

China BAK Receives \$7.5 million Subsidy for High Power Lithium Battery Project

SHENZHEN, China, Dec. 7, 2010 /PRNewswire-Asia/ -- China BAK Battery, Inc. ("China BAK", the "Company", or "we") (Nasdaq: CBAK), a leading global manufacturer of lithium-based battery cells, today announced that the Company's wholly-owned subsidiary, BAK International (Tianjin) Limited ("BAK Tianjin"), received a subsidy of approximately \$7.5 million for its automated high power lithium battery project from the National Development and Reform Commission (NDRC) and Ministry of Industry and Information Technology (MIIT).

The Company's automated high power lithium battery project was previously selected as a key project of the PRC's National High Technology Research and Development Program, or "863 Program". BAK Tianjin focuses on the research and development, manufacturing and distribution of advanced high-power lithium battery cells for use in light electric vehicles (EV) and hybrid electric vehicles.

"We have received numerous recognition and research grants for our automated high power lithium battery project. We believe the subsidy from NDRC and MIIT further demonstrates the government's continued support and confidence in our ability to supply high-quality products to the EV industry," commented Mr. Xiangqian Li, China BAK's Chairman and Chief Executive Officer. "We will utilize the grant to expand our production output and enhance product quality to generate additional revenue and strengthen our market position. We firmly believe that with our wealth of experience and advanced technological expertise, we will be successful in continuing to implement our turnaround strategy, increase our market share and deliver high-quality products to our customers."

About China BAK Battery Inc.

China BAK Battery, Inc. (NASDAQ: CBAK) is a leading global manufacturer of lithium-based battery cells. The Company produces battery cells that are the principal component of rechargeable batteries commonly used in cellular phones, notebook computers and portable consumer electronics such as digital media devices, portable media players, portable audio players, portable gaming devices, and PDAs. China BAK Battery, Inc.'s production facilities, located in Shenzhen and Tianjin, PRC, cover over three million square feet and have been recently expanded to support the production of larger batteries for various types of vehicles. For more information regarding China BAK Battery, Inc., please visit <http://www.bak.com.cn>.

Safe Harbor Statement

This press release contains forward-looking statements, which are subject to change. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All "forward-looking statements" relating to the business of China BAK Battery, Inc. and its subsidiary companies, which can be identified by the use of forward-looking terminology such as "believes," "expects" or similar expressions, involve known and unknown risks and uncertainties which could cause actual results to differ. These factors include but are not limited to: risks related to China BAK's business and risks related to operating in China. Please refer to China BAK's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, as well as China BAK's Quarterly Reports on Form 10-Q that have been filed since the date of such annual report, for specific details on risk factors. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. China BAK's actual results could differ materially from those contained in the forward-looking statements. China BAK undertakes no obligation to revise or update its forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

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