A - S China Plumbing Products Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8262

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

The GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on the GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

The principal means of information dissemination on the GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on the GEM-listed issuers.

The announcement, for which the directors of A-S China Plumbing Products Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

- Total turnover of the Group for the three months ended 30 September 2008 amounted to approximately US$30.08 million (2007: US$27.08 million) and turnover for the nine months ended 30 September 2008 amounted to US$88.75 million (2007: US$75.00 million).

- The Group kept encouraging growth in Q3. Total turnover for the three months ended 30 September 2008 grew 11.1%. Domestic sales grew by 6.1% and export sales grew by 17.0% compared to the same period last year.

- The gross profit margin of the nine months decreased by 4.9% to 28.7% compared to the same period last year principally due to continuing increase of material costs such as energy price. However, the Company continues to make good progress towards world-class levels of productivity in its plants.

- The Group recorded a net loss after minority interests of approximately US$11.4 million during the nine months ended 30 September 2008 compared to a net profit after minority interests of approximately US$3.7 million in the same period last year. The net loss during the period of this year was mainly due to a provision of restructuring costs incurred for the liquidation of a subsidiary of approximately US$9.0 million. By excluding the restructuring costs for the liquidation of the subsidiary, the Group recorded a net loss after minority interests of approximately US$2.4 million, which was mainly due to much stronger sales and marketing investment, which aimed to strengthen the brand image.

- The Group continues to maintain a healthy financial position. As of 30 September 2008, the net current assets of the Group amounted to US$37.58 million, which comprise cash and bank deposits of approximately US$24.54 million. The Group has no bank loan as of the period end date and the reporting date.

Prospect

- Given the fact of changes in global economic environment, the Group sees the market fluctuation while the impact magnitude is yet to be known.

FOREIGN CURRENCY EXPOSURE

- The Group's reporting currency is in US$. Most of the transactions, assets and liabilities of the Group are denominated in US$ and Renminbi ("RMB"). The directors consider that the Group is not significantly exposed to any exchange risk and accordingly, the Group did not utilize any financial instruments in the foreign currency market to hedge against the risk of fluctuation of the RMB in relation to other foreign currencies. The directors believe that, having regard to the working capital position of the Group, the Group is able to meet its future exchange liabilities, if any, as they become due.

QUARTERLY RESULTS FOR THE NINE MONTHS AND THREE MONTHS ENDED 30 SEPTEMBER 2008

The board of directors is pleased to announce the unaudited consolidated results of the Group for the nine months and three months ended 30 September 2008 together with the comparative unaudited consolidated results for the corresponding period in 2007 (the "Relevant Periods") as follows:

Condensed Consolidated Profit And Loss Account

		Unaudited three months ended 30 September		**Unaudited nine months ended 30 September**	
		2008	**2007**	**2008**	**2007**
	Notes	*US$'000*	*US$'000*	*US$'000*	*US$'000*
REVENUE	3	30,081	27,076	88,751	74,999
Cost of sales		(21,574)	(18,167)	(63,274)	(49,802)
Gross profit		8,507	8,909	25,477	25,197
Other expenses, net		(435)	(273)	(564)	(277)
Distribution costs		(1,170)	(796)	(3,335)	(2,598)
Administrative and other operating expenses		(7,250)	(5,285)	(21,171)	(14,570)
Restructuring costs	4	(8,989)	–	(8,989)	–
(LOSS)/PROFIT BEFORE TAX		(9,337)	2,555	(8,582)	7,752
Tax	5	(379)	(884)	(2,047)	(2,552)
(LOSS)/PROFIT FOR THE PERIOD		(9,716)	1,671	(10,629)	5,200
Attributable to:					
Equity holders of the parent		(10,006)	1,141	(11,404)	3,747
Minority interests		290	530	775	1,453
		(9,716)	1,671	(10,629)	5,200
(LOSS)/EARNING PER SHARE ATTRIBUTE TO ORDINARY EQUITY HOLDERS OF THE PARENT (US cents)					
– Basic and diluted, for profit/(loss) for the period	6	(6.62)	0.76	(7.55)	2.48

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the parent									
	Issued share capital	Share premium account	Reserve fund	Expansion reserve	Exchange fluctuation reserve	Share Option reserve	Retained profits	Total	Minority interest	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2008	1,510	60,616	7,008	1,581	6,255	604	9,807	87,381	11,175	98,556
Exchange realignment	–	–	–	–	3,727	–	–	3,727	678	4,405
Net gain not recognized in the profit and loss account	–	–	–	–	3,727	–	–	3,727	678	4,405
Net profit/loss for the period	–	–	–	–	–	–	(11,404)	(11,404)	775	(10,629)
At 30 September 2008	1,510	60,616	7,008	1,581	9,982	604	(1,597)	79,704	12,628	92,332
At 1 January 2007	1,510	85,305	4,334	1,306	1,220	–	15,606	109,281	12,156	121,437
Exchange realignment	–	–	–	–	4,253	–	–	4,253	442	4,695
Net gain not recognized in the profit and loss account	–	–	–	–	4,253	–	–	4,253	442	4,695
Net profit/loss for the period	–	–	–	–	–	–	3,747	3,747	1,453	5,200
Dividend declared or paid	–	(24,689)	–	–	–	–	–	(24,689)	–	(24,689)
Dividend declared or paid to Minority interest shareholders	–	–	–	–	–	–	–	–	(3,240)	(3,240)
At 30 September 2007	1,510	60,616	4,334	1,306	5,473	–	19,353	92,592	10,811	103,403

Pursuant to Section 34(2) in Chapter 22 of the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Company can distribute dividends out of the share premium account provided that the Company will be able to pay off its debts as and when they fall due in the ordinary course of business.

Notes:

1. BASIS OF PREPARATION

The unaudited accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They are prepared under the historical cost convention.

The unaudited consolidated results for the nine months ended 30 September 2008 have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company's annual financial statements for the year ended 31 December 2007.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group.

HK(IFRIC) – Int 11,	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12,	Service Concession Arrangements
HK(IFRIC) – Int 14,	HKAS 19 – The Limit on a Defined Benefit Asset Minimum Funding Requirements and Their Interaction

2. PRINCIPAL ACTIVITIES

The Group manufactures and distributes in China a broad range of bathroom and kitchen fixtures and plumbing fittings under the brand names owned by Ideal Standard Global Ltd. ("ISG") (Note), including the "American Standard" and "Armitage Shanks" brands. The Group includes the ventures in China, which have established a manufacturing base for the production of bathroom and kitchen fixtures and plumbing fittings in Shanghai, Tianjin and Guangdong province using manufacturing equipment and manufacturing technologies developed by the former ultimate holding company, American Standard Group to ensure the quality of its products.

Note: American Standard Companies Inc. ("ASCI"), ASD Acquisition Corp. ("ASD") and Ideal Standard International Holding Sarl ("Ideal Standard International") entered into to a certain Stock and Assets Purchase Agreement, pursuant to which ASD and Ideal Standard International agreed to acquire the worldwide Bath and Kitchen business of ASCI. As part of such acquisition, the Company was sold to Ideal Standard International on 31 October 2007. The Company, ISG, which is an indirect subsidiary of Ideal Standard International and American Standard Inc. ("ASI"), which is a wholly-owned subsidiary of ASCI, entered into an Instrument of Novation, Amendment, Joinder and Release in respect of The Intellectual Property Agreement on 12 October 2007, pursuant to which, ISG in place of ASI takes relevant rights, benefits, obligations, duties and entitlements under the Intellectual Property Agreement and Intellectual Property Novation Agreement.

3. TURNOVER

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts and business/sales tax where applicable. All significant intra-group transactions have been eliminated on consolidation.

	Unaudited three months ended 30 September		**Unaudited nine months ended 30 September**	
	2008	**2007**	**2008**	**2007**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment Revenue				
Mainland China	15,439	14,558	44,727	37,216
North America	3,026	2,635	8,922	10,245
United Kingdom	1,728	4,069	10,300	11,871
Other European countries	4,552	2,439	11,889	5,975
Others	5,336	3,375	12,913	9,692
Total	30,081	27,076	88,751	74,999

4. RESTRUCTURING

According to the long-term manufacturing optimization strategy, approval of the Board of the Company and agreement with the joint venture partner, the Group has planned to liquidate an unprofitable bathtub plant in Guangdong, PRC, released all employees, reassessed the carrying value of the assets and liabilities of the subsidiary, and consolidated all of its bathtub manufacturing in another plant in Guangdong to enhance overall operating efficiency. The Group charged all restructuring costs of approximately US$9.0 million to the consolidated profit and loss account during the nine months ended 30 September. Such restructuring costs include assets impairment, termination severance and other restructuring related expense.

	Unaudited nine months ended 30 September 2008
	US$'000
Assets Impairment	
– Property, plant and equipment	6,713
– Prepaid land lease payment	699
– Inventory	518
Termination Severance	747
Others	312
	8,989

5. TAX

	Three months ended 30 September		Nine months ended 30 September	
	2008	**2007**	**2008**	**2007**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Current period provision in respect of:				
The PRC	379	884	2,047	2,552

Currently, no taxes are imposed by the Cayman Islands on income or capital profits of the Company.

Hong Kong profits tax has not been provided during the Relevant Periods, as the Group had no assessable profits attributable to its operations in Hong Kong during the Relevant Periods.

Due to the combination of CIT for both foreign investment companies and local companies, from 2008, all companies are subject to CIT rate of 25%, except for those, which are located in High-Technology zones or are qualified as "High and New Technology Companies", such companies can continue to enjoy certain preferential tax rate granted within a certain period.

A Mainland China subsidiary, A-S (Jiangmen) Fittings Co., Ltd. ("A-S Jiangmen Fittings"), is subject to a CIT rate of 25%.

A Mainland China subsidiary, A-S (Shanghai) Pottery Co., Ltd., is subject to a CIT rate of 25%.

A Mainland China subsidiary, A-S (Tianjin) Pottery Co.,Ltd., is subject to a CIT rate of 18% as it is located in the Tianjin economic and development zone.

Another China subsidiary, Hua Mei Sanitary Ware Co., Ltd ("Hua Mei") is subject to a CIT rate of 18% for the year ended 31 December 2008 as it is qualified as a "Knowledge and Technology Concentration Enterprise."

6. (LOSS)/EARNING PER SHARE TO EQUITY HOLDERS OF THE PARENT

The calculation of basic (loss)/earning per share amount is based on the net loss for the period attributable to equity holders of the parent of US$(11,404,000) (2007: net profit US$3,747,000), and weighted average number of issued ordinary shares of 151,034,000 (2007: 151,034,000) during the period.

No diluted earning per share amount is presented for each of the Relevant Periods, as no diluting events existed.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2008 (2007: US$0.1632 per share).

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Group granted to any director or their respective spouse or minor children, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DISCLOSURE OF INTERESTS

As at 30 September 2008, the interests of the Directors and the chief executive in the securities of the Company and its associated corporations as required to be recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

(a) Directors' and chief executive's interests and short positions in shares and underlying shares

At 30 September 2008, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant Rule 5.46 of the GEM Listing Rules, were as follows:

Interests in associated corporations

Name of Director/ chief executive	Name of associated corporation	Relationship with the Company	Share/ equity derivatives	Numbers of share/equity derivatives held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Richard M. Ward *(Note)*	Ideal Standard Intemational TopCo(BC) Luxco S.C.A ("Ideal Standard")	Ultimate holding company	PEC	2,385,965	Directly beneficially owned	Not applicable
			CPEC	421,053	Directly beneficially owned	Not applicable
Mr. Ye Zhi Mao, Jason	Ideal Standard	Ultimate holding company	Ordinary shares	244,505	Directly beneficially owned	0.93%
			PEC	177,456	Directly beneficially owned	Not applicable
			CPEC	31,316	Directly beneficially owned	Not applicable
Mr. Gao Jin Min	Ideal Standard	Ultimate holding company	Ordinary shares	719,134	Directly beneficially owned	2.74%
			PEC	831,556	Directly beneficially owned	Not applicable
			CPEC	146,745	Directly beneficially owned	Not applicable

Note: Mr. Richard M. Ward, resigned as an Executive Director, the Chairman of the Board of Directors, the General Manager, the Compliance Officer and an Authorised Representative of the Company with effect from 29 February 2008; following Mr. Ward's resignation, Mr. Ye Zhi Mao, Jason, an Executive Director of the Company, has taken up the positions of Compliance Officer, Authorised Representative, Acting Chairman of the Board and Acting General Manager of the Company with effect from 29 February 2008.

In November 2007, the directors and former director above being senior members of management are requested, by taking the form of co-investment with Bain Capital Ltd. in Ideal Standard, to subscribe for certain equity interests in preferred equity certificate ("PEC") and convertible preferred equity certificate ("CPEC"), and ordinary share of Ideal Standard. All the directors, at their own expenses, make the afore-said investment.

(b) Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

At 30 September 2008, the following interests and short positions of 10% or more of the issued share capital of the company were recorded in the register of interest required to be kept by the company pursuant to section 336 of the SFO:

Name of shareholders	Number of ordinary shares held	Capacity and nature of interest	Approximate percentage of holding
Ideal Standard *(Note 1)*	97,243,853	Corporate Beneficial owner	63.81%
Ideal Standard International *(Note 1)*	97,243,853	Corporate Beneficial owner	63.81%
Ideal Standard Holding (BC) France SAS. *(Note 1)*	95,867,000	Corporate Beneficial owner	63.47%
American Standard Foreign Trading Limited *(Note 1)*	95,867,000	Corporate Beneficial owner	63.47%
Foundation Brunneria *(Note 2)*	16,900,000	Corporate Beneficial owner	11.19%
General Oriental Investments Limited *(Note 2)*	16,900,000	Corporate Beneficial owner	11.19%

Note 1: Ideal Standard International, being a subsidiary of Ideal Standard, owns a 63.81% shareholding interest in the Company through (i) a wholly-owned subsidiary, Ideal Standard Holdings (BC) France SAS., being a corporation established under the laws of France, which in turn owns a 100% interest in American Standard Foreign Trading Limited, being a company incorporated in Bermuda with limited liability, which directly holds a 63.47% shareholding interest in the Company; and (ii) a direct shareholding of 508,500 shares, which represents approximately 0.34% shareholding interest in the Company.

Note 2: General Oriental Investments Limited is 100% indirectly owned by Foundation Brunneria, a private discretionary trust whose ultimate beneficiaries are independent from the other Shareholders, directors and chief executive of the Company.

As disclosed above, as at 30 September 2008, no other person (other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above) had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation that was required to be kept under Section 336 of the SFO.

SHARE OPTION SCHEMES

As at 30 September 2008, the Company did not have any share option scheme in place.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2008.

BOARD PRACTICES AND PROCEDURES

The Company complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules throughout the nine months ended 30 September 2008.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings. The Company had made specific enquiry of all directors whether its directors have complied with, or whether there have been any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has applied the principles of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules and is satisfied that the Company has complied throughout the Half-Yearly Period with the Code.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. During the period ended 30 September 2008, the audit committee had three members, comprising of three independent non-executive directors, Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi with Mr. Wong Kin Chi serving as the chairman of the committee. The audit committee has reviewed the Group's Third Quarterly Report for the period ended 30 September 2008.

By order of the Board of directors
A-S China Plumbing Products Limited
Jason Ye
Chairman

As at the date of this announcement, the Board comprises the following directors:

Mr. Ye Zhi Mao, Jason *(Executive Director)*
Mr. Gao Jin Min *(Executive Director)*
Ms. Chen Rong Fang *(Executive Director)*
Mr. Wang Gang *(Executive Director)*
Mr. Yang Xiong *(Executive Director)*
Mr. Peter James O'Donnell *(Non-executive Director)*
Mr. Chang Sze-Ming, Sydney *(Independent Non-executive Director)*
Mr. Ho Tse-Wah, Dean *(Independent Non-executive Director)*
Mr. Wong Kin Chi *(Independent Non-executive Director)*

Hong Kong, 6 November 2008

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.