

Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	GP BATTERIES INT LTD
Company Registration No.	199002111N
Announcement submitted on behalf of	GP BATTERIES INT LTD
Announcement is submitted with respect to *	GP BATTERIES INT LTD
Announcement is submitted by *	Tan San-Ju
Designation *	Company Secretary
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>> Announcement Details

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Announcement Title *	UPDATE ON CADMIUM ISSUE
Description	Please see attached.



There have been reports recently in the media stating that more than a hundred workers, claiming that they were exposed to cadmium while working at the Company's factories in China, are suing the Company after three co-workers were reported to have died. In response, the Company would like to clarify that:

1) To date, we are not aware of, nor has it been brought to our attention by any workers, their relatives or friends, that any current or former workers have died due to cadmium over-exposure and poisoning. The Company will, upon receiving any further details, be looking into this immediately and will provide due care as needed.

2) As stated in our quarterly result announcement, all previous Court cases in relation to the cadmium exposure compensation claims in China have been closed. However, several new cases were filed recently in China which are related to incidental costs on annual cadmium checks. Court hearing of those cases were already held and the verdicts remain pending.

Background

In mid-2004, GP Batteries has arranged annual health checks that included cadmium tests for about 4,500 workers in Huizhou and Shenzhen. Pursuant to China's Diagnostic Criteria of Occupational Cadmium Poisoning (GBZ17-2002) issued by the Ministry of Health, about 400 workers were found to have excessive levels of cadmium and classified as "Under Observation", and 11 workers were diagnosed as "Mild chronic occupational cadmium poisoning".

Those workers classified as "Under Observation", a form of precautionary measure, are not poisoned. They can lead normal lives and do not require any medical treatment. They should be removed from contact with cadmium and are only required to take cadmium test annually to monitor their bodily cadmium levels. As long as they do not engage in any work with further cadmium exposure, regular body discharge will bring their cadmium levels back to normal, the speed of which is very much individually dependent.



For workers diagnosed with “Mild chronic occupational cadmium poisoning”, they should be removed from contact with cadmium. Currently, 6 of these workers are staying at Guangdong Provincial Occupational Disease Control Hospital while 5 of them have been discharged from hospital and are leading normal lives. Assessments will be performed to ascertain respective levels of poisoning after 1 to 2 years’ observation, and they will be compensated according to legal requirements. Assessment results to date of these 4 cases showed that their bodily cadmium levels were below the lowest standard required for compensation claims.

GP Batteries has been taking care of these affected workers by shouldering all related medical and hospitalization expenses and providing affected workers with compensation packages that exceed legal requirements. Current workers classified as “Under Observation” have been given a monthly nutrient subsidy which is not legally required.

GP Batteries continues to provide “Under Observation” workers, whether or not they are our current employees, with the mandatory annual cadmium checks and shoulders all related expenses, including land transportation, accommodation and medical checks, until medical authorities remove them from the list of “Under Observation”.

GP Batteries has also voluntarily set up the *GP Batteries Industrial Safety Trust Fund* with the objective of providing assistance beyond legal requirements to both current and former workers due to cadmium over-exposure. Hundreds of affected workers have received one-time subsidies since the provisional fund became operational in August 2004. From August 2005 when the official trust fund was established, all applications are considered and approved by an independent Fund Granting Committee.

We will continue to assume full responsibility, take charge of the issue in full compliance with local laws and customs in China, and to provide due assistance to employees if their needs are genuine.