

## GP BATTERIES INTERNATIONAL LIMITED

### Clarifications to Newspaper Reports in Hong Kong on "Cadmium Poisoning of Employees at Huizhou Power Pack Company Limited"

It was reported in several local newspapers in the past few days that over 100 employees of Huizhou Power Pack Company Limited ("Huizhou GP Batteries"), a subsidiary of the company, in Huizhou of Guangdong Province, China have been "cadmium poisoned" and Huizhou GP Batteries refused to pay for the employees' medical fees and salaries.

The Company hereby clarifies that:

1. China has recently launched a new set of occupational testing standards. In particular blood-cadmium and urine-cadmium tests have been introduced. As part of our in-house Industrial Hygiene and Safety exercise, we discovered that about 110 employees had a blood-cadmium level higher than the new test standard stipulated by the relevant health authorities. These employees have been hospitalized for observation to avoid further contact with cadmium. Twenty-two of them had their cadmium level reduced to normal within two weeks and were discharged. Others' current condition is regarded as good. The medical expenses of the affected employees were entirely borne by Huizhou GP Batteries and these employees continued to receive their regular salary. **This is not a case of industrial poisoning of cadmium.**
2. Huizhou GP Batteries has received ISO14000 certification since 2001 and audits are carried out every year to ensure its standards and practices in safety, health environment and emissions are in strict compliance with international requirements.
3. In addition, Huizhou GP Batteries' production and safety management is also in full compliance with the national standards in China as well as those of the Huizhou Municipal.
4. All employees of Huizhou GP Batteries have received proper induction training and been briefed about the general properties of cadmium. Posters about industrial safety and health guidance and reminders of personal hygiene are widely posted in the plants and workshops. Huizhou GP Batteries has also on many occasions arranged medical doctors to give briefings and answer employees' queries regarding safe handling of cadmium and health care.
5. Contrary to some media reports, Huizhou GP Batteries has never "ousted the staff and employees out of the hospital". When the hospital certified that the cadmium level of the affected employees has been reduced to the acceptable level, they were discharged.
6. It was mentioned in some news reports that the blood-cadmium level of a pregnant employee was 60 times of the standard level. According to the official physical check-up report issued by the hospital, the cadmium level of the employee concerned only slightly exceeded the standard level. As a company standing policy of GP Batteries Group, pregnant employees are eligible for internal transfer to other departments to avoid contact with active chemicals.
7. It is normal for traces of different metals (including cadmium) to be found in the human body. If there is a small amount of cadmium intake by accident, cadmium

will be discharged from the human body through normal metabolism even if there is no special medical treatment. To accelerate the cadmium discharge process and for the well-being of the affected employees, they are hospitalized to avoid further contact with cadmium. Once the cadmium level is reduced to the stipulated level, they will be discharged from hospital and are able to return to work.

8. The cadmium level in human body varies and is affected by diet and living habits. As a matter of fact, about 3% of job applicants have been rejected by Huizhou GP Batteries by reason of their excessive cadmium level since the pre-induction cadmium-test has been implemented. Our data shows that these rejected applicants come from different regions of the country. We therefore do not rule out the possibility that the blood-cadmium level of some of our employees exceed the current standard before joining Huizhou GP Batteries.

**The well-being of our employees is of paramount importance to us. We have always cared about their occupational safety, hygiene and health. All our factories are operating as normal.**

**All products of GP Batteries meet the highest safety, quality and performance standards.**

Submitted by Tan San-Ju, Company Secretary on 05/07/2004 to the SGX