

19th July 2018

Preliminary Response to Chinese Media Articles

On the 13th July 2018 the Board of ZKP Group Limited (ZKP) became aware of certain media articles in China which referred to Mr Lu Lijian and ZKP's involvement, through its Chinese operating subsidiary (**OpCo**), with a number of P2P loan platforms in China which had become non-performing. The media articles appear to allege irregularities in the operations of those P2P platforms. On the 16th of July 2018 the Board of ZKP (**Board**) requested a trading halt to allow the Board to investigate the matters raised in the media articles.

On the evening of the 16th July 2018 the Board became aware of an announcement (**Announcement**) on the official Wechat page of OpCo which purports to address a number of issues raised in the media articles. The Announcement was made by OpCo without consulting the Board. A copy of the Announcement is attached as appendix one. A translated English version of the Announcement is attached as appendix two.

The Australian Directors have contacted Mr Lu Lijian to clarify a number of the matters raised in the media articles and the announcement by OpCo. We are still communicating with Mr Lu Lijian to clarify certain matters.

In relation to the Announcement and any reference to ZKP in the media articles the Board makes the following comments:

1. the Announcement was issued independently of the Board.
2. ZKP has not invested in any P2P platforms and furthermore has previously publicly announced to the market on the 3rd of November 2017 that it does not consider investments in such platforms to be an appropriate fit with the ZKP business.
3. OpCo holds P2P debt as a component of its funding mix. This debt was reviewed as part of the group audit of our 31 December 2017 annual financial statements by our independent auditors Grant Thornton (Australia). Nothing inappropriate was identified by the auditors during the audit process;
4. OpCo's willingness to provide a RMB 300 million guarantee has not been discussed with the Board. However, given the nature of the proposed transaction we anticipate provision of any such guarantee would require the approval of shareholders of ZKP at an extraordinary general meeting. Should the Board decide to offer the guarantee to Lansheng it will inform the market and seek shareholder approval prior to any guarantee being offered;
5. the Board supports the statement by its Chinese subsidiary OpCo that it will cooperate with the Chinese authorities as appropriate with any investigations they deem necessary.
6. the Board has sought information from OpCo's executive directors and management as to the likely financial effect on OpCo's financial position.

The board has requested that the company's shares continue to remain suspended while it continues to seek further clarification on the matters raised. The Board expects to be able to update the market further on Tuesday 24th July 2018.



For further information, please contact:

ZKP Group Limited

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衡阳市中科光电子有限公司关于网络舆情的澄清公告

近期，由于“人人爱家”、“壹佰金融”等 P2P 平台出现众多负面消息，部分不负责任的媒体和网民在网络散布谣言称：“本司与‘人人爱家’、‘壹佰金融’有着密切的关联关系”；“本司负责人卢立建先生是‘人人爱家’的实际控制人”；“‘壹佰金融’是卢立建先生手中的重要资产”；“卢立建先生目前已失联、下落不明”等。针对谣言，本司特作如下澄清声明：

1、本司并未参与“人人爱家”、“壹佰金融”等 P2P 平台的任何经营活动，也非上述平台的实际控制人。

2、本司负责人卢立建先生并非网传的“人人爱家”、“壹佰金融”等 P2P 平台的实际控制人，并未参与任何经营。部分媒体存在人员混淆的情况，不排除有人恶意混淆视听，后续待司法机关查证以后，本司会依法采取相关维权措施。目前，本司在卢立建先生的主持下一切运营正常。

3、本司承认，与“人人爱家”等平台存在正常的融资借款业务关系，但借款归还一直处于良性状态。2018 年 7 月 5 日，因平台关闭导致了部分资金归还的路径被阻断，而非本司自身的资金链出现问题。后续，本司会积极配合司法机关的调查，待有定论后，本司完全有能力足额向投资人或平台支付所借款项。

4、上海澜升实业集团有限公司（以下简称“澜升公司”）与本司系

 微信号: ZKP3333

正常的投资与被投资关系。目前澜升公司出现兑付投资者资金困难的情况，鉴于澜升公司在本司的客观投资情况以及应澜升公司董事长李国柱先生的请求，本司愿意在澜升公司资不抵债时，为其提供最高限额叁亿元的担保。

5、截止目前，本司一切业务运营正常，资产情况优质，征信情况良好，公司正处于高速发展的关键上升期。后续，本司将会主动配合有关机关的调查工作，积极履行相关的法律义务，望有关媒体及网民切勿继续散布、传播虚假信息，影响本司的正常经营活动和公司声誉，其导致的不利后果不仅损害本司的合法权益，更是对投资者根本利益的损害。

本公告发布之日起，如有继续散布、传播上述虚假信息的，本司将通过法律途径，依法追究相关责任人的法律责任！



微信号: ZKP3333

Appendix two

Translation of appendix one

Recently, due to numerous negative news on the p2p platform such as Ren Ren Ai Jia and Yi Bai Jin Rong, some irresponsible media and people have spread rumours on the Internet saying

“ZKP is closely related to Ren Ren Ai Jia and Yi Bai Jin Rong. ZKP’s managing director Mr. Lu Lijian is the actual controller of Ren Ren Ai Jia; Yi Bai Jin Rong is an important asset of Mr. Lu Lijian; Mr. Lu Lijian has disappeared and uncontactable.”

In response to the rumours, the company made the following clarification statements:

1. ZKP is not involved in any business activities in Ren Ren Ai Jia, Yi Bai Jin Rong and other p2p platforms, nor is it the actual controller of the above platforms.
2. ZKP’s managing director Mr. Lu Lijian, is not the actual controller of the p2p platforms such as Ren Ren Ai Jia and Yi Bai Jin Rong, and does not participate in any business activities in those platforms. There are confusions caused by some media , and it is not excluded that some people intentionally caused the confusion. After the judicial authorities verify the evidence, the company will take relevant legal actions to protect our reputation. At present, the company is operating normally under the guidance of Mr. Lu Lijian.
3. The company acknowledges that it has normal financing and loan business relationship with the platforms such as Ren Ren Ai Jia and it never has repayment issues. On July 5, 2018, due to the closure of the platform, the funds return path was blocked and is not because the company has capital issues. Next, the company will actively cooperate with the judicial authorities help the investigation. Once they have a conclusion, the company is fully capable of paying the borrowings to the investors or platforms.
4. Shanghai Yusheng Industrial Group Co., Ltd. (hereinafter referred to as Lansheng Company) has an investment relationship with ZKP. At present, the company has difficulties in redeeming investors' funds. In view of the objective investment situation of the company and the request of Mr. Li Guozhu, the chairman of the company, ZKP is willing to provide a guarantee of a maximum of 300 million yuan when Lansheng has repayment issues.
5. Up until now, the company's business operates normally, the asset status is high, and the credit is good. The company is in a critical period of rapid development. Next, the company will actively cooperate with the relevant authorities for the investigation work and actively fulfil relevant legal obligations. The company suggests that the relevant media and citizens stop disseminating false information, affecting the normal business activities and the company’s reputation. It not only damages the legitimate rights and interests of the company, but also damages the fundamental interests of the investors.

As of the date of this announcement, if the above-mentioned false information continues to be distributed and disseminated, the company will take legal actions against those responsible media and person.