

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE ADVANCED BATTERY
TECHNOLOGIES, INC.
SECURITIES LITIGATION

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) Consolidated Civil Action No. 11 Civ. 2279 (CM)
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NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED PUBLICLY TRADED COMMON SHARES OF ADVANCED BATTERY TECHNOLOGIES, INC. BETWEEN MAY 15, 2007 AND MARCH 29, 2011, INCLUSIVE, AND INCURRED DAMAGES, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

This Notice of Pendency and Proposed Settlement of Class Action (the “Long Notice”) explains important rights you may have. Your legal rights are affected whether or not you act. Please read this notice carefully!

A Federal Court authorized this Long Notice. This is not a solicitation from a lawyer.

SUMMARY OF KEY PROVISIONS AND REASONS FOR SETTLEMENT

Security and Time Period: Advanced Battery Technologies, Inc. (“ABAT” or the “Company”) common stock (stock symbols: ABAT and GBT; CUSIP No.: 00752H102) purchased or otherwise acquired between May 15, 2007 and March 29, 2011, both dates inclusive (the “Settlement Class Period”).

Settlement Fund: \$275,000 (two hundred seventy-five thousand) in cash (the “Settlement Amount”). Your recovery will depend on the number of shares of ABAT common stock you, and other Settlement Class Members who file claims, purchased and sold and the prices at which you, and the other Settlement Class Members who file claims, purchased and sold those shares. The estimated average recovery will have an economic value of \$0.00485 per share, before deduction of Court-approved expenses and costs of notice.

Reasons for Settlement: The case has been litigated since April 2011. The Lead Plaintiff and Lead Counsel believe that the Settlement provides the Settlement Class with a benefit, in lieu of engaging in years of further litigation – including summary judgment motions, a contested trial and likely appeals – with the possibility of no recovery at all. By settling this Litigation at this point, Lead Plaintiff is not admitting that the Litigation lacked merit or that the Settlement Class’s ultimate recovery would not have been greater than the Settlement Amount.

Lead Plaintiff alleges that ABAT’s stock price was artificially inflated as a result of material misstatements and omissions concerning the Company’s financial results, specifically that the Company reported inflated gross profits, net income, and profit margins, and further, misrepresented the related party nature of certain business transactions. Lead Plaintiff further contends that the ABAT Defendants (defined below) made these statements knowing them to be materially false or misleading, or recklessly disregarding

their materially false or misleading nature, and that investors suffered injury as a result of the alleged inflation.

The ABAT Defendants have denied and continue to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The ABAT Defendants also have denied, *inter alia*, that Lead Plaintiff or the Settlement Class have suffered damages or that Lead Plaintiff or the Settlement Class were harmed by the conduct alleged in the Litigation.

Nonetheless, the ABAT Defendants have concluded that further conduct of the Litigation could be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the settling parties' Stipulation of Settlement ("Stipulation") in order to limit further expense, inconvenience and distraction, to dispose of the burden of protracted litigation, and to permit the operation of the Company's business without the Litigation causing further distraction and diversion of the Company's executive personnel. The ABAT Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation, as well as the difficulties and disruption of normal business activities inherent in such litigation. The ABAT Defendants have, therefore, determined that it is desirable and beneficial that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation. The ABAT Defendants entered into the Stipulation and the Settlement without in any way admitting to or acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court against any of the ABAT Defendants on the merits of the claims asserted by the Lead Plaintiff.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. A trial is a risky proposition. The claims in the Litigation involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiff was to have prevailed on each claim alleged. Among the many issues about which Plaintiffs and the ABAT Defendants do not agree are: (1) whether the ABAT Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by the Lead Plaintiff were material, false, misleading or otherwise actionable under the securities laws; (3) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of ABAT common stock during the relevant period; and (4) the method for determining whether, and the extent to which, purchasers of ABAT stock suffered injury and damages that could be recovered at trial.

Attorneys' Expenses: Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, prosecuting this Litigation, and negotiating the Settlement on behalf of the Lead Plaintiff and the Settlement Class. Lead Counsel will ask the Court for reimbursement of a portion of their expenses not to exceed \$115,000 to be paid from the Settlement Fund. Lead Counsel will not ask the Court for attorneys' fees. In addition, Lead Counsel will seek a Compensatory Award for the time and expenses incurred by Lead Plaintiff, in an amount not to exceed \$3,000.

If the above amounts are requested and approved by the Court, the estimated recovery per share before any additional settlement administration fees and expenses and any awards to the Lead Plaintiff is estimated to be \$0.00282 per damaged share.

Dismissal and Releases: If the proposed Settlement is approved after a fairness hearing (the "Settlement Hearing"), the Court will enter an Order and Final Judgment (the "Judgment"). The Judgment will dismiss the Released Claims and the Settled Defendants' Claims with prejudice as to the Released Persons and the Lead Plaintiff, Lead Counsel, and any Settlement Class Members, respectively. The

Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Settlement Class have such claims) against all Released Persons. The terms of the releases, including the meaning of the term “Released Claims,” are set forth in the Proof of Claim and Release form that is enclosed, or is also available by: (1) visiting www.berdonclaims.com; or (2) contacting the Claims Administrator by phone, fax, or mail using the contact information in Section 23 below.

Deadlines:

Submit Claim:	March 22, 2014
File Objection:	January 31, 2014
Request Exclusion:	January 31, 2014
Court Hearing on Fairness of Settlement:	February 21, 2014

More Information: www.berdonclaims.com

Claims Administrator:

*Advanced Battery Technologies, Inc. Securities
Litigation*
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: (800) 766-3330
Fax: (516) 931-0810

Lead Counsel:

Murielle J. Steven Walsh
Pomerantz Grossman
Hufford Dahlstrom & Gross LLP
600 Third Avenue, 20th Floor
New York, NY 10016
Telephone: (888) 476-6529
E-mail: mjsteven@pomlaw.com

Your legal rights are affected whether you act, or don’t act. Read this Long Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like this Settlement, the Plan of Allocation, Lead Counsel’s request for reimbursement of a portion of their expenses, or the request for an award to to Lead Plaintiff.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the ABAT Defendants relating to the class claims being released in this case.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Receive no payment.

- You may submit a claim or object, or do both, or do nothing. However, if you timely exclude yourself, that is the **only** thing you can do: you cannot then also object in writing, appear at the Settlement Hearing to state any objections, or submit a claim.
- If you object and do not request exclusion, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.
- Unless you timely request exclusion from the Settlement Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation of Settlement, whether or not you submit a claim or object.
- These rights and options are explained in this Long Notice. *Please take careful note of the deadlines to exercise them, set forth above.*
- The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only after: (1) the Court approves the Settlement; (2) after resolution of the claims against the Auditor Defendants; and (3) if there are any appeals, after appeals are resolved.

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or otherwise acquired Advanced Battery Technologies, Inc. (“ABAT”) common stock between May 15, 2007 and March 29, 2011, inclusive, and incurred damages.

This Long Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after the claims against other defendants in the case are resolved, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *In re Advanced Battery Technologies, Inc. Securities Litigation*, Case No. 11-cv-02279-CM (the “Litigation”). Ruble Sanderson is called the Lead Plaintiff, and the company and persons he sued, including ABAT and some of its officers and directors, are collectively called the ABAT Defendants. The Lead Plaintiff and ABAT Defendants are referred to together as the “Settling Parties.” Lead Plaintiff also sued ABAT’s outside auditors (referred to as the “Auditor Defendants”), but they are not part of the Settlement. The Court has dismissed the claims against the Auditor Defendants and denied Lead Plaintiff’s motion for leave to file another complaint. If the order denying leave to amend is reversed, it may be later become possible to recover from the Auditor Defendants.

2. What is This Lawsuit About?

This Litigation alleges violations of the Federal Securities Laws (specifically Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78(t)(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5) against the ABAT Defendants.

ABAT is a publicly traded Delaware corporation. The Company’s primary subsidiaries are located in the People’s Republic of China.

ABAT, through its subsidiaries, engages in the design, manufacture, and marketing of rechargeable polymer lithium-ion batteries, and develops and manufactures various types of electric vehicles, including electric bicycles, electric scooters, and electric sport utility vehicles. During the Settlement Class Period, ABAT common stock traded on the NASDAQ Capital Market under the ticker symbol “ABAT,” on the American Stock Exchange under the symbol “GBT,” and on the Over-the-Counter Bulletin Board under the ticker symbol “ABAT.”

Lead Plaintiff alleges that, during the Settlement Class Period, ABAT’s stock price was artificially inflated as a result of a series of untrue or materially misleading statements and omissions concerning the Company’s financial results (by reporting inflated revenues, net income, and profit margins) and the related party nature of certain business transactions. Lead Plaintiff further contends that the ABAT Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

The ABAT Defendants have denied and continue to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The ABAT Defendants also have denied, inter alia, that Lead Plaintiff or the Settlement Class have suffered damages or that Lead Plaintiff or the Settlement Class were harmed by the conduct alleged in the Litigation.

3. Why Is This a Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals. The class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the class.

As part of the preliminary approval process, Lead Plaintiff will ask the court to certify a Settlement Class for settlement purposes only. The proposed Settlement Class will consist of all persons or entities who, during the Settlement Class Period, purchased publicly traded shares of ABAT common stock. Excluded from the Settlement Class are: (a) anyone named as an ABAT Defendant or Auditor Defendant in this action; members of the immediate family of any such ABAT Defendant or Auditor Defendant; any entity in which any such ABAT Defendant or Auditor Defendant or family member has or had a controlling interest; the former and current officers and directors of ABAT; the legal affiliates, representatives, controlling persons, predecessors-in-interest, heirs, assigns, or any other successors-in-interest of any such excluded party; and (b) any potential members of the Settlement Class who timely and validly exclude themselves from the Settlement Class in accordance with the requirements set forth herein. All Settlement Class Period purchasers of ABAT common stock are members of the Settlement Class, except those persons who timely submit a request for exclusion by January 31, 2014.

All persons who do not timely exclude themselves from the Settlement Class will be bound by the proposed Settlement and its accompanying Release.

4. Why Is There a Settlement?

The Court did not decide in favor of the Lead Plaintiff or the ABAT Defendants. Instead, both sides agreed to a Settlement. This permits them to avoid the cost, delay, and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive some compensation rather than risk ultimately receiving nothing.

Lead Plaintiff believes that the claims against the ABAT Defendants have significant merit. However, Lead Plaintiff recognizes and acknowledges the expense and length of continued proceedings, trial, and appeals. Lead Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this one. In particular, Lead Plaintiff has considered the high risk that any judgment against the ABAT Defendants will be uncollectible. The ABAT Defendants have provided documentation to Lead Plaintiff confirming that they have minimal insurance applicable to Lead Plaintiff's claims. In addition Lead Plaintiff has reviewed documents produced by the ABAT Defendants reflecting that they have minimal U.S. assets. The majority of their assets are located outside of the United States, including in the People's Republic of China. Lead Plaintiff has therefore concluded that collectability against the ABAT Defendants is highly unlikely. Lead Plaintiff is also mindful of the inherent problems of proof under, and possible defenses to, the federal securities law violations asserted, including the defenses asserted by the ABAT Defendants during the litigation, in motions on the pleadings and in settlement negotiations.

In light of the foregoing, Lead Plaintiff believes that the Settlement is fair and reasonable in light of the risks of litigation, and in particular, the high likelihood that any judgment against the ABAT Defendants would be uncollectible. Based on its evaluation, Lead Plaintiff and Lead Counsel have determined that the Settlement is fair, adequate, reasonable, and in the best interests of the Lead Plaintiff and the Settlement Class.

The ABAT Defendants have concluded that further defense of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation of Settlement. The ABAT Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Litigation.

WHO IS IN THE SETTLEMENT?

To see if you will receive money from this Settlement, you first have to determine if you are a possible Settlement Class Member.

5. How Do I Know if I Am Part of the Settlement?

The potential Settlement Class includes all persons or entities who **purchased publicly traded shares of ABAT common stock between May 15, 2007, and March 29, 2011, inclusive.**

6. What Are the Exceptions to Being Included?

You are not a Settlement Class Member if you are an ABAT Defendant or Auditor Defendant; any immediate family member of an ABAT Defendant or Auditor Defendant; any entity in which any such ABAT Defendant or Auditor Defendant or family member has or had a controlling interest; former or current officer or director of ABAT; or any legal affiliates, representatives, controlling persons, predecessors-in-interest, heirs, assigns, or any other successors-in-interest of any such excluded party.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for help. You can call Murielle J. Steven Walsh of Pomerantz Grossman Hufford Dahlstrom & Gross LLP at 1-888-476-6529 for more information. Or you can fill out and return the claim form described in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a fund of \$275,000 in cash. The balance of this fund, after payment of Court-approved attorneys' expenses, and the costs of claims administration, including the costs of printing and mailing the Post Card Notice, posting this Long Notice online, and the cost of publishing the Internet wire service notice, and any award granted to the Lead Plaintiff (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid claim forms.

9. How Much Will My Payments Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Settlement Class Members send in, the number of shares of ABAT common stock you purchased during the

Settlement Class Period, and the timing of your purchases and sales. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than \$100.00.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. After all Settlement Class Members have sent in their Proof of Claim and Release forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting valid Proof of Claim forms. The Recognized Claim is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund is to be allocated among all persons submitting claims.

HOW YOU OBTAIN A PAYMENT – SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid Proof of Claim and Release form (“Claim Form”), and properly document your claim as requested in the Claim Form. A Proof of Claim and Release form is enclosed with this Long Notice. You may also get a Claim Form on the internet at www.berdonclaims.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than March 22, 2014.

11. When Will I Receive My Payment?

The Court will hold a hearing on February 21, 2014, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether or when these appeals will be resolved, and resolving them can take time, perhaps more than a year. In addition, the claims against the Auditor Defendants must be resolved before any payments can be made to eligible Settlement Class Members. Even if no appeals are filed, it will take several months for the Claims Administrator to process all of the Proof of Claim and Release forms and determine the ultimate distribution amounts, and it may take several months or longer to resolve the claims against the Auditor Defendants.

12. What Am I Giving Up to Receive a Payment?

As a Settlement Class Member, you will be giving up certain rights that you currently have if the Court approves the Settlement. Unless you timely exclude yourself from the Settlement Class by the January 31, 2014 deadline, you are a Settlement Class Member and will be bound by the Release of claims against the Released Persons. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Released Persons about the Released Claims in this case. It also means that all of the Court’s orders will apply to you and legally bind you, and you will release your claims in this case against the ABAT Defendants. The terms of the Release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the class action Settlement, but you want to keep the right to sue or continue to sue the ABAT Defendants on your own for the Released Claims in the class action, then you must take steps to get out of the Settlement Class. This is called excluding yourself, or is sometimes referred to as “opting out” of the Settlement Class.

13. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *In re Advanced Battery Technologies, Inc. Securities Litigation*, Case No. 11-cv-02279-CM. You must include your name, address, telephone number, your signature, and the number of shares of ABAT common stock you purchased or acquired between May 15, 2007, and March 29, 2011, inclusive, the number of shares of common stock sold during this time period, if any, the dates of such purchases and/or sales, and the price paid or received per share for each purchase or sale. You must mail your exclusion request via first-class mail postmarked no later than January 31, 2014 to:

Advanced Battery Technologies, Inc. Securities Litigation - Exclusions
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any settlement payment, and you cannot object to the class action Settlement. You will not be legally bound by anything that happens in the class action lawsuit.

14. If I Do Not Exclude Myself, Can I Sue the ABAT Defendants for the Same Thing Later?

No. Unless you exclude yourself from the Settlement Class, you give up any right to sue the ABAT Defendants or the Released Persons for the Released Claims in the class action Settlement. If you have a pending lawsuit against any of the ABAT Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is January 31, 2014.

15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Proof of Claim and Release Form.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Pomerantz Grossman Hufford Dahlstrom & Gross LLP to represent you and other Settlement Class Members. These lawyers are called Lead Counsel. You will not be personally liable for the expenses incurred by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for a portion of their expenses up to \$115,000, which were advanced in connection with the Litigation. Lead Counsel will also seek a Compensatory Award not to exceed \$3,000 for the time and expenses incurred by Lead Plaintiff, who was deposed in this Litigation. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such expenses.

Lead Counsel's request for reimbursement will seek only a portion of the expenses they have incurred in the Litigation. Furthermore, Lead Counsel will not request any attorneys' fees for their services in achieving the Settlement Amount.

Lead Counsel shall file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for reimbursement of expenses not later than February 7, 2014. That

motion will argue that Lead Counsel’s requested reimbursement of expenses are reasonable. The Court determines what counsel should receive from the Settlement Fund for expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys’ expenses. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Advanced Battery Technologies, Inc. Securities Litigation*, Case No. 11-cv-02279-CM. Be sure to include your name, address, telephone number, your signature, the number of shares of ABAT common stock purchased between May 15, 2007, and March 29, 2011, inclusive, and the reasons you object. The motions in support of the Settlement and the request for attorneys’ expenses will be filed no later than February 7, 2014, and they will be available from Lead Counsel, the Claims Administrator, or the Court. (The Claims Administrator’s contact information is listed in Section 23, below.) Any objection must be mailed or delivered such that it is received by *each* of the following no later than January 31, 2014:

<i>Court:</i>	<i>Lead Counsel Designee:</i>	<i>ABAT Defendants’ Counsel Designee:</i>
Clerk of the Court United States District Court Southern District of New York 500 Pearl Street Courtroom 14C New York, NY 10007	Murielle J. Steven Walsh Pomerantz Grossman Hufford Dahlstrom & Gross LLP 600 Third Avenue, 20 th Floor New York, NY 10016	Lee S. Shalov McLaughlin & Stern LLP 260 Madison Avenue New York, NY 10016

THE COURT’S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at 9:30 a.m. on February 21, 2014, at the courthouse for the United States District Court, Southern District of New York, 500 Pearl Street, Courtroom 14C, New York, NY 10007. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also consider how much money from the Settlement Fund will be allocated to reimburse Lead Counsel’s expenses incurred by working on the Litigation, and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Advanced Battery Technologies, Inc. Securities Litigation*, Case No. 11-cv-02279-CM. Be sure to include your name, address, telephone number, your signature, the number of shares of ABAT common stock purchased between May 15, 2007 and March 29, 2011, inclusive. Your notice of intention to appear must be received no later than January 31, 2014, by the Clerk of the Court, Lead Counsel Designee and the ABAT Defendants' Counsel Designee, at the three addresses listed in question 18.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the Released Persons will be released, but you will not receive any money from this Settlement because it is necessary to submit a Proof of Claim and Release form to share in the Settlement proceeds.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Long Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of April 24, 2013. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting:

Lead Counsel:

Murielle J. Steven Walsh Pomerantz Grossman
Hufford Dahlstrom & Gross LLP
600 Third Avenue, 20th Floor
New York, NY 10016
mjsteven@pomlaw.com
1-888-476-6529

Claims Administrator:

*Advanced Battery Technologies, Inc. Securities
Litigation*
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
www.berdonclaims.com

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan
U.S. Courthouse
500 Pearl Street
New York, NY 10007

UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Settlement Class Members who submit acceptable proofs of claim (“Authorized Claimants”) in the following manner:

The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Loss”) described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Authorized Claimants. The Recognized Loss formula is not an estimate of what an Authorized Claimant would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

As within the groups of Authorized Claimants described in paragraph 1 below, an Authorized Claimant’s actual share of the Net Settlement Fund will be determined by the ratio of the Authorized Claimant’s Recognized Loss divided by the aggregate of the Recognized Loss of all Authorized Claimants within the Claimant’s group.

This Plan of Allocation is based on the following principles applicable to Settlement Class Members if the Litigation had gone to trial: Lead Plaintiff asserted claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 (“Section 10(b)"). Damages under Section 10(b) are calculated, among other things, by determining the stock price drop caused by the disclosure of information correcting prior materially false and misleading statements or reflecting materializations of risks which were a foreseeable consequence of the alleged concealment. Lead Plaintiff contended in the Litigation, among other things, that the first corrective disclosure or materialization of the risk of materially false and misleading statements complained of occurred on March 30, 2011.

ABAT COMMON STOCK

1. For ABAT common stock purchased between May 15, 2007 and March 29, 2011 and:
 - a. sold on or before March 29, 2011, an Authorized Claimant’s Recognized Claim is \$0.
 - b. still held as of the close of trading on March 29, 2011, an Authorized Claimant’s Recognized Claim shall be the lesser of: (i) the difference, if a loss, between (x) the amount paid for the common stock and (y) the PSLRA price indicated the table below;¹ or (ii) \$1.50 per share.

PSLRA Prices

Sale Date	PSLRA Price
3/30/2011	\$2.01
3/31/2011	\$1.98
4/1/2011	\$2.01
4/4/2011	\$2.02
4/5/2011	\$2.03
4/6/2011	\$2.10
4/7/2011	\$2.13

Sale Date	PSLRA Price
4/29/2011	\$2.07
5/2/2011	\$2.05
5/3/2011	\$2.04
5/4/2011	\$2.02
5/5/2011	\$2.00
5/6/2011	\$1.98
5/9/2011	\$1.97

Sale Date	PSLRA Price
5/31/2011	\$1.82
6/1/2011	\$1.81
6/2/2011	\$1.80
6/3/2011	\$1.80
6/6/2011	\$1.79
6/7/2011	\$1.78
6/8/2011	\$1.77

¹ The PSLRA limits damages to the purchase price less the average closing price from the dissemination of the corrective information through the date of sale (up to 90 days). If the shares are held beyond the ninety day period after the corrective disclosure, the PSLRA limits damages to the purchase price less the average closing price in the ninety days after the corrective disclosure.

4/8/2011	\$2.15
4/11/2011	\$2.15
4/12/2011	\$2.14
4/13/2011	\$2.14
4/14/2011	\$2.14
4/15/2011	\$2.14
4/18/2011	\$2.13
4/19/2011	\$2.12
4/20/2011	\$2.12
4/21/2011	\$2.12
4/25/2011	\$2.11
4/26/2011	\$2.10
4/27/2011	\$2.10
4/28/2011	\$2.08

5/10/2011	\$1.95
5/11/2011	\$1.94
5/12/2011	\$1.93
5/13/2011	\$1.92
5/16/2011	\$1.91
5/17/2011	\$1.89
5/18/2011	\$1.89
5/19/2011	\$1.88
5/20/2011	\$1.87
5/23/2011	\$1.86
5/24/2011	\$1.85
5/25/2011	\$1.84
5/26/2011	\$1.83
5/27/2011	\$1.82

6/9/2011	\$1.76
6/10/2011	\$1.75
6/13/2011	\$1.74
6/14/2011	\$1.73
6/15/2011	\$1.72
6/16/2011	\$1.71
6/17/2011	\$1.70
6/20/2011	\$1.69
6/21/2011	\$1.68
6/22/2011	\$1.67
6/23/2011	\$1.66
6/24/2011	\$1.65
6/27/2011 or after	\$1.64

- No claim will be recognized for ABAT common stock purchased on or after March 30, 2011.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

- The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible shares that participate in the Settlement, and when those shares were purchased and sold. The number of claimants who send in claims varies widely from case to case.
- A purchase or sale of ABAT common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.
- Acquisition by Gift, Inheritance, or Operation of Law: If a Settlement Class Member acquired ABAT common stock during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that shares of ABAT common stock were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be deemed to be Zero (\$0.00).
- Notwithstanding any of the above, receipt of ABAT common stock during the Settlement Class Period in exchange for common stock of any other corporation or entity shall not be deemed a purchase or sale of ABAT common stock.
- The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the common stock held as of the close of trading on May 14, 2007 (the last day before the Settlement Class Period begins) and then against the purchases during the Settlement Class Period.
- No Authorized Claimant whose proportionate share of cash distributions from the Net Settlement Fund is less than \$100.00 shall receive a distribution from the Settlement Fund.
- Settlement Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Judgment of the Court dismissing this Litigation.

10. Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after the claims have been resolved against the Auditor Defendants.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any ABAT common stock purchased or acquired between May 15, 2007 and March 29, 2011, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Long Notice, you must either: (1) send a copy of the Post Card Notice of Pendency and Proposed Settlement of Class Action (“Post Card Notice”) by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

Advanced Battery Technologies, Inc. Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Tel: (800) 766-3330

If you choose to mail the Post Card Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for administrative costs actually incurred in connection with forwarding the Post Card Notice and which would not have been incurred but for the obligation to forward the Post Card Notice, upon submission of appropriate documentation to the Claims Administrator.

Dated: December 20, 2013

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK