

Asia Zirconium Limited (the “Company” or “Asia Zirconium”, together with its subsidiaries the “Group”), was listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 October 2002. The Group is the largest zirconium chemicals manufacturer and exporter in the PRC. Leveraging on its advantages in zirconium chemicals industry, the Group has extended its business into the production and sale of zirconium-related new energy materials (used as electrode materials for batteries), electronic ceramic products and rechargeable batteries.

The Group started its operations in 1977 and is based in Yixing, Jiangsu Province, the PRC. With over twenty years’ development, the Group has successfully transformed from a small scale zirconium chemicals plant to an internationally renowned zirconium chemicals manufacturer with a sizable current annual production capacity of over 40,000 tonnes of various types of zirconium chemicals, 1,500 tonnes of new energy materials and 25 million pieces / sets of PTC heating components. In January 2004, the Group established a new wholly-owned subsidiary in Yixing which specialised in the manufacture and sale of rechargeable batteries, with an annual capacity of over 125 million units of Li-ion, NiMH and NiCd batteries.

Application of zirconium chemicals increased widely from originally two major usages in conventional sanitary ceramics and military applications to broad areas in mobile phone components, electronic products, optical fibres, textiles, paints, ceramics, optical glass, medical and pharmaceutical products, leather goods, paper goods, cosmetic materials, weapon fuel media and nuclear reaction materials, etc.

The Group’s new energy materials products, including nickel hydroxide, hydrogen-storage alloy powder, and lithium cobalt oxide, are electrode materials for NiMH, NiCd and Li-ion batteries. Such products are widely used by leading domestic and overseas battery manufacturers, such as Wuxi Matsushita Battery Co., Ltd. under the Panasonic group in Japan.

The Group’s products, with “Long Jing” as the registered trademark in the PRC, Japan, the US & Hong Kong, has long been well-received by the international market. Products have been exported to Japan, the US and Europe for 26 years, 14 years and 15 years, respectively. The Group was also accredited by the China Nonferrous Metals Association as the largest zirconium chemicals exporter in the PRC in 2001.



External View of the Production Site at Yixing



CORPORATE PROFILE *(Continued)*

Parallel to the expansion of its business, the Group is also committed to improving operating efficiency and assuring high product quality. The Group has been awarded both the ISO14001 Environmental Management System Certification and the ISO9002 Quality System Certification. In 2003, the Group was also accredited as a state key high-tech enterprise. In addition, a number of the Group's products were appraised as high-tech products at state and provincial levels, among which the nanometric zirconium oxide and cerium zirconium compound were rated as Grand New Products by the state and were classified as "China Torch Programme" items.

Apart from the leading position of the Group in the PRC zirconium chemicals market, the experience and expertise of its Chairman, Mr. Yang Xin Min, is also highly appraised by the industry. In April 2004, Mr. Yang was elected by the industry as the Vice Chairman of the newly-established "China Nonferrous Metals Association - Zirconium and Hafnium Branch" in the PRC. He was also nominated a member of the expert team of the China Zirconium and Hafnium Institutional Committee for a term of two years. The management talent and industrial expertise of the Group are therefore widely recognised.