



For Immediate Release

1 December 2006

**Asia Zirconium and Chinese Materials Research Society
Discuss the future development of the zirconium industry and new materials**

Asia Zirconium Limited (“Asia Zirconium” or “the Company”, stock code: 0395) had a meeting with an expert team from the Chinese Materials Research Society the day before, discussing on the topic regarding to the future development and new technology of the zirconium industry and new materials.

Accompanied by Ph.D. Li Jian (Chief Expert on Fuel Cell research project of Asia Zirconium and member of the expert team from the Chinese Materials Research Society), 8 experts, including Mr. Gan Yong (Vice President, member of the Chinese Academy of Engineering and President of Central Iron & Steel Research Institute) and Mr. Wang Zhan Guo (Vice President, member of the Chinese Academy of Sciences and Researcher in the Chinese Institute of Semiconductor in the Chinese Academy of Sciences) visited Asia Zirconium Hong Kong office on 27 November to discuss with Mr. Yang Xinmin, Chairman of Asia Zirconium, on the development prospects and major technology barriers of zirconium and other new materials. The team members and Mr. Yang have also discussed the development of nuclear power in China in the next 14 years and confirmed its importance to zirconium industry. The experts further planned to organize, through Asia Zirconium, a “Sino-Japanese Conference on International SOFC Technology” at Yixing, China in July 2007. The purpose of this conference is to provide a platform for technological interchange among the fuel cell experts from China and other countries, so as to align with the industry in the globe.

Mr. Yang Xinmin, Chairman of Asia Zirconium, is pleased to say, “Coupled with the macro market conditions in China, the rapidly increasing demand for Chinese new materials in both the domestic and international market reflected a strong potential for these products. In fact, the technology should be developed at a faster pace in order to achieve a globally-recognized first-class standard. We are pleased to have this opportunity to meet with the expert team from the Chinese Materials Research Society, as well as thankful to their high evaluation towards Asia Zirconium as the leader in the Chinese zirconium industry.”

Company profile:

Asia Zirconium Limited, listed on the Stock Exchange of Hong Kong Limited on 28 October 2002, is one of the largest zirconium chemicals manufacturer and exporter in the PRC. With annual production capacity of over 40,000 tonnes of various types of zirconium chemicals, the Company’s products sold in the PRC, Japan, the US and Hong Kong with “Long Jing” as the registered trademark. The Company has established a wholly-owned subsidiary in Yixing which specialized in the manufacture and sale of rechargeable batteries, including lithium-ion and NiMH batteries. It is expected that the power batteries for electric bicycles will be launched to the market by the end of this year.



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Attachment: 3 photos have been sent together with the press release