

Press Release

For immediate publication

Bafang opens first production facility outside China in Wrocław, Poland

Closer to markets and customers, faster and more flexible delivery is key for future growth of the company in Europe

Suzhou (PRC), Wrocław (PL), September 11th 2019 – Bafang, one of the world's leading manufacturers of e-mobility components and complete drive systems, yesterday opened its first factory outside China in the new 'Panattoni Park Wrocław' industrial zone. With major international companies like Amazon, Schenker, LG Chem and Lapp Cables in the neighbourhood, adjacent to two major highways to Germany and the Czech Republic, the new location offers excellent logistics, supplier and traffic infrastructure.



More than 200 people attended the opening ceremony – members from the international e-bike industry, local administration of the City of Wrocław and Chamber of Commerce to members of the Chinese embassy in Poland.

The factory building currently offers a total floorspace of about 6000sqm, with production making up 5200 sqm and offices another 800sqm.

The total investment of the first phase is estimated to be \$16 million and will employ around 50 staff at the beginning.

This includes a dedicated service team, training center and parts warehouse to provide timely, efficient and accurate technical support and spare parts delivery to European customers.

Two assembly lines are in place and will cater for the production of the most important mid drive systems, M400, M420 and M300. For the first year 150,000 units are planned, within 3 years a yearly capacity of 600,000 is forecasted. The assembly of hub motors will be decided for the future.

Controllers and displays will be assembled in a special soldering department. All products will go through extensive quality control and testing at the premises.

Currently a network of local suppliers is being installed to further reduce shipments from Asia.



Aerial view of 'Panattoni Park Wrocław' industrial zone

Bafang was established in 2003 and started its business in the European market in 2004. As of 2011, it set up a sales and service company in the Netherlands. The German office was established in 2016. As Bafang is deeply rooted in the European market, already in 2015, the company began to investigate for a production base in Europe. Many requirements need to be met when it comes to manufacturing abroad, like supporting capacity, logistics capacity and industrial cluster capacity. Many countries have been thoroughly researched and visited, like Germany, the Czech Republic, Hungary and other countries in eastern Europe. With Wrocław, Poland, a perfect combination of many factors has been found and therefore decided upon.



Speaking at the event, CEO Qinghua Wang, Chairman and Managing Director, said: "We are very excited to be investing here in Poland. This day signifies the beginning of a long relationship between us and the communities of Kobierzyce, Wroclaw and the Lower Silesia region. We are greatly appreciative of all the support we've received from the community to make this multi-million-dollar investment become a reality."

Poland's central location in Europe, its proximity to key markets, major OE and branded bicycle manufacturers plus its strong employment base were key drivers in Bafang's decision to choose Wroclaw as its first outside-China production location.

One very important factor these days is human capital.

The city and the region of Wroclaw is in a rapid development process. The local labor market, including a large number of migrant workers, is very active, from recruitment to 'on-the-job' training, so that it meets the short notice company's needs. In the early stages, Bafang will send management personnel and some employees from its headquarter in China to supplement the operational and production needs.

Future investment and development plan of product lines in Europe

Europe is the main market for Bafang; therefore, any investment is made for the long term. This first phase of investment is said to meet the market demand for the next three years. Further decisions will be made in process of these years.



Bafang is committed to offering a full range of drivetrain system solutions. Thus, this is the first step to localize motor and electronic parts assembly. The next step will see a future investment for Bafang's own battery program. Until then, batteries will still be shipped from China and Taiwan factories. It will be decided in due course whether cooperative production or own assembly is the more efficient and faster way to ensure full system availability ex Wrocław.

"Generally, the lead time of Asian purchase from order to delivery is about six months. Products ex-Poland will see a shortened lead time to four months", explained Bafang CEO Qinghua Wang to the audience and continued that, "we're already planning a gradual reduction to two months in the future. Considering that this is maybe the weakest point of the current e-bike market – at least, that's what we hear from our customers – we are sure that our investment in this new facility we happen to celebrate today with all of you, is a more than reasonable step into our company's future. And we proudly claim: Welcome to Wrocław – or as the saying in Poland goes: Czekamy na Ciebie!"

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About BAFANG: www.bafang-e.com

Bafang, one of the leading manufacturers of e-mobility components and complete e-drive systems, has been developing components and complete systems for electric vehicles since 2003.

The company focuses on all global e-mobility trends of the future: be it as an individual e-bike, e-scooter or for public bike sharing schemes. Bafang employs about 500 staff worldwide in five locations. The head office, development and manufacturing center is based in Suzhou, near Shanghai.

Bafang has Sales and Service Centers in the Netherlands, in the USA and in Germany. The newly opened factory in Poland will focus on production of mid motor systems for the European markets.

This release is issued by Bafang Electric (Suzhou) Co., Ltd. which retains the ultimate responsibility for the content.