

## **China BAK Receives \$1.9 Million Government Subsidy for its Battery Module Project; Updates Progress on High-Power Battery Orders**

SHENZHEN, China, April 2, 2012 /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 has received a \$1.9 million subsidy for its battery module project from the National Development and Reform Commission (NDRC) and Ministry of Industry and Information Technology (MIIT).

China BAK's battery module is comprised of cylindrical cells that can be used in electric vehicles (EVs), electric motors, electric bicycles (e-bikes) and power storage. The government funds will be used to further develop the battery module's efficiency and environmental-friendliness.

Additionally, the Company announced that it has received new orders from its e-bike customers and expects to deliver 12,000 high-power lithium-ion battery units to its e-bike customers by the end of April 2012.

"In recent years, we have received recognition for our battery modules used in EVs and e-bikes. The subsidy from NDRC and MIIT further demonstrates the government's continued support and recognition of our contribution to China's EV and e-bike industry," commented Mr. Xiangqian Li, China BAK's Chairman and Chief Executive Officer. "We will utilize the grant to further improve our product quality and strengthen our market position in the EV and e-bike industry. We believe that our experience and technological expertise will enable us to 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, smartphones, notebook computers, e-bikes, electric vehicles, power tools, uninterruptible power supplies, and portable consumer electronics such as portable media players, portable gaming devices, personal digital assistants, or PDAs, camcorders, digital cameras, and Bluetooth headsets. China BAK Battery, Inc.'s production facilities, located in Shenzhen and Tianjin, PRC, cover over three million square feet. 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: the ability of the Company to meet its contract obligations; the uncertain market for the Company's cylindrical, high-power lithium and other battery cells; business, macroeconomic, technological, regulatory, or other factors affecting the profitability of battery cells designed for electric vehicles, electric motors, electric bicycles, and power storage; and 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, 2011, 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: Mr. Ke Marcus Cui, Chief Financial Officer, China BAK Battery, Inc., +86-755-89770093, [ir@bak.com.cn](mailto:ir@bak.com.cn); or Mr. Roger Ellis, Partner & SVP for Market Intelligence, CCG Investor Relations, +1-310-954-1332, [roger.ellis@ccgir.com](mailto:roger.ellis@ccgir.com)

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