

Asia is the largest regional market for workforces dispatched by PRC entities. This is due to similar cultures and geographic proximity, together with the more recent relaxation of visa policies for PRC visitors and workers.

Africa is the second largest regional market for dispatched PRC workforces. Since 2010, China has been Africa's largest trading partner. China's diplomatic and military initiatives to try to resolve unrest in Mali in 2013 and South Sudan in 2014 indicated a shift away from China's traditional non-interference in the internal matters of other countries, and demonstrate China's increased commitment to Africa. As a continent of 34 least developed countries, as reported by United Nations in November 2014, Africa is regarded as a significant market for PRC engineering companies in the mid to long term.

European and North American countries generally have restrictive immigration policies and visa requirements which make it difficult for PRC entities to dispatch workers there. As a result, PRC workforces are typically at a very low level in European and North American countries. The exceptions to this are in the member countries of the Shanghai Cooperation Organization (SCO), namely Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. These countries have close military and political ties to the PRC, and this has facilitated PRC workforces being dispatched there.

Latin American countries typically have significant pent-up demand for infrastructure. Latin America could become a more significant market for PRC construction companies if a more coordinated inter-governmental strategy can address the complicated political and social issues. Recent progress has been made in this market, for example by China Rail's active bidding for Mexico's high speed train project.

C OUTSOURCING SCENARIOS

Industrial statistics show direct human costs constitute 22% to 30% of a civil construction project's cost in a developing country. Assuming an average of 26%, the workforce market for overseas construction projects by PRC companies was approximately AUD 48.5 billion in 2014.

FIGURE 9 OUTSOURCING SCENARIOS ON OVERSEAS CONSTRUCTION PROJECTS CONTRACTED BY PRC COMPANIES

LEVELS		EXECUTIVE	MANAGER	ENGINEER	FOREMAN	SKILLED WORKER	LABOURER
NON-PRC	OUTSOURCED	0.0%	10.0%	25.2%	20.7%	31.1%	95.5%
	FROM INTERNAL	0.0%	2.2%	1.4%	1.3%	2.2%	0.2%
PRC	OUTSOURCED	2.0%	43.2%	41.0%	72.8%	63.5%	4.3%
	FROM INTERNAL	98.0%	44.6%	32.4%	5.2%	3.2%	0.0%
SUM		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

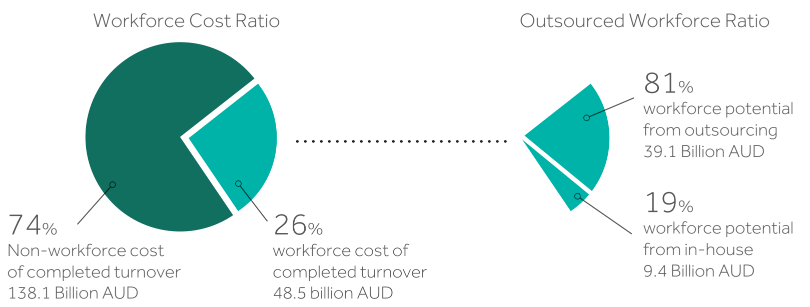
Source ACMR

The above figures demonstrate that PRC companies prefer to employ or contract PRC nationals, due to their shared language, culture, work habit and organizational characteristics. The figures also demonstrate that PRC head contractors tend to fill senior management positions with internal employees, who are permanently employed rather than project-based, compared to the lower-level positions.

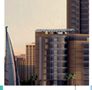
FIGURE 10 CALCULATION OF NICHE MARKET SIZE IN 2014

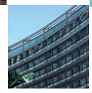
COST LEVELS	PRC AVERAGE INDUSTRIAL COST RATIO, BY VALUE	OUTSOURCED PERCENTAGE	NICHE MARKET SIZE	
	A	B	**C** (A X B)	IN BILLION AUD **C X 48.5**
EXECUTIVE	6.8%	2.0%	0.1%	0.1
MANAGER	9.2%	53.2%	4.9%	2.4
ENGINEER	16.0%	66.2%	10.6%	5.1
FOREMAN	15.7%	93.5%	14.7%	7.1
SKILLED WORKER	37.1%	94.6%	35.1%	17.0
LABOURER	15.2%	99.8%	15.2%	7.4
SUM	100.0%			39.1

FIGURE 11 WORKFORCE COST RATIO & OUTSOURCED WORKFORCE RATIO OF 2014



Source Analysis from industrial publications





D TWO FORMS OF OUTSOURCING

According to data from the Ministry of Housing & Urban-Rural Development, the number of construction workers having PRC citizenship, across approximately 81,000 enterprises, increased to 49.6 million by the end of 2014. This reflected a 10.25% increase from 2013, due to the ongoing urbanization in China. Newly signed construction contract values reached AUD 3,939 billion for domestic projects in 2014, a 5.6% increase from 2013. The growth rate from 2012 to 2013 was 19.1%.

The workforce for most domestic construction projects is organized through both internal and external sources. The distribution between internal and external sources is quite different for private companies as compared to SOEs. Private companies use a flexible mix of internal and external human resources based on each project's features; however most of the SOEs use internal sources for engineer or above positions, but rely on and prefer external sources for works and positions at or below engineer level. This structural characteristic of SOEs arose from reforms from 1998 to 2005, when most blue-collar workers and junior management members were dismissed by SOEs (**国企下岗分流**, in Chinese). As a result, the PRC government encourages SOEs to form strategic alliances or "mixed-form" entities (**混合经济**,in Chinese) with private companies to complement each other.

Workforce outsourcing (i.e. engaging workers through external sources) is conducted by PRC engineering companies through two main forms: Workforce Brokering and Workforce Subcontracting.

Workforce Brokering is a form of outsourcing where companies engage with brokers to provide them with workers of various skill levels (**Workforce Brokering**). Similar to recruitment agencies, workforce brokers for China's engineering industry are generally only responsible for sourcing individual candidates for employment, which sometimes include interviews. The brokers do not handle any other aspect of the worker's employment such as recruitment, administration, payroll, transport etc, nor the worker's performance evaluation or site supervision or any other post-hiring management of the workers. As persons provided by brokers are generally from different sources and lack the understanding and experience to work in a mature team, it could create serious challenges when a construction site is large and needs cooperation across disciplines. Therefore, Workforce Brokering is generally not the preferred choice of head contractor companies, except when only casual employees are required.

Workforce Subcontracting is the process of sourcing, training, dispatching, deploying, and managing, as well as performance evaluation and talent retention of, a workforce of sufficient quantity and quality to realize target works (**Workforce Subcontracting**). The client of a workforce subcontractor (**Workforce Subcontractor**) is generally a leading head contractor company which contracts with the project owner to build the entire project. Most PRC head contractor companies arrange construction materials and equipment, however rely upon Workforce Subcontractors to organize workforces to operate the construction equipment and process the construction materials. This frees up the head contractor to focus their efforts on other aspects of macro project management. As a result, workforce subcontracting has become a well-developed business form on domestic construction projects over the last 30 years.

According to publications from China Construction Industry Association (**CCIA**) and China International Contractors Association (**CHINCA**) etc, more than 95% of PRC head contractor companies used workforce subcontractors to manage their domestic construction site works during the last 30 plus years. In contrast, for overseas projects less than 3% of PRC workers were dispatched via workforce contracting, so that more than 97% of dispatched PRC workers were dispatched via Workforce Brokering since China's opening up in 1976. There is therefore a clear difference between how workers are outsourced for overseas projects as compared to domestic projects.

E EVOLVING TREND OF OUTSOURCING

The overwhelming use of Workforce Subcontracting in the PRC domestic construction market demonstrates this form of outsourcing works well for construction projects. Both Workforce Brokering and Workforce Subcontracting can limit the head contractor's exposure to potential excess workforce capacity, however the obvious advantage of Workforce Subcontracting over Workforce Brokering is that the sub-contractor is responsible for deploying the workforce, evaluating workforce performance and retaining a strong workforce. This leads to lower turnover rates and more reliable service.

Although Workforce Subcontracting has obvious advantages over Workforce Brokering, there are some additional issues when Workforce Subcontracting is used for overseas projects. These barriers to entry are identified below. One significant factor is that there is a limited number of reliable PRC Workforce Subcontractors with a good overseas track record. Although JCI has other competitors which provide Workforce Subcontracting for overseas construction projects, none of them is of a comparable size to JCI or a comparable capability, with most only having the capacity to organise a small team of less than 100 persons for a single site.

2.4 COMPETITIVE LANDSCAPE

A REGULATORY ENVIRONMENT

PRC entities such as JCI Group need to have the necessary government licences to export a workforce. As at 5 September 2015, 810 such licences have been issued for various industries. Around 42 of the 810 licence owners had experience in the overseas construction industry in 2014, as certified by China International Contractor Association (CHINCA, an authorized body by the PRC government to provide accreditation and administration of its members' overseas construction activities). However, the other certified members no not have an established training system for a construction workforce, and predominantly provide workers via Workforce Brokering. Additionally, they do not focus on the overseas construction market, but rather provide workers across various unrelated disciplines including cooks, nurses, seamen, farmers, drivers etc.

B BARRIERS TO ENTRY

There are a number of barriers to entry for other businesses who wish to compete with JCI Group:

i) PRC entities need to have both the necessary government licences and construction management expertise at the same time to export workforce and manage them abroad.

ii) Differences in language, living environment, work habits, management culture, as well as safety and political concerns in overseas environment.

iii) The workforce stability which is required for overseas projects. Unlike domestic construction sites, the workforce in an overseas environment requires a very low turnover rate in order to meet tight timeframes and budgets. Therefore persons dispatched overseas generally enter into an agreement which is fixed for one year or more. This could be one of the biggest challenges for a PRC domestic workforce subcontractor which wishes to operate overseas.

iv) Establishing a proven track record in overseas projects, demonstrating strong social resources as well as financial resources, including but not limited to high cross-border staff relocation costs.

v) Immigration policy barriers – most large construction projects involving PRC companies are sponsored or financed by either the PRC government or international financial agencies such as the World Bank, Asian Development Bank, African Development Bank etc. Generally, because of the involvement of government or semi-government bodies, the contracts provide for permitted quotas of PRC workers. Therefore, by working with SOEs, JCI Group is able to use its own workers in circumstances where other competitors may not be able to do so.

C MARKET OUTLOOK AND COMPETITION

According to ACMR's investigations, in the business of Workforce Subcontracting for overseas engineering projects,

a) no PRC competitor of the JCI Group has a well-established training and screening system comparable to the JCI Group;

b) no PRC competitor of the JCI Group has the similar capability to dispatch and manage large workforces for any single project overseas at a fixed service term of one year or longer; and

c) no PRC competitor of JCI Group has a comparable track record with Top 250 International Contractors Ranked by ENR.

The top 10 companies listed below (ranked by number of persons dispatched overseas in 2013) demonstrates the potential competitive landscape and business opportunities for JCI.

FIGURE 12 CALCULATION OF NICHE MARKET SIZE IN 2014

RANK	COMPANY	NUMBER OF PERSONS DISPATCHED *
1	ZHUHAI FOREIGN TRADE & LABOR SERVICE COOPERATION CO. LTD	11,468
2	FUJIAN ZHONGFU FOREIGN LABOR SERVICE COOPERATION CO. LTD	6,414
3	GUANGZHOU INTERNATIONAL ECONOMIC & TECHNICAL COOPERATION CO. LTD	6,371
4	ZHUHAI INTERNATIONAL ECONOMIC & TECHNICAL COOPERATION CO. LTD	6,193
5	CHINA MARINE & SEAMEN SERVICE CORP	5,951
6	QUANZHOU ZHONGQUAN INTERNATIONAL ECONOMIC & TECHNICAL COOPERATION CO. LTD	5,469
7	DALIAN INTERNATIONAL COOPERATION & FOREIGN LABOR SERVICE COMPANY	5,039
8	SINOCREW MARITIME SERVICES	3,656
9	ZHENGZHOU BAFANG HUMAN RESOURCES DEVELOPMENT CO. LTD	3,520
10	GUANGDONG NAM YUE GROUP HUMAN RESOURCES CO. LTD	3,455

Source Ministry of Commerce

The above companies can however be distinguished from the JCI Group as follows:

- China Marine & Seamen Service Corp and Sinocrew Maritime Services both focus on seaman dispatch only.
- Zhuhai Foreign Trade & Labor Service Cooperation Co. Ltd, Fujian Zhongfu Foreign Labor Service Cooperation Co. Ltd, Guangzhou International Economic & Technical Cooperation Co. Ltd, Zhuhai International Economic & Technical Cooperation Co. Ltd, Quanzhou Zhongquan International Economic & Technical Cooperation Co. Ltd, Dalian International Cooperation & Foreign Labor Service Company and Guangdong Nam Yue Group Human Resources Co. Ltd dispatch workforces for a wide ranges of industries such as shipbuilding, fishery, nursing, printing, hotel, food, garment, oil, financial and IT etc. They also supply workers for the construction industry, however this by way of Workforce Brokering only rather than Workforce Subcontracting. Also, they lack a well-established training and accreditation systems for the construction workers they dispatch.
- Zhengzhou Bafang Human Resources Development Co. Ltd supplies workers (at skilled worker and foreman levels) for the construction industry, however this is by way of Workforce Brokering only rather than Workforce Subcontracting. Also, they have not obtained any certification from CHINCA for the last three years.

JC
建诚国际
INTERNATIONAL

3 Company Overview

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

3 COMPANY OVERVIEW

The information provided in Section 3 is in summary form only. Investors should read the remainder of this Prospectus which contains more detailed information before making a decision on whether or not to apply for Shares.

3.1 OVERVIEW

JCI Group is a workforce subcontracting business operating in several developing countries and the PRC. JCI Group's main business model is "one-stop" workforce subcontracting for the PRC construction industry and has achieved a leading market position for projects (mainly overseas) contracted by PRC State Owned Enterprises (**SOEs**). JCI Group operates an integrated business model which covers candidate sourcing, systematic training, screened dispatch, site deployment, engineering management, performance evaluation and talent retention. JCI provides these services for all workforce levels required for a construction project including labor, skilled worker, foreman, engineer, manager and executive.

JCI Group places a strong emphasis on building relationships with leading engineering conglomerates such as China Railway Construction Corp (**CRCEG**), China State Construction Engineering Corp (**CSCEC**), China National Machinery Industry Corp (**SINOMACH**/**SINOCONST**) and China Metallurgical Group Corp (**MCC**).

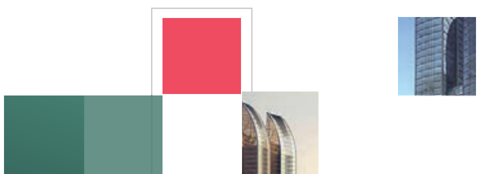
JCI Group has achieved a reputation for quality, performance and value, and was awarded a grade of "AA" by China International Contractor Association (**CHINCA**) in 2013. CHINCA is authorized by the PRC government to provide accreditation and administration of its members' overseas construction activities, and an "AA" grade is the second highest grade which CHINCA can award. This award by CHINCA has enhanced JCI Group's reputation for both existing and potential clients. Further, of the 42 PRC overseas workforce companies which have been re-certified by CHINCA in 2014, JCI Group is the only PRC private company which focuses on the overseas construction market.

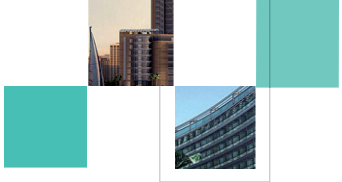
JCI Group's clients are generally leading head contractor companies (typically SOEs) who contract with the project owners to build the complete projects. The head contractor companies transfer the designed building drawings, building materials and equipment to JCI Group, and then JCI Group utilizes its workforce to complete the works.

JCI Group's Training School, which is discussed further below, is an integral part of JCI Group. It sets a solid base for JCI Group's talent accumulation and future growth, and differentiates JCI Group from its competitors. Approximately 20,000 workers have been trained by the Training School and dispatched by the JCI Group to projects around the world.

The increased demand for JCI Group's workforce is evidenced by JCI Group's revenue growth from A$14.4 million (for the year ended 31 December 2012) to A$27.4 million (for the year ended 31 December 2013) and then to A$33.3 million (for the year ended 31 December 2014). JCI Group's EBITDA has increased from A$0.3 million for the year ended 31 December 2012 to A$4.3 million for the year ended 31 December 2013 and to A$8.4 million for the year ended 31 December 2014.

JCI Group has operating facilities located at Gushu Industrial Park, Dangtu County, Ma'anshan City, Anhui Province, China. The facilities comprise a four-storey theory and safety training centre (approximately 1,700 square meters, built in 2009), two practice and exam centres (approximately 6,437 square meters, built in 2013), a logistics and goods distribution centre (approximately 1,192 square meters, built in 2013), a four-storey apartment building to house new University graduates employed by JCI Group (approximately 3,477 square meters, built in 2013), and a four-storey head office building (approximately 9,848 square meters, built in 2014). These facilities have a workforce capacity to mobilise approximately 12,000 skilled workers annually which can support to generate annual revenue of up to around AUD 350 million.





3.2 CORPORATE STRUCTURE

The following diagram shows the corporate structure of JCI Group following its recent restructuring:

JC INTERNATIONAL GROUP LIMITED
(AUSTRALIA INCORPORATED)

100%

↓

JIANCHENG INTERNATIONAL HOLDINGS LIMITED
(HK INCORPORATED)

100%

↓

MA'ANSHAN CITY JIANCHENG HUMAN RESOURCES SERVICE LIMITED
(PRC INCORPORATED WFOE)

← ASSIGNMENT OF LEGAL AND ECONOMIC RIGHTS — **MRS WANG JINGXING**

25%

75%[1]

↓

MA'ANSHAN CITY JIANCHENG INTERNATIONAL ECONOMIC & TECHNICAL COOPERATION CO., LTD
(PRC INCORPORATED)

SPONSOR[2]

↓

MA'ANSHAN CITY JIANCHENG OCCUPATIONAL TRAINING SCHOOL
(PRC INCORPORATED NON-ENTERPRISE UNIT)

NOTES

1 Due to PRC regulatory requirements 25% of the Shares in Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd must be held by a PRC citizen or entity. Therefore 25% of the shares in Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd are held by Mr Tang Yonghong's wife, Ms Wang Jinxiang. There is however a Shareholders Agreement between Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd, Ma'anshan City Jiancheng Human Resources Service Limited and Ms Wang Jinxiang under which Ms Wang irrevocably assigns her economic and legal rights to Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd. See section 8.4 for more information.

2 Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd is the sponsor of Ma'anshan City Jiancheng Occupational Training School, which means that it controls Ma'anshan City Jiancheng Occupational Training School. Ma'anshan City Jiancheng Occupational Training School is however a not-for-profit entity, and so Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd does not own it as such, and nor is Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd entitled to a distribution of the capital or profits of Ma'anshan City Jiancheng Occupational Training School. It is however permitted to use those profits to pay its expenses.

3.3 BRIEF HISTORY OF THE JCI GROUP

Key milestones in the history of the JCI Group include:

KEY MILESTONES

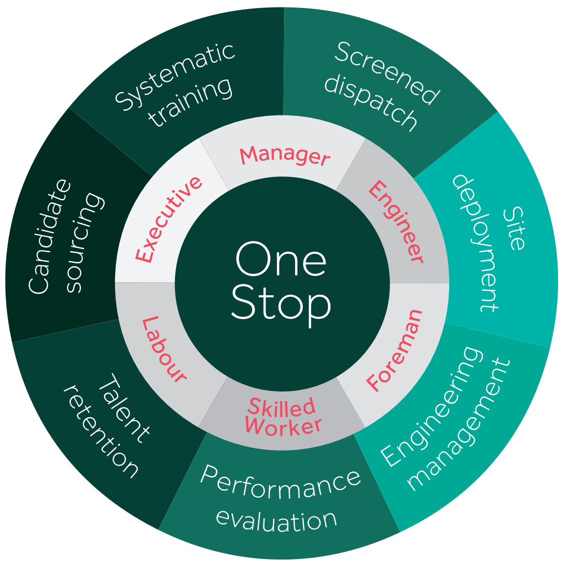
2003	Ma'anshan City Jiancheng International Economic & Technical Cooperation Co.,Ltd (**JCI China**) was founded by the Managing Director, Mr. Tang Yonghong, and began supplying the workforce for PRC domestic projects conducted by China MCC17 Group Co. Ltd. (**MCC17**)
2005	JCI China dispatched a workforce for its first overseas project in Guyana (Skelton Sugar Plant)
2007	JCI China provided a one-stop workforce for the Olympia Complex in Kuwait, being the headquarter building for Olympic Council of Asia
2009	JCI China established Ma'anshan City Jiancheng Occupational Training School (**Training School**)
	JCI Group was awarded contracts in Qatar, Russia and Vietnam
2011	JCI China was awarded ISO 9001:2008 on quality management
2012	JCI China established partnership with China National Machinery Industry Corp (**SINOMACH** / **SINOCONST**)
2013	JCI China established partnership with China Railway Construction Corp (CRCEG)
2014	JCI China upgraded its new training school and head office.
2015	JCI China established partnership with China State Construction Engineering Corp (CSCEC)
	The JCI Group was restructured in accordance with clause 3.2 above

3.4 BUSINESS MODEL

The diagram to the right illustrates JCI Group's "one-stop" workforce subcontracting business model.

Under JCI Group's one-stop workforce subcontracting model, the head contractor company/SOE provides the designed building drawings, building materials and equipment to JCI Group. JCI Group then utilizes its workforce to turn the building materials into completed works and then hands it over to the head contractor company/SOE.

The workforce dispatched by JCI Group includes all levels required for a particular project, including labor, skilled worker, foreman, engineer, manager and executive. In this manner, the head contractor can devote more of their resources to other aspects of macro project management, such as financial control and engineering material optimization.



3.5 MARKETING

One of JCI Group's main strategic objectives is to increase the JCI Group's profile with leading head contractors/SOEs, particularly those PRC contractors in the Top 250 International Contractors Ranked by Engineering News-Record (**ENR**), with a view to winning work from a wider range of head contractors/SOEs.

3.5.1 BUILDING PARTNERSHIPS WITH LEADING HEAD CONTRACTORS/SOES

Clients of engineering businesses are generally loyal, especially for construction work which requires seamless co-operation between multiple disciplines. As a result, head contractors generally do not change their workforce subcontractors once a subcontractor has proven reliable and has been approved as a partner. This is the process via which JCI Group has established partnerships with the leading head contractor companies listed below, so that revenues from these companies now comprise more than 80% of JCI Group's total revenues, on average.

3.5.2 BRAND-BUILDING

JCI Group has been invited by the Anhui Provincial Government to hold the local Skill Contest of Construction Workers ("Craftsmanship Olympic") at provincial level for the last two years. JCI Group identified workers through these contests, and won recognition by local government and industry peers.

JCI Group is also actively affiliated with industry associations such as China International Contractor Association, and has been featured in national television (CCTV-4 and CCTV-7) and news media.

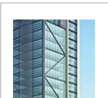
INTERNATIONAL RANKING OF JCI'S EXISTING PARTNERS

RANKING		FIRM	2013 REVENUE USD MIL.	
2014	2013		OVERSEAS	DOMESTIC
20	24	CHINA STATE CONSTRUCTION ENGINEERING CORP.,BEIJING, CHINA	5,742.70	92,127.5
25	25	CHINA NATIONAL MACHINERY INDUSTRY CORP.,BEIJING, CHINA	5,288.90	500.9
39	53	CHINA RAILWAY CONSTRUCTION CORP.LTD., BEIJING, CHINA	3,486.00	92,709.0
68	51	CHINA METALLURGICAL CONSTR. CORP., BEIJING, CHINA	1,945.00	25,311.3
175	199	JIANGSU ZHONGXIN CONST.GROUP CO.LTD., QIDONG,JIANGSU,CHINA	327.2	1,667.8
TOTAL IN MILLION USD			16,789.80	212,316.5
TOTAL IN MILLION AUD			21,919.06	277,178.9

Source Engineering News-Record (ENR)

NOTE

The above figures use the median Chinese Yuan, Australian Dollar (AUD) and US Dollar (USD) exchange rates announced by Bank of China on 1 June 2015.



3.6 WORKFORCE MANAGEMENT

JCI Group sources workforce candidates through its networks which it has built across China over the last 10 years. After screening potential candidates in relation to their criminal background, health, character, capability and work experiences etc., the details of suitable candidates are added to JCI Group's workforce centre database. Suitable candidates are selected for the training and qualification process, which takes around one week or so. Selected candidates are then sent to a particular project in the PRC or overseas. JCI Group arranges the relocation of workers to the relevant work sites, including visa and international travel if the project is overseas. These mobilized workers are then deployed and managed by JCI Group's engineers and managers at the project construction site. JCI Group evaluates these workers and compensates them based on their actual individual performance, rather than strictly according to their actual work hours. Good workers are retained by JCI Group for future projects, giving JCI Group a key competitive edge.

Workers are typically contracted for a fixed term of at least one year or longer. To maintain a stable workforce in sometimes remote and difficult conditions, JCI Group has implemented a culture which it calls "live together like a family, and work together like the military".

JCI Group also recruits workers from other countries such as Vietnam, Indonesia and India , who are already based in the project country, to leverage their lower costs and improve work relationships and communications for certain projects (for example, in Kuwait and Algeria) where such workers share a common religion and/or language with the host country.

3.7 INTELLECTUAL PROPERTY

JCI Group has the following registered trademarks in the PRC.

TRADEMARK	REGISTRATION NO	CLASS	TERM OF VALIDITY
Jc 建诚国际	11038067	41	FROM 14 OCTOBER 2013 TO 13 OCTOBER 2023
Jc 建诚国际	11038148	35	FROM 28 OCTOBER 2013 TO 27 OCTOBER 2023

Under PRC trademark law, JCI Group has the exclusive right to use each registered trademark in the PRC, limited to the trademark which has been approved for registration and to the goods in connection with which the trademark is to be used.

JCI Group has also applied to register the following trademarks in the PRC:

JC 建诚国际 INTERNATIONAL

JC 建诚国际 INTERNATIONAL CREDIBILITY BUILDS THE WORLD

Once these trademarks are registered, JCI Group will also have the exclusive right to use each additional trademark in the PRC, limited to the trademark which has been approved for registration and to the goods in connection with which the trademark is to be used.

3.8 HEAD OFFICE AND EMPLOYEES

JCI Group's head office is located in Gushu Industrial Zone of Ma'anshan City, which is approximately one-and-a-half hours from Shanghai via high-speed train. JCI Group's head office is located in the Anhui Province, which has a comparatively low cost of living and an abundance of skilled workers.

JCI Group's head office is the base for the JCI Group's operations, administration and senior staff. The head office facilities accommodate approximately 75 staff members. JCI Group also has approximately 1,480 permanent and temporary employees as set out below:

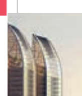
JCI GROUP PERMANENT AND TEMPORARY EMPLOYEES

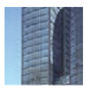
CATEGORY	STAFF COUNT
SENIOR EXECUTIVES	5
FINANCE & ASSET MANAGEMENT	4
OFFICE ADMINISTRATION & LEGAL AFFAIRS	2
HUMAN RESOURCES	9
TRAINING SCHOOL	16
MARKETING & BIDDING	6
PROJECT OPERATION	56
PROJECT TEAMS AT DOMESTIC CONSTRUCTION SITES	742
PROJECT TEAMS AT OVERSEAS CONSTRUCTION SITES	640
TOTAL	1,480

It is JCI Group's policy to develop and train employees to improve their skills and professionalism, with a view to enhancing productivity and operational efficiencies.

All new employees are required to undergo orientation programs to familiarise themselves with JCI Group's corporate culture, the working environment, operations and safety procedures. JCI Group also provides ongoing internal training to its employees according to their roles, and encourages its employees to take advanced courses and obtain professional certifications.

JCI Group has maintained a good working relationship with its employees, and has not experienced any significant labour disputes.





3.9 SPONSORING MA'ANSHAN CITY JIANCHENG OCCUPATIONAL TRAINING SCHOOL

Ma'anshan City Jiancheng Occupational Training School (**Training School**) was established in 2009.

The Training School occupies a) a four-storey building with approximately 1,700 square meters of construction area including offices and five 98-seat classrooms for theory training; b) a multi-media classroom for safety knowledge training; c) a 270-seat lecture hall for seminar conference; d) two practice and examination workshops with total 6,437 square meters; and e) 6 items of heavy-duty equipment including tower cranes and a vertical lifter. The School also has 3 permanent staff and more than 60 part-time teachers, of which 13 are associate professors.

The Training School trains students in all major disciplines required for the construction industry, such as bricklayer, steel fixer, concreter, form worker, scaffolding worker, electrician, welder, crane operator and safety officer etc. The School also provides customized training regarding overseas project background, local country culture and basic language. The Training School is licensed by local government authorities to conduct accreditation examinations to international standards for employees at the end of their training program, as well as non-employees in various trades. This provides an additional revenue stream to the School. The School is also the intern practice base for Anhui Industrial University. Approximately 70% of the courses conducted by the Training School are short term (between 3 days to 2 weeks), with on-site accommodation.

From 2009 until the end of 2014, approximately 36,000 persons had been trained by the School, generating a large pool of skilled workers from across China from which JCI Group can draw. This pool of talent gives JCI Group a competitive edge for business growth.

3.10 GROWTH DRIVERS

3.10.1 INCREASED OVERSEAS INVESTMENT BY PRC GOVERNMENT

PRC's direct non-financial overseas investment reached USD 102.9 billion in 2014, which was 14.1% more than 2013. Further, "One Belt, One Road" is becoming national policy of expansion for the PRC economy, and the founding of the Asia Infrastructure Investment Bank (AIIB) represents implementation of this policy goal. As forecast by Asian Development Bank, from 2015 to 2020, Asia will require approximately USD 750 billion for infrastructure development every year, of which 4% is expected to be financed by AIIB, i.e. AIIB's direct investment on infrastructure is budgeted to be approximately USD 30 billion each year.

The SOE partners of JCI Group (e.g. CSCEC, SINOMACH/SINOCONST, CRCEG and MCC) are the part of the leading force to implement the Chinese government's national strategy by sponsoring or building large numbers of engineering projects overseas, and so JCI Group hopes to continue to work with its SOE partners on future projects. There could also be opportunities to work on projects sponsored by private PRC companies and/or financed by PRC government agencies.

3.10.2 FRAGMENTED INDUSTRY

As noted in the Industry Overview in section 2, workforce outsourcing by PRC construction companies is highly fragmented, with an estimated 81,000 enterprise participants which employed 49.6 million workers at 2014 year-end. Whilst JCI Group is one of the leading industry participants, it still has a very low overall share of the potential market for its services. A workforce subcontractor's track record is one of the most important factors for a new client to consider when selecting the workforce service and, with JCI Group's proven track record with three of the six biggest contractors in China (i.e. CSCEC, SINOMACH/SINOCONST and CRCEG), and the Directors believe that JCI Group is well positioned to continue growing its market share.

3.10.3 INCREASED INVOLVEMENT OF PRC IN WORLD ENGINEERING MARKET

With proven improved quality and competitive prices of PRC construction companies, PRC engineering companies have become more active in infrastructure projects sponsored by financial institutions including the World Bank and Asian Development Banks. Following its listing on the ASX, JCI Group plans to work with both PRC and non-PRC head contractors to further these market opportunities.

3.11 STRATEGY

3.11.1 BUILD ON EXISTING PARTNERSHIPS WITH SOES

JCI Group already has strong existing relationships with certain SOEs, and JCI Group intends to build on these relationships. Significant gains could be made just by winning a greater share of work from SOE's. For example, JCI Group's current partners, such as China State Construction Engineering Corp, China National Machinery Industry Corp and China Railway Construction Corp, already present a total workforce outsourcing business opportunity of at least USD 3 billion for overseas projects and at least USD 20 billion for domestic projects every year. The potential size of this opportunity is approximately 500 times JCI Group's current revenues.

It is expected that these SOEs will continue operating in the overseas construction space for some time to come. Also, because JCI Group already has existing partnerships with these SOEs, there should also be less price pressure when tendering for new contracts.

3.11.2 SET UP BUSINESS OFFICES IN BEIJING AND OVERSEAS, ESTABLISH NEW PARTNERSHIPS WITH OTHER SOES

Most major PRC engineering SOEs are headquartered in Beijing. The Directors therefore consider that it will be beneficial for JCI Group to establish an office in Beijing to enable JCI Group to build on its existing relationships and also to develop new relationships with engineering SOEs and other head contractor companies.

The Directors also consider that it will be beneficial for JCI Group to establish branch offices in countries where it already has substantial operations, such as Algeria and Bangladesh. The Directors consider that this demonstration of commitment to those locations will be a strong selling point when tendering for future contracts to work with PRC SOEs in those countries.

3.11.3 EXPLORE OPPORTUNITIES TO WORK WITH NON-PRC CONTRACTORS

After JCI Group lists on the ASX, the Company will also explore opportunities to work internationally with non-PRC contractors.

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JC 建诚国际 INTERNATIONAL

4 Financial information

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

4 FINANCIAL INFORMATION

This Section contains a summary of the historical financial information and pro forma financial information of the JCI Group (collectively, the **Financial Information**).

The Financial Information comprises;

- The consolidated profit and loss statements for the years ended 31 December 2012, 2013 and 2014 and for the 6 months ended 30 June 2015 (**Historical Results**)
- The actual and pro forma statements of financial position as at 30 June 2015 (**Actual and Pro Forma Statements of Financial Position**)
- The consolidated statements of cash flows for the years ended 31 December 2012, 2013 and 2014 and for the 6 months ended 30 June 2015 (**Historical Cash Flow Statements**).

Also summarised in this Section 4 is the basis of preparation and presentation of the Financial Information (Section 4.1).

All amounts disclosed in the tables are presented in Australian dollars. The translation of RMB to AUD for purposes of presenting this financial information is explained in Note 3, Appendix 4 of the Independent Accountant's Report.

4.1 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Directors of The Company are responsible for the preparation of the Financial Information. Moore Stephens Perth Corporate Services Pty Ltd has prepared an Independent Accountant's Report in respect of the financial information. A copy of the report, together with an explanation of the scope of the work performed by Moore Stephens Perth Corporate Services Pty Ltd, is set out in Section 5.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and the significant accounting policies detailed in Note 2 of Appendix 4 of the Independent Accountant's Report in Section 5, which are consistent with Australia Accounting Standards and interpretations issued by the Australian Accounting Standards Board.

The Financial Information is presented in an abbreviated format and does not contain all of the disclosures required by the International Financial Reporting Standards or Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The information in this Section 4 should be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

The Financial Information set out below is based on past performance and is not a guide to future performance.

Financial statements prepared in future periods will be prepared in accordance with International Financial Reporting Standards whilst the audits of those financial statements will be conducted in accordance with International Standards on Auditing.

4.2 PREPARATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION

The Pro Forma Statements of Financial Position have been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Statements of Financial Position have been derived from the reviewed unaudited consolidated financial statements for the 6 month period ended 30 June 2015 with pro forma adjustments being made to reflect JCI Group's operating and capital structure that will be in place following Completion of the Offer as set out in Sections 4.4.1, 4.5 and 4.6.

Refer to Section 4.5 for reconciliation between the actual statement of financial position and the pro forma statements of financial position.

4.3 EXPLANATION OF CERTAIN NON-IFRS FINANCIAL MEASURES

The Company uses certain measures to manage and report on its business that are not recognised under International Financial Reporting Standards. These are known as "non-IFRS financial measures" and the principal ones used in this Prospectus are as follows:

- EBITDA is earnings before interest, taxation, depreciation and amortisation; and
- EBIT is earnings before interest and taxation.

These measures are reconciled to NPAT in 4.4.1.

Although the Directors believe that these measures provide useful information about the financial performance of JCI Group, they should be considered as supplements to the profit and loss statement and cash flow measures that have been presented in accordance with the International Financial Reporting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on International Financial Reporting Standards, they do not have standard definitions, and the way the Company calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

4.4 CONSOLIDATED PROFIT AND LOSS STATEMENTS

4.4.1 HISTORICAL RESULTS

The table below sets out the actual Historical Results of JCI Group (without adjustment) for the years ended 31 December 2012, 2013 and 2014 (audited) and for the 6 months ended 30 June 2015 (reviewed).

JCI GROUP HISTORICAL RESULTS - PROFIT AND LOSS

	FY2012	FY2013	FY2014	HY2015
	$MILLION	$MILLION	$MILLION	$MILLION
REVENUE	14.4	27.4	33.3	24.4
COST OF SALES	13.4	22.6	24.8	19.1
GROSS PROFIT	1.00	4.80	8.50	5.3
ADMINISTRATION EXPENSES	0.69	0.97	1.02	0.90
TOTAL INDIRECT COSTS	0.69	0.97	1.02	0.90
TOTAL OTHER INCOME	0.00	0.45	0.95	0.10
EBITDA	0.31	4.28	8.43	4.50
DEPRECIATION & AMORTISATION	0.20	0.24	0.28	0.21
EBIT	0.11	4.04	8.15	4.29
NET INTEREST EXPENSE/(REVENUE)	0.02	0.20	0.28	0.19
(LOSS)/PROFIT BEFORE TAX	0.09	3.84	7.87	4.10
INCOME TAX EXPENSE/(BENEFIT)	0.07	0.95	1.97	1.00
NPAT	0.02	2.89	5.90	3.10

4.4.2 KEY OPERATING METRICS

Set out below is a summary of JCI Group's key historical operating metrics for the years ended 31 December 2012, 2013 and 2014 and for the 6 months ended 30 June 2015 derived from the actual Historical Results (without adjustment).

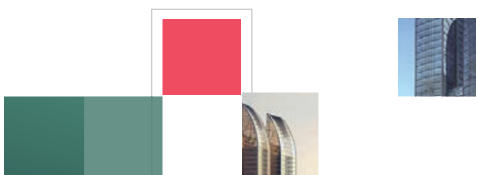
JCI GROUP HISTORICAL RESULTS - OPERATING METRICS

	FY2012	FY2013	FY2014	HY2015
	%	%	%	%
REVENUE GROWTH	n/a	90	21	46
GROSS PROFIT MARGIN	7.0	17.5	25.5	21.7
EBITDA GROWTH	n/a	1380	197	7
EBITDA MARGIN	2.16	15.62	25.3	18.45
EBIT GROWTH	n/a	3,672	202	5
EBIT MARGIN	0.77	14.75	24.5	17.59
NPAT GROWTH	n/a	14,450	204	5

NOTE

1 The percentages for the HY 2015 column have been derived by annualising the results on a full year basis, i.e. by simply doubling them.

2 Administration expenses for the HY 2015 have been adversely effected by significant one off costs associated with the proposed IPO that are required to be expensed to profit and loss.



4.5 ACTUAL AND PRO FORMA STATEMENTS OF FINANCIAL POSITION

The actual and pro forma statements of financial position of JCI Group are set out below. The pro forma statement of financial position have been prepared to illustrate the effect of the Offer, and assumes completion of certain other pro forma transactions as if they had occurred as at 30 June 2015.

	NOTIONAL ACTUAL CONSOLIDATED AS AT 30.06.2015	CAPITAL RAISED A$7.15 MILLION NOTIONAL PRO-FORMA CONSOLIDATED AS AT 30.06.2015	CAPITAL RAISED A$13 MILLION NOTIONAL PRO-FORMA CONSOLIDATED AS AT 30.06.2015
	A $'000	A $'000	A $'000
CASH AND CASH EQUIVALENTS	1,078	4,993	11,490
TRADE AND OTHER RECEIVABLES	29,338	29,338	29,338
INVENTORY	16	16	16
TOTAL CURRENT ASSETS	**30,432**	**34,347**	**40,844**
NON-CURRENT ASSETS			
TRADE & OTHER RECEIVABLES	4,027	4,027	4,027
PROPERTY, PLANT AND EQUIPMENT	7,038	7,038	7,038
INTANGIBLE ASSETS	421	421	421
DEFERRED TAX ASSETS	270	270	270
TOTAL NON-CURRENT ASSETS	**11,756**	**11,756**	**11,756**
TOTAL ASSETS	**42,188**	**46,103**	**52,600**
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	17,335	17,335	17,335
SHORT TERM BORROWINGS	3,729	3,729	3,729
CURRENT TAX LIABILITIES	1,029	1,029	1,029
TOTAL CURRENT LIABILITIES	**22,093**	**22,093**	**22,093**
TOTAL LIABILITIES	**22,093**	**22,093**	**22,093**
NET ASSETS	**20,095**	**24,010**	**30,507**
EQUITY			
ISSUED CAPITAL	4,730	8,510	15,007
FOREIGN CURRENCY TRANSLATION RESERVE	3,581	3,581	3,581
OTHER RESERVES	1,381	1,381	1,381
RETAINED EARNINGS	10,403	10,538	10,538
TOTAL EQUITY	**20,095**	**24,010**	**30,507**

THE PREPARATION OF THE NOTIONAL CONSOLIDATED PRO-FORMA STATEMENTS OF FINANCIAL POSITION

The notional consolidated pro forma statements of financial position have been prepared to demonstrate the impact of a capital raising pursuant to this Prospectus of A$5 million and A$12 million respectively (presented in two separate columns).

Under each of the scenarios above, the 30 June 2015 Notional Consolidated Statement of Financial Position of JCI Group has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2015:

- As part of the pre-offer restructure of the JCI Group, in consideration for the acquisition of the other entities comprising the JCI Group, JCI has issued 49,999,999 fully paid ordinary shares to the vendor shareholders of the MCJ China at an implied value of A$20,095,303, which equates to the book value of total equity of the JCI Group as at 30 June 2015 (i.e. this is a non cash transaction). The acquisition is referred to as a common control acquisition, in that both MCJ China and JCI are controlled by the same parties both before and after the acquisition. In essence JCI has been added as a new parent company, with no substantive change to the operations of MCJ China and its controlled entity or their assets or liabilities.
- The issue pursuant to this Prospectus of up to 15 million ordinary shares at A$0.80 per share, raising up to A$12.0 million with a minimum subscription of 6.25 million ordinary shares raising A$5 million. For the purposes of the pro forma, we have separately illustrated the minimum Capital Raising of A$5 million and the maximum Capital Raising of A$12 million.
- In relation to the minimum Capital Raising – the payment of the remaining estimated costs of the offer of A$1,085,000 (total estimated costs of A$1,220,000 minus costs paid to 30 June 2015 of about A$135,000) by the Company in relation to the Capital Raising and the subsequent write off of these costs against issued capital.
- In relation to the maximum Capital Raising – the payment of the remaining estimated costs of the offer of A$1,588,000 (total estimated costs of A$1,723,000 minus costs paid to 30 June 2015 of about A$135,000) by the Company in relation to the Capital Raising and the subsequent write off of these costs against issued capital.

4.6 HISTORICAL CASH FLOW STATEMENTS

The table below sets out the Historical Cash Flow Statements for JCI Group (without adjustment) for the years ended 31 December 2012, 2013 and 2014 and for the 6 months ended 30 June 2015.

JCI GROUP HISTORICAL RESULTS - CASH FLOW

OPERATING CASH FLOWS	FY2012	FY2013	FY2014	HY2015
	$MILLION	$MILLION	$MILLION	$MILLION
RECEIPTS FROM CUSTOMERS	11.7	16.8	30.2	29.1
PAYMENTS TO CREDITORS AND EMPLOYEES	-10.3	-18.6	-24.7	-27.0
NET INTEREST PAID	-0.02	-0.20	-0.27	-0.18
INCOME TAX PAID	-0.05	-0.41	-1.1	-2.11
NET OPERATING CASH FLOWS	1.33	-2.41	4.13	-0.19
CASH FLOWS FROM INVESTING ACTIVITIES	-0.38	-1.94	-4.70	-0.15
CASH FLOWS FROM FINANCING ACTIVITIES	-1.50	4.95	0.50	-0.16
NET CASH FLOW FOR THE YEAR	-0.55	0.60	-0.07	-0.50

4.7 MANAGEMENT DISCUSSION AND ANALYSIS

4.7.1 GENERAL FACTORS AFFECTING THE HISTORICAL RESULTS OF THE GROUP

Below is a discussion of the main factors which affected JCI Group's operations and relative financial performance for the years ended 31 December 2012, 2013 and 2014 and the first half year in 2015, and which the Company expects may continue to affect it in the future. The discussion of these general factors is JCI to provide a brief summary only and does not detail all factors that affected JCI Group's historical operating and financial performance, nor everything that may affect JCI Group's operations and financial performance in the future.

A) Increased partnership with ENR top-ranked SOEs

The Company is focused on providing one-stop workforce subcontracting services to China Stated Owned Enterprises (SOEs) which are ranked as Top 250 International Contractors by Engineering News-Record. By forming long-term partners with the SOEs, JCI Group is assured with sustainable sources growth. These SOEs' projects contributes more than approximately 90% of JCI Group's revenue.

In first half of 2015, the list of SOEs partners were added with four new members, including China State Construction Engineering Corporation (CSCEC), renowned as one of China's most reputed construction contractor.

B) Increased overseas operations, including Algeria

The JCI Group operates in five countries, including Algeria, where JCI Group currently has a substantial presence. A number of projects have begun in Algeria in the first half of 2015 and are expected to continue to grow into second half of the year. By comparison, in the last three years the JCI Group had no more than two projects per year in Algeria.

FINANCIAL INFORMATION

C) Balanced growth in domestic market of mid-west China

JCI Group has built an overseas presence and strong reputation which has contributed to the success of winning contracts from SOEs in the domestic PRC market. JCI Group has seen continued success in obtaining contracts in the Guizhou Provinces and the Xinjiang Autonomous Zone (a part of mid-west China). The China National Government has prioritised these provinces and zones for infrastructure and construction development in the short to mid-term period.

JCI Group anticipates that more projects will launch in the second half of 2015. By comparison, in the last three years the JCI Group had only one project in these regions.

D) Revenue

As a result of the Company partnering a number of top SOEs, JCI Group has seen its revenue grow. Specifically, JCI Group has increased its partnership with SOEs from 4 to 5 within the first half of 2015.

As a result of JCI Group deepening its relationship with specific partners, JCI Group has seen those partners increase the number of projects that JCI Group is involved in.

E) Gross profit margin

JCI Group's operations team is focused on maintaining gross profit margins through a deep understanding of each specific project and their cost factors. The operation team intends to align the JCI Group's gross profit margin with that of the SOEs partners on specific projects. Generally, for a project with a new partner, JCI Group takes a lower margin than average. Recently, continual increases in labour costs have also negatively impacted on JCI Group's margin.

F) Costs of doing business

JCI Group has a relatively foreseeable cost base that provides it with operating leverage and the ability to grow earnings in line with revenue. Key costs of doing business include labour costs, employee costs, international mobilisation costs, and other general expenses.

The costs of PRC workers continue to increase, and as a result JCI Group has expanded their workforce to include international employees from countries such as Indonesia and India who are already based in the relevant project country. JCI Group trains the international employees with PRC employees to synergise the cost advantage of the international employees and to maintain the same output and quality of work.

4.7.2 GENERAL FACTORS AFFECTING THE HISTORICAL CASH FLOW OF THE COMPANY

There are 3 key contributors to JCI Group's cash flow: trade receivables, collection cycles and creditor cycles. Trade receivables are a significantly growing component of the business, with more customers and increased revenue. Collection cycles are sound, with very few debtors going outside of normal trading terms. Creditor cycles have not changed from FY 2012 to FY 2014. Other factors affecting cash flow include compensation payment terms with employees, Chinese and non-Chinese.

JCI Group's bank finance facility has been used to manage monthly fluctuations in working capital.

4.7.3 HISTORICAL RESULTS AND KEY PERFORMANCE INDICATORS:

A) Revenue

The significant increases in revenue are primarily attributable to an increased number of contracts with SOEs and foreign currency translation gains. This resulted in JCI Group experiencing a 57.8% increase in revenue in half year FY2015 compared to FY2014.

B) Gross profit

To align with the strategies of some SOEs partners and to achieve long-term business growth, JCI Group has entered into some contracts which have lower gross profit margins than those in previous years. However, JCI Group's management is striving to increase its gross profit margins via better workforce site deployment management and also by using more overseas workers.

C) EBITDA and EBIT

EBIT growth in FY2013, FY2014 and half year 2015 is a reflection of the business being able to manage its operating costs whilst growing revenue at a faster rate.

JCI Group does not hold significant depreciable assets and so the difference between EBIT and EBITDA is around $0.2 million each year, which remains consistent.

4.7.4 WORKING CAPITAL

The core cash flow requirements of JCI Group's business continue to be managing the increasing trade receivables accounts as a result of increased demand. Trade payables remain within terms and there are no significant changes to payment terms on either trade payable or receivables. The bank finance facility was used by JCI Group to manage the working capital requirements of the business.

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5 Independent accountants report

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Level 3, 12 St Georges Terrace
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephens.com.au

23 September 2015

The Directors
JC International Group Limited
Gushu Industrial Zone
Dangtu County, Ma'anshan, Anhui, China

Dear Directors

INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors' of JC International Group Limited ("JCI" or "the Company") for inclusion in the Prospectus.

On 6th September 2015 the Company acquired control, via the establishment of a number of interposed companies, of Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd ("MCJ China") and its controlled entity Ma'anshan Jiancheng Occupational Training School. Together these companies make up the JCI Group, a China based group which operates in both the domestic and international markets. The JCI Group provides one-stop workforce outsourcing services for large construction projects primarily outside of China, but also within the domestic market. The acquisition is referred to as a common control acquisition, in that both MCJ China and JCI are controlled by the same parties both before and after the acquisition. In essence JCI has been added as a new parent company, for the purpose of the JCI Group listing on ASX, with no substantive change to the operations of MCJ China and its controlled entity or their assets and liabilities.

Pursuant to the Prospectus, the Company is offering for subscription a total of 15 million ordinary shares at an issue price of A$0.80 (80 cents per share), payable in full on application to raise up to A$12 million ("Capital Raising" or the "Offer"), with a minimum level of subscription of 6.25 million shares (A$5 million). Upon completion of the Capital Raising, the Company will apply for admission of the Company's shares to the official list of the Australian Securities Exchange Limited ("ASX")

Expressions defined in the Prospectus have the same meaning in this report.

2. Basis of Preparation

This report has been prepared to provide investors with information in relation to historical and pro-forma financial information of the JCI Group of companies as at 30 June 2015 and for the three and a half years ended 30 June 2015.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for JCI nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

JCI is a public company which was incorporated in Australia on 13 April 2015.

JCI is the parent company of Jiancheng International Holdings Limited (a company incorporated in Hong Kong) which in turn has a wholly owned subsidiary Maanshan City Jiancheng Human Resources Service Limited (incorporated in the PRC). Maanshan City Jiancheng Human Resources Service Limited owns 75% of the shares in MCJ China, with the other 25% of the shares being owned by Ms Wang Jinxiang. However, pursuant to a shareholders agreement between the shareholders, Ms Wang Jinxiang has irrevocably assigned to Maanshan City Jiancheng Human Resources Service Limited her economic and legal rights to MCJ China. Together these companies make up the JCI Group.

MCJ China, which was incorporated in China on 21 May 2003 and is the main operating entity, controls Ma'anshan Jiancheng Occupational Training School ("JCI School"), a not-for-profit organisation registered with the Ma'anshan Civil Affairs Bureau, the sponsorship of which was transferred to MCJ China on 22 February 2013 thereby giving MCJ China effective control over JCI School.

On 6th September 2015 JCI acquired control of the other entities comprising the JCI Group, with the consideration to the vendors of MCJ China satisfied by the issue of ordinary shares in JCI having a total implied value of A$20,095,303, which equates to the book value of the total equity of the JCI Group as at 30 June 2015.

The principal activities of the JCI Group are;

1) Providing one-stop workforce outsourcing services for large construction projects, primarily outside of China, but also within the domestic Chinese market; and
2) The operation of a training school which is used to train JCI Group employees as well as employees from other companies;

Further information about JCI and JCI Group and its future plans can be found in other sections of the Prospectus.

JCI's proposed capital structure following completion of the Offer (assuming the minimum Capital Raising of A$5 million) is as follows;

Initial shares on issue	1
Shares issued to vendors of JCI Group companies	49,999,999
Shares to be issued pursuant to the Prospectus (assuming A$5 million is raised)	6,250,000
Total shares on issue at completion of the Offer	56,250,000

4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Independent Accountant's Report on:

a) The notional consolidated Statement of Profit or Loss and Other Comprehensive Income of the JCI Group for the three and a half years ended 30 June 2015;

b) The notional consolidated Statement of Financial Position of the JCI Group as at 30 June 2015;

c) The notional consolidated pro-forma Statement of Financial Position of the JCI Group as at 30 June 2015 adjusted to include funds to be raised pursuant to the Prospectus (separately illustrating the minimum of A$5 million and the maximum of A$12 million) and the completion of certain other transactions, including the acquisition of the other entities now comprising the JCI Group of companies, as disclosed in this report;

d) The notional consolidated Statement of Cash Flows of the JCI Group for the three and a half years ended 30 June 2015.

The financial information presented in our report has been notionally consolidated for the three and a half years ended 30 June 2015 because JCI did not acquire the other entities comprising the JCI Group of companies until after that date. The acquisition by JCI of MCJ China resulted in no substantive change to the operations of the MCJ China or its assets and liabilities, hence presentation of notionally consolidated financial information reflects the historical financial performance and financial position of JCI and its newly acquired companies.

5. Scope of Review

Sources of information
The historical financial information has been extracted from the unaudited management accounts of JCI, Jiancheng International Holdings Limited and Maanshan City Jiancheng Human Resources Service Limited as at 30 June 2015, the audited financial statements of MCJ China and its controlled entity for the three years ended 31 December 2014 and the unaudited half year financial statements of MCJ China and its controlled entity for the 6 months ended 30 June 2015.

The financial statements of MCJ China and its controlled entity for the three years ended 31 December 2014 were audited by Moore Stephens Assurance Adelaide Pty Ltd who are based in Adelaide.

The half year financial statements of MCJ China and its controlled entity for the 6 months ended 30 June 2015 were reviewed by Moore Stephens Assurance Adelaide Pty Ltd, in accordance with ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity.*

Management's Responsibilities
The Directors of JCI are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our Responsibilities
We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the notional and pro-forma information is solely to illustrate the impact of the proposed Capital Raising and related transactions (including the acquisition of the JCI Group by JCI) on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:
a) a review of contractual arrangements;
b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
c) a review of work papers of the auditor of MCJ China and its controlled entities, including making enquiries of the auditor, to the extent considered necessary.
d) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the JCI Group;
e) a review of the assumptions used to compile the notional consolidated Statement of Profit or Loss and Other Comprehensive Income, the notional consolidated Statement of Financial Position, the notional consolidated pro-forma Statements of Financial Position and the notional consolidated Statement of Cashflows; and
f) enquiry of directors, management and advisors of the Company.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

These procedures have been undertaken to form an opinion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 4 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the notional financial position and notional pro-forma financial position of the Company and its controlled entities (pro-formas) as at 30 June 2015 and of their actual notionally consolidated financial results and statements of cashflows for the three and a half years ended 30 June 2015.

Historical and Pro-Forma Financial Information

The notional consolidated Statement of Profit or Loss and Other Comprehensive Income of the JCI Group for the three and a half years ended 30 June 2015 is included at Appendix 1. The notional consolidated Statement of Profit or Loss and Other Comprehensive Income for the three and a half years ended 30 June 2015 comprises the combination of the actual results of the entities comprising the JCI Group for the three and half years ended 30 June 2015 without adjustment.

The notional consolidated Statement of Financial Position as at 30 June 2015 of the JCI Group is included in Appendix 2. Also included in Appendix 2 is the notional consolidated pro-forma Statements of Financial Position of the JCI Group which incorporate the notional consolidated Statement of Financial Position as at 30 June 2015, adjusted on the basis of the completion of the Capital Raising (separately illustrating the minimum of A$5 million and the maximum of A$12 million) and the completion of certain other transactions, including the acquisition of the other entities comprising the JCI Group, as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 4.

The notional consolidated Statement of Cash Flows of the JCI Group for the three and a half years ended 30 June 2015 is included at Appendix 3. This comprises the actual cash flows of the entities comprising the JCI Group for the period from incorporation to 30 June 2015 without adjustment.

6. Opinion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The notional consolidated Statements of Profit or Loss and Other Comprehensive Income of the JCI Group for the three and a half years ended 30 June 2015, as set out in Appendix 1, do not present fairly the results for the three and half years presented, in accordance with the accounting methodologies required by Australian Accounting Standards;
- The notional consolidated Statement of Financial Position of the JCI Group, as set out in Appendix 2, does not present fairly the assets and liabilities of JCI and its controlled entities, notionally consolidated, as at 30 June 2015 in accordance with the accounting methodologies required by Australian Accounting Standards.
- The notional consolidated pro-forma Statements of Financial Position of the JCI Group, as set out in Appendix 2, do not present fairly the assets and liabilities of the Company and its controlled entities, notionally consolidated, as at 30 June 2015 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 4.
- The notional consolidated Statements of Cash Flows of the JCI Group for the three and a half years ended 30 June 2015 as set out in Appendix 3, do not present fairly the cash flows for the three and a half years presented, in accordance with the accounting methodologies required by Australian Accounting Standards.

7. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2015 not otherwise disclosed in this report or the Prospectus, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

8. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter. Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Independent Accountant's Report. Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully

Neil Pace

Neil Pace
Director
Moore Stephens Perth Corporate Services Pty Ltd

JC INTERNATIONAL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Summarised below is the Company's notional consolidated Statement of Profit or Loss and Other Comprehensive Income for the three years ended 31 December 2014 (audited) and for the half year ended 30 June 2015 (unaudited). The notional consolidation statement of Comprehensive Income illustrates what the financial performance of the Company would have been had it owned the other entities comprising the JCI Group of companies from 1 January 2012.

	Note	Notional Actual Consolidated YE 31.12.2012	Notional Actual Consolidated YE 31.12.2013	Notional Actual Consolidated YE 31.12.2014	Notional Actual Consolidated HYE 30.06.2015
		A$	A$	A$	A$
Revenue	4	14,407,303	27,424,137	33,281,829	24,391,983
Cost of sales		(13,427,643)	(22,574,702)	(24,812,242)	(19,118,751)
Gross profit		979,660	4,849,435	8,469,587	5,273,232
Other income		8,944	454,099	944,847	106,954
Administration expenses	5	(874,544)	(1,262,813)	(1,231,934)	(1,036,297)
Finance costs	6	(23,062)	(199,666)	(285,602)	(194,546)
Profit before income tax		90,998	3,841,055	7,896,898	4,149,343
Income tax expense	7	(68,280)	(949,095)	(1,971,760)	(1,037,721)
Profit for the year		22,718	2,891,960	5,925,138	3,111,622
Other comprehensive income					
Foreign currency translation gain / (loss)		(111,140)	1,220,670	1,304,438	1,167,364
Total comprehensive income for the year		(88,422)	4,112,630	7,229,576	4,278,986
Total comprehensive income attributable to:					
Members of the parent entity (the Company)		(88,422)	3,997,210	7,126,589	4,275,423
Ma'anshan Jiancheng Occupational Training School#		-	115,420	102,987	3,563
Total comprehensive income for the year		(88,422)	4,112,630	7,229,576	4,278,986

NB:# The constitution of the training school prohibits distribution of profits to the parent company and thus to shareholders.

To be read in conjunction with the accounting policies set out in Appendix 4

JC INTERNATIONAL GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
Current assets				
Cash and cash equivalents	8	1,078,086	4,993,086	11,490,086
Trade and other receivables	9	29,337,614	29,337,614	29,337,614
Inventory	10	16,974	16,974	16,974
Total current assets		30,432,674	34,347,674	40,844,674
Non-current assets				
Trade & other receivables	9	4,026,720	4,026,720	4,026,720
Property, plant and equipment	11	7,037,537	7,037,537	7,037,537
Intangible assets	12	421,046	421,046	421,046
Deferred tax assets		270,486	270.486	270,486
Total non-current assets		11,755,789	11,755,789	11,755,789
Total assets		42,188,463	46,103,463	52,600,463
Current liabilities				
Trade and other payables	13	17,334,991	17,334,991	17,334,991
Short term borrowings	14	3,728,900	3,728,900	3,728,900
Current tax liabilities	15	1,029,269	1,029,269	1,029,269
Total current liabilities		22,093,160	22,093,160	22,093,160
Total liabilities		22,093,160	22,093,160	22,093,160
Net assets		**20,095,303**	**24,010,303**	**30,507,303**
Equity				
Issued capital	16	4,730,405	8,510,405	15,007,405
Foreign currency translation reserve	17	3,581,333	3,581,333	3,581,333
Other reserves	17	1,381,012	1,381,012	1,381,012
Retained earnings		10,402,553	10,537,553	10,537,553
Total equity		**20,095,303**	**24,010,303**	**30,507,303**

To be read in conjunction with the accounting policies set out in Appendix 4

JC INTERNATIONAL GROUP LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three years ended 31 December 2014 (audited) and for the half year ended 30 June 2015 (unaudited)

	Notional Actual Consolidated YE 31.12.2012	Notional Actual Consolidated YE 31.12.2013	Notional Actual Consolidated YE 31.12.2014	Notional Actual Consolidated HYE 30.06.2015
Cash flows from operating activities				
Receipts from customers	11,698,950	16,841,269	30,160,576	29,129,332
Payments to suppliers and employees	(10,350,435)	(18,656,516)	(24,664,766)	(26,983,780)
Interest received	1,294	7,680	15,886	3,995
Finance costs	(21,753)	(201,099)	(285,602)	(194,546)
Income tax paid	(5,566)	(414,427)	(1,091,193)	(2,114,779)
Net cash provided by (used in) operating activities	1,322,490	(2,423,093)	4,134,901	(159,778)
Cash flows from investing activities				
Purchase of property, plant and equipment	(68,783)	(597,049)	(4,935,417)	(153,987)
Purchase of land use right	(318,240)	-	227,922	-
Payment for subsidiary, net of cash acquired	-	(1,339,200)	-	-
Net cash provided by (used in) investing activities	(387,023)	(1,936,249)	(4,707,495)	(153,987)
Cash flows from financing activities				
Proceeds (Repayment) from (of) borrowings	765,000	2,176,200	(541,800)	521,750
Cash receipts(Advanced) From(to) related parties	(4,536,035)	2,776,887	1,036,259	(684,705)
Additional share capital injection	2,295,000	-	-	-
Net cash provided by (used in) financing activities	(1,476,035)	4,953,087	494,459	(162,955)
Net change in cash and cash equivalents held	(540,568)	593,745	(78,135)	(476,720)
Exchange rate impact on cash flow	(4,818)	193,934	107,821	91,927
Cash and cash equivalents at beginning of financial year	1,074,537	645,514	1,433,193	1,462,879
Cash and cash equivalents at end of financial year	**529,151**	**1,433,193**	**1,462,879**	**1,078,086**

To be read in conjunction with the accounting policies set out in Appendix 4

JC INTERNATIONAL GROUP LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONDENSED
CONSOLIDATED FINANCIAL INFORMATION

NOTE 1: BASIS OF PREPARATION

The condensed consolidated financial information of the JCI Group for the three and a half years ended 30 June 2015 has been prepared on a condensed basis in accordance with the Australian Accounting Standard 134 Interim Financial Reporting.

The condensed consolidated financial information does not include all the information and disclosures required in annual financial statements.

The notional consolidated financial information represents those of the controlled entities that have been acquired by JC International Group Limited on 6 September 2015, being wholly owned or controlled entities subsequent to 30 June 2015 (the "consolidated group" or "group").

The notional consolidated financial information has been prepared in accordance International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of this financial information are presented below and have been consistently applied in respect of each period unless stated otherwise.

The financial information has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of financial information requires the use of estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the notional consolidated financial information, and areas involving a higher degree of judgement or complexity, are disclosed in Note 2(p.) to the notional consolidated financial information.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Principle of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (JCI) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business Combination

Business combinations occur where an acquirer obtains control over one or more businesses.

To be read in conjunction with the accounting policies set out in Appendix 4

a. Principle of consolidation (cont'd)

A business combination is accounted for by applying the acquisition method, unless it is a combination involving businesses under common control. Business combinations other than those involving businesses under common control are accounted for from the date that control is attained, whereby the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised at their acquisition-date fair values (except in a limited number of circumstances as identified in IFRS 3: *Business Combinations*).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

c. Property, Plant and Equipment

Property, Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

c. Property, Plant and Equipment (cont'd)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment	20%
Buildings	5%
Plant and equipment	10%
Motor vehicles	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

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. These gains or losses are included in the statement of comprehensive income.

d. Intangible assets – Land use right

Land use right has a finite useful life and is carried at cost less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of land use rights over its estimated useful lives, which is 50 years.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of fixed overheads. Costs are assigned on the basis of weighted average costs.

f. Contracted project costs

Contracted project costs comprise cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracted projects, and those costs that are attributable to the project activity in general and that can be allocated on a reasonable basis.

Project profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date compared to expected actual costs. Where losses are anticipated they are provided for in full.

Contracted project revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument and are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Financial instruments are classified and subsequently measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. When the effect of discounting is material, loans and receivables are carried at amortised cost using the effective interest rate method.

g. Financial Instruments (cont'd)

Financial liabilities

When the effect of discounting is material, non-derivative financial liabilities (excluding financial guarantees) are carried at amortised cost using the effective interest rate method.

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

i. Employee Benefits

Salary and wages are paid on a monthly basis and recognised as an expense when incurred and no leave entitlements accrue at the end of the reporting period.

j. Cash and Cash Equivalents

Cash comprises cash on hand, demand deposits and security deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as comprising a finance component and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

k. Revenue (cont'd)

Revenue relating to contracted projects is recognised as detailed at Note 2(f).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of business tax.

l. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets, less any provision for impairment.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 90 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates — Impairment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

p. Critical accounting estimates and judgments (cont'd)

Key estimates – Useful lives of property, plant and equipment
The useful lives of assets have been based on historical experience and best available information for similar items in the industry. These estimations will affect the depreciation expense recognised in each financial year.

Key estimates – Determination of percentage of completion on construction projects
Contracted projects income is recognised as revenue in profit or loss using the percentage of completion method in the reporting periods in which the work is performed. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the project. Construction contract accounting requires that variations, claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customer. As the approval process takes some time judgement is required to be made of its probability and revenue recognised accordingly. The aggregate project costs incurred to date plus recognised profits less recognised losses to date, progress billings, and amounts due from/to the customers are disclosed in Note 9.

Significant judgments — Provision for impairment of receivables/contracted project costs
The Group assesses the provision for impairment of receivables and contracted project costs at each reporting date by evaluating the ageing and likely recoverability of the outstanding balances.

A specific provision is made if the receivables/contracted project costs are assessed as being of high risk of not being collected. The factors considered in making the assessment are payment history, past due status and compliance with trading terms.

A provision for impairment of $1,066,032 has been recognised as at 30 June 2015 as disclosed in Note 9.

q. Accounting standards not yet effective
There are new accounting standards and IFRIC interpretations that have been published that are not mandatory for current reporting periods. The Group's assessment of the impact of these new standards and interpretations is that there would be no material impact on the current or future reported financial information.

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NOTE 3: THE PREPARATION OF THE NOTIONAL CONSOLIDATED PRO-FORMA STATEMENTS OF FINANCIAL POSITION

The 30 June 2015 notional actual consolidated Statement of Financial Position of the JCI Group has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2015:

- As part of the pre-offer restructure of the JCI Group, in consideration for the acquisition of the other entities comprising the JCI Group, JCI and its interposed entities have issued equity to the vendor shareholders of MCJ China at an implied value of A$20,095,303 which equates to the book value of total equity of the JCI Group as at 30 June 2015 (ie this is a non cash transaction). The acquisition is referred to as a common control acquisition, in that both MCJ China and JCI are controlled by the same parties both before and after the acquisition. In essence JCI has been added as a new parent company, with no substantive change to the operations of MCJ China and its controlled entity or their assets or liabilities.

- The issue pursuant to this Prospectus of up to 15 million ordinary shares at A$0.80 per share, raising up to A$12 million with a minimum subscription of 6.250 million ordinary shares raising A$5 million. For the purposes of the pro forma, we have separately illustrated the minimum Capital Raising of A$5 million and the maximum Capital Raising of A$12 million.

- In relation to the minimum Capital Raising – the payment of the remaining estimated costs of the offer of A$1,085,000, (total estimated cost of A$1,220,000 minus costs paid to 30 June 2015 of A$135,000) by the Company in relation to the Capital Raising and the subsequent write off of these costs against issued capital.

- In relation to the maximum Capital Raising – the payment of the remaining estimated costs of the offer of A$1,588,000 (total estimated costs of A$1,723,000 minus costs paid to 30 June 2015 of A$135,000) by the Company in relation to the Capital Raising and the subsequent write off of these costs against issued capital

- In translating from the functional currency adopted by the subsidiaries in preparing their accounts to the presentational currency (Australian dollars) adopted for purposes of presenting this financial information the following approach was adopted;

    - Income and expenses - average exchange rate for each year and the half year;
        - 2012: RMB 1:AUD$0.1530
        - 2013: RMB 1:AUD$0.1674
        - 2014: RMB 1:AUD$0.1806
        - 2015: RMB:1:AUD$0.2087
    - Cashflows - average exchange rate for each year and the half year.
    - Assets and liabilities - spot rate as at 30 June 2015 being RMB:1AUD$0.21308
    - Share capital - historical rate at date of share issues.

To be read in conjunction with the accounting policies set out in Appendix 4

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	Notional Actual Consolidated YE 31.12.2012	Notional Actual Consolidated YE 31.12.2013	Notional Actual Consolidated YE 31.12.2014	Notional Actual Consolidated HYE 30.06.2015
	A$	A$	A$	A$
NOTE 4: REVENUE				
Operating activities				
Contracted projects income	12,314,073	26,795,881	32,827,642	24,281,122
Labour brokerage income	2,090,979	284,569	100,414	-
Training school income	-	339,819	327,410	110,861
Other operating income	2,251	3,868	26,363	-
Total Revenue	14,407,303	27,424,137	33,281,829	24,391,983
Non-operating activities				
Interest received	1,294	7,680	15,886	3,995
Government subsidies	7,650	111,488	122,808	104,767
Gain on bargain purchase	-	334,931	-	-
Gain on disposal of fixed assets	-	-	529,809	-
Tax refund	-	-	266,367	-
Other non-operating income	-	-	9,977	(1,808)
Other Income	8,944	454,099	944,847	106,954

NOTE 5: ADMINISTRATION EXPENSES

Administration expenses				
Salary expenses	133,226	409,877	586,849	402,132
Depreciation	205,426	240,226	280,853	217,815
Expected loss on contracted project	188,559	115,636	-	-
Impairment provision for trade receivables	104,693	220,046	-	-
Other administration expenses	242,640	277,029	364,232	416,350#
Total administration expenses	874,544	1,262,813	1,231,934	1,036,297

#This amount includes professional fees incurred in respect of past periods, amounting to $270,000 (of which its estimated that $135,000 will be reclassified as costs of the offer) necessary to prepare the Company for its initial public offering.

NOTE 6: FINANCE COSTS

Finance costs				
Interest expense on borrowings	6,583	120,504	259,108	182,831
Guarantee fees	8,004	47,502	26,115	10,435
Other finance expenses	8,475	31,660	379	1,280
Total finance costs	23,062	199,666	285,602	194,546

To be read in conjunction with the accounting policies set out in Appendix 4

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	Notional Actual Consolidated YE 31.12.2012 A$	Notional Actual Consolidated YE 31.12.2013 A$	Notional Actual Consolidated YE 31.12.2014 A$	Notional Actual Consolidated HYE 30.06.2015 A$
NOTE 7: INCOME TAX EXPENSES				
The components of tax expense comprise:				
Current tax	141,594	994,228	1,935,299	1,031,767
Deferred tax	(73,313)	(45,133)	36,461	5,954
Total Income Tax Expense	68,280	949,095	1,971,760	1,037,721
Reconciliation of tax expense				
Profit before income tax	90,998	3,841,054	7,896,899	4,149,343
Prima facie tax payable on profit before income tax at China tax rate of 25%	22,749	960,263	1,971,760	1,037,721
Add:				
Tax effect of:				
Other non-deductible expenses	45,531	57,667	-	-
Under-provision for income tax in prior year	-	-	-	-
	45,531	57,667	-	-
Less:				
Tax effect of:				
Other non-taxable income	-	(68,836)	-	-
	-	(68,836)	-	-
	68,280	949,094	1,971,760	1,037,721

The Company and its subsidiary are subject to the tax law of People's Republic of China (PRC).

In accordance with the income tax law of PRC, companies with no special tax concessions are taxed at a flat rate of 25%

	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
NOTE 8: CASH AND CASH EQUIVALENTS			
Cash on hand	383,254	383,254	383,254
Cash at bank	55,592	4,555,592	11,055,592
Security deposits	639,240	639,240	639,240
Total cash and cash equivalent	1,078,086	5,578,086	12,078,086

To be read in conjunction with the accounting policies set out in Appendix 4

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	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
NOTE 8: CASH AND CASH EQUIVALENTS (CONT'D)			
The movements in cash at bank are as follows:			
Actual – 30 June 2015	1,078,086	1,078,086	1,078,086
Issue of shares pursuant to Prospectus		5,000,000	12,000,000
Remaining estimated costs of the Offer		(1,085,000)	(1,588,000)
	1,078,086	4,993,086	11,490,086
NOTE 9: TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables	20,309,451	20,309,451	20,309,451
Other receivables	1,975,156	1,975,156	1,975,156
Related party receivables	-	-	-
Contracted project costs (a)	7,053,007	7,053,007	7,053,007
Total current trade and other receivables	29,337,614	29,337,614	29,337,614
Non-current			
Trade receivables	1,066,032	1,066,032	1,066,032
Provision for impairment	(1,066,032)	(1,066,032)	(1,066,032)
Other receivables	4,026,720,	4,026,720	4,026,720
Total non-current trade and other receivables	4,026,720	4,026,720	4,026,720
a Contracted project costs			
Contracted project costs incurred	99,426,305	99,426,305	99,426,305
Recognised profits	24,030,804	24,030,804	24,030,804
	123,457,109	123,457,109	123,457,109
Progress billings	(116,388,189)	(116,388,189)	(116,388,189)
Provision for expected loss on contracted project	(15,913)	(15,913)	(15,913)
Total Contracted Project Costs	7,053,007	7,053,007	7,053,007

As at 30 June 2015, trade receivables included retentions of $5,246,554 related to contracted projects in progress.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main sources of credit risk to the Group are considered to relate to the classes of assets described as "trade and other receivables".

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NOTE 9: TRADE AND OTHER RECEIVABLES (CONT'D)

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis.

		Past Due and impaired		Past Due but not impaired			Not past due
	Gross Amount	<1 year	>1 year	1~2 years	2~3 years	>3 years	<1 year
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Consolidated Group 30 June 2015							
Trade receivables	21,375,483	-	1,066,031	-	-	-	20,309,452
Other receivables	6,001,876	-	-	-	-	-	6,001,876
Contracted project costs	7,053,007	-	-	-	-	-	7,053,007
Total	34,430,366	-	1,066,031	-	-	-	33,364,335
Consolidated Group 31 Dec 2014							
Trade receivables	21,121,973	-	1,066,031	153,038	209,120	-	19,693,784
Other receivables	10,985,457	-	-	-		622,824	10,362,633
Contracted project costs	5,517,836	-	-	-	-	-	5,517,836
Total	37,625,266	-	1,066,031	153,038	209,120	622,824	35,574,253

The ageing analysis at balance date for trade receivable is on the basis of the date of interim settlement statements rather than when the receivable are expected to be collected which relates to current and non-current classifications.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

NOTE 10: INVENTORY

	Notional Actual Consolidated as at 30.06.2015	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015
	A$	A$	A$
Current			
Raw material	16,974	16,974	16,974
Total Inventory	16,974	16,974	16,974

Inventory includes raw material on hand. Inventory has been determined to be valued at the lower of cost and net realisable value at balance date.

To be read in conjunction with the accounting policies set out in Appendix 4

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	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
NOTE 11: PROPERTY, PLANT & EQUIPMENT			
Office Equipment			
At cost	603,468	603,468	603,468
Accumulated depreciation	(180,079)	(180,079)	(180,079)
Total Office Equipment	423,389	423,389	423,389
Buildings			
At cost	6,474,136	6,474,136	6,474,136
Accumulated depreciation	(307,521)	(307,521)	(307,521)
Total Buildings	6,166,615	6,166,615	6,166,615
Plant and Equipment			
At cost	227,442	227,442	227,442
Accumulated depreciation	(39,427)	(39,427)	(39,427)
Total Plant and Equipment	188,015	188,015	188,015
Motor Vehicles			
At cost	510,362	510,362	510,362
Accumulated depreciation	(250,844)	(250,844)	(250,844)
Total Motor Vehicles	259,518	259,518	259,518
Total property, plant and equipment	7,037,537	7,037,537	7,037,537

NOTE 12: INTANGIBLE ASSET

Land use right	443,206	443,206	443,206
Accumulated amortisation	(22,160)	(22,160)	(22,160)
Total Land use right	421,046	421,046	421,046

To be read in conjunction with the accounting policies set out in Appendix 4

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	A$	A$	A$
NOTE 13: TRADE AND OTHER PAYABLES			
Current			
Trade payables	152,805	152,805	152,805
Salary payable	14,227,807	14,227,807	14,227,807
Related party loan	444,852	444,852	444,852
Business tax payable	1,234,684	1,234,684	1,234,684
Other tax payables	240,724	240,724	240,724
Other payables	1,034,119	1,034,119	1,034,119
Total Current Trade and Other Payables	17,334,991	17,334,991	17,334,991

NOTE 14: SHORT TERM BORROWINGS

Current			
Bank loan secured:			
- Huishan Bank (HSB)	1,598,100	1,598,100	1,598,100
- Shanghai Pudong Development Bank (SPD)	1,065,400	1,065,400	1,065,400
Bank loan unsecured:			
- Ma'anshan Rural Commercial Bank (RCB)	1,065,400	1,065,400	1,065,400
Total Short-term Borrowings	3,728,900	3,728,900	3,728,900

As at 30 June 2015, the bank borrowings from SPD are secured by external non-related guarantee company and counter guaranteed by personal guarantees of the Director, Mr Yonghong Tang, his wife, Mrs Wang Jinxiang and an external non-related company. Interest is charged at 7.80%. The bank borrowings from HSB are secured by external non-related guarantee company and also guaranteed by personal guarantees of the Director, Mr Yonghong Tang, his wife, Mrs Wang Jinxiang. Interest is charged at 7.80%. The bank borrowings from RCB are unsecured, and interest is charged at 5.60%.

NOTE 15: CURRENT TAX LIABILITIES

Income tax payable	1,029,269	1,029,269	1,029,269
Total current tax liabilities	1,029,269	1,029,269	1,029,269

To be read in conjunction with the accounting policies set out in Appendix 4

	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
NOTE 16: ISSUED CAPITAL			
Share capital	4,730,405	9,230.405	15,730,405
Total Issued Capital	4,730,405	9,230,405	15,730,405

Capital Raised A$5 million Movements during the period	No. of shares	A$
Ordinary issued and paid up to share capital		
Initial shares on issues	1	-
Pre-offer share issue	-	-
Shares issued to vendor shareholders – implied cost of acquisition	49,999,999	4,730,405
Shares issued pursuant to current prospectus (assume 6.250 million shares issued at $0.80 each)	6,250,000	5,000,000
Estimated transaction costs	-	(1,220,000)
	56,250,000	8,510,405

Capital Raised A$12 million Movements during the period		A$
Ordinary issued and paid up to share capital		
Initial shares on issues	1	-
Pre-offer share issue	-	-
Shares issued to vendor shareholders – implied cost of acquisition	49,999,999	4,730,405
Shares issued pursuant to current prospectus (assume 15 million shares issued at $0.80 each)	15,000,000	12,000,000
Estimated transaction costs	-	(1,723,000)
	65,000,000	15,007,405

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a. Capital Management

Management controls the capital of the company in order to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, and ensure that the company can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, and share issues.

	Notional Actual Consolidated as at 30.06.2015 A$	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015 A$	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015 A$
NOTE 17: RESERVES			
Statutory reserve	1,070,994	1,070,994	1,070,994
Foreign currency translation reserve	3,581,333	3,581,333	3,581,333
Training school profits reserve	310,018	310,018	310,018
Total Reserves	4,962,345	4,962,345	4,962,345

Statutory Reserve
Pursuant to the current People's Republic of China Company Law, the Group is required to transfer 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches minimal 50% of the registered capital. For the purposes of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the People's Republic of China accounting standards. The transfer to this reserve must be made before the distribution of dividends to the shareholders.

Training School Profits Reserves
Contributions to the results of the Group by the Ma'anshan Jiancheng Occupational Training School during the financial year are set aside to a reserve called Training School Profits Reserve because Ma'anshan Jiancheng Occupational Training School is a not for profit entity and its constitution prohibits distribution of profits to its Sponsor, the parent company.

NOTE 18: COMMITMENTS

a. *Capital Commitments*
The Group does not have any material capital commitments as at 30 June 2015.

b. Operating Commitments
The Group does not have any material operating commitments as at 30 June 2015.

C. Other Commitments
The Group has commitments relating to remuneration of specified directors pursuant to employment agreements set out in Section 8.1 of the Prospectus and by way of Corporate adviser fees pursuant to an agreement set out in Section 8.5 of the Prospectus.

To be read in conjunction with the accounting policies set out in Appendix 4

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group has no contingent liabilities or contingent assets.

NOTE 20: EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 21: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings.

The total for each category of financial instruments are as follows:

		Notional Actual Consolidated as at 30.06.2015	Capital Raised A$5 million Notional Pro-forma Consolidated as at 30.06.2015	Capital Raised A$12 million Notional Pro-forma Consolidated as at 30.06.2015
		A$	A$	A$
Financial Assets				
Cash and cash equivalents	8	1,078,086	4,993,086	11,490,086
Trade and other receivables current	9	29,337,614	29,337,614	29,337,614
Trade and other receivables – non current	9	4,026,720	4,026,720	4,026,720
Total financial assets		34,442,420	38,357,420	44,854,420
Financial Liabilities				
Trade and other payables (excluding other tax payable)	13	15,859,583	15,859,583	15,859,583
Short term borrowings	14	3,728,900	3,728,900	3,728,900
Total financial liabilities		19,588,483	19,588,483	19,588,483

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The main financial risks to which the Group is exposed to are liquidity risk, credit risk and market risk (comprising interest rate risk and foreign currency risk).

a. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group manages this risk through the following mechanisms:

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects a maturity analysis for financial liabilities:

	0 - 12 Months Consolidated Group	Over 1 Year Consolidated Group	Total Consolidated Group
Financial liabilities due for payment	30 June 2015 $A	30 June 2015 $A	30 June 2015 $A
Trade and other payables	17,334,991	-	17,334,991
Borrowings	3,728,900	-	3,728,900
Total expected outflows	21,063,891	-	21,063,891

To be read in conjunction with the accounting policies set out in Appendix 4

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT'D)

b. Credit risk analysis

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised in the statements of financial position as at balance date.

Credit risk is attributable to cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding trade and other receivables.

The credit risk for liquid funds, comprising cash and cash equivalents, is considered minimal, since the counterparties are reputable banks with high quality external credit ratings.

Whilst the Group has significant trade and other receivables, credit risk is managed by procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, adopting a policy of only extending credit to customers with proven credit histories, for significant transactions customers are required to make sufficient prepayments in order to reduce credit risk to an acceptable level, and monitoring of the financial stability of significant customers) ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness.

c. Market risk (interest rate risk)

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Group's level of borrowings is nominal and any borrowings are normally for terms of 12 months or less. The Group's holds no marketable securities and all cash balances are primarily used for working capital and not invested in interest or dividend-bearing assets. Accordingly, the Group has an immaterial exposure to market risk.

d. Market risk (foreign exchange risk)

The functional currency of the Group, being the currency applicable to the environment in which the Group generally operates in (ie in China), is RMB or a USD equivalent thereof, whilst the financial information of the Group is presented in A$.

Fluctuations in the RMB relative to the A$ will therefore impact on the Group's reported financial results and the fluctuations may be significant. Accordingly any depreciation/appreciation of the RMB relative to the A$ will result in a translation loss/gain on consolidation which is recorded directly in shareholder equity

In addition any change in the ability to convert RMB to A$ due to the implementation of currency control measures may have an adverse effect on the financial position of the Group.

e. Fair value estimation

The carrying amounts of financial assets and financial liabilities are reasonable approximations of their fair values.

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT'D)

f. Offsetting agreements

As at 30 June 2015, Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd (the parent Company) has a payable balance of RMB 8,000,000 to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd and the Company's subsidiary Ma'anshan Jiancheng Occupational Training School has a receivable balance of RMB 8,000,000 from Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd.

The Group entered into a tripartite offsetting agreement on 30 June 2015 which gives the Group a legally enforceable right to offset its RMB 8,000,000 payable to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd and Ma'anshan Jiancheng Occupational Training School's receivable for the same amount from Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd as at half year end 30 June 2015 and the Group intended to settle the liability and receivable in the future on a 'net basis'.

On this basis, for the half year ended 30 June 2015, in accordance with IAS 32, the Group has offset in its consolidated financial statements its RMB 8,000,000 liability to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd against Ma'anshan Jiancheng Occupational Training School's receivable for the same amount from Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd, thereby recognising a net amount of RMB 0 in respect of the two balances.

NOTE 22: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of share capital injection, which are held directly by the group unless otherwise stated. Each subsidiary's principal place of business is also its country of incorporation or registration

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		30 June 2015 %	31 December 2014 %
Ma'anshan Jiancheng Occupational Training School	Anhui, China	100	100

Subsidiary financial statements used in the preparation of this consolidated financial information have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

Ma'anshan Jiancheng Occupational Training School is a not for profit entity and its constitution prohibits realisation and distributions of its assets to its Sponsor, the parent company. The carrying amount of the assets included within the notional consolidated statements of financial position to which these restrictions apply is as follows:

NOTE 22: INTERESTS IN SUBSIDIARIES (CONT'D)

	30 June 2015
	A$
Current assets	
Cash and cash equivalents	40,004
Trade and other receivables	38,288
Inventory	9,020
Total current assets	87,312
Non-current assets	
Property, plant and equipment	189,993
Total non-current assets	189,993
Total assets	277,305

The subsidiary's annual contribution to the Group's results is not available for distribution to the members of the Company. There are no significant restrictions over the Group's ability to settle liabilities of the Group.

6 Risk factors

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

6 RISK FACTORS

As with any share investment, there are risks involved. This section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional adviser before deciding whether to apply for Shares.

6.1 INDUSTRY RISKS

6.1.1 CREDIT AND WORKING CAPITAL RISK

The delay or failure of customers or other counterparties to pay their debts or other obligations to JCI Group when due (as a result of insolvency or other reasons) may have a material adverse impact on JCI Group's future financial performance and position.

Also, at any point in time JCI Group holds a significant level of trade receivables, and is therefore exposed to the risk that it may not be able to collect the full value of its trade receivables if the creditworthiness of its individual customers were to deteriorate. While the concentration of JCI Group's credit risk is limited by contracting with SOE's, an economic downturn could adversely affect JCI Group's revenue and profitability and result in losses to JCI Group.

Similarly, JCI Group must ensure that trade payables are maintained at appropriate levels over time and that its key suppliers are paid within reasonable periods. Any misalignment between the movement in receivables and payables could significantly impact JCI Group's cash position.

6.1.2 INDUSTRY AND MARKET RISK

As the JCI Group operates mainly in the construction workforce subcontracting market in the non-PRC and PRC jurisdictions, its financial performance is closely tied to the performance of those markets. Those markets are affected by various factors beyond the JCI Group's control, including:

- the performance of the economy of the PRC and countries where the projects are located;
- the monetary policy of the PRC (such as a change in interest rates);
- government policy, including the allocation of government funding for public infrastructure and other building programs; and
- the level of demand for construction projects in those jurisdictions.

A significant downturn in the performance of those markets mentioned above could have an adverse impact on the JCI Group's revenues and profitability.

6.1.3 COMPETITION

The industry in which the JCI Group is involved is subject to increasing domestic and global competition. While the JCI Group will undertake all reasonable due diligence in its business decisions and operations, the JCI Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the JCI Group's projects and businesses.

6.2 PRC-SPECIFIC RISKS

6.2.1 PAYMENT OF DIVIDENDS FROM PRC SUBSIDIARIES

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. As the JCI Group receives some of its revenues in RMB, the Company relies partially on dividends from its PRC Subsidiaries to fund any cash and financing requirements the Company may have.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the PRC State Administration of Foreign Exchange (**SAFE**), by complying with certain procedural requirements. Therefore, the PRC Subsidiaries are able to pay dividends in foreign currencies to the Company without prior approval from SAFE by complying with certain procedural requirements. For conversion of RMB into foreign currency and remitted out of the PRC to pay for capital items such as repatriation of capital, securities investments and repayment of loans, approval from or registration with SAFE or its local branches is required.

Current PRC regulations permit the PRC Subsidiaries to pay dividends only out of accumulated after-tax profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, the PRC Subsidiaries are required to set aside a certain amount of its after-tax profits each year, if any, to fund certain statutory reserves. These reserves are not distributable as cash dividends. Furthermore, in the future, if the PRC Subsidiaries incur debt on their own behalf, the instruments governing the debt may restrict its ability to pay dividends or make other payments to the Company.

As the Training School is a not-for-profit entity, it is not permitted to make a distribution of any accumulated profits. It is however permitted to use those profits to pay its expenses.

6.2.2 TAX TREATY BENEFITS

Pursuant to the arrangement between Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes dated 21 August 2006 and came into effect on 27 September 2006, and the Notice of the State Administration of Taxation on How to Understand and Determine "Beneficial Owner" in Tax Agreements dated 27 October 2009 issued by the State Administration of Taxation of the PRC, the withholding tax rate on the dividend distribution by the foreign investment enterprise will be a preferential tax rate of not more than 5.0% of the total dividend declared if the "Beneficial Owner" of the dividends is a company that holds directly at least 25.0% of the share capital of the Company paying the dividend. According to the Notice of the State Administration of Taxation on the Issues relating to the Administration of the Dividend Provision in Tax Treaties promulgated on 20 February 2009, the corporate recipients of dividends distributed by PRC enterprises must satisfy the direct ownership thresholds of 25.0% at all times during the 12 consecutive months preceding the receipt of the dividends. In the event that a company is not considered as a "Beneficial Owner" of the dividends, the preferential tax rate of not more than 5.0% does not apply and the withholding tax rate will be 10.0% instead.

In the event that the Company is not deemed as the "Beneficial Owner" of the dividends distributed and the Company is subject to a withholding tax rate which is higher than the preferential tax rate of not more than 5.0%, it may limit the amount of dividends declared by the PRC Subsidiaries. Further, there is no assurance that the PRC government and Hong Kong government will not amend the above treaty, or that the Company will continue to be deemed as the "Beneficial Owner" of the dividend by the local tax authorities and be entitled to the preferential tax rate of not more than 5.0%.

6.2.3 USE OF PROCEEDS

To use the proceeds from the Offer in the manner described in this Prospectus, as an offshore holding company of the PRC Subsidiaries, the Company may provide loans to its PRC Subsidiaries or make additional capital contributions to them. Although there are no formal loan arrangements in place, any loans between the Company and its PRC Subsidiaries would be on simple terms that are considered customary for loans between a parent company and its wholly owned subsidiary. Any loans to the PRC Subsidiaries are subject to relevant registration under PRC regulations, and capital contributions must be approved by the local branches of SAFE or the commercial authorities.

The Company cannot assure investors that it will be able to obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by it to its PRC Subsidiaries. If the JCI Group fails to obtain such approvals, the Company's ability to use the proceeds from this offering as intended will be affected, and this could adversely affect the JCI Group's ability to carry out its business strategies and expand its operations in the PRC.

6.3.1 DEPENDENCE ON MANAGEMENT TEAM

The success of the JCI Group has been in large part due to the talent, effort, experience and leadership of its senior management team and the leadership of Mr Yonghong Tang. Most of the JCI Group's senior management team members have been with the JCI Group for over 5 years. Although the JCI Group has entered into employment contracts with all of its executive Directors and senior management, there is no assurance that such contracts will not be terminated or breached, or will not be renewed at their conclusion. The loss of the services of JCI Group's senior executives or other key personnel, or an inability to attract and retain qualified and competent senior executives or other key personnel, could have a material adverse effect on JCI Group's operating and financial performance.

6.3.2 OPERATIONS IN THE PRC AND OTHER COUNTRIES

The JCI Group conducts substantial business operations in the PRC and other countries. Accordingly, the JCI Group's results of operations, financial condition and prospects are significantly dependent on economic and political developments in the PRC and those other countries. Although the PRC's economy has experienced significant growth in the past 30 years, the Company cannot assure investors that the PRC's economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such slowdown will not have a negative effect on its business and results of operations. Similarly, the Company cannot provide any assurance regarding the economies of the other countries in which JCI Group operates.

The PRC government exercises significant control over its economic growth through the allocation of resources, control over payment of foreign currency-denominated obligations, implementation of monetary policy, and preferential treatment to particular industries or companies. Certain measures adopted by the PRC government may restrict loans to certain industries, such as changes in statutory deposit reserve ratio and lending guidelines for commercial banks by the People's Bank of China ("**PBOC**"). These current and future government actions could materially affect the JCI Group's liquidity, access to capital, and ability to operate its business. In response to the global financial crisis and economic downturn in 2008, the PRC government adopted various measures aimed at expanding credit and stimulating economic growth, such as decreasing the PBOC statutory deposit reserve ratio and lowering benchmark interest rates. However, it is unclear whether such measures will be effective in sustaining stable economic growth in the future in the PRC. Any slowdown in the economic growth of the PRC could lead to reduced demand for the JCI Group's products, which could materially and adversely affect the JCI Group's business, financial condition and results of operations.

6.3.3 PRC AND FOREIGN LEGAL SYSTEMS AND LEGAL RISKS

The JCI Group's operations in the PRC are governed by PRC laws and regulations. The JCI Group's PRC Subsidiaries are foreign-invested enterprises and are subject to laws and regulations applicable to foreign investment in the PRC.

The JCI Group's operations in foreign jurisdictions are governed by both PRC and foreign laws and regulations. The introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities may have an adverse impact on the JCI Group's operations.

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, circulars and directives. The PRC government is still in the process of developing its legal system, so as to meet the needs of investors and to encourage foreign investment. As the PRC economy is undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. For example, under PRC law JCI Group has an obligation to make social insurance and housing provident fund contributions for its employees. However, the relevant local government authority will not permit JCI Group to open the necessary accounts and make these contributions when the relevant employees are either foreigners or already have rural accounts opened elsewhere. This inconsistency, which is a common issue in the PRC, means that in practice JCI Group is not able to make such social insurance and housing provident fund contributions for most of its employees.

Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still subject to policy changes. The introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities may have an adverse impact on the JCI Group's business or operations.

Further, precedents on the interpretation, implementation and enforcement of the PRC Laws and Regulations are limited, and unlike other common law countries such as Australia, decisions on precedent cases are not binding on lower courts. As such, the outcome of dispute resolutions may not be consistent or predictable as in the other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the laws in the PRC, or obtain enforcement judgment by a court of another jurisdiction.

The legislative trend in the PRC in recent years has been to enhance the protection afforded to foreign investment and to allow for more active control by foreign parties of foreign invested enterprises. However, there is no assurance that such a trend will continue. Any restrictive rules against foreign investments may severely affect the JCI Group's ability to expand its operations in the PRC.

6.3.4 RELATIONSHIPS WITH STATE OWNED ENTERPRISES

The success of the JCI Group has been in large part due to its good relationships with the SOEs with which JCI Group contracts. However, there is no assurance that JCI Group will be able to maintain those relationships, or that other competitors will not be able to supplant those relationships. A breakdown in the relationships between the JCI Group and the SOEs could have a material adverse effect on JCI Group's operating and financial performance.

6.3.5 RELATIONSHIPS BETWEEN PRC, STATE OWNED ENTERPRISES AND OTHER COUNTRIES

The success of the JCI Group has been in large part due to its good relationships between the PRC, the relevant SOEs and the countries with which those SOEs contract. However, there is no assurance that the PRC and the SOEs will be able to maintain relationships with those foreign countries, or that other countries or head contractors will not be able to supplant those relationships. A breakdown in the relationships between the PRC, the SOEs and target countries could have a material adverse effect on JCI Group's operating and financial performance.

6.3.6 DAMAGE TO REPUTATION

JCI Group's reputation for quality and performance is a key asset of its business. JCI Group's reputation and relationships may be adversely affected by a number of factors. These factors include accidents, a failure by JCI Group to adhere to strict probity requirements, a failure by JCI Group, its employees, its subcontractors or its strategic partners to provide services at the contracted price or expected quality level or within contracted or expected timeframes, or negligence by them resulting in disputes or litigation with customers, financial institutions and other third parties, or adverse media coverage. Such matters may significantly damage JCI Group's reputation and relationships upon which JCI Group depends, and adversely impact its future financial performance and position.

6.3.7 RELIANCE ON EMPLOYEES

JCI Group relies on employees to perform its services. For any project there is no guarantee that JCI Group will be able to source sufficient numbers of employees in a timely manner, which may have an adverse impact on JCI Group's ability to commence or complete projects in a timely and profitable manner. In addition, a failure by an employee to provide services in accordance with their contractual obligations, or to otherwise abide by applicable laws and regulations, may expose JCI Group to liability for non-performance and could have an adverse impact on JCI International's reputation and its future financial performance and position.

6.3.8 ADEQUACY OF INSURANCE

For each project where JCI Group is subcontracted, the relevant head contractor obtains work safety insurance for JCI Group's employees. While JCI Group considers that such insurance is appropriate, it is not insured against all foreseeable risks. It is also not guaranteed that insurance will continue to be available on commercially acceptable terms and conditions or at a commercially acceptable cost. If an event occurs that is not covered by insurance or exceeds the insurable limits, it may have a material adverse impact on JCI Group's future financial performance and position.

6.3.9 COMPLIANCE WITH LAWS AND POLICIES

JCI Group is subject to a range of laws, regulations and government policies. Breaches of those laws, regulations and policies may adversely affect the operational and financial performance of JCI Group, through corrective action, penalties, liabilities, restrictions on activities, suspension of operations or other impacts, and could also cause reputational damage. A change in government policy or regulation may occur due to economic conditions, budget deficits, political shifts or delays in the appropriation process, which may have an adverse impact on JCI Group's future financial performance and position. Any future increase in the cost of regulatory compliance that is unable to be recovered under a contract may also have an adverse impact on JCI Group future financial performance and position.

6.3.10 INDUSTRIAL RELATIONS

Industrial relations could be influenced by changes in government legislation and policy in the PRC and other relevant countries, relationships between governments, negotiation of workplace and project agreements, and related matters. JCI Group or the entities to which it subcontracts could be the subject of industrial action which, if sustained, could result in lower productivity levels that could adversely impact project completion and have an adverse impact on JCI Group's future financial performance and position.

Additionally, for some of its projects, JCI Group may be dependent on transport, logistics, raw material processing and other support operations. Should these operations be impacted by labour disputes, there may be an adverse impact on JCI Group's operations and future financial performance and position.

6.3.11 OCCUPATIONAL HEALTH AND SAFETY AND PUBLIC LIABILITY

JCI Group's operations can involve risk to both personnel and property, which could give rise to liability for JCI Group, including under relevant occupational health and safety laws and under general law. A claim resulting from breaches of relevant occupational health and safety laws could result in liability for JCI Group and could adversely impact JCI Group's reputation and lead to difficulties in recruiting appropriately skilled operating staff or the loss of key personnel or customers. Where there is not sufficient insurance coverage or recourse against other persons, such claims could have an adverse impact on JCI Group's future financial performance and position.

6.3.12 ENVIRONMENTAL LAWS

Activities in the construction industry can result in damage to the environment. JCI Group is subject to relevant local environmental, safety and health laws and there could be penalties and other liabilities for violation. A claim resulting from breaches of relevant environmental laws could result in liability for JCI Group and could adversely impact JCI Group's reputation and lead to difficulties in recruiting appropriately skilled operating staff or the loss of key personnel or customers. Where there is not sufficient insurance coverage or recourse against other persons, such claims could have an adverse impact on JCI Group's future financial performance and position.

6.3.13 JCI GROUP MAY FAIL TO WIN NEW CONTRACTS

JCI Group's ability to win new contracts with existing and new customers is fundamental to its business, growth and profitability. JCI Group faces competition in all the market sectors in which it operates. New contracts, including contracts entered into with an existing customer where a previous contract has expired, are usually subject to a competitive process. There is a risk that JCI Group may not win these contracts for any of a number of reasons. These include, for example:

- Competition from businesses;
- JCI Group's inability to differentiate its services and to market them effectively;
- JCI Group's failure to maintain the quality or efficiency of its service offerings or to anticipate, identify or react to changes in customer preferences or requirements;
- JCI Group's failure to react to new developments in service delivery technology; and
- Negative perceptions adversely affecting JCI Group's brand and reputation as a result of the eventuation of some of the other risk factors listed in this Section 6.

Failure to successfully win new contracts could negatively impact JCI Group's financial performance and adversely impact its ability to grow its operations.

6.3.16 COMMENCEMENT OF NEW CONTRACTS MAY BE DELAYED OR CANCELLED

Where JCI Group wins a contract, commencement of the contract can be delayed past the expected commencement date, or even cancelled, for a number of reasons. JCI Group is also a party to a number of contracts where JCI Group's ability to perform its obligations and commence earning revenue is dependent on third parties performing their own contractual arrangements in a timely manner. Examples of these situations include delays in the construction of buildings or commissioning of plant and equipment in respect of which JCI Group is to provide its services. JCI Group may not have any contractual protection against such delays. Any delay in the commencement of a contract, or cancellation of a contract, may result in a delay in JCI Group receiving revenue or may cause JCI Group to incur additional costs. This could have an adverse impact on JCI Group's financial performance.

6.3.15 TERMINATION OR RENEGOTIATION OF CONTRACTS

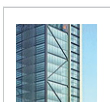
Some customers have a right to terminate contracts in certain circumstances, including where JCI Group is in material breach of the contract. Termination of JCI Group's services by a customer before the end of a contract's term will reduce JCI Group's future revenue and, in some situations, may leave JCI Group with excess capacity or excess labour or redundancy costs. Upon termination, JCI Group may not receive adequate compensation, or any compensation, for such losses and costs.

From time to time, customers may seek to renegotiate existing contracts for various reasons during the term of the contract. To the extent such customers have a right to terminate a contract (for convenience or otherwise), they may seek to use this right as leverage in the renegotiation process.

Although the frequency of contract renegotiations has historically been low, the frequency of contract renegotiations may increase in the future. If contract renegotiations lead to the parties entering into new contracts on terms less favourable to JCI Group, or if the parties fail to reach an agreement and the customer terminates the existing contract, JCI Group's revenue and profitability could be adversely impacted. JCI Group may have potential liabilities for redundancies and other liabilities as a consequence of any contracts that are renegotiated or terminated before they would otherwise expire.

6.3.16 CLAIMS FOR ABATEMENTS, DAMAGES OR INDEMNITIES

Some of JCI Group's contracts impose detailed obligations on JCI Group to perform services at a defined standard. From time to time, JCI Group may fail to perform its obligations under a contract, or may disagree with its customers about whether the services have been performed in the manner that the contract requires. In such cases, JCI Group may be subject to claims for abatements, liquidated damages or liability under indemnity provisions, or JCI Group's invoices may otherwise not or not fully be paid. These types of liabilities, unlike other liabilities such as public injury liability or liability for third party property damage, are not typically insurable and could have a negative impact on JCI Group's financial performance.



6.3.17 HEAD CONTRACTORS CHANGE FROM OUTSOURCING TO IN-SOURCING OF SERVICES

JCI Group's financial performance depends on the relevant head contractors continuing to outsource construction services. JCI Group's anticipated future growth depends in part on additional services being outsourced in the future. A reduction in outsourcing may result from a variety of factors, including changing economic conditions or industry trends, changes in the specific strategies of JCI Group's customers or poor performance by outsourced service providers. A decline in outsourcing in the construction industry, or an increase in customers taking services back in-house (i.e. in-sourcing) may adversely affect JCI Group's future revenue and profitability and its prospects for growth.

JCI Group's existing business largely consists of providing construction workforce services to SOEs. Outsourcing decisions by the SOEs may be driven by political and public policy considerations. These are subject to change, and a decline in outsourcing by SOEs may adversely affect JCI Group's future revenue and profitability and its prospects for growth.

6.3.18 MANAGEMENT OF WORKFORCE

JCI Group manages a large and diverse workforce. JCI Group's service quality is largely dependent on JCI Group's ability to attract, develop, motivate and retain appropriately skilled personnel and on JCI Group's ability to provide a sufficient level of training and oversight in order to achieve consistent standards (including through the implementation of an adequate human resources policy framework).

JCI Group competes with other employers for personnel with the right qualities, skills, experience and performance potential. There is a risk that JCI Group may not be able to attract and retain personnel or not be able to find effective replacements in a timely manner. This could have a material adverse effect on JCI Group's business, especially its ability to provide facility services to customers in remote geographic regions.

6.3.19 INCREASING LABOUR COSTS

JCI Group relies upon both local and PRC workers for most of its projects, and the percentage of local workers typically comprise between 20% and 80% of the workers employed by JCI Group on a project. Wages of both PRC and local workers are increasing as a general global trend, and it is possible that future wage growth could mean that JCI Group's business could become less profitable or unprofitable.

6.3.20 JCI GROUP MAY NOT BE ABLE TO SECURE FUTURE FUNDING ON ACCEPTABLE TERMS

JCI Group's existing finance facilities will require refinancing in the future, and JCI Group may seek additional debt finance in the future to support growth. The terms which debt financiers are willing to offer may depend on macroeconomic conditions, the tenor of the facilities, the performance of JCI Group and the risks associated with the intended use of the funds. Deterioration of JCI Group's financial condition, reduction in its credit standing, an inability to procure the renewal of existing guarantees or the grant of new guarantees acceptable to debt financiers or instability in local and global bank and capital markets could increase JCI Group's cost of borrowing or eliminate its ability to raise additional debt or replace existing debt as it matures. An inability for JCI Group to secure debt funding on reasonable terms or, to continue to comply with its financial covenants could constrain the future growth of its business and could adversely impact JCI Group's operating and financial performance.

6.3.21 JCI GROUP COULD BE IMPACTED BY FORCE MAJEURE EVENTS

Events may occur that could impact upon the relevant economies, the operations of JCI Group and the price of the Shares. The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for JCI Group's services and its ability to conduct business. JCI Group has only a limited ability to insure against some of these risks.

6.3.22 FOREIGN EXCHANGE RISKS

The JCI Group's costs and expenses are denominated in RMB, or a USD equivalent thereof. Accordingly, the depreciation and/or the appreciation of the RMB relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity.

In addition the reporting currency of the Company's financial reports is denominated in Australian currency. Any depreciation of the RMB relative to the Australian currency may result in lower than anticipated revenue, profit and earnings. The JCI Group will be affected on an ongoing basis to foreign exchange risks between the Australian Dollar and the RMB, and will have to monitor this risk on an ongoing basis. Any change in the ability to convert the RMB to Australian Dollars due to currency control may have an adverse effect on the financials of the JCI Group from time to time.

6.3.23 EXPIRY OF ESCROW

ASX may determine that all 50,000,000 existing Shares, representing 88.89% of the total number of Shares on issue following the Offer (assuming Minimum Subscription), or 76.92% of the total number of Shares on issue following the Offer (assuming Full Subscription), are required to be held in escrow for a period of 24 months. In the event ASX does not impose mandatory escrow on any of the Company's Shares, the Company will instead enter into voluntary escrow agreements with the existing Shareholders. This will result in all 50,000,000 existing Shares, representing 88.89% of the total number of Shares on issue following the Offer (assuming Minimum Subscription), or 76.92% of the total number of Shares on issue following the Offer (assuming Full Subscription) being held in escrow for a period of 18 months. Following the end of these escrow periods a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. Please see in Section 1.12, for further information on escrow arrangements.

6.3.24 TRADE LIQUIDITY

A high proportion of Shares may be subject to escrow following completion of the Offer (see Sections 6.3.23 and 6.3.24 for further information). This poses a risk that illiquidity in the trading of the Shares will arise and that Shareholders may be unable to sell their investment due to limited demand for the Shares or may only be able to sell their Shares in small parcels. An illiquid market is likely to have an adverse impact upon the Share price.

6.3.25 CONCENTRATION OF OWNERSHIP OF SHARES

Following the Offer, Mr Yonghong Tang will hold 34,500,000 Shares in the Company representing approximately 61.33% of the Shares and voting rights in the Company (assuming Minimum Subscription) and 53.08% of the Shares and voting rights in the Company (assuming Full Subscription). Mr Yonghong Tang would exert substantial influence over matters requiring approval by the Shareholders, including electing directors, and in doing so they may not act in the best interest of other minority Shareholders.

This concentration of ownership may also discourage, delay or prevent a change in control of the Company, which would deprive the Company's Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company's Shares. These actions may be taken even if they are opposed by the Company's other Shareholders, including those who purchase Shares in this offering.

6.3.26 GROWTH MANAGEMENT

The JCI Group and its operations had grown considerably over the past few years. One of the JCI Group's main business strategies is to continue to expand its relationships with PRC SOEs and winning more contracts. This expansion plan may place significant strain on the JCI Group's managerial, operational and financial resources. The JCI Group cannot assure that its personnel, systems, procedures and controls will be adequate to implement its business plans or support future growth.

6.4 GENERAL RISKS

6.4.1 INVESTMENT RISK

The Shares to be issued pursuant to this Prospectus should be considered highly speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

6.4.2 SHARE MARKET

The Shares to be issued pursuant to this Prospectus should be considered highly speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

Share market conditions are affected by many factors including but not limited to the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- as well as other factors beyond the control of the Company.

6.4.3 ECONOMIC CONDITIONS

The performance of the Company may be significantly affected by changes in economic conditions, and particularly conditions which affect the construction in the PRC and the other jurisdictions in which JCI Group operates. Changes in economic conditions could affect the ability of the Company to operate and could increase the costs of operating the Company. Adverse economic conditions, including economic recession, may have a negative impact on the Company's ability to raise capital. Factors such as inflation, currency fluctuation, and interest rates have an impact on operating costs, media expenditures and stock market prices. The Company's future possible profitability and the market price of its Shares can be affected by these factors, which are beyond the control of the Company and its Directors, particularly due to the Company operating in fast changing economic conditions in the PRC and other relevant countries.

6.4.4 CHANGES TO LEGISLATION OR REGULATIONS

The Company may be affected by changes to Government policies and legislation (both Australian and in foreign jurisdictions including, but not limited to, the PRC) concerning property, the environment, superannuation, taxation and the regulation of trade practices and competition, government grants and incentive schemes. These changes in legislation or regulation, or changes to accounting rules, could have adverse impacts on the Company from a financial and operational perspective. The Company's primary assets and business interests are in Australia and the PRC and changes to the legislation or regulations of these countries could have an adverse impact on the Company's operations, profitability or prospects.

6.4.5 OTHER RISKS

The above list of risk factors ought not to be as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

7 Key personel & corporate goverance

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

7 KEY PERSONEL & CORPORATE GOVERNANCE

7.1 BOARD OF DIRECTORS

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Directors have significant experience in workforce industry, as well as the construction and engineering industries. Brief profiles of the Directors are set out in Section 7.2 below.

7.2 DIRECTOR PROFILES

JOHN DIXON
NON-EXECUTIVE CHAIRMAN AND DIRECTOR

Mr John Dixon has over 30 years significant experience in the logistics sector, having previously held a number of executive director roles and senior executive positions with leading firms including TNT, Linfox Pty Ltd, Patrick Corporation and Westgate Logistics.

Mr John Dixon was previously Managing Director of Silk Logistics Group. Prior to that, he was Chief Operating Officer and an Executive Director of Skilled Group Ltd.

Mr John Dixon is currently a Director of Redstar Transport Pty Ltd.

BRONWYN BARNES
NON-EXECUTIVE DIRECTOR

Ms Barnes has extensive experience in strategic planning and project development, having worked for a number of international and Australian private and public companies. With over 16 years' experience in the resources sector, Ms Barnes has held director, leadership and operational roles with companies ranging from BHP Billiton to emerging juniors. Ms Barnes is an experienced Board member having served in both Executive and Non-Executive capacities in the resources, fishing, indigenous, education and community sectors.

Ms Barnes is currently the Executive Chair of Windward Resources Ltd, an Independent Director for Gumala Enterprises Ltd and is a Member of the Advisory Council for Curtin University School of Business.

MR YONGHONG TANG (JOHN)
MANAGING DIRECTOR AND FOUNDER

Mr John Tang is the founder of JCI Group. Mr Tang began working in the engineering industry in 1995 when he led a team of carpenters at a construction site of Anhui Conch Cement Company (CONCH), the largest cement factory in Asia, and the Saint Gobain pipe plant thereafter. Through hard work, tenacity and creativity, Mr Tang's team has completed various influential projects. He leads a growing team across Asia and Africa, and has a deep understanding of working with PRC engineering conglomerates.

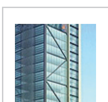
John was recognised as a "Star Entrepreneur" by the local municipality in 2013. He was also awarded Mostly Liked Executive by the local business chamber in 2014.

MR YOUXI SUN
DIRECTOR

Mr Youxi Sun serves as Executive Vice General Manager, and has oversight responsibility for project site management and cost control, as well as major contract negotiations.

Mr Sun joined JCI Group in 2008 as a Project Manager in Africa, then progressed to Executive Vice General Manager in 2010. Before joining JCI Group, Mr Sun was Chief Surveyor and head of Contract Assessing Division of a state-owned engineering company.

Mr Sun graduated from Civil Engineering Department of Anhui Broadcasting & Television University in 1987.



MR YANGYU ZHU (BRIAN)
DIRECTOR

Mr Brian Zhu is responsible for managing JCI's relationships with non-PRC parties and investors.

Before joining JCI Group in 2014, Mr Zhu obtained broad experience working as an accountant for a local engineering company, foreign affairs secretary for Ma'anshan City, and also for an Indian mechanical company, an American chemical company, an Iranian automobile company and a South African biomass energy company.

Mr Zhu graduated from Xi'An University of Finance & Economics in 1995 and has also passed the Canadian Certified General Accountant exams.

7.3 COMPANY SECRETARY PROFILE

MR DENNIS WILKINS
COMPANY SECRETARY

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd, a leading privately held corporate advisory firm servicing the natural resources industry.

Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the company. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been a running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive director of Australian listed companies Shaw River Resources Ltd and Key Petroleum Limited and non-executive director of TSX listed Mawson West Limited.

KEY PERSONEL & CORPORATE GOVERNANCE

7.4 COMPOSITION OF THE BOARD

The Board currently comprises of 5 members, including 2 Non-Executive Directors (including the Non-Executive Chairman) and 3 Executive Directors.

The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers Mr John Dixon and Ms Bronwyn Barnes to be independent.

7.5 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the senior management team. The senior management team, led by the Chief Executive Officer, is accountable to the Board. Brief profiles of the persons comprising the senior management team are set out below.

MR YONGHONG TANG
MANAGING DIRECTOR AND GENERAL MANAGER

SEE SECTION 7.2

MR YOUXI SUN
EXECUTIVE DIRECTOR AND VICE GENERAL MANAGER

SEE SECTION 7.2

MS RU SHEN
VICE GENERAL MANAGER

Ms Ru Shen manages JCI Group's human resources and general administration functions, and is also responsible for JCI Group's market analysis.

Ms Shen joined JCI in 2003 as assistant to the general manager, then progressed to managing JCI Group's human resources and general administration functions. Before joining JCI, Ms Shen was the office manager of a local engineering service company.

Ms Shen graduated from University of Economics & Management of Hubei in 1998.

MR YANGYU ZHU
EXECUTIVE DIRECTOR AND VICE GENERAL MANAGER

SEE SECTION 7.2

MR YONGHUI YU
CHIEF FINANCIAL OFFICER

Mr Yonghui Yu supervises JCI Group's financial department and its dealings with external financial agencies.

Mr Yu joined the JCI Group as Financial Manager in 2008. Before joining JCI Group, Mr Yu was the Financial Manager of another local manufacturing company.

Mr Yu graduated from Anhui Jianzhu University in 1995 and has attended several MBA training seminars at Fudan University.

MR LEI DU (THOMSON)
OPERATIONAL MANAGER

Mr Lei Du manages the overall operations of JCI Group's construction projects, and reports to the Executive Vice General Manager. Mr Du is responsible for liaising between the individual site Project Managers and the Executive Vice General Manager.

Mr Du joined the JCI Group as a site engineer in 2006, and was subsequently promoted to Project Manager in Congo, Qatar and Kuwait.

Mr Du graduated from College of Anhui Hydropower Engineering in 2006.

7.6 INTERESTS OF DIRECTORS

Other than as disclosed in this Prospectus, no Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- the Offer.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

SHAREHOLDING QUALIFICATIONS

The Directors are not required to hold any Shares under the Constitution of the Company.

DIRECTORS' SECURITY HOLDINGS

Assuming that Full Subscription is achieved under the Offer, set out below are the Directors' relevant interests in the securities of the Company.

JCI GROUP DIRECTORS' SECURITY HOLDINGS

DIRECTOR	SHARES	OTHER	VOTING POWER AT COMPLETION OF OFFER	
			MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
YONGHONG TANG	34,500,000	-	61.33%	53.08%
YOUXI SUN	9,860,000[1]	-	17.53%	15.17%
YANGYU ZHU	2,500,000[2]	-	4.44%	3.85%
JOHN DIXON	-	200,000[3]	0.00%	0.00%
TOTAL	46,860,000	200,000	83.31%	72.09%

NOTES

1 Mr Sun has a relevant interest in 9,860,000 Shares as he holds 60% of the shares in Sequoia Capital Asia Holdings Ltd, which holds 9,860,000 Shares. However, Mr Sun's proportionate shareholding in Sequoia Capital Asia Holdings Ltd gives him an indirect economic interest in only 5,916,000 of the Shares held by Sequoia Capital Asia Holdings Ltd.

2 In additional to holding 1,500,000 Shares in his own name, Mr Zhu is the sole director and shareholder of China Ningbo Cixi Imp. & Exp. Corp. which holds an additional 1,000,000 Shares.

3 200,000 Loyalty Options are being issued to Mr John Dixon, the terms of which are subject to ASX approval. The Loyalty Options will be issued for nil cash consideration, and will vest upon Mr Dixon remaining a Director of the Company until 7 September 2017 (representing 2 years of continuous service), or, if before 7 September 2017, Mr Dixon resigns at the request of the Company's major shareholder or is removed by resolution (unless such removal is for cause). Once the 200,000 Loyalty Options vest, they may be exercised for nil consideration at any time before 31 December 2017, and 200,000 Shares will be issued to Mr Dixon. Further details of the Loyalty Options are contained in Section 9.3.

4 The above figures assume that no Directors apply for Shares under the Offer.

DIRECTORS' REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of $140,000 per annum by the Directors. The remuneration of the Directors must not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

As Non-Executive Chairman, Mr John Dixon will receive directors' fees of $80,000 per annum, inclusive of statutory superannuation, plus 200,000 Loyalty Options (the terms of which are subject to ASX approval). The Loyalty Options will be issued for nil cash consideration, and will vest upon Mr Dixon remaining a Director of the Company until 7 September 2017 (representing 2 years of continuous service), or, if before 7 September 2017, Mr Dixon resigns at the request of the Company's major shareholder or is removed by resolution (unless such removal is for cause). Once the 200,000 Loyalty Options vest, they may be exercised for nil consideration at any time before 31 December 2017, and 200,000 Shares will be issued to Mr Dixon. Further details of the Loyalty Options are contained in Section 9.3.

As Non-Executive Director, Ms Bronwyn Barnes will receive director's fees of $60,000 per annum inclusive of statutory superannuation.

As Managing Director and General Manager, Mr Yonghong Tang will be paid approximately AUD 63,924 (RMB 300,000) per annum plus statutory superannuation. See Section 8.1 for a summary of Mr Yonghong Tang's employment agreement with the Company.

As Executive Director and Executive Vice General Manager, Mr Youxi Sun will be paid approximately AUD 44,747 (RMB 210,000) per annum plus statutory superannuation.

As Executive Director and Vice General Manager, Mr Yangyu Zhu will be paid approximately AUD 63,924 (RMB 300,000) per annum plus statutory superannuation.

KEY PERSONEL & CORPORATE GOVERNANCE

7.7 CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. The Board has established a corporate governance structure framework that is consistent with the ASX Corporate Governance Principles and Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. Subject to the exceptions outlined below, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. The Board has adopted a number of corporate governance policies, including a securities trading policy which sets out the Company's policy and procedures regarding dealing in the Company's securities by directors, officers, employees and contractors.

Copies of corporate governance policies are accessible on the Company's website at **www.jcigroup.com.au**.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration. The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart will depart from the recommendations.

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
1.	**LAY A SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT**		
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter. The responsibilities of the Board include but are not limited to: • setting and reviewing strategic direction and planning; • reviewing financial and operational performance; • identifying principal risks and reviewing risk management strategies; and • considering and reviewing significant capital investments and material transactions. In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, Shareholders, co-ventures, the government and the community. The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.	n/a

N°.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
1.2	A listed entity should: • undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and • provide security holders with all material information in its possession relevant to decision on whether or not to elect or re-elect a director.	The Company undertakes appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election as a Director and provides Shareholders with all material information in its possession relevant to a decision on whether or not to elect an individual as a Director. The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.	n/a
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has a written agreement with each of the Directors and the Proposed Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Directors and senior executives (or any other Related Party) will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).	n/a
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by: • ensuring a good flow of information between the Board, its committees, and Directors; • monitoring policies and procedures of the Board; • advising the Board through the Chairman of corporate governance policies; and • conducting and reporting matters to the Board, including the despatch of Board agendas, briefing papers and minutes.	n/a

No.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
1.5	A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	The Company has a Diversity Policy, the purpose of which is: • to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and • to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals. The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity, which will be disclosed in the Company's corporate governance statement for the financial year ended **30 June 2015**, and will review the effectiveness and relevance of these measurable objectives on an annual basis. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation will be disclosed by the Company in each corporate governance statement.	n/a
1.6	A listed entity should: • have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. The Chairman will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. The Company will report on whether an evaluation of its Chief Executive Officer and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.	n/a

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Chairman will be responsible for evaluating the performance of the Board, Board committees and individual Directors in accordance with the process disclosed in the Company's Board Performance Evaluation Policy. This policy is to ensure: • individual Directors and the Board as a whole work efficiently and effectively in achieving their functions; • the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and • committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the Board Charter. The Board Performance Evaluation Policy will be reviewed annually. The Company will report on whether an evaluation of the Board, its committees and individual Directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.	n/a
2.	**STRUCTURE THE BOARD TO ADD VALUE**		
2.1	Company should have a nomination committee which has at least 3 members a majority of whom are independent and is chaired by an independent director.	The roles and responsibilities of a nomination committee are currently undertaken by the Board. The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website. When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.	Due to the size of the Board, the Company does not have a separate nomination committee.

No.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The mix of skills and diversity which the Board is looking to achieve in its composition is: • a broad range of business experience; and • technical expertise and skills required to discharge duties.	n/a
2.3	A listed entity should disclose: • the names of the directors considered by the board to be independent directors; • if a director has an interest, position, association or relationship which may otherwise be seen as a conflict to the director's obligation to the company but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and • the length of service of each director.	The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations. Currently the Board is structured as follows: • Mr John Dixon; • Ms Bronwyn Barnes • Mr Yonghong Tang; • Mr Youxi Sun; and • Mr Yangyu Zhu.	n/a
2.4	A majority of the board of a listed entity should be independent directors.	The Board does not have a majority of independent Directors.	Currently, the Board considers that membership of the Board is weighted towards technical expertise, which it considers is appropriate at this stage of the Company's operations.

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	n/a
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.	n/a
3.	**PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**		
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website. The Code applies to all Directors, employees, contractors and officers of the Company. The Code will be formally reviewed by the Board each year.	n/a

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
4.	**SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**		
4.1	The board should establish an audit committee which consists of at least three members all of whom are non-executive directors and a majority of whom are independent directors, and the committee should be chaired by an independent director who is not the chair of the board.	The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website. When the Board meets as an audit committee, it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.	Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Before the Board approves the Company's financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	n/a

No.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from the security holders relevant to the audit.	Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report of the Company is considered. The auditor must be represented at the annual general meeting by a suitably qualified member of the audit team, who participated in the audit, and who is able to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting the Chairman will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to: • the conduct of the audit; • the preparation and content of the auditor's report; • the accounting policies adopted by the Company in relation to the preparation of the financial statements; and • the independence of the auditor in relation to the conduct of the audit. The Chairman will also allow a reasonable opportunity for the auditor (or its representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.	n/a
5.	MAKE TIMELY AND BALANCED DECISIONS		
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	The Company is committed to: • ensuring that Shareholders and the market are provided with full and timely information about its activities; • complying with the continuous disclosure obligations contained in the ASX Listing Rules and the applicable sections of the Corporations Act; and • providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner. The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff. The Company Secretary manages the Disclosure Policy. The Disclosure Policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. The Disclosure Policy will be reviewed by the Board annually.	n/a

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
6.	**RESPECT THE RIGHTS OF SHAREHOLDERS**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company provides information about itself and its governance to investors via its website at www.jcigroup.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website: • relevant announcements made to the market via ASX; • media releases; • investment updates; • Company presentations and media briefings; • copies of press releases and announcements for the preceding three years; and • copies of annual and half yearly reports including financial statements for the preceding three years.	n/a
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website. Information is communicated to Shareholders via: • reports to Shareholders; • ASX announcements; • annual general meetings; and • the Company's website. This Shareholder Communication and Investor Relations Policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.	n/a

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.	n/a
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.	Shareholders are given the option to receive communications from, and send communication to, the Company and its Share Registry electronically. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.	n/a
7.	**RECOGNISE AND MANAGE RISK**		
7.1	Establish policies on risk oversight and management of material business risk.	Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework. When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website. The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under that policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company, with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework. The risk management system covers: • operational risk; • financial reporting; • compliance / regulations; and • system / IT process risk. A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.	n/a

Nº.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
7.2	The board or a committee of the board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place.	The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. Arrangements put in place by the Board to monitor risk management include, but are not limited to: • monthly reporting to the Board in respect of the operations and the financial position of the Company; and • quarterly rolling forecasts.	n/a
7.3	A listed entity should disclose: • if it has an internal audit function, how the function is structured and what role it performs; or • if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.	n/a
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks. These are outlined in detail in Section 6. The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.	n/a

No.	RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
8. REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The Board should establish a Remuneration Committee. The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website. When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.	Due to the size of the Board, the Company does not have a separate remuneration committee.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This report will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.	n/a
8.3	A listed entity which has an equity-based remuneration scheme should: • have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and • disclose that policy or a summary of it.	The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan. **Security Trading Policy** In accordance with ASX Listing Rule 12.9, the Company has adopted a Security Trading Policy which sets out the following information: • closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities; • trading in the Company's securities which is not subject to the Company's trading policy; and • the procedures for obtaining written clearance for trading in exceptional circumstances. The Company's Security Trading Policy is available on the Company's website.	n/a

8 Material contracts

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

8 MATERIAL CONTRACTS

8.1 EMPLOYMENT AGREEMENTS

Mr Yonghong Tang
Managing Director and General Manager

The Managing Director and General Manager of the Company, Mr Yonghong Tang, is engaged as the Company's Chief Executive Officer pursuant to an Employment Agreement with the Company.

As a result of Mr Yonghong Tang's appointment as Managing Director pursuant to clause 13.19 of the Constitution, Mr Yonghong Tang will not be subject to the usual requirement of directors to stand for re-election in accordance with the rotation of directors requirements.

The Employment Agreement commenced on 13 August 2015 ("Commencement Date"). The term of the engagement is five years from the Commencement Date unless otherwise terminated in accordance with the Employment Agreement.

The remuneration package is made up of an annual salary of RMB 300,000 (approximately A$63,924) plus statutory superannuation.

The Managing Director and General Manager shall (amongst other things):

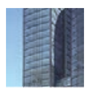
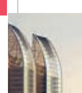
a) be engaged as a full-time employee of the Company and must donate the whole of his time, attention and skill to the duties of his position and the business of the Company;
b) perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
c) obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interests of the Company.

Either party may terminate the agreement without cause by providing the other party no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to the Managing Director and General Manager with cause in circumstances considered standard for agreements of this nature.

The Managing Director and General Manager are also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information and being directly or indirectly involved in a competing business on terms which are considered standard for agreements of this nature in Australia.

The Employment Agreement contains additional provisions considered standard in agreements of this nature in Australia.

Mr Yonghui Yu
Executive Director and Chief Financial Officer

Mr Yonghui Yu is engaged as the Company's Chief Financial Officer pursuant to an employment agreement with the Company.

As a result of Mr Yonghui Yu's appointment as Chief Financial Officer pursuant to clause 13.19 of the Constitution, Mr Yonghui Yu will not be subject to the usual requirement of directors to stand for re-election in accordance with the rotation of director's requirements.

The employment agreement commenced on 13 August 2015 and will continue until it is terminated in accordance with the agreement.

The Chief Financial Officer must, among other things:

a) be engaged as a full-time employee of the Company and must dedicate the whole of his time, attention and skill to the duties of his position and the business of the Company;
b) perform his duties in a proper and reasonable manner, with the standard of diligence and care normally exercised by a person bearing comparable qualifications in the performance of comparable duties and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
c) obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interest of the Company.

Either party may terminate the agreement without cause by providing the other party no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to the Chief Financial Officer with cause in circumstances considered standard for agreements of this nature.

The Chief Financial Officer is subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information (including know-how) and being directly involved in competing businesses for a period of 1 year from termination of the agreement, on terms which are otherwise considered standard for agreements of this nature in Australia.

The employment agreement contains additional provisions considered standard in agreements of this nature.

8.2 SUBCONTRACTING AGREEMENTS

The JCI Group has entered into several sub-contracting agreements as part of its core operating business. JCI Group provides the skilled workforce to the various head contractors who are then allocated to certain tasks on the project. In accordance with PRC laws and regulations a construction enterprise may only sub-contract constructions projects to sub-contractors who possess the relevant qualifications.

Under each sub-contract JCI Group is obliged to ensure that the construction quality meets the regulations of the particular country of each contract.

In some cases the sub-contractor counter-party has required JCI Group to meet the standards set by the counter-party.

The below agreements have been deemed as material as they are fundamental to the operation of JCI Group.

The table on the following page summarises all material sub-contract agreements as at the date of this Prospectus.

JCI GROUP MATERIAL SUBCONTRACT AGREEMENTS

COUNTERPARTY	TERM	LOCATION OF PROJECT	VALUE (RMB)	VALUE (AUD)
COSC Project Management Department of MCC	Commenced 2 June 2013, no stated end date	Kuwait	25,042,887	5,336,138
China First Metallurgical Construction Group Co., Ltd	Commenced 30 January 2011, no stated end date	Kuwait	21,169,802	4,510,861
China First Metallurgical Construction Group Co., Ltd	Commenced 30 April 2012 & 30 September 2013, no stated end date	Kuwait	22,657,504	4,827,860
China Railway Construction Engineering Metallurgical Group (H.K.) Co., Limited	22 November 2013 to 22 December 2015	Algeria	10,000,000	2,130,800
China Railway Construction Engineering Metallurgical Group (H.K.) Co., Limited	2 August 2012 to August 2015	Algeria	23,919,000	5,096,660
Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd	1 April 2014 to 30 December 2015	Xinjiang Autonomous Region, PRC	90,000,000	19,177,200
Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd	20 February 2014 to 10 June 2015	Anhui, PRC	9,800,000	2,088,184
Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd	1 May 2014 to 31 December 2016	Bangladesh	101,500,000	21,627,620
Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd	1 March 2015 to 1 March 2016	Anhui, PRC	30,000,000	6,392,400
Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd	1 May 2015 to 30 December 2015	Xinjiang Autonomous Region, PRC	40,000,000	8,523,200
Anhui Jiangnan Construction Engineering Co., Ltd	10 December 2013 to 30 November 2015	Anhui, PRC	90,000,000	19,177,200
China Machinery Industry Construction First Construction Co., Ltd	10 April 2014 to 31 October 2015	Uzbekistan	18,634,539	3,970,647
China State Construction Engineering Corp (No. 5 Bureau) Algeria Company	Commenced 23 February 2015, no stated end date	Algeria	No stated amount	No stated amount
China Railway Construction Corporation Limited	15 June 2015 to 15 September 2015, although completion has been delayed until to the end of 2015.	Guizhou, PRC	12,168,500	2,592,864

NOTES

The table above uses the exchange rate of RMB1 : AUD $0.21308

MATERIAL CONTRACTS

8.3 STRATEGIC ALLIANCE AGREEMENTS

Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd has entered into several strategic alliance agreements with a number of partners. The term for each agreement is usually one year and if both parties are satisfied with the performance of the previous year the agreement can be automatically renewed for another year.

The strategic alliance agreement binds both parties to synergise their resources for the purpose of actively exploring overseas construction markets, increasing the success ratio in bidding processes, and expanding the market share for both parties. Each respective party is responsible for their own costs.

As part of the agreement, where the counter-party wins a contract, Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd has priority in being awarded the sub-contract from the counter-party subject to passing the counter-party's internal approval process. Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd is also required to assist each counterparty in any bidding process for potential international project management and human resource contracts.

Each agreement requires both parties to keep confidential trade secrets and other information related to the project and not disclose any information to a third party without first obtaining written consent.

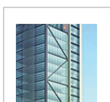
Below is a table summarising the strategic alliance agreements:

JCI GROUP STRATEGIC ALLIANCE AGREEMENTS

COUNTERPARTY	DATED	EXPIRY
CHINA NATIONAL MACHINERY INDUSTRY CONSTRUCTION GROUP INC	January 2015	January 2017
MCC HUATIAN ENGINEERING & TECHNOLOGY CO., LTD	February 2015	February 2016
CHINA MCC 17 GROUP CO., LTD	May 2015	May 2016
CHINA RAILWAY CONSTRUCTION ENGINEERING GROUP INTERNATIONAL ENGINEERING COMPANY	June 2015	June 2016

In addition to the above, Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd has entered into a strategic alliance agreement with Jiangsu Zhongnan Construction Group Ltd for a housing project in Algeria (**Project**) dated 26 January 2015. The strategic alliance agreement is on similar terms to the above strategic agreements, but is more specific as follows:

- Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd is responsible for all the work to be performed as an independent subcontractor in relation to the Project;
- any external liaison required is conducted under the name of the counterparty, Jiangsu Zhongnan Construction Group Ltd; and
- the current strategic alliance agreement for the Project is subject to the parties entering a more formal agreement in the future.



8.4 SHAREHOLDERS AGREEMENT BETWEEN JIANCHENG HUMAN RESOURCES SERVICE LIMITED, MA'ANSHAN CITY JIANCHENG INTERNATIONAL ECONOMIC & TECHNICAL COOPERATION CO., LTD AND MS WANG JINXIANG

Under PRC law, as confirmed by the relevant local governing authority, PRC investors must hold at least 25% of the registered capital of a sino-foreign equity construction design joint venture such as Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd (**PRC Co**). Accordingly, Ma'anshan City Jiancheng Human Resources Service Limited (**WFOE**) holds 75% of the shares in PRC Co, and Ms Wang Jinxiang (Mr Tang Yonghong's wife) (**Ms Wang**) holds the balance 25% of the shares in Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd.

To regulate the rights of the shareholders of PRC Co, WFOE, Ms Wang and PRC Co have entered into a shareholders agreement on 21 September 2015. The key terms of the shareholders agreement are as follows:

- Ms Wang irrevocably and unconditionally assigns to WFOE all of the economic rights arising from her ownership of the 25% equity interest of PRC Co, including without limitation any right to receive any distribution of capital or profits of PRC Co arising from her ownership of shares in PRC Co, whether via a dividend distribution of capital or profits, a distribution of surplus assets upon the liquidation of PRC Co or otherwise.
- To the fullest extent permitted by law, the shareholders agreement prevails to the extent of any inconsistency between the shareholders agreement, the Articles of PRC Co and law. The parties agree that the Articles of PRC Co are amended to the extent required to give effect to this clause, and that the parties must take any further steps required to give effect to this clause. Any amendment of the Articles of PRC Co shall be subject to approval of local SAIC.
- Ms Wang irrevocably agrees that her rights arising from her shares in PRC Co must be exercised only as directed by the WFOE from time to time, including, without limitation, Ms Wang's voting rights. Without limitation, at any time WFOE may require Ms Wang to transfer her shares to any other person nominated by the WFOE, to the fullest extent permitted by law.
- Ms Wang irrevocably appoints any director of the WFOE from time to time Ms Wang's attorney and proxy (**Attorney**) to attend all meetings of PRC Co, to sign shareholders resolutions, and to otherwise exercise the rights attaching to her share in PRC Co on behalf of her, including without limitation to transfer her shares in PRC Co to any other person nominated by the WFOE from time to time.
- Ms Wang may not transfer her rights and obligations under this agreement nor pledge the equity interest of PRC Co without the prior written consent of the WFOE.
- The WFOE may direct Ms Wang to transfer her shares in PRC Co to any other person nominated by the WFOE from time to time.
- The WFOE may transfer its rights and obligations under the shareholders agreement at any time without the consent of Ms Wang.
- The shareholders agreement binds the successors and assigns of Ms Wang, including, without limitation, upon the death of Ms Wang, Ms Wang's estate and any beneficiaries of Ms Wang. If required by the PRC Co or the WFOE, Ms Wang's successors and assigns may be required to sign an acknowledgement confirming that they are bound by the shareholders agreement.
- For the avoidance of doubt, the irrevocable appointment of the Attorney under the shareholders agreement will survive the death of Ms Wang, so that it will continue to bind Party B's estate and any beneficiaries of Party B.
- The shareholders agreement cannot be amended, varied, terminated or replaced without the prior written consent of the WFOE and PRC Co. Without limitation, Ms Wang acknowledges that her obligations under the shareholders agreement are irrevocable and cannot be otherwise amended, whether in the case of a matrimonial dispute or otherwise. Ms Wang and Mr Tang Yonghong have also signed an acknowledgement to this effect.

8.5 BORROWING ARRANGEMENTS

Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd has entered into the following borrowing arrangements:

- Loan from Ma'anshan Branch of Shanghai Pudong Development Bank for RMB 5,000,000 (approximately AUD 1,065,400), with an interest rate of 7.80% per annum and monthly interest payments. The purpose of the loan is the payment of salaries, and the loan is repayable on 12 November 2015. A guarantee for the loan has been provided by Dang Fa Guarantee Co., Ltd., and counter-guarantees have been provided by Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd, Ma'anshan Zhongji Chengjian Construction Engineering Company Ltd, Tang Yonghong and Tang Jinxiang.
- Loan from Hui Sang Bank for RMB 7,500,000 (approximately AUD 1,598,100) with an interest rate of 7.80% per annum and monthly interest payments. The purpose of the loan is the payment of service charges, and, although the loan was repaid on 15 September 2015 the loan is expected to be refinanced by Hui Sang Bank. A mortgage to secure the loan has been provided by Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd over its real property and land use right.
- Loan from Ma'anshan Rural Commercial Bank for RMB 5,000,000 (being approximately AUD 1,065,400) with an interest rate of 5.60% and monthly interest payments. The purpose of the loan is the payment of service charges and salaries, and the loan is repayable on 15 January 2016. Guarantees for the loan have been provided by Ma'anshan Yu Shan Guarantee Co., Ltd, Tang Yonghong and Wang Jinxiang.

8.6 LOAN TO ZHONGJI CHENGJIAN CONSTRUCTION ENGINEERING CO., LTD.

Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd has loaned RMB 8,000,000 (approximately AUD 1,704,640) to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd. The purpose of the loan is to fund operating activities, and the loan is repayable on 31 December 2015. The loan is interest free however 1% will be charged for each month repayment is delayed after 31 December 2015.

8.7 TRAINING SCHOOL ARTICLES OF ASSOCIATION

The relationship between Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd and Ma'anshan Jiancheng Occupational Training School is governed by the Articles of Association of Ma'anshan City Jiancheng Occupational Training School dated 15 December 2012. The Articles of Association include the following provisions:

- The sponsor of the Training School is Ma'anshan City Jiancheng International Economic and Technical Cooperation Ltd. The sponsor is obliged to invest the opening fund of RMB 8,000,000 RMB, and its rights include recommending directors and supervisors and reviewing the Training School's meeting records and financial reports.
- The scope of the Training School's business is training on trades for the construction industry, including bricklayer, carpenter, steel fixer, scaffolder, electrician, electric welder and so on, and other relevant vocational skills training.
- The Training School has a Board, with members recommended by the sponsor and representatives of the employees. The Board's powers include modifying the articles, deciding the business plan, deciding the annual financial budget and account settlement, increasing the opening fund, deciding on termination, merger and liquidation, appointing or dismissing the head and vice-head of the school and financial department, dismissing or adding directors, setting internal management policies and deciding on the salary levels of employees.
- The Training School has a chairperson who oversees meetings of the board.
- The Training School has a head who reports to the board, and is responsible for the daily running of the Training School.
- The Training School also has a supervisor committee who is responsible for examining the financial affairs of the Training School, and supervising the Directors' legal compliance.
- The legal representative of the Training School is Mr Tang Yonghong.
- The Training School's sources of funding are: the opening investment; government funding; revenues generated in the course of business; interest; donations; and other legal income.
- The Articles of Association also contain other typical constitutional provisions.

8.8 TRIPARTITE AGREEMENT

Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd, Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd. and Ma'anshan Jiancheng Occupational Training School have entered into a tripartite agreement dated 30 June 2015 (Tripartite Agreement). Under the Tripartite Agreement the parties have acknowledged and agreed as follows:

- Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd owes Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd. a debt of RMB 8,000,000 arising from the transfer by Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd. of the sponsorship of Ma'anshan Jiancheng Occupational Training School;
- Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd. owes Ma'anshan Jiancheng Occupational Training School a debt of RMB 8,000,000 arising from an interest-free loan made by Ma'anshan Jiancheng Occupational Training School to Ma'anshan Zhongji Chengjian Construction Engineering Co., Ltd.; and
- The debts are agreed to be mutual and are therefore set off against each other in the future on a rolling net basis.

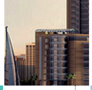
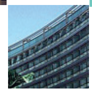
8.9 CORPORATE ADVISER AND LEAD MANAGER AGREEMENT

The Company entered into a mandate agreement with Patersons Corporate Finance dated 15 February 2015 (**Lead Manager Agreement**), under which Patersons Corporate Finance was appointed on an exclusive basis to act as both the Corporate Advisor and Lead Manager to the Offer and to use reasonable endeavors to manage and procure Applications for the Offer in accordance with this Prospectus. Patersons' role as the Corporate Advisor and Lead Manager does not include any commitment to underwrite the Offer or any part of it.

The fees payable by the Company to Patersons in consideration for performing tis role as the Corporate Advisor and Lead Manager and providing the relevant services under the Lead Manager Agreement, are:

- a fee of AUD 20,000 per month commencing 1 March 2015 for four months until the Offer process commences, and the final Prospectus drafting commences or the Company decides not to proceed with the Offer on the ASX, exclusive of GST (**Corporate Fees**);
- a fee of AUD 50,000 payable on the Company listing on the ASX, excluding GST, less any amount of pre-Offer corporate fees paid under point 1 above (if the monthly paid pre-Offer Corporate Fees are more than AUD 50,000, then the additional amount shall be deducted from the commission payable as lead manager (refer to point 3 below);
- a total Lead Manager fee (**Lead Manager Fee**) of 1.5% of the gross amount raised from all sources under the Lead Manager Agreement relating to the Offer, excluding GST; and
- 5.5% of the gross amount raised from all sources under the Lead Manager Agreement relating to the Offer, excluding GST.

The Company has agreed to indemnify Patersons (and its affiliates, officers, employees and agents) in respect of loss suffered by or claims made against Patersons arising from or in connection with the appointment of Patersons as the Lead Manager and Corporate Advisor.

8.10 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of seven years after the Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires. The Deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Pursuant to the Deeds of Access, Indemnity and Insurance, the Company must arrange and maintain Directors' and Officers' Insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires.

The Deeds of Access, Indemnity and Insurance are otherwise on terms and conditions considered standard for agreements of this nature in Australia.

8.11 ESCROW ARRANGEMENTS

Please refer to Section 1.12 for escrow arrangements in relation to Shares on issue at the date of this Prospectus.

8.12 TRANSACTIONS WITH FORMER RELATED PARTIES

JCI Group has entered, and continues to enter, into transactions with former related parties. However, those parties ceased to be related parties over a year before the date of this Prospectus, and so those transactions were not, and are not, subject to the related party provisions of the Corporations Act and the Listing Rules. Those historical and current arrangements include the following:

- Historical and current construction contracts with Ma'anshan Zhongji Chengjian Construction Engineering Company Ltd, including those current contracts noted in section 8.2 above;
- Property Transfer Contract with Ma'anshan Chengjian Metal Construction Co., Ltd., under which Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd purchased real property and land use rights for facilities at Gushu Industrial Park, Dangtu County, Ma'anshan City, Anhui Province, China (referred to in section 3.1 above);
- Loan Agreement with Zhongji Chengjian Construction Engineering Co., Ltd. noted in section 8.6 above;
- Tripartite Agreement with Zhongji Chengjian Construction Engineering Co., Ltd noted in section 8.8 above; and
- Historical and current guarantees and counter-guarantees in support of bank loans, including the current guarantee noted in section 8.5 above provided by Ma'anshan Zhongji Chengjian Construction Engineering Company Ltd in support of the loan from Ma'anshan Branch of Shanghai Pudong Development Bank to Ma'anshan City Jiancheng International Economic and Technical Cooperation Co., Ltd for RMB 5,000,000.

Going forward, JCI Group will only enter into transactions with other related parties when duly authorised under Australian law, including obtaining shareholder approval where required. In addition, the Board has established a corporate governance structure framework that is consistent with the ASX Corporate Governance Principles and Recommendations, including regarding arrangements with related parties.

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9 Additional information

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

9 ADDITIONAL INFORMATION

9.1 COMPANY INFORMATION

JC International Group Limited was incorporated on 13 April 2015 for the purposes of the JCI Group's listing on the official list of ASX. The Company is the parent company of Jiancheng International Holdings Limited (a company incorporated in Hong Kong) which in turn has a wholly-owned subsidiary of Ma'anshan City Jiancheng Human Resources Service Limited (incorporated in the PRC). Ma'anshan City Jiancheng Human Resources Service Limited owns 75% of the shares in Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd (incorporated in the PRC) and the other 25% of the shares are owned by Ms Wang Jinxiang. Pursuant to a shareholders agreement between the shareholders, Ms Wang Jinxiang has irrevocably assigned to Ma'anshan City Jiancheng Human Resources Service Limited her economic and legal rights to Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd. (see section 8.4 for further details). Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd is also the sponsor of Ma'anshan City Jiancheng Occupational Training School. Together, these companies make up the JCI Group, which conducts the Business.

9.2 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request from the Share Registry, Computershare Investor Services Pty Limited, at +61 1300 850 505.

RANKING OF SHARES

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

VOTING RIGHTS

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

DIVIDEND RIGHTS

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

VARIATION OF RIGHTS

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

TRANSFER OF SHARES

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

GENERAL MEETINGS

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

RIGHTS ON WINDING UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

a) divide among the shareholders the whole or any part of the Company's property; and

b) decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

9.3 RIGHTS AND LIABILITIES ATTACHING TO LOYALTY OPTIONS

Subject to ASX approval, each Loyalty Option entitles the holder to subscribe for Shares on the terms and conditions set out below.

A) ENTITLEMENT

Each Loyalty Option entitles the holder to subscribe for one Share upon exercise of the Loyalty Option.

B) EXPIRY DATE

Each Loyalty Option will expire on 31 December 2017 (**Expiry Date**).

c) Exercise Price

Each Loyalty Option will have nil exercise price (**Exercise Price**).

D) EXERCISE PERIOD AND LAPSING

Subject to clause (i), Loyalty Options may be exercised at any time after the Vesting Date and prior to the Expiry Date. After this time, any unexercised Loyalty Options will automatically lapse.

In these terms and conditions "**Vesting Date**" means 7 September 2017 if Mr John Dixon remains a Director of the Company until 7 September 2017, or, before 7 September 2017, Mr John Dixon resigns at the request of the Company's major shareholder or is removed by resolution (unless such removal is for cause), then the date on which Mr John Dixon resigns or is removed.

In these terms and conditions "**for cause**" means Mr John Dixon is removed as a Director of the Company for any of the following reasons:

- **i)** ceasing to be Director, or being entitled to be a Director, under any provision of the Corporations Act or the Company's Constitution (other than merely because Mr John Dixon resigns or is removed by resolution);
- **ii)** becoming bankrupt or making any arrangement or composition with his creditors generally;
- **iii)** becoming prohibited from being the Chairman or Director by reason of any order made under the Corporations Act; or
- **iv)** becoming of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health.

For the avoidance of doubt, if Mr John Dixon resigns at the annual general meeting to enable the Company to comply with its obligations to rotate directors under Rule 11.1(c) of the Company's Constitution, but he is not then re-elected at the same annual general meeting, this will be treated as if he was removed by a resolution of the shareholders and the Vesting Date will be deemed to have occurred.

E) EXERCISE NOTICE AND PAYMENT

Loyalty Options may be exercised by notice in writing to the Company (Exercise Notice). Any Exercise Notice for a Loyalty Option received by the Company will be deemed to be a notice of the exercise of that Loyalty Option as at the date of receipt.

F) SHARES ISSUED ON EXERCISE

Shares issued on exercise of Loyalty Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

G) QUOTATION OF LOYALTY OPTIONS AND SHARES

The Loyalty Options will not be quoted. Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Loyalty Options.

H) TIMING OF ISSUE OF SHARES

Subject to clause (i), within 5 business days after the later of the following:

- **i)** receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Loyalty Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- **ii)** the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Loyalty Option being exercised by the Company, the Company will:
- **iii)** allot and issue the Shares pursuant to the exercise of the Loyalty Options;
- **iv)** give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- **v)** apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Loyalty Options.

i) Shareholder and regulatory approvals

ADDITIONAL INFORMATION

Notwithstanding any other provision of these terms and conditions, exercise of Loyalty Options into Shares will be subject to the Company obtaining all required Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Loyalty Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Loyalty Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act.

Holders must give notification to the Company in writing if they consider that the exercise of the Loyalty Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Loyalty Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

J) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Loyalty Options the opportunity to exercise their Loyalty Options prior to the announced record date for determining entitlements to participate in any such issue.

K) ADJUSTMENT FOR BONUS ISSUES OF SHARES

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

i) the number of Shares which must be issued on the exercise of a Loyalty Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Loyalty Option before the record date for the bonus issue; and

ii) no change will be made to the Exercise Price.

L) ADJUSTMENT FOR RIGHTS ISSUE

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

M) ADJUSTMENTS FOR REORGANISATION

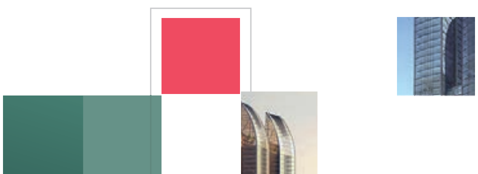
If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

N) QUOTATION

The Company will not apply for quotation of the Loyalty Options on ASX.

O) TRANSFERABILITY

Loyalty Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).



9.4 CONTINUOUS DISCLOSURE

The Company will be a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

9.5 SUBSTANTIAL HOLDERS

Assuming that no other existing Shareholders apply for Shares under the Offer, the only existing Shareholders who will hold 5% or more of the total Shares on issue upon completion of the Offer are Mr Yonghong Tang and Sequoia Capital Asia Holdings Ltd[1], whose voting power will be as follows:

SHAREHOLDER	SHARES	VOTING POWER AT COMPLETION OF OFFER	
		MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
MR YONGHONG TANG	34,500,000	61.33%	53.08%
SEQUOIA CAPITAL ASIA HOLDINGS LTD[1]	9,860,000	17.52	15.17%

NOTE

Mr Yonghui Yu is the sole director and secretary of Sequoia Capital Asia Holdings Ltd. Mr Yonghui Yu and Mr Youxi Sun hold all of the shares in Sequoia Capital Asia Holdings Ltd, and their proportionate shareholdings in Sequoia Capital Asia Holdings Ltd give them an indirect interest in 3,944,000 Shares and 5,916,000 Shares respectively.

Following completion of the Offer but prior to Shares commencing trading on ASX, the Company will announce to ASX details of its top 20 Shareholders.

9.6 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, within two years before lodgement of this Prospectus with ASIC, has:

a) had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer, or in the Offer; and

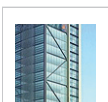
b) received any amounts or benefits or has agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

Dao Capital Group Limited has acted as Corporate Adviser to the Company in relation to the Offer. Total fees payable to Dao Capital Group Limited for these services are RMB 300,000 (approximately $63,000).

Patersons Securities Limited has acted as Corporate Adviser and Lead Manager to the Offer. Fees and commissions are payable for these services in accordance with the terms set out in Section 8.9.

Moore Stephens Perth Corporate Services Pty Ltd has prepared the Independent Accountant's Report which is included in Section 5 of this Prospectus. Total fees payable to Moore Stephens Perth Corporate Services Pty Ltd for these services are approximately $20,800.

Moore Stephens Adelaide Pty Ltd has prepared the Taxation Report which is included in Section 10 of this Prospectus. Total fees payable to Moore Stephens Adelaide Pty Ltd for these services are approximately $5,000 plus GST.



Price Sierakowski Corporate has acted as Australian Legal Adviser to the Company in relation to the Offer. Total fees payable to Price Sierakowski Corporate for these services are approximately $120,000 plus GST.

Beijing DHH Law Firm has acted as PRC Legal Adviser to the Company in relation to the Offer. Total fees payable to Beijing DHH Law Firm for these services are RMB 620,000 (approximately A$130,000).

Dentons Hong Kong has acted as Hong Kong Legal Adviser to the Company in relation to the Offer. Total fees payable to Dentons Hong Kong for these services are approximately A$30,600.

All China Market Research Co., Ltd (ACMR) has assisted the Company to prepare an industry report, extracts of which have been reproduced in this Prospectus. Total fees payable for these services are RMB 30,000 (approximately A$6,300).

9.7 CONSENTS

Each of the parties referred to below:

a) does not make the Offer;

b) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

d) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statement in this Prospectus that are specified below in the form and context in which the statements appear.

Dao Capital Group Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Corporate Adviser in the form and context in which it is named. Dao Capital Group Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager to the offer of securities under this Prospectus, in the form and context in which it is named.

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorize or cause the issue of this Prospectus. Patersons Securities Limited makes no direct or implied representation or warranty in relation to the Company, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to this name.

Moore Stephens Assurance Adelaide Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Auditor of the Company in the form and context in which it is named and to the inclusion of the financial information in Section 4 in the form and context in which it is included. Moore Stephens Assurance Adelaide Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the financial information in Section 4.

Moore Stephens Perth Corporate Services Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Independent Accountant in the form and context in which it is named and to the inclusion of the Independent Accountant's Report in the form and context in which it is included. Moore Stephens Perth Corporate Services Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Independent Accountant's Report.

Moore Stephens Adelaide Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Australian Taxation Adviser in the form and context in which it is named and to the inclusion of the Taxation Report in the form and context in which it is included. Moore Stephens Adelaide Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Taxation Report.

Price Sierakowski Corporate has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Australian Legal Adviser in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Beijing DHH Law Firm has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as PRC Legal Adviser in the form and context in which it is named. Beijing DHH Law Firm has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Dentons Hong Kong has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Hong Kong Legal Adviser in the form and context in which it is named. Dentons Hong Kong has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Computershare Investor Services Pty Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Share Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being names as Share Registry. Computershare Investor Services Pty Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

The information about the workforce subcontracting industry for overseas construction projects contracted by the PRC companies in Section 2 is based on information contained in an industry research report prepared by All China Marketing Research Co. Ltd. All China Marketing Research Co. Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus and to the inclusion of all references to it in the form and context in which they are included on condition that, to the maximum extent permitted by law, All China Marketing Research Co. Ltd disclaims and excludes any and all liability (whether arising in contract, tort or otherwise) for any loss of any nature suffered by any party as a direct or indirect result of any error in or omission from the information, as a direct or indirect result of the use of any of the information or of making any investment decision, or refraining from making any decision, in reliance or based wholly or partly on any data, expression of opinion, statement or other information or data contained in the information.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

9.8 EXPENSES OF THE OFFER

The expenses of the Offer are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

EXPENSES

	MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
ASX / ASIC fees	$97,000	$110,000
Capital raising fees	$350,000	$840,000
Adviser fees (accounting, legal and other)	$645,000	$645,000
Printing, design and miscellaneous	$128,000	$128,000
Total	**$1,220,000**	**$1,723,000**

9.9 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Lead Manager on (08) 9263 1118. Alternatively, you may obtain a copy of this Prospectus from the Company's website at **www.jcigroup.com.au**.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.10 LITIGATION

To the knowledge of the Directors, neither the Company nor any of its Subsidiaries is involved in any litigation that is material for the purposes of this Prospectus. The Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

9.11 TAXATION

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above. Please also see the Taxation Report at Section 10.

9.12 FOREIGN SELLING RESTRICTIONS

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

PEOPLE'S REPUBLIC OF CHINA

This Prospectus may not be circulated or distributed in the PRC and the Shares offered by this Prospectus have not been offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

The contents of this Prospectus have not been reviewed by any PRC regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

For the purpose of the paragraphs above, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

HONG KONG

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make any such offer or invitation.

No invitation may be made to the public in Hong Kong to subscribe for or purchase any of the Shares. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice. This Prospectus is delivered to the recipient solely for the purpose of evaluating a possible investment in the Company and may not be used, copied, reproduced or distributed in whole or in part, to any other person (except if permitted to do so under the securities laws of Hong Kong). This Prospectus may not be passed on and applications from any person other than the person to whom it is addressed will not be accepted.

The arrangements for the issue of the Shares have not been authorised by the Securities and Futures Commission of Hong Kong ("**SFC**"), nor has this Prospectus (whether in draft form or in its finalised form) been approved by the SFC pursuant to section 105(1) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") or section 342C(5) of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("**Companies (Winding up and Miscellaneous Provisions) Ordinance**") or registered by the Registrar of Companies of Hong Kong pursuant to section 342C(7) of the Companies (Winding up and Miscellaneous Provisions) Ordinance or been prepared in accordance with the requirements of the Companies (Winding up and Miscellaneous Provisions) Ordinance.

No action has been taken in Hong Kong to permit the distribution of this Prospectus or any documents issued in connection with it.

ADDITIONAL INFORMATION

Accordingly, the contents and use of this Prospectus must comply with each of the following SFO and Companies (Winding up and Miscellaneous Provisions) Ordinance restrictions, namely:

a) under the SFO: this Prospectus is not and does not contain, contrary to section 103 of the SFO, an invitation to the public of Hong Kong to acquire or subscribe for the Shares, other than (1) an invitation only to professional investors (as defined in the SFO or any rules made under the SFO) to do so, or (2) to the extent that this Prospectus is not a prospectus (as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance) by virtue of any of the maximum offer number, minimum investment amount or other exclusions set out in the 17th Schedule of the Companies (Winding up and Miscellaneous Provisions) Ordinance ("**Prospectus Exclusions**"); and

b) under the Companies (Winding up and Miscellaneous Provisions) Ordinance: this Prospectus must not, contrary to sections 342 and 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance, be issued, circulated or distributed to any person in Hong Kong other than (1) to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (2) to professional investors (as defined in the SFO or any rules made under the SFO), or (3) in circumstances in which this Prospectus is not a prospectus (as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance) by virtue of any of the Prospectus Exclusions, or (4) otherwise in circumstances that do not constitute an offer to the public.

Persons not falling within the restrictions set out in (a) and (b) above may not use or otherwise act upon this Prospectus.

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO or any rules made under the SFO). No person holding the issued Shares may sell, or offer to sell, such Shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Shares.

建诚国际 INTERNATIONAL

10 Taxation report

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

MOORE STEPHENS

30 September 2015

Moore Stephens Adelaide Pty Ltd

Level 4, 81 Flinders Street
Adelaide SA 5000

GPO Box 2039, Adelaide SA 5001

T +61 (0)8 8205 6200
F +61 (0)8 8205 6288

www.moorestephens.com.au

The Directors
JC International Group Limited
Level 24
44 St Georges Terrace
Perth, WA 6000

Dear Sirs

Taxation Report

This Taxation Report has been prepared for inclusion in the prospectus to be dated on or about 30 September 2015 relating to the offer for subscription of shares in JC International Group Limited (ACN 605 248 904).

All information contained in this Taxation Report must be read in conjunction with and in the context of the prospectus and our disclaimer at paragraph 6.

1 Investing in JC International Group Limited

The taxation consequences of any investment will depend upon a taxpayers particular circumstances.

This report considers the Income Tax Assessment Act 1936 (ITAA 1936), the Income Tax Assessment Act 1997 (ITAA 1997) and associated Acts (the “Australian Tax Legislation”).

This report is based on Australian Tax Legislation and established interpretations of that legislation at the date of issue and is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of investors.

This report provides a general outline for investors who are for taxation purposes Australian residents and who hold their share on capital account (not as trading stock). It is not intended to be nor should it be taken as any form of specific tax advice to investors.

2 Taxation Treatment of Dividends

The capital raising of JC International Group Limited (as detailed in the prospectus) involves the issue of shares which will be “equity interests” for Australian tax purposes (determined in accordance with Australian Tax Legislation and the debt/equity classification rules therein).

JC International Group Limited is incorporated in Australia and is understood to own (directly and indirectly) a number of subsidiaries located in tax jurisdictions outside Australia (foreign subsidiaries).

We are advised that the main income derived by JC International Group Limited will be from its foreign subsidiaries.

2.1 Dividends

Dividends paid by an Australian resident company constitute assessable income the taxation of which will depend on the nature of the taxpayer and the level to which the dividends are franked.

A franking credit is commonly referred to as an imputation credit and is the share of tax paid on profits from which dividends are paid.

Franked dividends are paid to shareholders out of profits on which an Australian resident company has already paid tax and carry an associated franking credit.

This report should be read in the context of the Scope of the underlying engement and in conjunction with the associated Disclaimer provided at Clause 6 of this report.

2.1 Dividends (cont'd)

Unfranked dividends have had no Australian company tax paid on the profits from which they are paid and there is no franking credit.

Where JC International Group Limited does not pay Australian company tax on its profits, it will not generate franking credits.

Based on the information contained in the prospectus, the company, is not likely to be subject to any Australian tax and will generate no franking credits.

Based on the information contained in the prospectus, the directors are of the opinion there will be no activities that would give rise to Australian taxation under the Controlled Foreign Company ('CFC') provisions.

No franking credits are likely to be available and it is anticipated that if dividends are paid by JC International Group Limited will be unfranked.

3 Taxation Implications of Dividends

The tax treatment will vary depending on the circumstances relating to the particular individual or entity.

All tax payers should seek professional advice in respect of their particular circumstances.

3.1 Individual Taxpayers

An individual receiving a dividend will include the amount of the dividend in their assessable income in the year it is paid or credited to them. Tax is paid at the individual's marginal rate of tax.

The individual's assessable income is grossed up to include any franking credit. The individual may be entitled to a tax offset for the amount of the franking credit.

Where an individual's marginal rate of tax is greater than 30%, franked dividend income may give rise to additional tax payable.

Where the individual's marginal rate of tax is less than 30%, a tax offset may be available or a refund of the excess franking credits may arise.

Additional levies such as Medicare Levy may be payable as a result of receiving the dividends.

3.2 Company Taxpayers

A company receiving a dividend will include the dividend as assessable income and pay tax at the corporate tax rate, currently 30%.

Where dividends are franked, the company tax rate, currently 30%, is applied to the grossed up dividend.

A tax offset will equivalent to the franking credit will generally be available. In the event the dividend is fully franked, a company taxpayer would pay no further tax on the dividend.

Company taxpayers that have tax losses and receive franked dividends may be able to convert any excess franking offsets to current year losses.

In limited circumstances, certain corporate entities may be entitled to receive a refund of the franking credit where they satisfy Division 67 of the ITAA 1997.

3.3 Trust Taxpayers

Specific taxation rules apply to income received by trusts. Tax liability depends on the type of trust, the trust deed and whether income is distributed to beneficiaries. In many circumstances, the trust is not liable to pay tax and the income is taxed in the hands of the beneficiaries.

This report should be read in the context of the Scope of the underlying engement and in conjunction with the associated Disclaimer provided at Clause 6 of this report.

3.4 Complying Superannuation Funds

Complying Superannuation Funds are required to gross up any franked dividend for income tax purposes. Any franking credit may be available to offset tax payable on other income of the complying superannuation entity or alternatively results in a refund of the excess franking credits.

3.5 PAYG Withholding Tax

Interest, dividend or royalty payments to a non-Australian resident will generally require the payer withhold a portion of the gross amount and remit to the Australian Taxation Office. Withholding tax applies at varying rates and where Australia has a tax treaty with the relevant country a lower rate may apply.

Fully franked dividends are not subject to withholding tax and withholding will generally not apply to Australian resident taxpayers.

3.6 Tax File Number Withholding

Taxpayers are not required to provide their Tax File Number (TFN) or Australian Business Number (ABN), however, if taxpayers choose not to provide to it their TFN or ABN, JC International Group Limited is required by tax legislation to withhold a percentage of the unfranked part of any dividend (currently 49%) and remit this amount to the Australian Taxation Office.

3.7 Tax Avoidance

Various measures are contained in taxation legislation to target tax avoidance including, dividend streaming and franking credit trading.

Taxpayers should take their own advice to ensure that such measures do not apply to their situation.

4 Disposal of Shares

The ordinary shares will be listed on the Australian Stock Exchange (ASX). Shares in ASX-listed companies are traded electronically, and can only be bought and sold through an ASX participant broker.

Disposal of shares (that are not held as trading stock) will constitute a Capital Gains Tax (CGT) event and may give rise to either a capital gain or a capital loss.

Capital gains are taxable in the year incurred whilst capital losses can generally be offset against other capital gains in the same year, or carried forward for future years.

Shares held for more than twelve months may be entitled to a discount of the capital gain of 50% for individuals and 33 1/3 % for complying superannuation funds when the shares are disposed.

The CGT discount is not available to companies.

5 Goods & Services Tax (GST)

The acquisition, holding and disposal of shares in Australia are input taxed supplies and therefore not subject to GST.

No GST should be payable in respect of dividends paid or received.

6 Disclaimer

The information contained in this report does not constitute 'financial product advice' within the meaning of the Corporation Act 2001 (Cth) (Corporation Act). Moore Stephens Adelaide Pty Ltd is not licensed to provide financial product advice under the Corporations Act.

This report should be read in the context of the Scope of the underlying engement and in conjunction with the associated Disclaimer provided at Clause 6 of this report.

To the extent that this document contains any information about a 'financial product' within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product.

This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of particular taxpayers.

Any recipient should take advice form a person who is licensed to provide financial product advice under the Corporations Act before making any investment decisions.

Taxpayers should obtain their own tax advice prior to deciding whether to invest.

It is important that you read this Tax Report and the associated Prospectus carefully and in its entirety before deciding whether to invest in the Company.

The assumptions underlying the Prospectus, any Forecast or Financial Information that may be contained therein and the risk factors that could affect the performance and should all be considered before making any decisions.

Except as required by law, and only to the extent required, no person named in the report, nor any other person, warrants or guarantees the performance of the shares or the repayment of capital or any return on investment.

Yours Faithfully

Tim Siebert

Director

MOORE STEPHENS ADELAIDE PTY LTD

This report should be read in the context of the Scope of the underlying engement and in conjunction with the associated Disclaimer provided at Clause 6 of this report.

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11 Directors' authorisation

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

11 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of JC International Group Limited.

John Dixon
Chairman

6 October 2015

12 Definitions

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

12 DEFINITIONS

Applicant means a person to whom the Offer is made under this Prospectus and who applies for Shares under the Offer.

Application Monies means the amount of money in dollars and cents payable for Shares at $0.80 cents per Share pursuant to this Prospectus.

Application Form means the application form in the form accompanying this Prospectus pursuant to which investors may apply for Shares under the Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Board means the board of Directors.

Business means the business of the JCI Group, which is an integrated, one-stop workforce sub-contracting solution for the construction industry.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer closes which is 5.00pm (WST) on 27 November 2015 or such other time and date as the Board determines.

Company means JC International Group Limited ACN 605 248 904.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Exposure Period means the period of 7 days after the date of lodgement of this prospectus which period may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act.

FY means financial year (31 December).

Full Subscription means the raising of $12,000,000 by the issue of 15,000,000 Shares at an offer price of $0.80 each under the Offer.

JCI China means Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd.

JCI Group means the Company and the Subsidiaries, and **Group Company** means any of them.

Lead Manager means Patersons Securities Limited ACN 008 896 311.

Listing Rules means the official listing rules of ASX.

Minimum Subscription means the raising of $5,000,000 by the acceptance of 6,250,000 Shares at an offer price of $0.80 each under the Offer.

Offer means the offer of 15,000,000 Shares to the public at an offer price of $0.80 each pursuant to this Prospectus to raise $12,000,000 before costs, with a minimum subscription requirement to raise at least $5,000,000 before costs.

Offer Price means $0.80 per Share.

Opening Date means the date that the Offer opens which is 9:00am WST on 20 October 2015.

PRC means the People's Republic of China.

Prospectus means this prospectus dated 6 October 2015.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited ABN 48 078 279 277.

SOEs means State Owned Enterprises in the PRC.

Subsidiaries means the Company's wholly-owned subsidiaries Jiancheng International Holdings Limited (Hong Kong) and Ma'anshan City Jiancheng Human Resources Service Limited (PRC), the Company's 75%-owned subsidiary Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd (PRC) and Ma'anshan City Jiancheng International Economic & Technical Cooperation Co., Ltd's sponsored entity Ma'anshan City Jiancheng Occupational Training School (PRC), or any one or more of them, as the context requires.

Training School means Ma'anshan City Jiancheng Occupational Training School.

WST means Western Standard Time, being the time in Perth, Western Australia.

JC 建诚国际 INTERNATIONAL

13 Application form

Nb: The picture on this page depicts the Padma Water Plant project undertaken by the JCI Group in Dhaka City, Bangladesh.

For personal use only

APPLICATION FORM

JC INTERNATIONAL GROUP LIMITED
ACN 605 248 904

- Please read the Prospectus dated 6 October 2015.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in capital letters using black or blue pen.

Offer Closes 5.00pm 27 November 2015

A Number of Shares you are applying for

B Total amount

Minimum of 2,500 Shares to be applied for and thereafter in multiples of 250.

C Write the name(s) you wish to register the Shares in *(see reverse for instructions)*

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb / Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details – PIN Cheque(s) Here

Please enter details of the cheque(s) that accompany this Application Form. Make your cheque or bank draft payable to "JC International Group Limited – Subscription Account"

Name of drawer of cheque	Cheque No.	Cheque Amount A$

H Contact telephone number

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of JC International Group Limited ("Company"). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

Instructions

These instructions are cross-referenced to each section of the Application Form.

A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 2,500 and then in multiples of 250).

B. Multiply by $0.80 to calculate the total for Shares and enter the dollar amount at B.

C. Write your full name. Initials are not acceptable for first names.

D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.

E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.

F. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.

G. Complete cheque details as requested. Make your cheque payable to "JC International Group Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

H. Enter your contact details so we may contact you regarding your Application Form or Application Monies.

NB Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	**Correct** form of Registrable Title	**Incorrect** form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:
JC International Group Limited
c/o Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Delivery address:
JC International Group Limited
c/o Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

It is not necessary to sign or otherwise execute the Application Form.
If you have any questions as to how to complete the Application Form, please contact Computershare Investor Services Pty Limited on +61 1300 850 505.

Privacy Statement

Computershare Investor Services Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a share holder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Computershare Investor Services Pty Limited as shown above.
Our privacy policy is available on our website (http://www.jcigroup.com.au).

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CREDIBILITY
BUILDS THE
WORLD