

## Concerning the articles from 3F

23<sup>rd</sup> September 2008

Firstly, we would like to thank for the opportunity to comment on the stories that have appeared on the Internet concerning the conditions at our factory in Yantai, China. Secondly, we appreciate this chance to weed out some of the many incorrect claims that have been put forward.

Being a good employer that provides good working conditions has always been a key priority for Ole Wolff Electronics whether it be in Denmark or in China, and we provide all our employees with contracts that have been approved by the Chinese authorities. We regret the fact that the situation at our factory in Yantai has developed to this point and we are actively trying to resolve the situation and to reach mutual agreements with all parties involved. The matter is a complicated one and we recognize that mistakes have been made by our former factory management. We would like to make it clear that we do indeed assume full responsibility for these mistakes and that we have implemented a series of new routines as well as strengthened some existing ones to ensure that these mistakes will not be repeated.

We would also like to take this opportunity to stress that we have absolutely nothing to hide. We have extended a standing invitation to customers, government agencies and others who wish to inspect our facilities. We have done so because we feel that the criticism has been somewhat misguided and to some extent based on incorrect facts.

Firstly, it has been claimed that we refuse to recognize a workplace union. This is untrue.

The employees at our factory in Yantai have been organized in a workplace union since October 2006. The union is active.

Secondly, it has been claimed that we have dismissed six workers because of their participation in union activities. This is incorrect.

The six workers in questions were dismissed after an altogether unacceptable series of events that had absolutely nothing to do with their union memberships. We recognize that in the process of dismissing these workers, the factory management made a series of procedural errors and on those grounds we are working towards an agreement about compensation.

Thirdly, it has been claimed that we refuse to follow a court order to reinstate the six dismissed workers. This is incorrect.

We respect the Chinese authorities and their decisions. The court has stated that the six workers were not dismissed under proper procedures, but no assessment of compensation was provided and we are not obligated to reinstate them. We are currently working with the workers to reach an agreement on the size of their compensation, but we feel that it would be inappropriate to discuss the details of this in the media. The matter is somewhat complicated and we have invited the Chinese authorities to participate in the negotiations as an arbitrator. We will respect their input and will follow their advice regarding the compensation. As for rehiring the workers, we must stress that the series of events leading to their dismissal does not permit us reinstating the workers at the factory.

Fourthly, sources claim that we have withheld the workers' letters of resignation and that this has prevented them from finding new jobs. This is untrue.

We never withhold letters of resignation. It is common practice in China that employees pick up their letter of resignation at the factory themselves. The papers have been available to the six dismissed workers for a very long time, and we frequently mention this to their representative – at one point, we even put an ad in the local paper to have the six dismissed workers come down to the factory. To the best of our knowledge, four of the six workers have had no trouble finding other employment even though they have not yet picked up their papers at the factory.

Lastly, it has been stated that we have no intention of respecting labour rights. This is untrue.

We have every intention of treating our employees well and we do respect their rights. In addition to solving the problems at hand, we are speaking directly to the state union in China to ensure that we avoid any repetition of the current situation.

As a closing remark we would like to repeat the invitation above that customers, government agencies and others who wish to inspect our facilities can come to visit. We would also like to stress that we are available for interviews to any media.

Sincerely,

Ole Wolff Electronics

Ole Wolff

CEO