

**China battery workers remain under observation or continue to receive treatment due to cadmium exposure**  
**Two workers diagnosed with "mild chronic occupational cadmium poisoning"**

Further to the announcement on 5 July 2004, the Company would like to provide an update on the cadmium exposure of its workers in its two plants in Huizhou., China.

Among the over 1,000 workers who undertook the health checks earlier, about 170 have been placed under observation as their urine-tests for cadmium exceeded the level of 5µmol/mol Cr. They need to be re-examined every year but can lead normal lives, and have been re-assigned to jobs that do not bring them into contact with cadmium in the course of their work.

Currently, 180 workers are hospitalized for observation and treatment.

Two workers have been diagnosed with a "mild chronic occupational cadmium poisoning" as stipulated by the Diagnostic Criteria of Occupational Cadmium Poisoning of China (GBZ17-2002). They are receiving medical treatment according to the Regulations of Occupational Disease Prevention of China.

The Group employs approximately 11,000 employees at its operations in Huizhou and other locations. About 1,500 of them have some contact with cadmium in the course of their work. Of those, more than 1,000 have already received health checks with the remaining to be checked as soon as possible.

The Company reiterates that its management and Board of Directors are highly concerned about the situation, and they are determined to handle it in a proactive, transparent and responsible manner. It has formed a dedicated task force to investigate into the matter and take charge of action items.

Taking good care of employees with levels of cadmium in their blood that exceed the prescribed standard remains the Group's top priority. The Group has, pursuant to the related laws and regulations of China, shouldered all medical expenses of affected workers. The hospitalized workers also continue to receive their salaries together with daily nutritional / medical allowances.

In addition, with an aim to create a healthy, hygienic and safe workplace for all employees, the Company is working actively to improve the environment and facilities across all plants, ensure strict compliance with hygiene regulations, and enhance the training provided for all staff members regarding personal hygiene, healthy living habits and occupational safety.

As stipulated by the Diagnostic Criteria of Occupational Cadmium Poisoning of China, the procedures of cadmium testing are divided into phases, including a blood-cadmium test, urine tests and a globulin test to ascertain if one's kidney is affected. If the condition is more serious, the workers may be classified as having mild or severe chronic cadmium poisoning.