



**INDEPENDENT AND SELF-GOVERNING TRADE UNION
National Commission – International Department**

address: ul. Waly Piastowskie 24, 80-855 Gdańsk, Poland;
tel.: +48-58 308 4232, 308 4353 e-mail: zagr@solidarnosc.org.pl
fax: +48-58 308 4482, 308 4495 <http://www.solidarnosc.org.pl>

6 September 2006

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

Dear Mr. Lo Chung Wing and Gold Peak shareholders,

Compensation for excessive cadmium levels and cadmium poisoning

I 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 Independent and Self-governin Trade Union "Solidarnosc", representing about 1 mln workers in Poland, I 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).

I am 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.

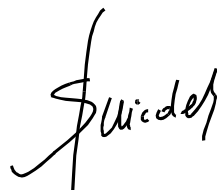
According to many reports, some 400 workers from at least two GP factories, Xianjin and Chaoba, have been found to have excessive cadmium levels, while ten workers have already been diagnosed as having cadmium poisoning. Numerous statements show that there have been poor levels of occupational health and safety training, education and safeguards in GP factories producing cadmium batteries in the mainland. Several dozen GP workers have indeed already been hospitalised due to exposure to cadmium.

While GP has made significant improvements to working conditions in several areas, we are extremely concerned at reports that GP has sub-contracted cadmium-nickel battery production to another location in Hunan, which reportedly has substandard health and safety measures.

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,

A handwritten signature in black ink, appearing to read 'Śniadek', written in a cursive style.

Janusz Śniadek
President