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A-S China Plumbing Products Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8262)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION – SHARE TRANSFER AGREEMENT

(2) DISCLOSEABLE TRANSACTION – REAL PROPERTY TRANSFER CONTRACT

Reference is made to the September Announcement in which the Board announced that on 23 September 2008, (i) the Chinese Parties; (ii) the Foreign Parties; and (iii) ASGEC entered into the Framework Agreement relating to the Equity Interest Transfer and Property Transfer.

Share Transfer Agreement

The Board announces that on 31 March 2009, (i) Wei Ya; (ii) Industrial Development Corporation; and (iii) JM Fittings, an indirect wholly owned subsidiary of the Company, entered into the Share Transfer Agreement, which is the definitive and legally binding contract for the transfer of the Equity Interest made pursuant to the Framework Agreement.

Under the Share Transfer Agreement, Wei Ya and Industrial Development Corporation would, subject to the terms and conditions therein, sell all their respective 14.5% and 3.5% Equity Interest in ASGEC to JM Fittings, at the considerations of RMB6,847,222 and RMB1,652,778 respectively.

Wei Ya, by virtue of its holding of 14.5% Equity Interest in ASGEC, is a substantial shareholder of ASGEC and is therefore a connected person of the Company under the GEM Listing Rules. The transfer of the Equity Interest by Wei Ya to JM Fittings under the Share Transfer Agreement hence constitutes a connected transaction for the Company under the GEM Listing Rules. Based on the applicable percentage ratios of the Company, such transfer between Wei Ya and JM Fittings also constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules and is subject

to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules. Based on the applicable percentage ratios of the Company, the transfer of the Equity Interest by Industrial Development Corporation to JM Fittings under the Share Transfer Agreement does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules, and does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Industrial Development Corporation is independent of the Company and connected persons of the Company.

Real Property Transfer Contract

The Board further announces that on 31 March 2009, ASGEC and Industrial Development Corporation entered into the Real Property Transfer Contract, which is the definitive and legally binding contract for the transfer of the PRC Property made pursuant to the Framework Agreement. Under the Real Property Transfer Contract, it was agreed that ASGEC as seller shall transfer the PRC Property to Industrial Development Corporation as purchaser at the consideration of RMB8,500,000, subject to the terms and conditions therein contained.

Based on the applicable percentage ratios of the Company, the Real Property Transfer Contract constitutes a discloseable transaction of the Company under the GEM Listing Rules.

INTRODUCTION

Reference is made to the September Announcement in which the Board announced that on 23 September 2008, (i) the Chinese Parties; (ii) the Foreign Parties; and (iii) ASGEC entered into the Framework Agreement relating to the Equity Interest Transfer and Property Transfer.

The Board announces that on 31 March 2009, (i) Wei Ya; (ii) Industrial Development Corporation; and (iii) JM Fittings entered into the Share Transfer Agreement, which is the definitive and legally binding contract for the transfer of the Equity Interest made pursuant to the Framework Agreement.

The Board further announces that on 31 March 2009, ASGEC and Industrial Development Corporation entered into the Real Property Transfer Contract, which is the definitive and legally binding contract for the transfer of the PRC Property made pursuant to the Framework Agreement.

THE SHARE TRANSFER AGREEMENT

Date: 31 March 2009

- Parties:**
- (a) Wei Ya;
 - (b) Industrial Development Corporation; and
 - (c) JM Fittings, an indirect wholly-owned subsidiary of the Company.

Equity Interest to be acquired:

Under the Share Transfer Agreement, it was agreed that Wei Ya and Industrial Development Corporation would, subject to the terms and conditions therein, sell all their respective 14.5% and 3.5% Equity Interest in ASGEC to JM Fittings, at the considerations of RMB6,847,222 and RMB1,652,778 respectively.

Consideration:

The Equity Interest Consideration for the transfer of the Equity Interest under the Share Transfer Agreement is RMB8,500,000, and as to RMB6,847,222 thereof payable to Wei Ya and as to the remaining RMB1,652,778 payable to Industrial Development Corporation. The Equity Interest Consideration will be payable in cash in one lump sum to Wei Ya and Industrial Development Corporation respectively within 10 working days from the date when the Approval Authority approves the transfer of the Equity Interest.

The Equity Interest Consideration is arrived at on an arm's length basis. As Industrial Development Corporation is a state-owned enterprise, it has engaged a PRC accounting firm to conduct an asset verification report on the net asset value of ASGEC on 31 July 2008 for valuation of the Equity Interest in accordance with the relevant PRC legal requirements. The valuation of the Equity Interest held by Industrial Development Corporation is based on arm's length negotiation, taking into account the asset verification report. The valuation does not constitute any profit forecast. As the Equity Interest Consideration is based on arm's length negotiation and the Share Transfer Agreement is on normal commercial terms, the Directors consider that the Equity Interest Consideration is fair and reasonable.

Conditions precedent:

The Equity Interest Transfer to JM Fittings is conditional upon the satisfaction of, inter alia, the following conditions:

- (a) the Equity Interest Transfer and the revision of the articles of association of ASGEC having been unanimously approved by the board of directors of ASGEC,
- (b) all the necessary requirements and procedures under the GEM Listing Rules for the Equity Interest Transfer having been duly complied with, and

- (c) the Share Transfer Agreement and the new revised articles of association of ASGEC having been approved by the Approval Authority.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement are on normal commercial terms, fair and reasonable and in the best interest of the Company and the shareholders of the Company as a whole.

The Group will pay the Equity Interest Consideration by using its internal resources.

REASONS FOR THE EQUITY INTEREST TRANSFER

As at 31 December 2008, ASGEC has accumulated losses of approximately RMB204,855,937 (approximately HK\$232,790,840) based on the audited financial information of ASGEC. Moreover, according to the audited financial information of ASGEC, ASGEC has recorded losses for the two years ended 31 December 2007 and 31 December 2008 in the sum of RMB4,698,329 and RMB65,312,262 respectively. There were no taxation charges for ASGEC for the two years ended 31 December 2007 and 31 December 2008. The audited net asset value of ASGEC as at 31 December 2007 is RMB10,900,808 while the audited net liabilities of ASGEC as at 31 December 2008 is RMB54,411,454.

The Directors are of the view that the manufacturing operations of ASGEC in Guangzhou were operating at lower efficiency and higher costs compared to the Group's other production facilities, such as those in Jiangmen, the PRC. Consequently, the Directors decided to rationalize the production process by shifting the manufacturing operations of ASGEC to Jiangmen, with an aim to saving costs and enhancing efficiency. The production operations of ASGEC have ceased with effect from 25 September 2008.

In order to attain more flexibility in exploring various avenues to realize the Company's investments in ASGEC, the Directors believed that the entering into of the Share Transfer Agreement represents a viable solution, as the completion of which will transform ASGEC from a sino-foreign equity joint venture company into a wholly foreign owned enterprise under the PRC law and a wholly owned subsidiary of the Group. Under the existing condition before such transformation, the Chinese Parties retain decision-making power in the material business decisions of ASGEC such as liquidation. Therefore transformation of ASGEC into a wholly foreign owned enterprise under the PRC law and a wholly owned subsidiary of the Company will give the Group more flexibility in the control of the affairs of ASGEC which will facilitate the realization of the loss-making investments in the Group and is considered to be conducive to the long-term manufacturing optimization strategy of the Group.

GEM LISTING RULES IMPLICATIONS FOR THE EQUITY INTEREST TRANSFER

The Company is directly holding 41.4% Equity Interest in ASGEC and indirectly through its wholly-owned subsidiary ASCC holding 40.6% Equity Interest in ASGEC. Wei Ya, by virtue of its holding of 14.5% Equity Interest in ASGEC, is a substantial shareholder of ASGEC and is therefore a connected person of the Company under the GEM Listing Rules.

The transfer of the Equity Interest by Wei Ya to JM Fittings under the Share Transfer Agreement hence constitutes a connected transaction for the Company of the GEM Listing Rules. Based on the applicable percentage ratios of the Company, such transfer between Wei Ya and JM Fittings also constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules and is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules. Based on the applicable percentage ratios of the Company, the transfer of the Equity Interest by Industrial Development Corporation to JM Fittings under the Share Transfer Agreement does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules, and does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Industrial Development Corporation and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

THE REAL PROPERTY TRANSFER CONTRACT

Date: 31 March 2009

Parties: (a) ASGEC, a subsidiary of the Company, and
(b) Industrial Development Corporation

Consideration:

Under the Real Property Transfer Contract, it was agreed that ASGEC as seller shall transfer the PRC Property to Industrial Development Corporation as purchaser at the Property Consideration, i.e. RMB8,500,000, subject to the terms and conditions therein contained. The Property Consideration shall be payable by Industrial Development Corporation to ASGEC in cash in one lump sum on the date when the Equity Interest Consideration has been duly paid by JM Fittings to Industrial Development Corporation and Wei Ya under the Share Transfer Agreement.

Conditions precedent:

The Property Transfer is conditional upon the satisfaction of, inter alia, the following conditions:

- (a) all the necessary requirements and procedures under the GEM Listing Rules for the Property Transfer having been duly complied with, and
- (b) the Share Transfer Agreement having been approved by the Approval Authority.

Other main terms for the Property Transfer:

- (a) ASGEC shall deliver possession of the PRC Property to Industrial Development Corporation the next day after Industrial Development Corporation has fully paid off all the Property Consideration,
- (b) ASGEC shall continue to use and occupy rent-free the particular areas of the PRC Property in accordance with the terms as agreed. ASGEC shall be responsible for the administration fee, and other daily operational fees such as water, power, gas and communication charges and fees for such use and occupation.
- (c) After the Equity Interest Transfer under the Share Transfer Agreement having been completed and on the date when the new business licence of ASGEC having been issued, ASGEC shall deliver the original property title certificate of the PRC Property to Industrial Development Corporation for the transfer registration.

The duration of the rent-free period as aforesaid will last until 31 December 2009. The existing facilities and equipment of ASGEC placed in the PRC Property will remain in the PRC Property until they are transferred to JM Fittings in Jiangmen.

The Real Property Transfer Contract was negotiated on an arm's length basis and the Property Consideration was determined by reference to the valuation of the PRC Property carried out by an independent valuer jointly engaged by ASGEC and Industrial Development Corporation. The valuation performed by the independent valuer on 20 August 2008 on the PRC Property by using the replacement cost approach is RMB8,575,000 (equivalent to approximately HK\$9,744,320).

The audited net asset value of the PRC Property amounted to approximately RMB11,424,122 as at 31 December 2008. The original acquisition cost of the PRC Property is approximately RMB16,789,014. There is no net profits attributable to the PRC Property for the two financial years ended 31 December 2007 and 31 December 2008.

The Group is expected to have a loss of approximately RMB2,924,122 from the disposal of the PRC Property under the Real Property Transfer Contract based on the Property Consideration and the audited net asset value of the PRC Property of approximately RMB11,424,122 as at 31 December 2008. The Group for the time has not decided any specific purpose for the application of the sale proceeds from the Property Transfer.

The Directors consider that the terms of the Real Property Transfer Contract are on normal commercial terms, fair and reasonable and in the best interest of the Company and the shareholders of the Company as a whole.

REASONS FOR THE PROPERTY TRANSFER

The Real Property Transfer Contract is dependent on the completion of the Share Transfer Agreement. The reason for the condition under the Real Property Transfer Contract that the Property Transfer is subject to the Share Transfer Agreement having been approved by the Approval Authority is a commercial decision reached by the parties under the Real Property Transfer Contract. The Real Property Transfer Contract is conditional upon the completion of the Share Transfer Agreement. As stated above, ASGEC has accumulated losses of approximately RMB204,855,937 (approximately HK\$232,790,840). The completion of the Share Transfer Agreement will transform ASGEC into a wholly owned subsidiary of the Group, thereby giving the Group more flexibility in the control of the affairs of ASGEC. After completion of the Property Transfer, the sale proceeds of the Property Transfer will help alleviate the loss in ASGEC, which is to the benefit of the Group. The original usage of the PRC Property was a factory for the business production of ASGEC. Since ASGEC has ceased production operations with effect from 25 September 2008, the PRC Property is currently left idle and does not have any specific usage.

GEM LISTING RULES IMPLICATIONS FOR THE PROPERTY TRANSFER

Based on the applicable percentage ratios of the Company, the Real Property Transfer Contract constitutes a discloseable transaction of the Company under the GEM Listing Rules.

INFORMATION RELATING TO THE GROUP AND THE CHINESE PARTIES

The Group is principally engaged in the manufacture and distribution in the PRC a broad range of bathroom and kitchen fixtures and plumbing fittings.

ASGEC was principally engaged in the manufacture of enamelled steel bathtubs and acrylic bathtubs, and has ceased production operations with effect from 25 September 2008.

JM Fittings is principally engaged in the design, manufacture, marketing and sale of all kinds of sanitary ware metal fittings and raw materials, and related bathroom and kitchen products, accessories and raw materials.

Industrial Development Corporation is a state-owned enterprise and is principally engaged in undertaking industrial projects, acting as contractor in the construction projects in the industrial development zone and providing related consultancy services, purchase of raw materials for the production of enterprises, wholesale and retail trading of commodities (except state-franchised or state-controlled commodities), management of state-owned assets.

Wei Ya is principally engaged in wholesale and retail trading of commodities (except state-franchised or state-controlled commodities), leasing of machineries and premises, property management, storage of goods, manufacturing of chemical and metal products, real estate agency services.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:

“Approval Authority”	廣州市經濟技術開發區管理委員會 (the Administrative Commission of Guangzhou Economic and Technological Development District)
“ASCC”	美標 (中國) 有限公司(A-S (China) Co., Ltd.) a company incorporated in the PRC and which is a wholly-owned subsidiary of the Company
“ASGEC”	廣州美標益豐搪瓷有限公司(A-S (Guangzhou) Enamelware Company Limited), a sino-foreign equity joint venture company with limited liability established in Guangzhou, PRC between the Chinese Parties and the Foreign Parties, and is a subsidiary of the Company
“Board”	the board of directors of the Company
“Chinese Parties”	Wei Ya and Industrial Development Corporation
“Company”	A-S China Plumbing Products Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company

“Equity Interest Consideration”	the total consideration payable by JM Fittings to Wei Ya and Industrial Development Corporation for the Equity Interest Transfer under the Share Transfer Agreement, which is in the sum of RMB8,500,000
“Equity Interest”	the equity interest in ASGEC
“Equity Interest Transfer”	the transfer of the Equity Interest pursuant to the Share Transfer Agreement
“Foreign Parties”	the Company and ASCC
“Framework Agreement”	a conditional agreement dated 23 September 2008 entered into among the Chinese Parties as party A, the Foreign Parties as party B and ASGEC as party C
“GEM”	the Growth Enterprise Market on the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Industrial Development Corporation”	廣州開發區工業發展集團有限公司 (Industrial Development Corporation Limited of Guangzhou Economic & Technological Development Zone), a state-owned enterprise incorporated in the PRC
“JM Fittings”	美標(江門)水暖器材有限公司 (American Standard (Jiangmen) Fittings Co., Ltd.), a wholly foreign-owned enterprise established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Property Consideration”	the total consideration payable by Industrial Development Corporation to ASGEC for the Property Transfer under the Real Property Transfer Contract, which is in the sum of RMB8,500,000
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

“PRC Property”	the 3-storeyed industrial factory building situate at No.18 Bao Shi Road, Guangzhou Economic & Technological Development Zone, the PRC (中國廣州經濟技術開發區寶石路18號) with real property title certificate 穗房地證字第0513488號, which is currently owned by ASGEC
“Property Transfer”	the transfer of the PRC Property pursuant to the Real Property Transfer Contract
“Real Property Transfer Contract”	the contract dated 31 March 2009 and entered between ASGEC and Industrial Development Corporation for the transfer of the PRC Property
“RMB”	Renminbi, the lawful currency of PRC
“September Announcement”	the announcement made by the Company dated 24 September 2008 in relation to the Framework Agreement
“Shareholders”	holders of Shares
“Shares”	ordinary shares of US\$0.01 each in the share capital of the Company
“Share Transfer Agreement”	the agreement dated 31 March 2009 and entered into among (i) Wei Ya; (ii) Industrial Development Corporation; and (iii) JM Fittings for the transfer of the Equity Interest
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“US\$”	United States Dollars, the lawful currency of the United States of America
“Wei Ya”	維亞實業有限公司(Wei Ya Industry Company Limited), an enterprise incorporated in the PRC
“%”	per cent.

For illustration purpose, in this announcement, amounts in RMB have translated into HK\$ at the exchange rate of RMB0.88 to HK\$1. Such translation does not constitute a representation that any amount has been, could have been or may be exchanged at such rates.

As at the date of this announcement, the board of directors of the Company comprises Mr. Ye Zhi Mao, Jason, Mr. Gao Jinmin, Ms. Chen Rong Fang, Mr. Wang Gang and Mr. Yang Xiong as executive directors; Mr. Peter James O'Donnell as non-executive director; and Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi as independent non-executive directors.

By Order of the Board
Chen Rong Fang
Company Secretary

Hong Kong, 1 April 2009

This announcement, for which the directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock exchange of Hong Kong Limited of the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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