

# Report of the Supervisory Committee

## TO ALL SHAREHOLDERS

The seven members of the Supervisory Committee of Zhejiang Glass Company, Limited ("the Company") have conscientiously exercised their functions and powers to protect the interests of the shareholders and the interests of the Company in adherence to the principle of faithfulness and have performed their duties with due prudence, initiative and diligence pursuant to the Company Law of the People's Republic of China (the "PRC"), relevant laws and regulations of Hong Kong and the Company's Articles of Association. Our principal duties are: to attend meetings of the Board of Directors; to monitor effectively the guiding principles for decision-making and the decisions made to ensure their compliance with the laws and regulations of the PRC and the Articles of Association and that they are in the interests of shareholders and employees; to review the financial reports submitted by the Board of Directors, and to carry out vetting of the financial report and profit distribution plan submitted to the Annual General Meeting by the Board of Directors.

With the assistance of various intermediaries and professionals, the directors, general manager and other members of the senior management of the Company organised the employees to carry out their duties pursuant to the Articles of Association and obtained satisfactory results in implementing standardised operations, enhancing production safety and increasing economic efficiency. As a result, the Company achieved net profit for the year amounting to approximately RMB212 million.

The Supervisory Committee has reviewed the financial report and profit distribution plan prepared by the Board of Directors of the Company for submission to the Annual General Meeting and gives full concurrence thereto. The Supervisory Committee has reviewed the Report of the Directors to be submitted to the shareholders and believes that its content reflects the actual state of the Company. In the course of the Company's operations, members of the Board of Directors, the general manager and other senior management of the Company have complied with their fiduciary duties and discharged their duties diligently in the exercise of their respective rights and obligations. No cases of abuse of power or infringement of the interests of shareholders and employees of the Company have been found.

The Supervisory Committee is satisfied with the results and the economic efficiency achieved by the Company. Accordingly, we are fully confident about the Company's future prospects.

On behalf of the Supervisory Committee

**Chen Baijin**

*Chairman of the Supervisory Committee*

15 April 2002