



ASIA ZIRCONIUM LIMITED

亞洲銦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0395)

EXCEPTIONAL TRADING VOLUMES

The board of directors (the “**Directors**”) of Asia Zirconium Limited (the “**Company**”) has noted that there is increase in the trading volume of the ordinary shares (the “**Shares**”) of the Company today and wish to state that, save as disclosed herein, the Directors are not aware of any reason for such increase in trading volume of the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited in relation to the increase in the trading volume of the Shares of the Company.

The Directors noted that there is increase in the trading volume of the Shares and confirm that, save as disclosed herein, the Directors are not aware of any reason for such increase in trading volume of the Shares.

The Company entered into an engagement letter with DBS Asia Capital Limited on 13 November 2006 to engage them as the bookrunner and lead manager for a potential placing of the Shares. No agreements have been entered into by the Company and the investors regarding the proposed transaction.

Save as disclosed, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board

Yang Xin Min

Chairman

Hong Kong, 13 December 2006

As at the date of this announcement, the Directors of the Company are Mr. Yang Xin Min, Ms. Huang Yue Qin, Mr. Zhou Quan, Mr. Li Fu Ping as Executive Directors, Mr. Cheng Faat Ting Gary, Mr. Guo Jing Mao and Mr. Shi You Chun as Independent Non-Executive Directors.