

Stock Code: 301330   Abbreviation of Securities: ZKTECO   Announcement No.: 2024-023

**ZKTECO CO., LTD.**  
**2024 1st Quarter Report**

**The Company and all members of the Board of Directors guarantee that the information disclosed is true, accurate and complete, without any false records, misleading statements or material omissions.**

**Important content tips:**

1. The Board of Directors, the Board of Supervisors, directors, supervisors and senior management guarantee that the information presented in this report is true, accurate and complete without any false records, misleading statements or material omissions, and will undertake individual and joint legal liabilities.
2. The Company's legal representative, the person in charge of the accounting work, and the person in charge of accounting institution (accounting supervisor) hereby declare that the financial information in this report is true, accurate and complete.
3. Whether the 1st Quarter Report has been audited  
 Yes  No

## I. Key Financial Data

### (I) Main Accounting Data and Financial Indicators

Whether the Company performed a retroactive adjustment or restatement of the previous accounting data

Yes  No

	Current reporting period	The same period last year	Increase/decrease in this reporting period compared to the same period last year (%)
Operating revenue (RMB)	399,677,922.33	403,022,827.48	-0.83%
Net profit attributable to shareholders of listed companies (RMB)	26,334,496.73	31,690,542.22	-16.90%
Net profit attributable to shareholders of listed companies after deducting non-recurring profits and losses (RMB)	21,211,610.69	30,281,180.21	-29.95%
Net cash flows from operating activities (RMB)	61,516,123.25	64,369,898.55	-4.43%
Basic EPS (RMB/share)	0.1363	0.2098	-35.03%
Diluted EPS (RMB/share)	0.1357	0.2121	-36.02%
Weighted average return on net assets	0.81%	1.03%	-0.22%
	At the end of this reporting period	At the end of the previous year	Increase or decrease at the end of this reporting period compared to the end of the previous year (%)
Total assets (RMB)	3,842,695,159.18	3,923,900,732.70	-2.07%
Owner's equity attributable to shareholders of the listed company (RMB)	3,233,242,654.11	3,265,413,589.20	-0.99%

### (II) Items and Amounts of Non-recurring Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	Amount during this reporting period	Remarks
Losses and gains from disposal of non-current assets (including the offsetting portion of the provision for asset impairment)	-39,306.15	
Government subsidies included in current profits and losses (except those closely related to the normal business of the Company, which are in line with national policies and regulations, enjoyed according to determined standards, and have a continuous impact on the Company's profits and losses)	4,244,025.36	Mainly due to government subsidies received during the reporting period
Profits and losses from fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses	1,635,451.13	

arising from the disposal of financial assets and financial liabilities except for effective hedging business related to the normal operation of the Company		
Capital occupancy fees charged to non-financial enterprises included in current profits and losses	10,644.45	
Other non-operating income and expenses other than the above items	189,944.64	
Less: income tax impact	846,942.22	
Minority interest impact (after tax)	70,931.17	
Total	5,122,886.04	--

Details of other profit and loss items that meet the definition of non-recurring profits and losses

Applicable  Not applicable

The Company does not have other specific conditions of profit and loss items that meet the definition of non-recurring profits and losses.

Explanations on classifying any non-recurring gain/loss item mentioned in the "Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 -Non-recurring Gains and Losses" as recurring gain/loss item

Applicable  Not applicable

The Company does not classify any non-recurring gain/loss item mentioned in the "Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 -Non-recurring Gains and Losses" as recurring gain/loss item.

### (III) Changes and Reasons for Changes in Key Accounting Data and Financial Indicators

Applicable  Not applicable

Balance Sheet Items	March 31, 2024	December 31, 2023	Change ratio	Reasons
Other non-current assets	23,158,491.21	16,884,605.85	37.16%	Mainly due to the implementation fee of the new ERP system paid in the current period
Taxes and dues payable	14,664,359.01	28,892,229.44	-49.24%	Mainly due to the payment of previous years' corporate income tax in the current period
Treasury stock	59,683,228.10	784,700.00	7505.87%	Mainly due to the repurchase of shares in the current period
Income Statement Items	January-March 2024	January-March 2023	Change ratio	Reasons
Taxes and surcharges	5,753,958.79	2,815,533.99	104.36%	Mainly due to the tax increase in the first quarter of this year calculated and determined by local regulations for some overseas subsidiaries
Other income	5,343,759.73	3,354,811.90	59.29%	Mainly due to the year-on-year increase in R&D subsidies received by subsidiaries in the current period
Gains from changes in fair value	236,066.72	0.00	100.00%	Mainly due to the income from financial products
Losses from credit impairment (loss expressed with "-")	1,471,208.38	818,545.26	79.73%	Mainly due to the decrease in accounts receivable at the end of this period, resulting in the reversal of bad debt reserves
Cash Flow Statement Items	January-March 2024	January-March 2023	Change ratio	Reasons
Net cash flows from operating activities	-51,857,022.79	8,704,305.63	-695.76%	Mainly due to a decrease in current mature financial products and an increase in investment in ongoing projects
Net cash flows from financing activities	-69,620,223.57	-20,327,769.95	-242.49%	Mainly due to the payment of stock repurchase funds in the current period
Net increase in cash and cash equivalents	-58,904,092.39	49,073,776.48	-220.03%	Mainly due to a decrease in net cash flow from investing activities and financing activities in the current period

## II. Shareholder Information

### (I) Table of the Total Number of Common Shareholders and the Number of Preferred Shareholders with Resumed Voting Rights and Information about Top Ten Shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	19,470	Total number of preferred shareholders whose voting rights have been recovered at the end of the reporting period (if any)	0			
Particulars about the top 10 shareholders (excluding shares lent through refinancing)						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Number of shares with trading restrictions	Pledge, marking or frozen	
					Share status	Amount
Shenzhen ZKTeco Times Investment Co., Ltd.	Domestic non state-owned corporation	30.05%	58,500,000.00	58,500,000.00	Not applicable	0.00
Che Quanhong	Domestic individual	17.48%	34,022,300.00	34,022,300.00	Not applicable	0.00
Shenzhen JYSJ Investment Enterprise (Limited Partnership)	Domestic non state-owned corporation	7.25%	14,107,600.00	10,580,700.00	Not applicable	0.00
Shenzhen JYHY Investment Enterprise (Limited Partnership)	Domestic non state-owned corporation	7.15%	13,921,050.00	10,440,787.00	Not applicable	0.00
Dongguan LX Investment Partnership Enterprise (Limited Partnership)	Domestic non state-owned corporation	5.08%	9,880,000.00	9,880,000.00	Not applicable	0.00
Shenzhen JYLX Consulting Enterprise (Limited Partnership)	Domestic non state-owned corporation	2.42%	4,717,910.00	3,561,285.00	Not applicable	0.00
Shenzhen JYQL Investment Consulting Enterprise (Limited Partnership)	Domestic non state-owned corporation	0.89%	1,724,900.00	1,322,100.00	Not applicable	0.00
Huaxin Yuanchuang (Qingdao) Investment Management	Others	0.87%	1,701,621.00	0.00	Not applicable	0.00

Co., Ltd. - Qingdao Walden Zhongxiang Investment Center (Limited Partnership)						
Hong Kong Securities Clearing Company Limited	Overseas corporation	0.36%	700,997.00	0.00	Not applicable	0.00
Shenzhen Gohedge Fund Management Co., Ltd. - Gohedge Pearl No.1 Private Equity Fund	Others	0.35%	688,580.00	0.00	Not applicable	0.00
Particulars about shares held by the Top 10 common shareholders holding shares that are not subject to trading restriction(s)						
Name of shareholder	Number of shares without trading restrictions	Types of shares				
		Types	Amount			
Shenzhen JYSJ Investment Enterprise (Limited Partnership)	3,526,900.00	RMB denominated ordinary shares	3,526,900.00			
Shenzhen JYHY Investment Enterprise (Limited Partnership)	3,480,263.00	RMB denominated ordinary shares	3,480,263.00			
Huaxin Yuanchuang (Qingdao) Investment Management Co., Ltd. - Qingdao Walden Zhongxiang Investment Center (Limited Partnership)	1,701,621.00	RMB denominated ordinary shares	1,701,621.00			
Shenzhen JYLX Consulting Enterprise (Limited Partnership)	1,156,625.00	RMB denominated ordinary shares	1,156,625.00			
Hong Kong Securities Clearing Company Limited	700,997.00	RMB denominated ordinary shares	700,997.00			
Shenzhen Gohedge Fund Management Co., Ltd. - Gohedge Pearl No.1 Private Equity Fund	688,580.00	RMB denominated ordinary shares	688,580.00			
Shenzhen Fuhai Juanyong I Venture Investment Fund (Limited Partnership)	666,138.00	RMB denominated ordinary shares	666,138.00			
Shenzhen JYQL Investment Consulting Enterprise (Limited Partnership)	402,800.00	RMB denominated ordinary shares	402,800.00			
Changjiang Wealth Asset Management - Bank of Nanjing - Changjiang Wealth - ZKTeco Employee Strategic Placement No.1 Collective Asset Management Plan	379,592.00	RMB denominated ordinary shares	379,592.00			
Zhuo Qiugang	299,790.00	RMB denominated	299,790.00			

	ordinary shares
Explanation on associated relationship and concerted actions among above shareholders	<p>Shareholder Che Quanhong is elder brother of shareholder Che Quanzhong from Shenzhen ZKTeco Times Investment Co., Ltd., and son of Che Jun, partner of Dongguan LX Investment Partnership Enterprise (Limited Partnership).</p> <p>The shareholder Che Quanhong holds 76.02% of the equity of Shenzhen ZKTeco Times Investment Co., Ltd., being the controlling shareholder of Shenzhen ZKTeco Times Investment Co., Ltd. Meanwhile, Che Quanhong holds 1.18% of the property share of shareholder Dongguan LX Investment Partnership Enterprise (Limited Partnership).</p> <p>Che Quanzhong, the younger brother of shareholder Che Quanhong, holds a 23.98% equity in Shenzhen ZKTeco Times Investment Co., Ltd.</p> <p>Che Jun, the father of shareholder Che Quanhong, holds 98.68% of the property share of Dongguan LX Investment Partnership Enterprise (Limited Partnership).</p> <p>In addition, there is no affiliated relationship between the other shareholders of the Company.</p>
Information on Top 10 shareholders of participating in margin trading and short selling business (if any)	<p>Among the top 10 shareholders, Shenzhen Gohedge Fund Management Co., Ltd. - Gohedge Pearl No.1 Private Equity Fund held a total of 688,580 shares of the Company at the end of the reporting period, including 563,520 shares held through ordinary securities accounts and 125,060 shares held through a margin account of CITIC Securities Co., Ltd.</p> <p>Among the top 10 shareholders not subject to trading restrictions, at the end of the reporting period, Zhuo Qiugang held a total of 299,790 shares of the Company, including 0 share held through ordinary securities accounts and 299,790 shares held through a margin account of Huatai Securities Co., Ltd.</p>

Note: Special explanations on the existence of repurchased accounts among the top 10 shareholders not subject to trading restrictions

As of March 31, 2024, the Company's repurchased account holds 2,230,000 ordinary shares, accounting for 1.15% of the current total share capital of the Company. As required, it is not included in the list of the top 10 shareholders of the Company. It is hereby clarified.

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of outstanding shares not subject to trading restrictions in the lending of shares through refinancing

Applicable  Not applicable

Changes to the top 10 shareholders and the top 10 shareholders of outstanding shares not subject to trading restrictions compared to the previous period due to reasons related to lending/repayment through refinancing

Applicable  Not applicable

## (II) Table of the Total Number of Preferred Shareholders of the Company and the Shareholding of the Top 10 Preferred Shareholders

Applicable  Not applicable

## (III) Changes in Restricted Shares

Applicable  Not applicable

## III. Other Important Events

Applicable  Not applicable

1. Matters related to the adjustment of investment projects with raised funds

The Company held the 9th Session of the Third Board Meeting and the 8th Session of the Third Supervisory Board Meeting on April 22, 2024, and approved the "Proposal on Adjusting the Implementation Method, Total Investment Amount and Delay of Part of the Raised Fund Investment Projects". The Company plans to change the investment in Tangxia R&D Center site in the "R&D Center Construction Project" of the raised fund investment project from a newly built R&D site to the use of existing idle sites, and adjust the corresponding total investment amount. The Company plans to postpone the "Hybrid Biometrics IoT Intelligent Industrial Base Project" and "R&D Center Construction Project" to the date when the expected conditions for use are met. For details, please refer to the "Announcement on Adjusting the Implementation Method, Total Investment Amount and Delay of Part of the Raised Fund Investment Projects" (Announcement No. 2024-020) disclosed by ZKTeco on CNINFO (<http://www.cninfo.com.cn>).

## IV. Quarterly Financial Statements

### (I) Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: ZKTECO CO., LTD.

March 31, 2024

Unit: RMB

Item	March 31, 2024	January 1, 2024
<b>Current assets:</b>		
Monetary funds	1,884,448,540.69	1,990,924,954.78
Deposit reservation for balance		
Lendings to banks and other financial institutions		
Trading financial asset	88,038,670.48	80,980,203.63
Derivative financial assets		
Notes receivable		
Accounts receivable	446,451,642.30	479,803,313.66
Receivable financing		
Prepayment	28,917,055.59	23,457,907.24
Premiums receivable		
Reinsurance accounts receivable		
Reserves for reinsurance contract receivable		
Other receivables	34,630,409.43	32,744,574.20
Including: interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	384,035,852.46	372,714,784.31
Including: Data resources		
Contract assets	282,186.31	282,186.31
Held-for-sale assets		
Non-current assets due within one year	20,244,084.85	17,257,614.74
Other current assets	25,306,482.41	25,865,809.28
<b>Total current assets</b>	<b>2,912,354,924.52</b>	<b>3,024,031,348.15</b>
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment	42,231,208.57	42,284,596.90
Other debt investment		
Long-term receivables	2,575,324.44	2,447,228.23
Long-term equity investment	29,487,115.99	29,781,888.62
Other equity instrument investments		

Other non-current financial assets		
Investment real estate	22,735,195.83	23,145,488.85
Fixed assets	461,235,340.31	470,121,791.29
Construction in progress	175,005,695.51	138,986,483.73
Productive biological assets		
Oil and gas assets		
Right-of-use asset	34,668,280.03	38,669,718.86
Intangible assets	64,661,035.26	66,016,371.68
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	505,680.37	504,803.72
Long-term deferred expenses	3,736,506.27	3,768,847.81
Deferred income tax assets	70,340,360.87	67,257,559.01
Other non-current assets	23,158,491.21	16,884,605.85
Total non-current assets	930,340,234.66	899,869,384.55
Total assets	3,842,695,159.18	3,923,900,732.70
Current liabilities:		
Short-term loan		
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	109,360,178.00	122,573,544.09
Accounts payable	214,997,773.19	245,084,182.32
Advances from customer		
Contract liabilities	80,014,301.44	65,331,106.17
Financial assets sold for repurchase		
Deposit from customers and interbank		
Acting trading securities		
Acting underwriting securities		
Payroll payable	52,007,326.34	56,630,101.98
Taxes and dues payable	14,664,359.01	28,892,229.44
Other payables	40,586,069.69	36,735,314.36
Including: interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts receivable		
Liabilities held for sale		
Non-current liabilities due within one year	16,818,104.97	21,094,682.36
Other current liabilities	14,573,690.68	16,463,934.35
Total current liabilities	543,021,803.32	592,805,095.07
Non-current liabilities:		
Reserves for insurance contracts		
Long-term loan	7,339,071.56	7,810,405.04
Bonds payable		
Including: preferred stock		
Perpetual bonds		
Lease liabilities	19,799,481.86	19,713,286.21
Long-term payables		
Long-term payroll payable		
Estimated liabilities	600,000.00	600,000.00
Deferred income	1,807,011.40	1,853,549.62



Deferred tax liability	10,057,736.55	10,329,053.48
Other non-current liabilities		
Total non-current liabilities	39,603,301.37	40,306,294.35
Total liabilities	582,625,104.69	633,111,389.42
Owner's equity:		
Share capital	194,679,508.00	194,679,508.00
Other equity instruments		
Including: preferred stock		
Perpetual bonds		
Capital reserve	2,079,667,212.27	2,075,479,375.13
Less: treasury stock	59,683,228.10	784,700.00
Other comprehensive income	24,206,218.33	28,000,959.19
Special reserve		
Surplus reserves	60,455,422.50	60,455,422.50
General risk reserves		
Undistributed profits	933,917,521.11	907,583,024.38
Total owner's equity attributable to the parent company	3,233,242,654.11	3,265,413,589.20
Minority interests	26,827,400.38	25,375,754.08
Total owner's equity	3,260,070,054.49	3,290,789,343.28
Total liabilities and owner's equity	3,842,695,159.18	3,923,900,732.70

Legal Representative: Jin Hairong. Person in charge of accounting work: Wang Youwu. Person in charge of accounting institution: Fang Li

## 2. Consolidated Income Statement

Unit: RMB

Item	2024 Q1	2023 Q1
I. Total operating revenue	399,677,922.33	403,022,827.48
Including: operating revenue	399,677,922.33	403,022,827.48
Interest income		
Premium earned		
Revenue from handling charges and commissions		
II. Total operating cost	378,734,196.82	366,431,964.03
Including: operating cost	201,116,936.42	206,936,533.66
Interest expense		
Expenses from handling charges and commissions		
Surrender value		
Net payments for insurance claims		
Net provisions for policy reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	5,753,958.79	2,815,533.99
Selling expenses	104,329,442.47	89,773,070.43
Administrative expenses	25,327,005.16	27,990,999.21
R&D expenses	51,910,740.47	47,376,880.92
Financial expenses	-9,703,886.49	-8,461,054.18

Including: interest expenses	421,820.99	770,609.19
Interest income	13,367,815.49	15,105,655.30
Plus: other income	5,343,759.73	3,354,811.90
Investment income ( loss expressed with "-")	1,890,785.10	1,975,900.37
Including: income from investment in associates and joint ventures	-314,021.14	806,641.55
Gains from derecognition of financial assets measured at amortized cost		
Gains from foreign exchange (loss expressed with "-")		
Gains from net exposure hedging (loss expressed with "-")		
Gains from changes in fair value (loss expressed with "-")	236,066.72	
Losses from credit impairment (loss expressed with "-")	1,471,208.38	818,545.26
Losses from impairment of assets (loss expressed with "-")	-2,438,868.00	-3,282,698.64
Gains from disposal of assets (loss expressed with "-")	-39,306.15	-203,207.68
III. Operating profit (loss expressed with "-")	27,407,371.29	39,254,214.66
Plus: non-operating revenue	291,427.78	96,744.56
Less: non-operating expenditure	101,483.14	304,657.32
IV. Total profit (loss expressed with "-")	27,597,315.93	39,046,301.90
Less: income tax expenses	264,464.17	1,529,528.60
V. Net profit (loss expressed with "-")	27,332,851.76	37,516,773.30
(I) Classification by business continuity		
1. Net profit from continuing operations (net loss expressed with "-")	27,332,851.76	37,516,773.30
2. Net profit from discontinued operations (net loss expressed with "-")		
(II) Classification by ownership		
1. Net profits attributable to owners of parent company	26,334,496.73	31,690,542.22
2. Minority shareholders' profit and loss	998,355.03	5,826,231.08
VI. Other comprehensive income - after tax	-3,505,044.17	-4,779,705.56
Net of tax of other comprehensive income attributable to the owner of the parent company	-3,794,740.86	-4,816,630.30
Other comprehensive income that cannot be transferred to profit or loss		
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other		

equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-3,794,740.86	-4,816,630.30
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation difference of foreign currency financial statements	-3,794,740.86	-4,816,630.30
7. Others		
After-tax net amount of other comprehensive income attributable to the minority shareholders	289,696.69	36,924.74
VII. Total comprehensive income	23,827,807.59	32,737,067.74
Total comprehensive income attributable to owners of the parent company	22,539,755.87	26,873,911.92
Total comprehensive income attributable to minority shareholders	1,288,051.72	5,863,155.82
VIII. Earnings per share(EPS):		
(I) Basic EPS	0.1363	0.2098
(II) Diluted EPS	0.1357	0.2121

In the event of a merger of enterprise under the same control in the current period, the net profit realized by the combined party before the merger is RMB, and the net profit realized by the combined party in the previous period is RMB.

Legal Representative: Jin Hairong Person in charge of accounting work: Wang Youwu Person in charge of accounting institution: Fang Li

### 3. Consolidated Cash Flow Statement

Unit: RMB

Item	2024 Q1	2023 Q1
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	525,769,205.79	453,759,458.45
Net increase in deposits from customers and deposits in banks and other financial institutions		
Net increase in borrowings from the Central Bank		
Net increase in borrowings from banks and other financial institutions		
Cash received from receiving insurance premiums of original insurance contracts		
Net cash received from reinsurance		

business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling fees and commissions		
Net increase in borrowings from banks and other financial institutions		
Net capital increase in repurchase business		
Net cash received from vicariously traded securities		
Refund of taxes and surcharges	21,527,469.95	21,026,770.27
Cash received from other operating activities	31,058,775.61	14,989,016.60
Subtotal of cash inflows from operating activities	578,355,451.35	489,775,245.32
Cash paid for purchase of goods and rendering of services	262,354,081.90	207,708,632.71
Net increase in loans and advances to customers		
Net increase in deposits in Central Bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	143,124,378.64	125,445,116.49
Payments of all types of taxes	30,521,553.88	13,491,315.70
Other cash payments relating to operating activities	80,839,313.68	78,760,281.87
Subtotal of cash outflows from operating activities	516,839,328.10	425,405,346.77
Net cash flows from operating activities	61,516,123.25	64,369,898.55
II. Cash flows from investing activities:		
Cash received from disinvestment	391,746,892.28	485,364,529.75
Cash received from investment income	1,403,273.88	756,078.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	52,261.44	178,690.17
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	68,155.00	
Subtotal of cash inflows from investing activities	393,270,582.60	486,299,298.84
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	67,171,779.69	18,760,852.38
Cash paid for investments	377,955,825.70	458,834,140.83

Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	445,127,605.39	477,594,993.21
Net cash flows from operating activities	-51,857,022.79	8,704,305.63
III. Cash flows from financing activities:		
Cash received from investors		
Including: cash received by subsidiaries from the absorption of minority shareholders' investments		
Cash received from borrowings		
Cash received from other financing activities	1,678,200.00	
Subtotal of cash inflows from financing activities	1,678,200.00	
Cash paid for debt repayments	461,997.06	
Cash paid for distribution of dividends and profits or payment of interest	40,620.29	12,487,260.75
Including: dividends and profits paid to minority shareholders by subsidiaries		12,487,260.75
Cash paid for other financing activities	70,795,806.22	7,840,509.20
Subtotal of cash outflows from financing activities	71,298,423.57	20,327,769.95
Net cash flows from financing activities	-69,620,223.57	-20,327,769.95
IV. Effect of exchange rate changes on cash and cash equivalents	1,057,030.72	-3,672,657.75
V. Net increase in cash and cash equivalents	-58,904,092.39	49,073,776.48
Plus: beginning balance of cash and cash equivalents	1,317,020,553.02	1,077,608,258.10
VI. Closing balance of cash and cash equivalents	1,258,116,460.63	1,126,682,034.58

**(II) Implementation of new accounting standards adjustment for the first time starting from 2024. Relevant project information on financial statements at the beginning of the year**

Applicable  Not applicable

**(III) Audit Report**

Whether the 2024 1st Quarter Report has been audited

Yes  No

The Company's Q1 Report has not been audited.

**ZKTECO CO., LTD.**

**Board of Directors**

**April 26, 2024**