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ASIA ZIRCONIUM LIMITED

亞洲鋳業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 0395)

ANNOUNCEMENT

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

The Board is pleased to announce that the completion of the Placing and the Subscription took place on 9 January 2007 and 16 January 2007 respectively.

Reference is made to the announcement of the Company dated 4 January 2007 (the “**Announcement**”) relating to, amongst others, the Placing and the Subscription.

Unless otherwise defined, terms used herein shall have the same meanings as in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The board of Directors of the Company (the “**Board**”) is pleased to announce that completion of the Placing took place on 9 January 2007 where a total of 60,000,000 Placing Shares beneficially owned by the Vendor were placed out to not less than six independent placees who are independent of each other, not connected with and not acting in concert with the Vendor, Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates or concert parties at HK\$0.74 per Placing Share.

The Board further announces that the completion of the Subscription took place on 16 January 2007 where 60,000,000 Subscription Shares were subscribed by the Vendor at HK\$0.74 per Subscription Share.

The net proceeds raised from the Subscription were approximately HK\$42,400,000.

Upon completion of the Placing and the Subscription, the shareholding of the Vendor in the Company immediately before the Placing and the Subscription, immediately after the Placing but before the Subscription, and immediately after the Placing and the Subscription are as follows:

The Shareholders	Before the Placing and the Subscription		After the Placing but before the Subscription		After the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor	300,454,946	59.59	240,454,946	47.69	300,454,946	53.26
The Public						
- Placees	—	—	60,000,000	11.90	60,000,000	10.64
- Others	203,716,000	40.41	203,716,000	40.41	203,716,000	36.10
In aggregate	504,170,946	100	504,170,946	100	564,170,946	100

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.

By order of the Board
Asia Zirconium Limited
Yang Xin Min
Chairman

Hong Kong, 16 January 2007

* for identification purposes only