

Zhejiang Tianzheng Electric Co., Ltd.

Announcement on the Progress of Using Part of Idle Raised Funds for Cash Management

The board of directors and all directors of the company guarantee that the content of this announcement does not contain any false records or misleading statements or major omissions, and bear individual and joint responsibility for the authenticity, accuracy and completeness of its contents.

Important content reminder:

ÿ Entrusted wealth management trustee: Industrial and Commercial Bank of China Co., Ltd. Yueqing Liushi Sub-branch

ÿ Amount of entrusted wealth management: RMB 50 million of raised funds temporarily idle

ÿ Name of entrusted wealth management product: time deposit

ÿThe period of entrusted financing is: May 5, 2022 to October 15, 2022

1. Overview of this entrusted financial management

(1) Purpose of entrusted financial management

In order to give full play to the use efficiency of raised funds, appropriately increase income, reduce financial expenses, etc.

Under the premise that it does not affect the normal operation of the company, the construction of the raised funds project and the use plan of the raised funds,

The company uses part of the temporarily idle raised funds for cash management.

(2) Source of funds

1. Source of funds

Temporarily idle raised funds.

2. Basic information on raised funds

Approved by the China Securities Regulatory Commission "On Approval of the IPO of Zhejiang Tianzheng Electric Co., Ltd.

Approval for Issuing Shares" (Zheng Jian Xu Ke [2020] No. 1482), the company discloses the issuer to the public

71 million ordinary shares (A shares) in RMB, with a par value of RMB 1.00 per share, and the issue price per share is

RMB 10.02, the total amount of funds raised is RMB 711,420,000.00, after deducting various issuance expenses,

The actual net amount of funds raised is 660,353,018.88 yuan, and the above funds have all arrived on August 4, 2020

account. Zhongxinghua Certified Public Accountants (special general partnership) issued a public offering on August 5, 2020

The availability of raised funds has been verified and the "Zhongxing Huayanzi (2020) No. 510003" has been issued.

Funding Report. The company has implemented a special account storage system for the raised funds, and signed an agreement with the opening bank and the sponsor.

According to the three-party supervision agreement on raised funds, the above-mentioned raised funds have all been deposited in the special account for raised funds for management.

According to the company's "IPO prospectus", the company's fund-raising investment projects are based on China

The production capacity expansion project of low-voltage electrical appliances in the direction of Made in China 2025, the expansion and construction project of intelligent low-voltage electrical products,

R&D center construction project.

(3) Basic information on entrusted wealth management products

Unit: ten thousand yuan

Trustee name	product type	product name	Amount is expected to be annualized	Expected to receive	product the term	income type	Structured arrange	does it constitute Related party transactions
ICBC Co., Ltd. Yueqing Liushi Sub-branch	bank deposit product	regular deposit	4,000	3.15% —	2022.5.5 to 2022.10.15	Guaranteed Guaranteed beneficial	not applicable	no
ICBC Co., Ltd. Yueqing Liushi Sub-branch	bank deposit product	regular deposit	1,000	3.15% —	2022.5.5 to 2022.10.15	Guaranteed Guaranteed beneficial	not applicable	no

Note: The entrusting party of the products listed in the last row of this form is Zhejiang Tianzheng Intelligent Electric Appliance Co., Ltd., a wholly-owned subsidiary of the company.

(IV) The company's internal control over risks related to entrusted wealth management

The company has established the "Raised Fund Management System", and the company uses part of the idle raised funds to purchase the bank's capital guarantee

financial products such as financial products or structured deposits, with controllable risks and in line with the company's internal fund management requirements.

In response to possible investment risks, the company intends to take the following measures:

1. The relevant personnel of the company's finance department will analyze and track the investment direction of financial products and the progress of the project in a timely manner, such as

If any unfavorable factors are found or judged in the evaluation, corresponding measures will be taken in a timely manner to strictly control investment risks.

2. Independent directors and the board of supervisors have the right to supervise and inspect the use of wealth management funds. can if necessary

Hire a professional organization to conduct an audit.

2. The specific circumstances of this entrusted financial management

(1) Main terms of the contract

On May 5, 2022, the company and its wholly-owned subsidiary Zhejiang Tianzheng Intelligent Electric Co., Ltd.

Raised funds of 40 million yuan and 10 million yuan at the Industrial and Commercial Bank of China Co., Ltd. Yueqing Liushi Sub-branch Office

Managed time deposits, the annual interest rate is 3.15%, and the maturity date is October 15, 2022.

(2) Funds invested in entrusted wealth management

The investment products purchased using the raised funds for cash management do not involve capital investment.

(3) Explanation on the use of raised funds for cash management

The fixed deposit products handled with the raised funds this time have a product term of no more than 12 months, which is in line with the safety requirements.

High performance and good fluidity requirements. The company does not change the use of raised funds in disguised form.

The use of raised funds for cash management will not affect the normal progress of the raised investment projects, and there is no damage to the interests of shareholders.

Case.

(IV) Risk control analysis

The time deposit products handled this time have a low level of risk. During the existence of the product, the company will cooperate with the trustee

Keep in touch. Relevant personnel of the company's financial department will analyze and track the follow-up progress of wealth management products in a timely manner, such as comments

If any unfavorable factors are found or judged, corresponding measures will be taken in a timely manner to strictly control investment risks. independent directors,

The board of supervisors has the right to supervise and inspect the use of wealth management funds.

3. Situation of the entrusted financial management trustee

The trustee of this entrusted wealth management is the Industrial and Commercial Bank of China Co., Ltd. Yueqing Liushi Sub-branch. Board of Directors

According to the investigation, the company's entrusted wealth management trustee Industrial and Commercial Bank of China Co., Ltd. (601398) is

Listed financial institutions with normal and stable main business, good profitability, credit status and financial status, meet

Selection criteria for financial product issuers. The above-mentioned trustee and the company, the controlling shareholder of the company, the actual control

There is no relationship between people.

4. Impact on the company

The company uses the temporarily idle raised funds for cash management this time to ensure that the company needs to raise funds for investment projects.

It is implemented under the premise of ensuring the safety of funds and raising funds, and will not affect the company's normal capital turnover needs.

It will not affect the normal development of the company's main business. at the same time,

Timely cash management of some of the temporarily idle raised funds can obtain a certain investment income, which is beneficial to the company and the

Shareholders seek more return on investment. The company's cash management principal this time is included in the monetary funds in the balance sheet,

Interest income is included in finance expenses in the income statement.

V. Risk Warning

Although wealth management products are low-risk investment products, the financial market is greatly affected by the macro economy and cannot be

Exclude the investment from being affected by market fluctuations.

6. Implementation of decision-making procedures and opinions of the Board of Supervisors, independent directors and sponsors

The company has held the thirteenth meeting of the eighth board of directors of the company on September 30, 2021, the eighth

The ninth meeting of the board of supervisors reviewed and approved the "Proposal on Using Part of Idle Raised Funds for Cash Management"

Case", agreeing to use idle raised funds of not more than 300 million yuan (including 300 million yuan) for cash management.

It is used to purchase financial products such as capital-guaranteed financial products or structured deposits from banks, and the term of use is determined by the board of directors.

No more than 12 months (including 12 months) from the date of deliberation and approval. During the above-mentioned quota and the validity period of the resolution, the

Ring scrolling use. In addition, the chairman is authorized to exercise the investment decision-making power and sign relevant contracts within the limit.

The same documents, including but not limited to: selecting a qualified professional commercial bank as the trustee, specifying the amount of entrusted wealth management,

During the period, choose the types of entrusted wealth management products, sign contracts and agreements and other legal documents.

The company's independent directors, the board of supervisors, and the sponsor have respectively expressed their agreement on this. Detailed content

See the "Regulations on Using Part of Idle Raised Funds for Cash Management" disclosed by the company on October 8, 2021.

announcement".

7. As of the date of this announcement, the company's entrusted financial management with raised funds in the last twelve months

Amount: ten thousand yuan

Serial Number	Financial Product Type	Actual Investment Amount	Actual Principal Recovered	Actual Income	not yet recovered Principal amount
1	Deposit-type product	4,000	4,000	130.00	0
2	Deposit-type products	3,000	3,000	97.50	0
3	Deposit-type products	8,000	8,000	261.38	0
4	Deposit-type products	10,000	10,000	326.72	0
5	Deposit-type products	10,000	10,000	326.72	0
6	Deposit-type products	4,000	4,000	13.50	0
7	Deposit-type products	4,000	4,000	47.73	0
8	Deposit-type products	2,400	2,400	27.60	0
9	Deposit-type products	4,000	4,000	31.00	0

10	Deposit-type products	2,000	2,000	15.50	0
11	Deposit-type products	3,000			3,000
12	Deposit-type products	10,000			10,000
13	Deposit-type products	6,000			6,000
14	Deposit-type products	4,000			4,000
15	Deposit-type products	1,000			1,000
	total	75,400	51,400	1277.65	24,000
The highest daily investment amount in the last 12 months				35,000	
The highest daily investment amount in the last 12 months/net assets in the last year (%)				20.31	
Cumulative income from entrusted wealth management in the last 12 months / net profit in the last year (%)				11.73	
The amount of money that has been used so far				24,000	
Unused credit limit				6,000	
total financial limit				From September 2020 to September 2021, the quota is 350 million yuan. From October 2021 to October 2022, the quota is 300 million yuan.	

Special announcement.

Zhejiang Tianzheng Electric Co., Ltd. Board of Directors

May 6, 2022