

**Miscellaneous**

\* Asterisks denote mandatory information

Name of Announcer *	GP BATTERIES INT LTD
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Announcement submitted on behalf of	GP BATTERIES INT LTD
Announcement is submitted with respect to *	GP BATTERIES INT LTD
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Announcement Title *	Additional progress achieved in GP Batteries cadmium incident
Description	

## Media Information

### **Additional progress achieved in GP Batteries cadmium incident**

Since the cadmium over-exposure incident at GP Batteries, a member company of Gold Peak Group in Guangdong Province, China, GP Batteries has taken a number of steps to handle the matter in an open, proactive and responsible manner, with all related activities conducted in strict compliance with the respective regulatory requirements of China. The Group's continued efforts, coupled with the help and advice received from various channels, has helped achieve further progress on the follow-up work.

#### **Latest Updates**

GP Batteries has placed great emphasis on workers' health, making it a top priority in all activities. At present, 18 workers remain under treatment at the Guangdong Provincial Occupational Disease Control Hospital. Of these, 12 are undergoing further observation, while the remaining 6 have been diagnosed with “mild chronic occupational cadmium poisoning”.

To retain all affected employees, the factories are doing their utmost to care for all the affected workers. For those who are willing to resume work, the factories have pledged to continue their employment in accordance with the Labour Law of China until their statutory age of retirement, while those who opted to terminate their employment contracts have received compensation beyond the national statutory requirements.

For workers classified as “under observation”, the factories will arrange for them to receive an annual cadmium test, whether they are still under employment by the factories or not. All medical, land transportation and accommodation expenses incurred will be borne by the factories. At present, over 97% of the affected employees have made their decisions, meaning that the situation is largely resolved. However, some departing employees have determined to take legal action against the factories after receiving their compensation. For these and all cases, the factories will respect the ruling of the court.

### **Factory Accreditation**

The ISO14000 accreditation of Huizhou Power Pack and Huizhou Advance Battery, which were issued in 2001, expired in end of 2004. The international accreditation body has expressed concern about the cadmium issue, and has conducted stringent renewal audits at these two factories so as to ensure that the operation and production processes of the factories are effective and in compliance with international standards. Following the audits, ISO14000 accreditation for these two factories has been renewed earlier this year after they showed full compliance with the standard.

### **Industrial Safety Security Fund**

GP Batteries has been working on setting up a legally-binding industrial safety security fund to provide all affected employees with assistance beyond national statutory requirements. In addition to consulting with external parties on the arrangement, terms and regulations of the fund, GP Batteries has also been meeting with NGOs and is considering inviting them to participate in the monitoring and management of the fund. Since the complicated procedures involved in establishing the fund take some time, GP Batteries has already made provisional arrangement to distribute a special one-time subsidy of more than Rmb4 million in order to provide the affected employees with immediate assistance beyond the national statutory requirements.

### **Environment, Health and Safety (“EHS”) Training**

GP Batteries appointed Hong Kong Productivity Council in November 2004 as its professional consultant to provide a series of training sessions on EHS. Group training sessions were organized in Shenzhen late last year for the management staff of its various plants. Existing and new employees of individual plants have also been provided with enhanced training programs, such as regular on-the-job training seminars and refresher courses, as well as induction training on basic skills, handling of chemical materials and EHS. All employees are required to pass evaluation tests to ensure they have a thorough understanding of the training topics. In addition, GP Batteries has deployed certified safety officers at its plants in mainland China. Other employees who have received relevant training are also sent to government authorities for assessment from time to time. For example, Huizhou Power Pack currently has more than 10 employees from various job functions who are now qualified as junior safety officers.

The plants of GP Batteries in China have established EHS committees with representatives from both the management and the employees. These committees take charge of the EHS management within respective plants, and the scope of the committees includes training and education, fire safety, product regulations, promotions and communications, and legal consultations. To ensure the committees function well, members of the committees need to equip themselves with professional knowledge in respective functions. In addition, the committees are formed by employees from different functions and levels in order to ensure that the committees are representative of the entire community.

### **Litigation**

65 workers of Huizhou Power Pack and Huizhou Advance Battery have filed claims against the two plants for compensation. The cases began at the People's Court of Huicheng District, Huizhou on 18 March 2005, and will continue to be heard on 18 May 2005.