

CBAK Energy Expands Battery Production Capacities through Strategic Collaborations in Shangqiu City, Henan, China

- *Meeting Surging Demand for Lithium-ion Batteries with Cost-Effective Expansion*

DALIAN, China, July 21, 2023 /PRNewswire/ -- CBAK Energy Technology, Inc. (NASDAQ: CBAT) ("CBAK Energy," or the "Company"), a leading lithium-ion battery manufacturer and electric energy solution provider in China, today announced that its subsidiary, Dalian CBAK Power Battery Co., Ltd. ("Dalian CBAK"), has successfully reached agreements with the Shangqiu Urban-Rural Integration Demonstration Zone (the "Shangqiu City") and partnering entities (the "Lessor"). These strategic collaborations, in the form of investment and lease agreements, will enable CBAK Energy to satisfy the surging demand for its 26700 cylindrical batteries at a relatively lower cost.

Under the terms of the cooperation, Dalian CBAK will pay an annual rental of several million RMB (the "lease payments") to secure the rights to utilize the Lessor's production line. This production line is projected to increase Dalian CBAK's capacity by approximately RMB300 million worth of our 26700 cylindrical batteries. Production is expected to commence as early as this year. Moreover, the investment agreement with Shangqiu City also presents an opportunity for Dalian CBAK to receive government subsidies once certain tax conditions are met, which will be used to partially or fully offset the lease payments, significantly enhancing the cost-effectiveness to this investment.

Yunfei Li, Chairman and Chief Executive Officer of CBAK Energy, commented, "We are thrilled to embark on this collaboration. It will enable us to expand our production capabilities for high-power batteries, specifically the 26700 lithium-ion cylindrical batteries, in order to meet the rapidly growing market demand. Furthermore, it strengthens our commitment to achieving cost-effective and sustainable growth. We firmly believe that this investment, which allows us to acquire an additional capacity of RMB300 million worth of battery products for only RMB3.5 million, will further enhance our sales expectations."

About CBAK Energy

CBAK Energy Technology, Inc. (NASDAQ: CBAT) is a leading high-tech enterprise in China engaged in the development, manufacturing, and sales of new energy high power lithium batteries and raw materials for use in manufacturing high power lithium batteries. The applications of the Company's products and solutions include electric vehicles, light electric vehicles, electric tools, energy storage, uninterruptible power supply (UPS), and other high-power applications. In January 2006, CBAK Energy became the first lithium battery manufacturer in China listed on the Nasdaq Stock Market. CBAK Energy has multiple operating subsidiaries in Dalian, Nanjing and Shaoxing, as well as a large-scale R&D and production base in Dalian.

For more information, please visit ir.cbak.com.cn.

Safe Harbor Statement

This press release contains "forward-looking statements" that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this press release, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are 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. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Our actual results may differ materially or perhaps significantly from those discussed herein, or implied by, these forward-looking statements.

The forward-looking statements included in this press release are made as of the date of this press release and the Company undertakes no obligation to publicly update or revise any forward-looking statements, other than as required by applicable law.

For further inquiries, please contact:

In China:

CBAK Energy Technology, Inc.
Investor Relations Department
Mr. Thierry Jiewei Li
Phone: 86-18675423231

Email: ir@cbak.com.cn

Piacente Financial Communications

Ms. Hui Fan

Tel: +86-10-6508-0677

Email: CBAK@thepiacentegroup.com

In the United States:

Piacente Financial Communications

Ms. Brandi Piacente

Tel: +1-212-481-2050

Email: CBAK@thepiacentegroup.com

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