

# ZK International Subsidiary, xSigma Corporation, Announces its ETF-like Decentralized Fund and Platform

WENZHOU, China, Jan. 19, 2021 /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 primarily used for water and gas supplies, is pleased to announce its ETF-like decentralized fund and platform, which is the second DeFi project in xSigma's ecosystem. The project's website: <https://xsigma-etf.com>.

The announced ETF-like protocol will be a decentralized fund based on Ethereum blockchain, that will diversify between major crypto assets related to the DeFi space. In addition, it will provide a platform that will enable others to create indexes and it will be branded and known as *xTF by xSigma*.

The decentralized smart contract application (DApp) is expected to act like an index of the major DeFi tokens, allowing crypto investors to capitalize on overall growth of a wider share of the DeFi market, and potentially reducing risks and transactional costs. *xTF by xSigma* is also expected to allow others to create ETF-like decentralized funds on their own with just a few clicks. It will allow institutions and individuals to create own indexes, attract capital and earn on trading fees and expense ratios. The fees can be configured, and various business models can be implemented. Finally, the platform is expected to turn into a marketplace or aggregator of various indexes.

Indexes will be presented in a form of tokens issued on Ethereum blockchain. Users will be able to buy or issue ETF-like tokens using ETH. Issuing tokens means increasing the fund's size and requires adding more assets to the fund. Withdrawing funds from the capital requires burning according amount of tokens. Critically, all people who engage with the DApp will retain control of their crypto assets (e.g. Ethereum) and will be able to deposit assets into the DApp and withdraw them from the DApp at their discretion using their own crypto asset wallets.

The DeFi industry now has crypto worth over \$21 billion locked in major protocols, according to the DeFi Pulse website. xSigma is now targeting the DeFi space with two projects: DeFi protocol (stablecoin DEX) and the newly announced ETF-like protocol *xTF by xSigma*. The ultimate objective of xSigma is to build an ecosystem of products for finance and blockchain.

Mr. Jiancong Huang, Chairman and Chief Executive Officer of ZK International, stated, "We are pleased to announce that xSigma now has two projects in the DeFi space. We look forward to bringing innovation to the blockchain and finance industries with xSigma's team."

The release of the *xTF by xSigma* is scheduled for the second quarter in 2021, and technical details will be revealed soon. xSigma expects to generate fees from the fund's operation in

the future. The project won't be a regulated financial product, and xSigma team won't have access to digital assets deposited in the DApp.

Some elements of the protocol of the platform will be immutable while others will be subject to being amended as per the votes of a decentralized autonomous organization (DAO) that will govern key decisions with respect to the protocol. Votes shall be cast using governance tokens that will be ERC-20 tokens automatically issued by the protocol, as per the terms of the protocol. As a utility token, such governance tokens will not be registered with any securities regulator or other regulatory body. xSigma expressly renounces any representations as to the actual or projected value of tokens issued on any of its DeFi protocols; they needn't have any value at all because it serves as the governance token for a DAO.

The protocol is not an ETF, in the conventional sense of the term; it is not registered, licensed or regulated by any exchange or governmental regulatory body. Instead, the protocol will be a smart contract published to the Ethereum blockchain open for anyone to inspect and engage with as they please. Further detail as to the protocol will be discussed in a white paper to be published by xSigma prior to launch of the protocol.

### **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, which include 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 to 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](http://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](http://www.sec.gov).

### **About XSigma Corporation**

XSigma Corporation, is a wholly-owned subsidiary of ZK International Group Co., Ltd. Together with ZK International, has launched xSigma as a research and development lab back in 2018 to solve real-world infrastructure challenges. Its mandate was to explore new opportunities in smart contracts, supply chain management and other blockchain-based solutions. XSigma has since pivoted to decentralized finance, focusing on decentralized exchanges, stablecoins and lending protocols. The research lab is now actively working on

its ecosystem of products beginning with its DeFi protocol. The ultimate objective is to build a range of financial tools and products for the flourishing decentralized finance industry. The xSigma team that are being assembled are on the leading edge of blockchain research and development that intersects decentralized finance, supply chain management, IoT, and infrastructure. The DeFi protocol is one of many decentralized finance projects xSigma plans to launch over the next 12 months. It will feed into a growing network of DeFi products for enterprise and consumer markets. Any blockchain protocol is subject to a degree of risk; xSigma's DeFi protocol has implemented tamper-resistant programming, but is still subject to potential hacks. For further information about xSigma, please visit its website at [www.xsigma.com](http://www.xsigma.com) and [www.xsigma.fi](http://www.xsigma.fi).

### **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.

### **Investor Contact:**

Sherry Zheng  
Weitian Group LLC  
Email: [shunyu.zheng@weitian-ir.com](mailto:shunyu.zheng@weitian-ir.com)  
Phone: +1 718-213-7386

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