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ZK International Wins Bid Valued at US\$580,000 Which Marks the Company's Entry into China's \$116 Billion Dollar Rail Transportation Market

WENZHOU, China, Dec. 11, 2018 /PRNewswire/ --[ZK International Group Co., Ltd.](#) (Nasdaq: ZKIN) ("ZKIN", "ZK International" or the "Company"), a designer, engineer, manufacturer, and supplier of patented high-performance stainless steel and carbon steel pipe products that require sophisticated water or gas pipeline systems, today announced that the Company has been selected by China Railway First Bureau Group Construction and Installation Engineering Co., Ltd. to supply its premium thin-walled, stainless steel piping products for the second phase project of Beijing's Rail Transit Line 7. This bid, valued at US\$580,000 (3.98 million yuan), marks ZK International's entry into the rail transportation infrastructure market.

As Chinese cities are growing ever bigger and traffic jams are getting worse, the traditional public transport cannot meet city dwellers' mobility need any longer, and rail transit in consequence becomes indispensable to address heavy traffic congestion in big cities since it is characterized by high speed, large carrying capacity and less pollution. China has entered a fast development stage for rail transit and construction of high-speed rails, subways and intercity rails are either under way or in the pipeline across the country.

Supporting this infrastructure growth of rail transportation is the Nikkei Asian Reviewer where on August 14, 2018 it writes, "In a meeting with the National Development and Reform Commission, which leads the country's economic policy, state-owned China Railway decided to increase the 2018 railway construction budget to over 800 billion yuan (\$116 billion), up 68 billion yuan, or 10%, from the initially budgeted 732 billion yuan (\$106 billion).

Mr. Jiancong Huang, Chairman of ZK International, commented, "We are extremely pleased to play an integral role in the continued development of one of Beijing's most rapidly growing industries. China's urban rail transit system is highly valued by the Chinese government, as a primary means of satisfying the basic travel needs of the people. As this system continues to expand due to the acceleration of urbanization in China, and an emphasis on infrastructure development and meeting regulatory standards continues to be a top priority by the government, a significant growth opportunity lies ahead for ZK. With this project win, we are entering the rail transit industry in an extremely strong position due to this opportunity to work with China Railway First Bureau, one of China's most notable businesses dedicated to the construction and modernization of China's infrastructure."

In recent years, the urban rail transit has been greatly developed, and it has shown a

simultaneous development trend of various standards. According to the "2016 Statistical and Analytical Report of Urban Rail Transit" issued by China Urban Rail Transit Association, as of the end of 2016, 133 urban rail transit lines have been completed and put into operation in China with 4,153 kilometers of operating lines, 3,168.7 kilometers or 76.3% of which are subways. In 2016, 384.7 billion yuan (US\$58.29 billion) was invested in the urban rail transit, and a total of 636.5 kilometers of urban rail lines were under construction, both hitting record highs. According to incomplete statistics, as of the end of 2016, a total of 58 cities have been approved for urban rail network planning, with a total planned investment of 3,701.84 billion yuan (US\$560.91 billion).

About China Railway First Bureau Group Co., Ltd.

China Railway First Bureau Group Co., Ltd. (referred to as China Railway First Bureau), formerly known as First Engineering Bureau of the Ministry of Railways, is a wholly-owned subsidiary of China National Railway Corporation, a Fortune 500 company. China Railway First Bureau has design and construction qualifications for buildings, railways, highways, bridges, tunnels and public infrastructures. As of the end of 2017, China Railway First Bureau had 25,354 employees, 50.496 billion-yuan in total assets and 8.685 billion yuan in net assets. China Railway First Bureau has always been committed to the construction of national infrastructure. In the past 60 years, it has built more than 120 railways and a total of over 33,000 kilometers, accounting for about one-seventh of the total number of new Chinese railways. It has also built more than 7,500 kilometers of roads and more than 18 million square meters of buildings, and about 300 municipal projects. Its business scope covers all provinces, municipalities and autonomous regions across China except for Macao and Taiwan, and reaches more than ten countries including Singapore, Pakistan, Fiji and Malaysia.

About ZK International Group Co., Ltd.

ZK International Group Co., Ltd. is a China-based designer, engineer, manufacturer, and supplier of patented high-performance stainless steel and carbon steel pipe products that require sophisticated water or gas pipeline systems. The Company owns 28 patents, 21 trademarks, 2 Technical Achievement Awards, and 10 National and Industry Standard Awards. ZK International is preparing to capitalize on the \$850 billion commitment made by the Chinese Government to improve the quality of water, which in its current supply state is 70% unfit for human contact. ZK International is Quality Management System Certified (ISO9001), Environmental Management System Certified (ISO1401), and a National Industrial Stainless Steel Production Licensee that is focused on supplying steel piping for the multi-billion dollar industries of Gas and Water sectors. ZK has supplied stainless steel pipelines for over 2,000 projects, including the Beijing National Airport, the "Water Cube" and "Bird's Nest", which were venues for the 2008 Beijing Olympics. Emphasizing superior properties and durability of its steel piping, ZK International is providing a solution for the delivery of high quality, highly sustainable, environmentally sound drinkable water not only to the China market but to international markets such as Europe, East Asia, and Southeast Asia.

For more information please visit www.ZKInternationalGroup.com. Additionally, please follow the Company on [Twitter](#), [Facebook](#), [YouTube](#), and [Weibo](#). For further information

on the Company's SEC filings please visit www.sec.gov.

Safe Harbor Statement

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate" or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict and many of which are beyond the control of ZK International. Actual results may differ from those projected in the forward-looking statements due to risks and uncertainties, as well as other risk factors that are included in the Company's filings with the U.S. Securities and Exchange Commission. Although ZK International believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking statements will be realized. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by ZK International or any other person that their objectives or plans will be achieved. ZK International does not undertake any obligation to revise the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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