

Report of the Supervisory Committee

TO ALL SHAREHOLDERS

The seven members of the Supervisory Committee of Zhejiang Glass Company, Limited (the "Company") have fulfilled their duties to protect the interests of the shareholders and the interests of the Company in accordance with 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 (the "Board"); to monitor effectively the procedures for decision-making and the decisions made by the Board 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; and to carry out vetting of the financial report and profit distribution plan submitted to the Annual General Meeting by the Board.

With the assistance of various intermediaries and professionals, the directors, general manager and other members of the senior management of the Company carried out their duties pursuant to the Articles of Association and obtained satisfactory results in the Company's operations, enhancing production safety and increasing economic efficiency. As a result, the Company achieved a net profit for the year amounting to approximately RMB86.3 million.

The Supervisory Committee has reviewed the financial report and profit distribution plan prepared by the Board 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, the general manager and other senior management of the Company have 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 2003