China BAK Joins Hands with Dalian Institute of Chemical Physics of Chinese Academy of Sciences in Leading EV Battery Technological Revolution

Working together to tackle core technologies and key materials and jointly training postgraduates and doctors in the battery sector.

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China BAK Battery, Inc. →
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DALIAN, China, July 28, 2014 /PRNewswire/ -- China BAK Battery, Inc. (Nasdaq: CBAK), the world's leading lithium battery manufacturer and electric energy solution provider, announced today that it has reached a strategic cooperation agreement with Dalian Institute of Chemical Physics of Chinese Academy of Sciences ("DICP"). Under the agreement, the two parties will jointly research and develop the next-generation key technologies and materials in power battery with an aim to produce the most powerful battery worldwide. In addition, CBAK and DICP will join hands in training technical talents in China's power battery industry so as to further promote the industrial development.

Dalian-based CBAK Industrial Base under construction (PRNewsFoto/China BAK Battery, Inc.)

With CBAK's strengths in the power battery sector and DICP's leading technology in advanced rechargeable battery and key materials, the two parties will cooperate in the R&D of next-generation power battery manufacturing technologies with new battery materials, from lab scale tests, pilot scale tests to industrial tests, and related special preparation techniques. In addition, CBAK and DICP will also cooperate in training graduate and post-doctoral students and co-build a graduate practice base, which will provide talent and technical support towards enhancing China's international competitiveness in the power battery industry.

With China's improving support for new energy vehicles, an explosive and continued growth is expected in the new energy vehicle market. The lithium battery industry, as the battery components of new energy vehicles, has thus been elevated to a strategic height. The R&D of next-generation advanced lithium battery and its key materials – characterized by high energy density, high security, long-lasting life, and low cost – as well as the training of related technical talents, have become a major demand in the development of advanced electric vehicles in China.

"Technology drives industrial development, which is CBAK's core concept in business development. CBAK has been attaching great importance to R&D, and has trained a group of top battery technology experts in China. In the meantime, it has also reached in-depth cooperative relationships with a number of Chinese top research institutes. The alliance with the Chinese Academy of Sciences is an important milestone in the development of the company, and is sure to help CBAK become the world's most remarkable power battery solution provider," said Dr. Jian Lin, Chief Technical Officer of CBAK.

"The ultimate aim of technological R&D is to serve industrial progress. The cooperation between CBAK and DICP in aggregating and training technologically innovative talents in the field of power battery materials will help further develop key technologies and materials of power battery, effectively break through the bottleneck of the industry, and promote the development of the electric vehicle industry," said Mr. Baolian Yi, academician of DICP.

CBAK is the first company in China specially engaged in power battery and successfully applied for the project of "Research of industrialization of lithium power battery systems", a National 863 Program project, in July 2008. The CBAK industrial base at Huayuankou District in Dalian is expected to be formally put into production in the second half of this year. The

base covers an area of 231 mu (or 15.4 ha), forecasts an annual output of 120 million Ah, and will be applied in such fields as electric vehicles, light electric vehicles, power tools, transportation and energy storage. At present, the marketing network of CBAK has covered the Chinese mainland market and its products are exported to Europe, North & South America, Southeast Asia, Taiwan of China, Korea, among other regions and countries.

About China BAK Battery, Inc.

China BAK Battery, Inc. (NASDAQ: CBAK) is a global leading high-tech enterprise engaged in the R&D, manufacture, and sales of high power lithium batteries. The application of its products and solutions covers such areas as electric vehicles, light electric vehicles, electric tools, transportation and energy storage. As the first lithium battery company in China to get listed in the U.S. in January 2005, CBAK possesses China's first production base specially engaged in power battery, and has its wholly-owned subsidiary – Dalian BAK Power Battery Co., Ltd., and a large-scale R&D and production base in Dalian. For more information, please visit www.cbak.com.cn.

About Dalian Institute of Chemical Physics of Chinese Academy of Sciences (DICP)

DICP has long been engaged in the R&D of electrical energy conversion, focusing on the development of new energy technologies characterized by high energy density, high durability, eco-friendliness and suitability for electric vehicles, distributed power substation and mobile communications. It has undertaken a number of projects under such programs as "973", "863", ministry-designated and Natural Science Foundation projects – accumulating extensive experience in battery engineering development in electric energy conversion and storage.

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 high-power lithium and other battery cells; business, macroeconomic, technological, regulatory, or other factors affecting the profitability of battery cells designed for electric vehicles; 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, 2013, as well as other SEC reports 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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