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CHINA ZIRCONIUM LIMITED
中國鋯業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0395)

CHANGE OF AUDITORS

Reference is made to the circular of the Company dated 12 December 2007. RSM Nelson Wheeler resigned as auditors of the Company with effect from 28 December 2007. KPMG has been appointed as auditors of the Company pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company on 28 December 2007.

CHANGE OF AUDITORS

Reference is made to the circular of China Zirconium Limited (the “Company”) dated 12 December 2007. RSM Nelson Wheeler resigned as auditors of the Company with effect from 28 December 2007. The Company would like to thank RSM Nelson Wheeler for their professional services over this period of time. RSM Nelson Wheeler have not started the audit work on the financial statements of the Company for the year ending 31 December 2007.

The Company further announces that pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 28 December 2007, KPMG has been appointed as auditors of the Company to fill the causal vacancy following the resignation of RSM Nelson Wheeler until the next annual general meeting of the Company.

As stated by RSM Nelson Wheeler in their notice of resignation, there are no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders of the Company. RSM Nelson Wheeler also addressed to KPMG in their letter that they were not aware of any circumstances surrounding the change of auditors that they consider KPMG should be aware of. The board of directors of the Company also considered that there are no circumstances in respect of the change of auditors which it considers should be brought to the attention of the shareholders of the Company.

By Order of the Board
CHINA ZIRCONIUM LIMITED
Yang Xin Min
Chairman

Hong Kong, 28 December 2007

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.

**for identification purpose only*