

## **China BAK Announces Successful Turnaround of Cylindrical Battery Cells Business**

SHENZHEN, China, June 13, 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 has successfully achieved a turnaround in its cylindrical battery cells business for the month of May 2011.

China BAK's operational results for the month of May 2011 indicate that the Company's cylindrical battery cell business is now profitable. As a result of the earthquake in Japan, the Korean and Chinese batteries are in higher in demand since April 2011. In addition, the Company raised the pricing of its cylindrical battery cells following suit with other Korean battery manufacturers, further enhancing profitability. Currently, the Company's total shipment of cylindrical battery cells have nearly doubled compared with the same period in 2010.

"Our cylindrical battery cells business is experiencing strong growth and has resumed profitability. We are pleased with the results and continue to make progress in our effort to achieve a successful turnaround in our other business segments. We believe our cylindrical battery cells business will continue to grow driven by our new products featuring high quality and lower cost raw materials," commented Mr. Xiangqian Li, CEO of China BAK Battery, Inc. "Beginning third quarter of fiscal year 2011, we plan to utilize cost-competitive alternative raw materials in the production of our cylindrical battery cells which will further reduce our costs and enhance our profitability. We expect our cylindrical battery cells business to become an increasing profit contributor in the near future."

### **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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