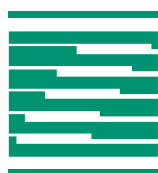


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浙 江 玻 璃 股 份 有 限 公 司

ZHEJIANG GLASS COMPANY, LIMITED

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

(Stock Code: 739)

ENTERING INTO OF A RMB100 MILLION SALES CONTRACT FOR SUPPLYING AUTOMOTIVE GRADE FLAT GLASS; AND UPGRADING OF PRODUCTION LINE

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 20 December 2009, the Company entered into a supply contract with a company incorporated in the PRC as customer with a currently estimated contract value of RMB100 million for the supply of automotive grade flat glass by the Company.

Based on the information provided by the customer, its shares are listed on the Shanghai Stock Exchange and it is principally engaged in the manufacture of glass used in automobiles.

In addition, in order to seize the opportunities arising from the recovering glass market in the PRC, the Board is pleased to announce that one of the flat glass production lines of the Group have been successfully upgraded and re-commenced commercial operation since 15 December 2009, with a daily melting capacity of 600 tonnes.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the H Shares.

This announcement is made by the Company on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

RMB100 MILLION SALES CONTRACT FOR SUPPLYING AUTOMOTIVE GRADE FLAT GLASS

On 20 December 2009, the Company entered into a supply contract with a company incorporated in the PRC as customer with a currently estimated contract value of RMB100 million for the supply of automotive grade flat glass by the Company.

Based on the information provided by the customer, its shares are listed on the Shanghai Stock Exchange and it is principally engaged in the manufacture of glass used in automobiles.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the customer and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the supply contract, the product to be delivered by the Group is 1.6mm to 2.5mm ultra-thin flat glass primarily to be used in automobiles. The unit price for each specific product to be supplied by the Group is to be determined on a quarterly basis. The exact date of delivery would be agreed between the parties on an order-by-order basis. The supply contract will become effective on 1 January 2010 and will remain valid until 31 December 2010.

The Directors consider that the transaction contemplated under the supply contract is on normal commercial terms and in the ordinary and usual course of business of the Company. Given the transaction concerned is one of a revenue nature in the ordinary and usual course of business of the Group, the same is not regarded as a "transaction" which may require compliance with the reporting, announcement and/or shareholders' approval requirements under Chapter 14 of the Listing Rules.

In November 2009, the average selling price of flat glass in the PRC was RMB78 per weight case, which was a record high since January 2003 (*source: www.ocn.com.cn*). The utilization rate of the Group's flat glass production lines reached 100% in the third quarter during 2009. The product to be delivered by the Group under the above supply contract is a high-value product with an expected higher average selling price and gross profit margin, and will primarily be used in automobiles. In view of the generally encouraging policy adopted by the People's Government on the PRC automobile industry, in that according to the "Regulation

on the Plan for Revitalization of Automobile Industry*”(《汽車產業調整振興規劃細則》) announced by the State Council in March 2009, the sales and production of automobiles in the PRC are planned to be maintained at an average annual growth of 10% over the next three years, the glass industry is expected to benefit indirectly. The Directors consider that the supply contract secures a stable source of income to our Group and enhances the Group’s reputation in the glass industry.

UPGRADING OF A PRODUCTION LINE

In order to seize the opportunities arising from the recovering glass market in the PRC, the Board is pleased to announce that one of the flat glass production lines of the Group have been successfully upgraded and re-commenced commercial operation since 15 December 2009, with a daily melting capacity of 600 tonnes. The Group will continue to develop and enhance the quality of its value-added glass products, including ultra-thin glass and ultra-thick glass, in an attempt to secure more sales orders.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	浙江玻璃股份有限公司 (Zhejiang Glass Company, Limited), a joint stock limited company incorporated in the PRC, the H shares of which are listed and traded on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time

“H Share(s)”	overseas listed foreign shares of RMB1 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“Independent Third Parties”	a person(s) or company(ies) which is/are independent of and not connected with any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *Unofficial transliteration from Chinese name for identification purposes only*

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

Zhejiang Province, the PRC, 29 December 2009

As at the date of this announcement, the Board comprises the following Directors: (a) as executive Directors, Mr Feng Guangcheng, Ms Hong Yumei, Mr Zhang Shutao, Mr Shen Guangjun and Mr Jiang Liqiang, (b) as non-executive Directors, Mr Liu Jianguo and Ms Chen Rong, and (c) as independent non-executive Directors, Mr Wang Yanmou, Dr Li Jun, Mr Su Gongmei and Mr Zhou Guochun.