

24 July 2018

## Response to Disclosure Query

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In response to the Disclosure Query received from the NSX dated 20 July 2018 (**Disclosure Query**) ZKP Group Limited (**ZKP**) provides the following information:

**1. What association, arrangement, involvement or control does/did ZKP have with the failed Online Loan P2P platforms noted in point I a-j above?**

Other than the P2P debt provided in response in this letter to question 8 of the Disclosure Query. Neither ZKP nor its subsidiaries have any association, arrangement, involvement with or control over any of the Online Loan P2P platforms noted in point I a-j in the Disclosure Query (**P2P Platforms**).

**2. What association, arrangement, involvement or control does/did Mr Lijian Lu have with the failed Online Loan P2P platforms noted in point I a-j above?**

Mr Lu Lijian has confirmed that he does not have any association, arrangement, involvement with or control over any of the P2P Platforms.

**3. What is the relationship between Mr Lijian Lu and the following people that have been mentioned in several online publications in China:**

**a. Zhijian Lu – Executive Director Shanghai Lansheng Group**

Mr Guozhu Li and Mr Zaisen Chen, the shareholders of Shanghai Lansheng Group where Zhijian Lu is a director, are also shareholders of ZKP.

**b. Jian Lu – Executive Director ZKP**

Jian Lu is the second cousin of Lijian Lu.

**c. Limin Lu – former legal representative and shareholder of Puxun Communication Equipment (Shanghai) Co Ltd**

Mr Lijian Lu has confirmed that he knows the person but does not have any commercial or legal relationship with Limin Lu.

**d. Mingqiu Lu– former legal representative and shareholder of Puxun Communication Equipment (Shanghai) Co Ltd and Zhongke Jinfu (P2P)**

Mr Lijian Lu has confirmed that he knows the person but does not have any commercial or legal relationship with Mingqiu Lu.

**e. Lizhang Lu– former legal representative and shareholder of Zhongke Jinfu (P2P)**

Mr Lijian Lu has confirmed that he knows the person but does not have any commercial or legal relationship with Lizhang Lu.

**4. A detailed breakdown of Mr Lijian Lu's knowledge of the known relationships and associations between the individuals in question 3 above and the platforms noted in point I a-j above.**

**a. Zhijian Lu – Executive Director Shanghai Lansheng Group**

Mr Lu Lijian has confirmed that he does not have any specific knowledge about Mr Zhijian Lu's involvement in the P2P Platforms.

**b. Jian Lu – Executive Director ZKP**

Mr Lu Lijian has confirmed that Jian Lu has no relationship or association with the P2P Platforms.

**c. Limin Lu – former legal representative and shareholder of Puxun Communication Equipment (Shanghai) Co Ltd**

Mr Lu Lijian has confirmed that he does not have any specific knowledge about Limin Lu's involvement in the P2P Platforms.

**d. Mingqiu Lu– former legal representative and shareholder of Puxun Communication Equipment (Shanghai) Co Ltd and Zhongke Jinfu (P2P)**

Mr Lu Lijian has confirmed that he does not have any specific knowledge about Mingqiu Lu's involvement in the P2P Platforms.

**e. Lizhang Lu– former legal representative and shareholder of Zhongke Jinfu (P2P)**

Mr Lu Lijian has confirmed that he does not have any specific knowledge about Lizhang Lu's involvement in the P2P Platforms.

**5. As detailed in the Company announcement in II above, what is the 'investment relationship' between ZKP and Lansheng Company as noted in point 4 of the CoOp's Announcement? Please provide documentary evidence to support your response.**

As stated in the response to question 3(a) above, the two shareholders of Shanghai Lansheng Group, Mr Guozhu Li and Mr Zaisen Chen, have previously invested in ZKP and are current shareholders of ZKP.

**6. In light of the RMB 300 million guarantee provided by ZKP to Lansheng Group, what association, arrangement, involvement or control ZKP has with Lansheng Group, or vice versa?**

As clarification ZKP disclosed in the Company's announcement dated 18 July 2018 neither ZKP, nor its subsidiaries have provided or will provide a RMB 300M guarantee to Shanghai Lansheng Group. The relationship with Shanghai Lansheng Group is detailed in the response at 3(a).

**7. What influence or control do the 2 shareholders, Mr Guozhu Li and Mr Zaisen have on ZKP or any of its subsidiaries?**

Other than as shareholders of ZKP Group Limited, Guozhu Li and Zaisen Chen do not have any influence or control over ZKP or its subsidiaries.

**8. On page 58 of the annual report noted in point IV, under the heading '17 Borrowings' the Company reported the following:**

**a. Please provide a detailed breakdown of the P2P platforms from which the Company borrowed \$38,503,034.**

Platform		Principal (RMB)
聚胜	Ju Sheng (f)	19,079,000
森舟	Sen Zhou	5,930,000
鱼贝	Yu Bei	14,267,864
坚果	Jian Guo (i)	156,325,000
Total		195,601,864
Exchange rate (RMB / AUD)		0.1968439
AUD Balance		\$ 38,503,034

**b. Please provide an explanation of, and translated copies of, all borrowing/lending agreements.**

Due to the number and commercial nature of the contracts the company does not believe that disclosure of this information is appropriate. These contracts were subject to audit in conjunction with the preparation of the 31 December 2017 audited financial statements.

**c. Please provide translated copies of the sales contracts the Company secured the P2P loans against.**

Due to the number and commercial nature of the contracts the company does not believe that disclosure of this information is appropriate. These contracts were subject to audit in conjunction with the preparation of the 31 December 2017 audited financial statements. **Other**

**d. Current P2P Debt**

ZKP has significantly reduced its P2P debt since 31 December 2017. The group's current P2P debt is 41.16 million RMB which is funded through three platforms as follows.

Senzhou	RMB	160,000
Yubei	RMB	200,000
Jianguo	RMB	40,800,000

Of the 41.16 million RMB outstanding, 17.79 million RMB is overdue because the platforms have closed and the company is unable to make the required re-payment due to the platform being closed. The company is liaising with the platform to make the payments.

**e. Potential impact on future operating performance**

The Directors believe this negative press in relation to the P2P matters will have a negative impact on the Company's reputation and therefore they anticipate this will have an adverse effect on the company's performance into the future. The extent of this is currently not possible to determine.

**For further information, please contact:**

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