



浙 江 玻 璃 股 份 有 限 公 司

ZHEJIANG GLASS COMPANY, LIMITED

(a joint stock limited company incorporated in the People's Republic of China)  
(stock code: 739)

## PROFIT WARNING

This announcement is made in accordance with paragraph (1) of Rule 13.09 of the Listing Rules.

It is expected that the Net Profit of the Group for the Second Six Month Period for 2007 would outperform the Net Profit of the Group for the First Six Month Period for 2007 by over 70%. For the year ended 31 December 2006, the Group has recorded a net loss.

*Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.*

According to the preliminary calculations by the senior management of Zhejiang Glass Company, Limited (the "Company", together with its subsidiaries, the "Group") based on the management accounts of the Company and during the course of audit for the purpose of compiling the annual report of the Company for the year ended 31 December 2007, it is expected that the after-tax net profit, before deduction of minority interests, of the Group (the "Net Profit") for the six months ended 31 December 2007 (the "Second Six Month Period for 2007") would outperform the Net Profit of the Group for the six months ended 30 June 2007 (the "First Six Month Period for 2007") by over 70%. For the First Six Month Period for 2007, the Group has recorded an unaudited Net Profit of approximately RMB100,282,000. For the year ended 31 December 2006, the Group has recorded an audited after-tax net loss, before deduction of minority interests, of approximately RMB59,914,000.

The increase of the Net Profit of the Group for the Second Six Month Period for 2007 is mainly due to (i) the selling prices of glass products of the Group is in a steady rising trend, and (ii) a relatively high return from Qinghai Soda Ash Company Limited, ("QSAC"), a 78.69% owned subsidiary as at 31 December 2007 of the Company. QSAC's relatively high return is attributable to its commencement of full-scale commercial production during 2007, effective bulk-transportation and a generally increasing trend of the price of soda ash due to an increasing demand for downstream glass products, metallurgy products and oxidised aluminium, a principal raw material of which is soda ash.

This profit warning announcement is derived from the preliminary calculations of the Company's senior management based on the management accounts of the Company and during the course of audit for the purpose of compiling the annual report of the Company for the year ended 31 December 2007. The information contained in this announcement is only a preliminary estimate of the Company and the above audit thereon has not been completed by the Company's auditors. The annual results of the Group for the year ended 31 December 2007 (the "2007 Annual Results") have not yet been finalised as at the date of this announcement. The Company will announce its 2007 Annual Results in due course. Investors are advised to read with care the 2007 Annual Results as and when it is published. Detailed financial information of the Company will be disclosed in the 2007 Annual Results.

***Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.***

This announcement is made in accordance with paragraph (1) of Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

By Order of the Board  
**Zhejiang Glass Company, Limited**  
**Feng Guangcheng**  
*Chairman*

Zhejiang Province, the People's Republic of China, 2 April 2008

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr Feng Guangcheng, Ms Hong Yumei, Mr Gao Huojin, Mr Shen Guangjun and Mr Jiang Liqiang; two non-executive directors, namely Mr Liu Jianguo and Mr Xie Yong; and four independent non-executive directors, namely Mr Wang Yanmou, Dr Li Jun, Mr Su Gongmei and Mr Zhou Guochun.*