

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

- Governance Report
- Directors Report
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Cash flow
- Statement of Changes in Equity
- Notes to the Annual Report
- Auditors Report



HALL CONSULTING GROUP
Chartered Accountants and Business Advisers

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

CORPORATE GOVERNANCE STATEMENT

ZKP Group Limited Corporate Governance Arrangements

The board is comprised of both executive and non-executive independent directors. The skills experience and composition of the Board are detailed in the director's report. Details of Directors shareholdings, their remuneration and any transactions which they have conducted with the company are included in the director's report and notes to the financial statements.

The board has committed to a high standard of corporate governance, financial reporting and integrity throughout the company's operations.

Independent Professional Advice

Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the company.

Risk Management

The board regularly monitors the operational and financial performance of the company against budget and other key performance indicators. The Board receives advice on areas of operational and financial risks and develops strategies in conjunction with management to mitigate those risks.

Communication with Shareholders

The Board of Directors aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments necessary to assess the performance of the Directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report is made available to all shareholders
- The Annual General Meeting to obtain shareholder approval for Board actions as appropriate
- Announcements on the National Stock (NSX) at www.nsx.com.au

The Board strives to ensure company announcements via the NSX are made in a timely manner, are factual and expressed in a clear and objective manner.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at:

http://www.en.zkpgroup.com/gallery_detail/galleryId=10.html

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of ZKP Group Limited and its controlled entities for the financial year ended 31 December 2016. The information in the preceding operating and financial review forms part of this directors' report for the financial year ended 31 December 2016 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of ZKP Group Limited during or since the end of the financial year up to the date of this report:

Mr Lu Lijian – Chairman CEO

Mr Lu Jian – Director, General Manager

Mr Brendan Connell- Non-Executive Director

Mr Andrew Martin – Non-Executive Director

Mr Kao Chien-Chih – Non-Executive Director

Mr James Church – Director resigned March 2016

Particulars of each director's experience and qualifications are set out later in this report.

Dividends Paid or Recommended

No dividends paid or declared for payment during the financial year.

Indemnifying Officers or Auditor

The Company has paid indemnifying insurance for all of its Directors in respect of liabilities to other persons (other than the company or related body corporates) that may arise from their position as directors of the company except where the liability arises out of conduct involving lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT (CONTINUED)

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to ZKP Group for non-audit services provided during the year ended 31 December 2016:

	\$	
Taxation services		Nil
Due diligence investigations		33,900
		<u>33,900</u>

Options

No options over issued shares or interests in the Group were granted to Directors or Executives during or since the end of the financial year and there were no options outstanding at the date of this report.

Information Relating to Directors

Mr Lu Lijian	Chairman and CEO
Experience	Appointed Chair in 2016. Board member since 2016. In 2001 Mr Lu established Guangzhou Leigdu Lubricating Oil. Co Ltd, where he held the position of General Manager. Within one year of its establishment, Guangzhou Leigdu Lubricating Oil Co.,Ltd had developed markets in Southern China, Eastern China and Southwest China. In 2008 Mr Lu established Hengyang Huahui Real Estate Development Co. Ltd. In 2011 Mr Lu established Hengyang Zhongke Photoelectron Co. Ltd.
Interest in Shares and Options	1,127,796 ordinary shares in ZKP Group Limited

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT (CONTINUED)

Information Relating to Directors (Continued)

Mr Lu Jian	Director and General Manager
Experience	Mr Jian Lu was employed by Huai'an Xinhua Real Estate Development Co. Ltd. In 2004 Mr Jian Lu was promoted to Sales Director of Huai'an Xinhua Real Estate Development Co. Ltd. And then in 2007 Mr Jian Lu moved to Italy to operate Italy Wuzhou Trading Co Ltd, and international trading company. In October 2011, Mr Jian Lu established Hengyang Zhongke Photoelectron Co., Ltd. With Lijian Lu and now acts as the Company's General Manager
Interest in Shares and Options	100,058 ordinary shares ZKP Group Limited
Brendan Connell	Non-Executive Director
Qualifications	LLB GDLP
Experience	Brendan is a lawyer and was formerly the Managing Partner of one of the largest law firms in South Australia. Having Qualified in 1982 he has acted for numerous Chinese SOE's in relation to mining transactions and is a Director of a number of mining and mining services companies in Australia. Brendan was the Partner responsible for the first Chinese IPO in the Australian Market _TWT in 2007, and the first Indonesian IPO in Australia in 2006, and continues his strong association with offshore companies. Brendan provides legal advice to listed and unlisted companies on all aspects of governance and has extensive experience with Chinese companies in IPO's, RTO's and Private Placements on all Australian Stock exchanges.
Interest in Shares and Options	Nil ordinary shares
Special Responsibilities	Brendan is the Chair of the Nominations and Remunerations Committee and a member of the Audit and Risk Management committee.
Directorships held in other listed entities during the three years prior to the current year	Director of ASX: ERG and ASX: KGM

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT (CONTINUED)

Information Relating to Directors (Continued)

Andrew Martin	Non-Executive Director
Qualifications	BA (Accounting)
Experience	Andrew has worked in senior roles at a number of large accounting firms including most recently as a Director of KPMG. During that period Andrew has worked in a number of different disciplines including audit, restructuring and ultimately corporate advisory. In 2010 Andrew established his own boutique corporate advisory firm, Augur Primacy and now works closely with clients on corporate strategy and financial management.
Interest in Shares and Options	Nil ordinary shares
Special Responsibilities	Chair of the Audit and Risk Management Committee and a Member of the Nomination and Remunerations Committee
Kao Chien-Chih	Independent Non-Executive Director
Experience	<p>Mr Kao Chien-Chih was Chairman of Qushichuangye Investment Group Limited, Nuoya Management Consulting Co., Ltd and Caituanfaren Earth Ecological Environment Protection Foundation, and was the Executive Director of Juguochuangye Management Consulting Co., Ltd.</p> <p>Mr Kao has over 20 years of professional experience in investment banking, mutual funds and financial consulting, including; financial management, accounting systems, internal audit control, IPO planning, venture capital investment and corporate finance.</p>
Interest in Shares	100,058 ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Director of ASX; Emperor Range Group Ltd

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Lu Lijian	9	8	1	1
Mr Lu Jian	9	1	0	0
Mr Kao Chien-Chih	9	0	0	0
Mr Andrew Martin	9	7	1	1
Mr Brendan Connell	9	9	1	1

Operating and Financial Review

The Groups operating profit after tax \$6,088,095

ZKP Limited was first incorporated on the 21 January 2016. The company has 100% indirect control over Hengyang Zhongke Photoelectron Co. Ltd (HZIP) through its parent company ZKP (Hongkong) Limited which is a private company limited by shares, incorporated in Hong Kong.

The majority of income is generated by HZIP.

Total Revenue for the period was \$15,055,000 and total expenses excluding Foreign exchange gains or losses were \$10,686,000.

This is the first year of operating as a group and comparative information is not available.

Significant Changes in the state of Affairs

On 28 April 2016 the company acquired 100% shares in ZKP Group (HongKong) limited which in turn was a 100% holding company of HZIP Co Limited. The purchase consideration was paid through the issue of 2,041,900 fully paid ordinary shares of \$1 each.

A debt forgiven amount of \$2,218,123 was recognised in the Statement of Profit or Loss and Other Comprehensive Income of the subsidiary in China in respect of the total amount of accrued interest as at 31 December 2016 on Short Term Borrowings from an unrelated finance company. The finance company and Chinese subsidiary entered into an agreement in January 2017 under which the finance company agreed to forgive the accumulated debt in respect of interest on the loan. Directors are in the process of meeting the repayment requirements and believe that cash funds are available to repay the loan.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS' REPORT (CONTINUED)

Events after Reporting Date

During March 2017 HZP Co Limited made a purchase of land in China from the Provincial Government. The land has been purchased to expand operations. The company intends to commence development on the land within the next 12 months.

ZKP Group Limited announced that it has successfully completed the placement of shares to a sophisticated and professional investor and raised 50 million RMB (approximately AU\$ 9,446,181 at an exchange rate of A\$0.19 to the RMB) through the issue of 306,300 ZKP shares at an issue price of approximately A\$30.84 per on 27 February 2017. The funds raised will be used to repay the liability of Hengyang SME Guarantee Fund Management Centre loan and fund general working capital for the business of the group.

Future Developments and Results

Likely developments in the operations of the Group and the expected results of those operations in future financial years is the increase in sales and market share through increased capacity and increased access to customers.

Environmental Issues

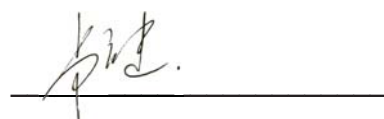
The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia as the main company operations are in China.

Auditors Independence Declaration

The lead auditor's independence declaration for the period ended 31 December 2016 has been received and can be found on page 14 of the Financial Reports.

Dated at Sydney, this 31 March 2017

Signed in accordance with a resolution of the Board of Directors.



Director

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Stock Exchange Information

Top 20 Ordinary Shareholders as at 14 March 2017

Position	Holder Name	Holding	% IC
1	LIJIAN LU	1,127,796	48.03%
2	YUANFEI CAI	351,224	14.96%
3	XUAN XU	153,150	6.52%
4	MR WENJIE LI	100,383	4.27%
5	JIAN LU	100,058	4.26%
5	CHIEN-CHIH KAO	100,058	4.26%
6	EAGLE IG LIMITED	87,806	3.74%
7	BUTTERFLY WINGS 1501 LIMITED	26,546	1.13%
8	RU ZHOU	20,420	0.87%
8	JIANGUANG SU	20,420	0.87%
8	MEI TAN	20,420	0.87%
8	DINGAN CHEN	20,420	0.87%
8	WENBIN WU	20,420	0.87%
8	LINFANG CHEN	20,420	0.87%
8	GUOZHU LI	20,420	0.87%
8	JUN LI	20,420	0.87%
8	ZAISEN CHEN	20,420	0.87%
8	JUGUO WANG	20,420	0.87%
9	PINSU LU	15,315	0.65%
10	FENFEN JI	2,042	0.09%
10	SONGQIN LI	2,042	0.09%
10	XIAORONG DUAN	2,042	0.09%
10	LIHU LU	2,042	0.09%
10	RONGYAN ZHOU	2,042	0.09%
10	YONGJIAN MIAO	2,042	0.09%
10	AZHU CHEN	2,042	0.09%
10	JIANHENG WU	2,042	0.09%
10	LINGYUN MA	2,042	0.09%
10	HAIYUN LIN	2,042	0.09%
10	JUNHUA YIN	2,042	0.09%
10	JIANDONG LING	2,042	0.09%
10	KAIWEN LIU	2,042	0.09%
10	XIAO ZOU	2,042	0.09%
10	XINGFU WANG	2,042	0.09%
10	JUNJUN LU	2,042	0.09%
10	HUIXING ZHANG	2,042	0.09%
10	DINGBO LIU	2,042	0.09%
10	RUIMING ZHANG	2,042	0.09%

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Stock Exchange Information

Top 20 Ordinary Shareholders as at 14 March 2017 (Continued)

10	JINGJUE ZHOU	2,042	0.09%
10	MINGZHE ZHENG	2,042	0.09%
10	ZHONGGUO ZHENG	2,042	0.09%
10	XIANBO XIE	2,042	0.09%
10	NINGFU LI	2,042	0.09%
10	QINGBAO CHEN	2,042	0.09%
10	PINYUE LU	2,042	0.09%
10	HUI WANG	2,042	0.09%
10	SHAOMENG YU	2,042	0.09%
10	HAISHEN LIN	2,042	0.09%
10	ZHAOHUA HU	2,042	0.09%
10	CHUNXIANG LUO	2,042	0.09%
10	DONGLAN YAO	2,042	0.09%
10	DINGCUN LIU	2,042	0.09%
10	CHAOJUN NING	2,042	0.09%
10	HAIYAN SUN	2,042	0.09%
10	QIUJING LI	2,042	0.09%
10	XIAOHAI YE	2,042	0.09%
10	LIFANG YE	2,042	0.09%
10	LIDAN ZHU	2,042	0.09%
10	SHENGDONG LV	2,042	0.09%
11	MR SHAODONG ZHANG	42	0.00%
11	MR HONGDE HE	42	0.00%

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Shareholders Distribution

Size of holdings	Number of shareholders
1 – 1,000	2
1,001 -5,000	40
5,001 – 10,000	0
10,001 – 100,000	13
100,001 and over	6

Substantial Shareholders

Shareholder	Ordinary
Lijian Lu	1,127,796
Yuanfei Cai	351,224
Xuan Xu	153,150
Mr Wenjie Li	100,383
Jian Lu	100,058
Chien-Chih Kao	100,058

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called. Otherwise each member present at the meeting or by proxy has one vote on a show of hands

The Group has no other share types.

Company Secretary: James Church

Registered Office: L1, 36 Field Street Adelaide SA 5000

Registers of securities are held at: L1, 36 Field Street Adelaide SA 5000

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of ZKP Group Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of ZKP Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is as follows:

- The remuneration policy is to be developed by the Board and approved by the Board after professional advice is sought from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- The remuneration committee reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.
- The remuneration committee reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

All remuneration paid to KMP is valued at the cost to the company and expensed.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

REMUNERATION REPORT (CONTINUED)

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In addition, the Board's remuneration policy prohibits directors and KMP from using ZKP Group Limited shares as collateral in any financial transaction, including margin loan arrangements.

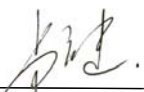
The employment terms and conditions of all KMP are formalised in contracts of employment.

Director	Short Term Benefits	Post-employment	Long-term Benefits	Equity Settled Share based Payments	Cash Settle Share based Payments	Termination Benefits
Mr Lu Lijian	16,000	-	-	-	-	-
Mr Lu Jian	-	-	-	-	-	-
Mr Kao Chien-Chih	-	-	-	-	-	-
Mr Andrew Martin	35,000	-	-	-	-	-
Mr Brendan Connell	35,000	-	-	-	-	-

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors:



 Director

ZKP GROUP CONSOLIDATED ANNUAL REPORT

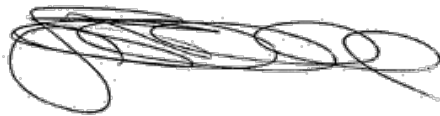
FOR THE YEAR ENDED 31 DECEMBER 2016

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ZKP GROUP LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there have been no contraventions of:

1. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.

Name of Firm: Hall Consulting Group Pty Ltd



Name of Partner: Christopher John Hall

Date: 31 March 2017

Address: 9 Help Street, Chatswood, NSW 2067



ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2016
	\$
	(000)
SALES	
SALES	15,055
Other Income	101
Debt Forgiven	2,218
Total Sales	<u>17,374</u>
Cost of Goods Sold	<u>8,117</u>
	<u>8,117</u>
EXPENSES	
Selling expense	180
General and administration expense	2,133
Financial expenses	591
Other expenses	161
	<u>3,065</u>
Profit before tax	<u>6,192</u>
Income tax expense	593
Other Comprehensive Income	-
Changes to foreign currency translations	244
Total Other Comprehensive Income and expense	244
Total Comprehensive Income for the period	<u><u>5,843</u></u>

The above consolidated statement should be read in conjunction with the accompanying notes

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION

	Notes	2016 \$ (000)
ASSETS		
CURRENT ASSETS		
Cash assets	6	114
Trade and other receivables	7	4,414
Inventories	8	8,617
Other current assets	9	9,140
TOTAL CURRENT ASSETS		22,285
NON-CURRENT ASSETS		
Property, plant and equipment	10	24,576
Intangible assets	11	1,701
TOTAL NON-CURRENT ASSETS		26,277
TOTAL ASSETS		48,562
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	12	4,911
Financial liabilities	13	23,646
Provisions	15	243
Tax liabilities	14	945
Other Current Liabilities	16	6,660
TOTAL CURRENT LIABILITIES		36,405

The above consolidated statement should be read in conjunction with the accompanying notes

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	2016
		\$
		(000)
NON CURRENT LIABILITIES		
Financial liabilities	13	4,272
TOTAL LIABILITIES		<u>40,677</u>
NET ASSETS		<u>7,885</u>
		<u><u>7,885</u></u>
EQUITY		
Issued capital		2,042
Retained earnings		5,843
TOTAL EQUITY		<u>7,885</u>
		<u><u>7,885</u></u>

The above consolidated statement should be read in conjunction with the accompanying notes

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF CASH FLOW

	Notes	2016
		\$
		(000)
Cash flows from operating activities		12,810,
Cash payments to suppliers and employees		(3,625)
Cash payments to employees		(5,484)
Tax Paid		201
Interest Paid		(563)
Grant		103
Net cash used in operating activities		<u>3,441</u>
Cash flows from investing activities		
Payments to acquire property plant & equipment		(1,912))
Payment of acquisition of Subsidiary		(1,872)
Net cash used in investing activities		<u>(3,785)</u>
Cash flows from financing activities		
Proceeds from borrowings		563
Capital issue of Shares		1
Repayment of borrowings		(7,366)
Net cash generated used in financing activities		<u>6,802</u>
Net increase/(decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year	6	<u><u>114</u></u>

The above consolidated statement should be read in conjunction with the accompanying notes

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Foreign Currency Translation Reserve	Retained Earnings	Total equity
Opening Balance 21 January 2016	-	-	-	-
Shares issued during the period	2,042	-	-	2,042
Profit for the period			5,599	5,599
Other comprehensive loss for the period		244		244
Closing Balance 31 December 2016	2,042	244	5,599	7,885

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Incorporation

ZKP Group Limited, the parent company (the 'Company') was incorporated in January 2016 and domiciled in South Australia, Having its registered office at 55 Birksgate, Drive, Urrbrae, South Australia 5064.

The company has 100% indirect control over Hengyang Zhongke Photoelectron Co.Ltd (HZP) through its parent company ZKP Group (Hong Kong) Limited which is a private company limited by shares, incorporated in Hong Kong. The company's registration number is 2335823 and is located at Unit 4, 7/F, Bright Way Tower, No.33 Mong Kok Road, Kowloon, Hong Kong. The consolidated Group's main operating entity, HZP, was incorporated on 24 November 2011. The principal activities of the company is the manufacturer and sale of optical communication products for telecommunication in China .The registered address of the Company is at No. 239 Yunji Industrial Park, Hengyang County, Peoples' Republic of China

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the international Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pinnacle Listed Practical Limited ('company' or 'parent entity') as at 31 December 2016 and the results of all subsidiaries for the year then ended. ZKP Group Limited and its subsidiaries together are referred to in these financial statements as the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Foreign currency translation

The financial statements are presented in Australian dollars, which is ZKP Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable Authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10% to 25%
Motor Vehicle	10%
Furniture and Fittings	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Pinnacle Listed Practical Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Going concern

The group entity reviews its financial position from a going concern point of view. Currently the Directors feel that the subsidiary has going concern issues which effects the group. Detailed information regarding going concern is discussed in note 26

Business combinations

The acquisition method of accounting for business combination regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date Fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquire and the amount of any non-controlling interest in the acquired. For each business combination the non-controlling interest in the acquired is measure at either fair value or at the proportionate share of the acquires identifiable net assets. All acquisition costs are expensed as incurred to other profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date of fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in the profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognised additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 3	2016
Revenue	(\$,000)
Sale of Inventory	15,055

Note 4

Other Income

Grant Funding	74
---------------	----

Note 5

Expenses

Selling Expense	180
General and Administration	1,572
Financial Expenses	563
Depreciation	2,342
Cost of Goods Sold	5,936

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 6	2016
Cash and Cash Equivalents	(\$,000)
Cash Assets	
Cash at Bank	102
Cash at Bank	1
Cash on Hand	3
Market Securities	8
	<hr/>
	114
	<hr/>

Note 7

Trade Receivables

Current

Trade Debtors	4,211
Other Receivables	203
	<hr/>
	4,414
	<hr/>

There has been no impairment of receivables

Note 8

Inventory

Current

Inventory - Work in process	988
Inventory - Semi Finished goods	565
Inventory - Finished goods	7,064
	<hr/>
	8,617
	<hr/>

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 9	2016
Current Assets	(\$,000)
Prepayments	2
Amounts Due from Related Parties	7,478
Payments in advance to suppliers	1,660
	<hr/>
	9,140
	<hr/>
 Note 10	
Property Plant and Equipment	
Land and Buildings	
Buildings	1,433
Total Land and Buildings	<hr/>
	927
	<hr/>
Electronic Equipment	297
Less: Accumulated Depreciation	(259)
	<hr/>
	38
	<hr/>
Motor Vehicles	400
Less: Accumulated Depreciation	(155)
	<hr/>
	245
	<hr/>
Operating Equipment	317
Less: Accumulated Depreciation	(173)
	<hr/>
	144
	<hr/>
Production Equipment	30,823
Less: Accumulated Depreciation	(7,601)
	<hr/>
	23,222
	<hr/>
Total Plant and Equipment	23,649
	<hr/>
Total Property, Plant and Equipment	24,576
	<hr/>

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 11	2016
Intangible Assets	(\$,000)
Software	30
Goodwill	1,671
Total	<u>1,701</u>

Note 12

Trade and Other Payables

Current

Trade Creditors	4,911
Accrued Expenses	-
	<u>4,911</u>

Note 13

Financial Liabilities

Current

Other Short Term Borrowings	23,645
Loans Related Parties	-
Amounts Due to Directors	-
Total current borrowings	<u>23,645</u>

Non-Current

Hire Purchase Liabilities	
Less: Unexpired Hire Purchase Charges	-
Long Term Borrowings	4,273
Loans Related Parties	-
Total non-current borrowings	<u>4,273</u>
Total borrowings	<u>27,918</u>

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Employee Share Scheme

The directors of HZP have offered employees who have served three years with the company the opportunity to purchase shares. Some employee have taken up this offer. Funds have been received from employees to acquire shares, however, at the date of this report the shares have not been issued and the funds received by the group have been treated as a loan.

Note 14	2016
	(\$,000)
Provision for Income Tax	
Current	
Provision for Income Tax	945

Note 15

Provision for Employee Entitlements

Current	
Provision for Annual Leave	243

Note 16

Other Current Liabilities

Receivables in Advance	14
Other Payables	3,677
Amounts Due to Related Parties	2,322
Accrued Expenses	647
Total Other Current Liabilities	6,660

Note 17

Equity issued capital

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Shares owing to private investors are currently treated as a loan note 13.

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 December 2016 Financial Report.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 18

Dividends

Dividends paid during the year, were nil. The board did not declare or pay a dividend in the 2016 financial year.

Note 19

Related Party Transactions

Entity	Transaction	31 December 2016 (\$,000)
Jiangsu Zhong Ke Photoelectronic Co., Ltd	Sale of goods	9,272
Zhejiang Zhong Ke Photoelectron Co. Lit	Sale of goods	772
Hengyang Zhong Ke Electricity Co. Ltd	Sale of goods	526
Connell Lawyers	Professional Services	10
Directors Loan	To the Group	111
Eagle IG Limited	Lending	198

Key Management Personnel refer to note 22

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 20

Parent Entity information

Set out below is the supplementary information regarding the parent entity

	2016
Expenses	(\$,000)
Accountancy	6
Audit fees	96
Bank fees & charges	-
Consultants fees	136
Directors fees	66
Interest - Overseas	5
Listing Fee	8
Professional Fee	33
Printing & stationery	-
Travel, accommodation & conference	10
Current Assets	
Cash at bank	20
Prepayments	160
Shares in subsidiary companies	2,041
Amount due from Subsidiary	1,948
Current Liabilities	
Accrued Expense	135
Other creditors	1,948
Amount due to Subsidiary	293
Non-Current Liabilities	
Loans From Director	111
Equity	
Issued & paid up capital	2,042

The above consolidated statement should be read in conjunction with the accompanying notes

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2016

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2016

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity,

Note 21

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Price risk

The consolidated entity is exposed to any significant price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value risk.

Note 22

Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

- 100% Wholly owned subsidiary ZKP Group (Hong Kong) Ltd which is the 100% owner of HZP Co Ltd

Note 23

Key Management personnel disclosure

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Short Term	\$33,447
Long Term	Nil

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 24

Auditors Remunerations

During the financial year the following fees were paid or payable for services provided by Hall Consulting Group, the auditor of the group.

	2016
	(\$,000)
Audit Services - Hall Consulting Group	65
Other Services	
Due diligence	34
	<hr/> 99 <hr/>

Note 25

Contingent Assets and Liabilities

They were no contingent assets or liabilities noted during the year.

Note 26

Going Concern

For the year ended 31 December 2016 the subsidiary entity had a net asset deficiency of \$12,708,026 (Aus.)

The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation in the financial statements.

1. On 27 February 2017 \$2,042,000 of capital was raised via a share purchase offer in the group. As a result the consolidated entity will have sufficient working capital to enable it to meet its objectives and obligations.
2. Before the end of the financial year the subsidiary reached agreement with an unrelated entity to repay in full loans to the group. In consideration for repayment of the loan the unrelated party has agreed to forgive interest on the loan in the amount of \$2,218,123.

ZKP GROUP CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 27

Reconciliation of Cash flow

Due to the complex nature of the acquisitions and the loss of interim data it was not possible to provide the shareholders with an accurate reconciliation of cash flow. The directors felt that the information would be misleading. Therefore no reconciliations has been included in the report.

Note 28

After Balance Date

During March 2017 the Board approved the purchase of land in China for HZP Ltd, on which the company plans to build on the land within the next 12 months

Note 29

Subsequent Events

The Group have entered into an agreement to repay their loans from an unrelated finance company, under the terms of the repayments the leader has agreed to forgo the interest. The company has paid nearly half of the balance at the date of this report See further details below

A debt forgiven amount of \$2,218,123 was recognised in the Statement of Profit and Loss and Other Comprehensive Income of the subsidiary in China in respect of the total amount of accrued interest as at 31 December 2016 on Short Term Borrowings from an unrelated finance company. The finance company and Chinese subsidiary entered into an agreement in January 2017 under which the finance company agreed to forgive the accumulated debt in respect of interest on the loan. Directors are in the process of meeting the payment requirements and believe the cash funds are available to repay the loan in full.

Further Share Issue

On 24 February 2017 the directors agreed to issue 306,300 shares to Mr Cai (Yuanfei Cai) for RMB 50 million. The shares were issued as per the below:

- a) 122,520 shares issued to Mr Cai, Yuanfei on 24 February 2017 for \$3,584,229 Australian (RMB 20 million)
- b) 183,780 shares issued to Mr Cai, Yuanfei on 14 March 2017 for \$5,376,344 Australian (RMB 30 million)

Note 30

Registered Business Address:

L1, 36 Field Street Adelaide SA 5000

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF ZKP GROUP LTD ('THE COMPANY') AND ITS SUBSIDIARIES (TOGETHER 'THE GROUP')

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of ZKP Group Ltd ('the company') and its subsidiaries (together 'the group') on pages 14 to 42 which comprise:

- the statement of financial position of the group as at 31 December 2016
- the statement of comprehensive income of the group
- the statement of changes in equity of the group
- the statement of cash flows of the group for the year then ended, and
- the notes to the financial statements including a summary of significant accounting policies.

Emphasis of Matter

Without qualifying the auditor's report I draw to your attention the following matters:

Forgiveness of interest

As stated in note 29 prior to acquisition of the subsidiary it had a loan agreement with a third party. The subsidiary the third party lender requested repayment of the loan. The company negotiated with the unrelated party to forgo all interest on the loan.

Lost information

The accounting standards require an entity of this type to disclose the cash flow in a reconciliation format. As stated in note 27 due to the timing of acquisitions and changes of management the reconciliation of the cash flow would not give the appropriate level of information to shareholders. Therefore it has been removed.

Private share issue

The share issue occurred before the company listed on the NSX. The shares have a holding clause and a transfer clause.

In my opinion, except for the above, the financial statements on pages 14 to 42 present fairly, in all material respects, the financial position of the group as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with IFRS and Australian equivalents standards.

This report is made solely to the company's shareholders, as a body. My audit has been undertaken so that I might state to the company's shareholders those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, or my audit work, for the opinions I have formed.

**INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF ZKP GROUP LTD ('THE COMPANY') AND ITS SUBSIDIARIES (TOGETHER 'THE GROUP')****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)****Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditors Responsibilities for the audit of the financial statement section of my report.

I am independent of the group in accordance with Professional and Ethical Standards (revised) Code of Ethics for Assurance Practitioners issued by the Australian Auditing Standards Board, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Other than in my capacity as auditor I have no relationship with, or interest in, the company or any of its subsidiaries. Partners and employees of my firm may deal with the group on normal terms within the ordinary course of trading activities of the business of the group.

Key Audit Matters

Key Audit matters are those matters that in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, but I do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Borrowings

Why significant	How our audit addressed the key audit matter
Borrowings make up \$24 Million 68.6% of total liabilities, IAS 23 requires that the treatment of costs associated with qualifying assets may be capitalised.	<p>My work focused on understanding the loan agreements and the purpose of the loans.</p> <ul style="list-style-type: none"> Assessing the connection to the group (is the loan for the group) Is the loan correctly valued, by way of testing the calculations for interest. Treatment of the loans being at arm's length. Disclosure timing of the loan repayments between current (within the next 12) non-current (outside of the next 12 months)

**INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF ZKP GROUP LTD ('THE COMPANY') AND ITS SUBSIDIARIES (TOGETHER 'THE GROUP')****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)****2. Related Party Transactions**

Why significant	
<p>Related party "sales" makes up 70% of all sales. IAS 24 Related Party Disclosures requires that a person or entity that is related to the entity that is preparing financial statements. These transactions are related if:</p> <ul style="list-style-type: none"> • A person or a close member of the persons family is a reporting entity if that person has controlling over the reporting entity and/or • Has significant influence over the reporting entity 	<p>My work focused on understanding the transactions and treatment between the related parties.</p> <ul style="list-style-type: none"> • I assessed the commercial viability of the transactions • The payments via Debtors • Verifying policies on sales and related party transactions

3. Valuation of Inventory

Why significant	How our audit addressed the key audit matter
<p>Inventory makes up 17.7% of Total Assets. IAS 2 Inventory, requires that inventory be valued at the lower of either;</p> <ul style="list-style-type: none"> • net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs to make the necessary sale • or cost, comprising all costs of purchase, cost of conversion another costs incurred in bringing the inventory to its present location and condition 	<p>My work focused on understanding the transactions and treatment of inventory</p> <ul style="list-style-type: none"> • I reviewed the sales price to the cost price • Assessed the NRV and the cost value • Reviewed the method used to cost the inventory • Checked for unrecorded inventory • Checked for existence and obsolescence

**INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF ZKP GROUP LTD ('THE COMPANY') AND ITS SUBSIDIARIES (TOGETHER 'THE GROUP')****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)****4. Going Concern**

Why significant	How our audit addressed the key audit matter
<p>Going Concern is the underlying fundamental principle of preparation of the financial reports. IAS 1 Going Concern. A company is a going concern when:</p> <ul style="list-style-type: none"> • It is considered to be able to pay its debts as and when they are due • And continue in operation without any intention or necessity to liquidate or otherwise windup its operations for at least the next 12 months 	<p>My work focused on understanding the balances treatment of the going concern assumption:</p> <ul style="list-style-type: none"> • Upcoming cash received from sale of shares • Loan agreements. • Managements approach to mitigating a going concern issue.

Information Other than the Financial Statement and Auditors Report

The directors of the company are responsible for the Annual Report, which includes information other than the financial statements and audit report which is expected to be made available to us after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditors was prepared.

Directors Responsibilities for the Financial Statements

The directors are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with international financial reporting standards and Australia's equivalent to the international financial reporting standards, and from such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director are responsible for assessing the group's ability to continue as a going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or cease operation, or have no realistic alternative but to do so.



HALL CONSULTING GROUP

Chartered Accountants and Business Advisers

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF ZKP GROUP LTD ('THE COMPANY') AND ITS SUBSIDIARIES (TOGETHER 'THE GROUP')

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Australia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A detailed description of the auditor's responsibilities including those related to assessment of risk of material misstatement, evaluation of appropriateness of going concern assumptions and determining key audit matters are available on the AUASB website: <http://www.auasb.gov.au/Home.aspx>

The engagement partner on the audit resulting in this independent auditor's report is **Christopher John Hall**

Christopher John Hall

Date: 31st March 2017

Hall Consulting Group Pty Ltd

9 Help Street, Chatswood, NSW 2067