

China BAK Signs Lithium-ion High-Power Battery Supply Contract with Xidesheng Bicycle

SHENZHEN, China, Feb. 24, 2011 /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 Tianjin facility was awarded a new contract to supply lithium-ion high-power batteries to leading e-bike manufacturer, XDS Shenzhen Xidesheng Bicycle Co., Ltd. ("Xidesheng Bicycle") in China.

As per the supply contract, in calendar year 2011, China BAK will supply 20,000 units of lithium-ion high-power batteries, which will be used to power Xidesheng Bicycle's lithium-ion electric bicycles. Management expects to receive additional orders from Xidesheng Bicycle.

"The market demand for high-power lithium batteries used in E-bikes is continually increasing and we are gradually increasing our market share in this segment as the market recognizes the high-quality and stable performance of our product. We are encouraged to see new customers like Xidesheng Bicycle place orders with us. We expect to further increase our sales of high-power batteries to E-bike customers," commented Mr. Xiangqian Li, CEO of China BAK Battery, Inc.

About XDS Shenzhen Xidesheng Bicycle Co., Ltd.

XDS Shenzhen Xidesheng Bicycles Co., Ltd. is one of the largest and most experienced manufacturers of bicycle frames and complete bicycles in China. It offers wide range of bicycles: Mountain bike MTB, Racing bicycles, City bicycles, BMX, Suspension MTB, Children's bicycles, Folding bicycles and electric bicycles. Xidesheng Bicycles are well received in America, Canada, Europe, Russia and Australia. As an OEM & ODM manufacturer its clients include many world famous brands. It was founded in 1995 and is now a large scale professional manufacturer with more than 2000 employees and annually produces more than 2,500,000 units. Its "XDS" brand bike was awarded China Top Brand and has a good presence in the international market. For more information, please visit: <http://www.xidesheng.com/english/index.asp>

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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