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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 – CLARIFICATION ANNOUNCEMENT

Reference is made to the circular and the announcement of China Zirconium Limited (the “Company”) dated 12 December 2007 and 28 December 2007, respectively. The Board of Directors of the Company wishes to clarify that the change of auditors was for the purpose of good corporate governance. As RSM Nelson Wheeler have been auditors of the Company for more than five years, the management of the Company considered it is an appropriate time for a change of auditors periodically for the benefit of the Shareholders.

By Order of the Board
CHINA ZIRCONIUM LIMITED
Li Mei Kuen
Company Secretary

Hong Kong, 31 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*