

China BAK Comments on Recent Industry Developments

SHENZHEN, China, June 9, 2011 /PRNewswire-Asia/ -- China BAK Battery, Inc. ("China BAK" or the "Company") (NASDAQ: CBAK), a leading global manufacturer of lithium-based battery cells, today announced that the Company is seeing a surge in customer demand for its e-bike battery business at its Tianjin facility due to the recent government suspension of lead-acid battery manufacturing in China.

As recently reported in the periodical Advanced Battery Weekly, there are nearly 300 lead-acid battery producers in Zhejiang Province, China, and more than a hundred people have unsafely high blood lead level in this area. Several leading lead-acid battery manufacturers in China have recently suspended production due to a government crackdown on heavy metal pollution. In addition, each of the Ministry of Public Security, the Ministry of Industry and Information Technology, State Administration for Industry & Commerce and the General Administration of Quality Supervision, Inspection and Quarantine is reportedly requiring local governments, police, regional industry and commerce offices to tighten management of e-bike manufacturing plants. Based on reports, e-bikes may weigh no more than 40 kg and may not exceed a top speed of 20 km (12.4 miles) per hour. In comparison with the traditional lead-acid battery, it has been documented that lithium-based battery cells provide a number of advantages, including lighter weight (the weight for each battery pack used in an e-bike is about 4 kg) without sacrificing capacity, or about 1/3 or 1/4 less weight than a comparable lead-based battery; longer cycle-life; and have less environmental impact due to zero use of lead. All products using China BAK battery packs can meet the above government requirements.

Concurrently with these industry developments, the Company has received an increase in the number of requests for China BAK's lithium-based battery cells from e-bike manufacturers. Similarly, the Company's major customers, XDS Shenzhen Xidesheng Bicycle Co., Ltd., Geoby Electric Vehicle Co., Ltd. and NOAHtek Electric Bicycles Company, have recently initiated discussions with the Company regarding future orders. As compared with orders received and expected to be received for the Company's quarter ended June 30, 2011, the Company's forecast quantity of orders for its quarter ended September 30, 2011 from e-bike manufacturers is expected to be approximately 88% higher, or 20,000 battery packs compared to expected sales of approximately 10,600 for the current quarter. China BAK also expects that the Company will see additional new customers from the traditional lead-acid-battery-powered bicycle manufacturers for the quarter ended September 30, 2011.

"Reuters reported that batteries for e-bikes accounted for about 20 percent of China's 3.7 million tonnes of refined lead consumption in 2010 with annual production of more than 17 million e-bikes. Due to the government's focus on heavy metal pollution, we believe even a 10% replacement in demand for the traditional lead-acid battery by lithium-ion battery to power e-bikes, would result in a substantial increase in demand for us," commented Mr. Ke Marcus Cui, Chief Financial Officer of China BAK. "The Chinese government provides strong support and encouragement to lithium-based battery development and we are well recognized for our high-quality, extensive production experience and technology in the e-bike market. We therefore expect to further increase our sales of lithium-based batteries to e-bike 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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For further information: China BAK Battery, Inc., Mr. Ke Marcus Cui, Chief Financial Officer, ir@bak.com.cn; or Ms. Tracy Li, Investor Relations Officer, +86-755-89770093, ir@bak.com.cn; or CCG Investor Relations, Mr. Roger Ellis, Partner & SVP for Market Intelligence, 310-954-1332, or roger.ellis@ccgir.com

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