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> Mr Victor Lo Chung Wing Chairman and CEO Gold Peak Industries (Holdings) Limited (GP) 8/F Gold Peak Building, 30 Kwai Wing Road Kwai Chung Hong Kong SAR

Fax: + 852 2480 5912

6 September 2006

Dear Mr. Lo Chung Wing and Gold Peak shareholders,

### Compensation for excessive cadmium levels and cadmium poisoning

The FGTB, one of the Representative Belgian trade union confederations, is member of the ICFTU and has been informed by the ICFTU about the cadmium poisoning at GP factories in China.

We understand that on the 13 September 2006, Gold Peak Industries will be holding its Annual General Meeting (AGM) in Hong Kong. On behalf of *the FGTB*, we wish to take this opportunity to address the AGM, in order to express our support for the struggle of workers from several of your company's factories in China to obtain adequate compensation and redress for excessive cadmium levels and cadmium poisoning contracted while working for Gold Peak Industrial Holding Ltd's (hereafter GP).

We are also writing to express our dismay at the commencement of legal action you have taken against the Hong Kong Confederation of Trade Unions (HKCTU), affiliated to the Brussels-based International Confederation of Free Trade Unions (ICFTU), along with two other local Hong Kong labour groups, Globalisation Monitor and the Neighbourhood and Workers' Service Centre. We deplore the use of threatening legal action to silence the legitimate support which the HKCTU and other groups are showing to these workers.

According to many reports, some 400 workers from at least two GP factories, Xianjin and Chaoba, have been found to have excessive cadmium levels, while ten workers have already been diagnosed as having cadmium poisoning.

The compensation fund established in August 2005 has so far been inadequate in providing assistance to the affected workers.

According to GP's own statements, only four percent of the 400 workers affected have so far received funds. In November 2005, workers from GP's Xianjin and Chaoba factories presented a letter to the GP Fund board managers. The letter included a number of clear and reasonable demands: medical checks for the children of female workers who had come into contact with cadmium, the payment of past, current and future medical costs of the workers, the issue of future employment and assistance for the difficult financial circumstances that most of the affected workers now find themselves in. We urge GP to ensure that these requests are promptly addressed and the workers compensated.

The case has attracted the attention of trade unions and labour groups worldwide: in June 2006, the International Metalworkers' Federation (IMF) wrote to GP's worldwide headquarters in Hong Kong and its European headquarters in the Netherlands in support of the workers. Unless GP lives up to its promises and negotiates a fair package for the workers involved, the media spotlight will not disappear.

We very much hope that you will accept the contents of this letter in good faith and do your utmost to resolve the dispute.

Yours sincerely.

Anne DEMELENNE General Secretary

Rudy DE LEEUW President.

#### Copy:

#### Gold Peak Holdings

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(All information taken from GP websites - <a href="http://www.goldpeak.com">http://www.goldpeak.com</a> and <a href="http://www.gpbatteries.com.hk/html/offices/sales.html">http://www.gpbatteries.com.hk/html/offices/sales.html</a>)

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