



ZKP Group Limited
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08 September 2017

Foreign Currency Announcement

In response to the letter from the NSX dated 6 September 2017 (attached below), the Company responds as follows:

- 1) **Is the Company aware of any law changes in China which may impact the Company's ability to repatriate the currencies?**
No.
- 2) **Has the Company ever not been granted approval from the Chinese Authorities to repatriate funds in China?**
No.

For Further Information, please contact:

ZKP Group Limited
James Church – Company Secretary

Dear Issuer,**6 September 2017****Re: Foreign Currency Announcement**

NSX notes that People's Bank of China issued *Measures for the Administration of Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions* on 30 December 2016 which came into effect on 1 July 2017.

Under the new rules, from 1 July 2017 banks and other financial institutions in China will have to report all domestic and overseas cash transactions of more than 50,000 yuan, compared with 200,000 yuan previously. Banks will also need to report any overseas transfers by individuals of US\$10,000 or more. In addition, all banks must report to the central government on every single foreign exchange transaction of at least USD\$5 million. The State Administration of Foreign Exchange will supervise any on-going Outbound Direct Investment projects in which Chinese investors need to transfer more than US\$50 million out of the country.

In light of the new measures the Company is requested to make a market announcement responding to the below questions by close of business 11 September 2017.

1) Is the Company aware of any law changes in China which may impact the Company's ability to repatriate the currencies?

2) Has the Company ever not been granted approval from the Chinese Authorities to repatriate funds in China?

If you wish to discuss the content of your announcement, please do not hesitate to contact me as soon as possible.

Yours sincerely

Ron Kaushik
Compliance and Surveillance Manager