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The logo for ASPPL, consisting of the letters 'ASPPL' in a bold, blue, sans-serif font.

**A-S China Plumbing Products Limited**

*(Incorporated in the Cayman Islands  
with limited liability)  
(Stock Code: 8262)*

The logo for INAX, featuring a blue square with a white 'L' shape inside, followed by the letters 'INAX' in a bold, black, sans-serif font.

**INAX Corporation**

*(Incorporated in Japan  
with limited liability)*

**JOINT ANNOUNCEMENT**

**(1) SALE OF THE ASIA BATH AND KITCHEN BUSINESS BY IDEAL STANDARD INTERNATIONAL HOLDING SARL INVOLVING POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER OR POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY ANGLO CHINESE CORPORATE FINANCE, LIMITED ON BEHALF OF INAX CORPORATION TO ACQUIRE ALL THE SHARES IN A-S CHINA PLUMBING PRODUCTS LIMITED**

**AND**

**(2) RESUMPTION OF TRADING IN SHARES OF A-S CHINA PLUMBING PRODUCTS LIMITED**

**Financial Adviser to INAX Corporation**

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED

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| <p><b>1. SALE OF THE ASIA BATH AND KITCHEN BUSINESS BY IDEAL STANDARD AND POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER OR POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER</b><br/>Ideal Standard informed the Company that it entered into the Share and Asset Purchase Agreement with INAX on 18 May, 2009 in respect of the Acquisition and the Offer.</p> |
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Completion of the Acquisition is conditional upon the Conditions Precedent being fulfilled (or, if applicable, waived) at or prior to Completion. Subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent, Completion is expected to take place on 2 July, 2009, or in the event that all of the Conditions Precedent have not been satisfied or, where applicable, waived, by that date, the date which is seven business days following the satisfaction or waiver of all of the outstanding Conditions Precedent, but which shall be no later than the Long Stop Date.

Under the Share and Asset Purchase Agreement, INAX has undertaken that as soon as practicable after satisfaction or waiver of the Conditions Precedent, and in any case not later than 10 days after Completion, it will make a voluntary conditional cash offer to acquire all the issued Shares. The Offer is conditional upon acceptances being received under the Offer in respect of more than 50% of the Shares in issue, and Completion having taken place. Ideal Standard has agreed to cause all Shares directly or indirectly held by it or any of its Affiliates (including American Standard), to be tendered in the Offer forthwith. At the date of this Announcement, Ideal Standard directly holds 508,500 Shares, and indirectly, through American Standard, holds 95,867,000 Shares, representing in aggregate 96,375,500 Shares, or approximately 63.81%, of the issued share capital of the Company at the date of this Announcement.

INAX is required under the Takeovers Code to post (or procure the posting of) the Offer Document not later than 7 days after Completion, in compliance with Note 2 to Rule 8.2 of the Takeovers Code.

Without prejudice to and as a matter separate from the obligations of INAX under the Takeovers Code, to the extent that INAX does not post (or procure the posting of) the Offer Document within 10 days after Completion, INAX shall forthwith acquire all of the Shares held directly or indirectly by Ideal Standard or any of its Affiliates for a per Share amount equal to the Total Per Share Consideration. In that event, INAX would be obliged to make a mandatory unconditional cash offer for all the Shares not then owned by INAX and persons acting in concert with it at a per Share price equal to the Total Per Share Consideration, instead of making the Offer referred to in this Announcement, and an appropriate announcement will be made at the time.

For the avoidance of doubt it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made. The offer made will be a voluntary general offer and not a mandatory general offer unless the Offer Document is not posted within 10 days after Completion, in which event INAX will be required under the Share and Asset Purchase Agreement to acquire all of the Shares held by Ideal Standard or any of its

Affiliates as referred to above, thereby triggering an obligation on the part of INAX to make a mandatory general offer under the Takeovers Code for the remaining Shares not so acquired by it from Ideal Standard and its Affiliates or otherwise held by it or its concert parties. As INAX is required under the Takeovers Code to post (or procure the posting of) the Offer Document not later than seven days after Completion and intends to do so it is unlikely that this obligation will arise.

#### **FURTHER ARRANGEMENTS UNDER THE SHARE AND ASSET PURCHASE AGREEMENT**

In connection with the Acquisition, INAX has conditionally agreed to enter into (or procure its Affiliates to enter into) certain ancillary arrangements with Ideal Standard (or its Affiliates) to allow for a smooth transition of the Asia Bath and Kitchen Business to INAX.

The Executive has examined the details of the Acquisition, including these ancillary arrangements, and is satisfied that these arrangements do not constitute special deals with favourable conditions between INAX and Ideal Standard in relation to the Acquisition and accordingly the Executive's consent under Rule 25 of the Takeovers Code is not required.

#### **GENERAL**

In connection with the Offer and in accordance with the Takeovers Code, the Company has formed an independent board committee comprising the non-executive Director and all the independent non-executive Directors to make a recommendation in respect of the Offer.

The Company will appoint an independent financial adviser to consider the terms of the Offer and will make a further announcement regarding such appointment in accordance with the Takeovers Code. Shareholders are advised to take no action as regards the Offer until they have received the Offer Document which will contain, amongst others, advice of the independent board committee and the independent financial adviser.

Under Rule 8.2 of the Takeovers Code, the Offer Document is normally expected to be despatched within 21 days of the date of this Announcement.

However, as Completion is conditional upon the fulfilment (or, if applicable, the waiver) of the Conditions Precedent and may not take place within 21 days of the date of this Announcement, an application will be made for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document to within seven days after Completion. Subject to such consent being granted by the Executive, the Offer Document will be despatched within seven days after Completion.

## **2. RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 09:30 am on Monday 18 May, 2009 pending the publication of this Announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange from 09:30 am on Monday 22 June, 2009.

**The Offer (or any mandatory unconditional cash offer referred to herein) will only be made if Completion takes place. Completion is subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent. Therefore, the Offer (or any mandatory unconditional cash offer referred to herein) may or may not be made and Shareholders and/or potential investors in the Company are advised to exercise caution when dealing in the Shares.**

## **1. SALE OF THE ASIA BATH AND KITCHEN BUSINESS BY IDEAL STANDARD AND POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER**

Ideal Standard informed the Company that it entered into the Share and Asset Purchase Agreement with INAX on 18 May, 2009 in respect of the Acquisition and the Offer.

### **Conditions Precedent**

Completion of the Acquisition is conditional upon Conditions Precedent to the following effect being fulfilled (or, if applicable, waived) at or prior to Completion:

- (i) all of the warranties given by Ideal Standard to INAX and by INAX to Ideal Standard having been accurate as of the date of the Share and Asset Purchase Agreement, and (in the case of warranties given by Ideal Standard to INAX only) shall have been accurate as of the date of Completion as if then made, save in each case where any such inaccuracy does not have, individually or in the aggregate, a material adverse effect on the Asia Bath and Kitchen Business (with respect to warranties given by Ideal Standard) or a material adverse effect on INAX's ability to perform its obligations under the Sale and Asset Purchase Agreement (with respect to warranties given by INAX);
- (ii) all of the covenants and obligations that Ideal Standard or INAX is required to perform or to comply with pursuant to the Share and Asset Purchase Agreement at or prior to Completion (considered in the aggregate), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with, save, in each case, where any such failure to perform or comply does not have, individually or in the aggregate, a material adverse effect on the Asia Bath and Kitchen Business (with respect to covenants or obligations of Ideal Standard) or a material adverse effect on INAX's ability to perform its obligations under the Sale and Asset Purchase Agreement (with respect to covenants or obligations of INAX);

- (iii) certain tasks in respect of a remediation plan in connection with environmental matters having been duly performed and completed by Ideal Standard;
- (iv) approvals of Capital Investment Coordinating Board of Indonesia (BKPM) relating to the transfer of PT American Standard Indonesia to INAX having been obtained and copies of all documents certifying or relating to such approvals shall have been delivered to INAX;
- (v) consents, approvals or amendments (to the extent there are any) in order to convey, assign, transfer and deliver equity interests in certain joint venture companies to INAX free from any encumbrances having been obtained and copies of all documents certifying or relating to such consents having been delivered to INAX;
- (vi) the due execution of non-competition undertakings by Ideal Standard and certain of its Affiliates;
- (vii) there having been no material adverse effect on the Asia Bath and Kitchen Business or material adverse effect on INAX's ability to perform its obligations under the Sale and Asset Purchase Agreement;
- (viii) there being no injunction, restraining order or decree of any nature of any governmental authority of competent jurisdiction that is in effect that prohibits or permanently enjoins the consummation of the transactions contemplated by the Share and Asset Purchase Agreement;
- (ix) the required antitrust approvals having been obtained, waived or made, as applicable, and the respective waiting periods required in connection with approvals shall have expired or been terminated; and
- (x) at or prior to Completion, (i) the Executive shall have determined that no transaction contemplated by the Share and Asset Purchase Agreement is a "special deal" under Rule 25 of the Takeovers Code or (ii) the consent of the Executive under Rule 25 of the Takeovers Code shall have been obtained with regard to any transaction contemplated by the Share and Asset Purchase Agreement that is deemed to be a "special deal" by the Executive under Rule 25 of the Takeovers Code.

Conditions precedent (i) to (vii) may be waived by Ideal Standard or INAX (as relevant) in whole or in part. Conditions precedent (viii) to (x) cannot be waived unilaterally and the time for their satisfaction cannot be extended unilaterally. Waiver or an extension of time for satisfaction of conditions precedent (viii) to (x) requires the agreement of both INAX and Ideal Standard.

The Long Stop Date is 31 October, 2009, but if the antitrust approvals referred to in paragraph (ix) above have not been received but all other Conditions Precedent shall have been satisfied or shall be capable of being satisfied, then each of Ideal Standard and INAX has the right to extend the Long Stop Date by an additional 60 days (to 31 December, 2009) by notifying the other party in writing prior to the Long Stop Date. Unless otherwise agreed by INAX and Ideal Standard, such Long Stop Date cannot be extended beyond 31 December, 2009.

In no circumstances shall either of Ideal Standard or INAX take any action in performance of the Share and Asset Purchase Agreement or proceed to Completion in breach of the Takeovers Code.

### **Termination Provisions**

The Share and Asset Purchase Agreement may be terminated at any time prior to Completion in the following circumstances:

- (i) by mutual written consent of Ideal Standard and INAX;
- (ii) by either Ideal Standard or INAX upon written notice to the other if the Conditions Precedent have not been satisfied or waived before the Long Stop Date;
- (iii) by either Ideal Standard or INAX upon written notice to the other, if there shall be in effect a final, non-appealable order of a governmental authority of competent jurisdiction permanently prohibiting the consummation of the transactions contemplated by the Share and Asset Purchase Agreement; or
- (iv) by either Ideal Standard or INAX if a breach of any provision of Share and Asset Purchase Agreement has been committed by the other and such breach has not been waived by the non-breaching party or cured by breaching party within thirty (30) days after notice of breach, where any such breaches would have, individually or in the aggregate, a material adverse effect on the Asia Bath and Kitchen Business (with respect to a breach by Ideal Standard) or a material adverse effect on INAX's ability to perform its obligations under the Sale and Asset Purchase Agreement (with respect to a breach by INAX).

### **Completion**

Completion of the Acquisition is conditional upon the Conditions Precedent being fulfilled (or, if applicable, waived) at or prior to Completion. Subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent, Completion is expected to take place on 2 July, 2009, or in the event that all of the Conditions Precedent have not been satisfied or, where applicable, waived, by that date, the date which is seven business days following the satisfaction or waiver of all of the outstanding Conditions Precedent, but which shall be no later than the Long Stop Date.

### **Possible Voluntary Conditional Cash Offer**

Without prejudice to and as a matter separate from the obligations of INAX under the Takeovers Code, under the Share and Asset Purchase Agreement, INAX has undertaken that as soon as practicable after satisfaction or waiver of the Conditions Precedent, and in any case not later than 10 days after Completion, it will make a voluntary conditional cash offer to acquire all the issued Shares. The Offer will be conditional only upon acceptances being received under the Offer in respect of more than 50% of the Shares of the Company in issue, and Completion having taken place.

Ideal Standard has agreed to cause all Shares directly or indirectly held by it or any of its Affiliates (including American Standard), to be tendered in the Offer forthwith. There are no circumstances agreed upon, the occurrence of which will cause this undertaking to lapse but it will lapse if the Share and Asset Purchase Agreement is terminated or does not become unconditional. At the date of this Announcement, Ideal Standard directly holds 508,500 Shares, and indirectly, through American Standard, holds 95,867,000 Shares, representing in aggregate 96,375,500 Shares, or approximately 63.81% of the issued share capital of the Company at the date of this Announcement.

Under the Share and Asset Purchase Agreement, provision is made for adjustment to the consideration payable for the Asia Bath and Kitchen Business after Completion. Consistent with this procedure, the total consideration per Share (“Total Per Share Consideration”) receivable under the Offer will be calculated and paid in two steps.

The first part of the Total Per Share Consideration, will be €0.22 (equivalent to approximately HK\$2.40) (the “Minimum Per Share Consideration”). This amount represents the minimum Total Per Share Consideration which shall be received by all accepting Minority Shareholders under the Offer. Ideal Standard and its Affiliate American Standard may, however, effectively receive a lower Total Per Share Consideration under the Offer.

The second part of the Total Per Share Consideration will be a potential subsequent payment equal to:

$$\left[ \frac{A + B}{C} \right] \text{ less the Minimum per Share Consideration}$$

where:

A = €20,265,000 represents the enterprise value of the Group (on a cash free, debt free basis) attributable to the direct and indirect shareholding of Ideal Standard interest in the Company. This amount is a fixed amount and will not change upon Completion.

B = (i) Cash net of third party and intra group debt of the Group as of Completion which is attributable to the direct and indirect shareholding interest of Ideal Standard in the Company plus (ii) an adjustment amount reflecting any change in the net working capital of the Group as of Completion from the fixed reference net working capital of € 2.6 million (approximately HK\$28.4 million) attributable to the direct and indirect shareholding interest of Ideal Standard in the Company. The reference net working capital has been determined by INAX and Ideal Standard as the amount of current assets less current liabilities of the Group, excluding third party indebtedness, cash balances and income tax (based on the average of the amounts shown in the Group's monthly balance sheet for the 12 month period ended on 31 March, 2009), (i) required for operating the businesses of the Group at their current level and (ii) attributable to the direct and indirect shareholding interest of Ideal Standard in the Company.

C = 96,375,500, being the number of Shares which Ideal Standard has undertaken to tender, or procure to be tendered in the Offer. This figure is a fixed number and will not change upon Completion.

Where such adjustment results in a negative figure, the second part of the Total Per Share Consideration to be paid to Minority Shareholders will be zero.

The amount to be paid as the second part of the Total Per Share Consideration will be determined upon the finalisation of the completion accounts, which is expected to be approximately three to four and a half months after Completion. Subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent, Completion is expected to take place on 2 July, 2009. On this basis, it is expected that the second part of the Total Per Share Consideration will be announced no later than around mid-November, 2009. In the event that all of the Conditions Precedent have not been satisfied or, where applicable, waived, by 2 July, 2009, Completion will take place seven business days after the satisfaction or waiver of all of the outstanding Conditions Precedent, but which shall be no later than the Long Stop Date. In such scenario, the latest date for announcing the second part of the Total Per Share Consideration will be around March, 2010. The payment, if any, will be made within 10 days after such amount has been determined.



Given the second part of the Total Per Share Consideration is dependent on the net working capital and the net cash of the Group as of Completion, it is not possible for INAX to determine the final Total Per Share Consideration at this stage. However, based on the unaudited management accounts of the Group as of 30 April, 2009, the Total Per Share Consideration under the Offer would have been approximately €0.28 (equivalent to approximately HK\$3.00), had Completion occurred on 30 April, 2009.

The Minimum Per Share Consideration and the above illustration may not be indicative of the Total Per Share Consideration. The Total Per Share Consideration payable under the Offer may be materially different as it will be based on completion accounts prepared after Completion.

Under the Share and Asset Purchase Agreement, where such net working capital and net cash adjustment results in a negative figure, Ideal Standard may be required to make a payment that may effectively reduce the Total Per Share Consideration received by Ideal Standard and its Affiliates to an amount less than the Minimum Per Share Consideration. This will not affect the Minimum Per Share Consideration to be received by the Minority Shareholders.

**Shareholders and/or potential investors in the Company are advised to exercise caution when dealing in the Shares given the substantial uncertainty in the value of the Total Per Share Consideration and the indication of the Total Per Share Consideration as set forth above. In particular, there can be no guarantee that the above indication of the possible Total Per Share Consideration based on the unaudited management accounts of the Group as at 30 April, 2009 will be equal to the Total Per Share Consideration, the amount of which will be based on accounts prepared by reference to the actual date of Completion.**

### **Payment**

Although the Total Per Share Consideration (the price at which the Offer will be made) will be calculated in €, arrangements will be made, and set out in the Offer Document, for accepting Shareholders to be paid in HK\$ (calculated in respect of the first part of the Total Per Share Consideration of €0.22 at the exchange rate obtainable following receipt of the relevant acceptance by INAX and in respect of the balance of the Total Per Share Consideration calculated at the exchange rate obtainable following determination of the balance of the Total Per Share Consideration), unless they elect to receive the consideration in €. Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within ten days of the receipt of duly completed acceptances or the Offer becoming unconditional, whichever is the later. Full details of the method of calculation of the relevant exchange rates will be set out in the Offer Document.

### **Possible Mandatory Unconditional Cash Offer**

INAX is required under the Takeovers Code to post (or procure the posting of) the Offer Document not later than 7 days after Completion, in accordance with Note 2 to Rule 8.2 of the Takeovers Code.

Without prejudice to and as a matter separate from the obligations of INAX under the Takeovers Codes to the extent that INAX does not post (or procure the posting of) the Offer Document not later than 10 days after Completion, INAX shall forthwith acquire all of the Shares held directly or indirectly by Ideal Standard or any of its Affiliates for a per Share amount equal to the Total Per Share Consideration. In that event, INAX would be obliged to make a mandatory unconditional cash offer for all the shares not then owned by INAX and persons acting in concert with it at a per Share price equal to the Total Per Share Consideration, instead of making the Offer referred to in this Announcement, and an appropriate announcement will be made at the time.

For the avoidance of doubt it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made. The offer made will be a voluntary general offer and not a mandatory general offer unless the Offer Document is not posted within 10 days after Completion, in which event INAX will be required under the Share and Asset Purchase Agreement to acquire all of the Shares held by Ideal Standard or any of its Affiliates as referred to above, thereby triggering an obligation on the part of INAX to make a mandatory general offer under the Takeovers Code for the remaining Shares not so acquired by it from Ideal Standard and its Affiliates or otherwise held by it or its concert parties. As INAX is required under the Takeovers Code to post (or procure the posting of) the Offer Document not later than 7 days after Completion and intends to do so it is unlikely that this obligation will arise.

### **Highest and Lowest Prices**

During the six month period preceding the Suspension Date, the highest closing price of the Shares was HK\$1.60 per Share as quoted on the Stock Exchange on 26 November, 2008 and the lowest closing price of the Shares was HK\$0.60 per Share as quoted on the Stock Exchange on 7, 8, 9 and 14 April, 2009.

### **Confirmation of Financial Resources**

INAX intends to finance the Offer (or any mandatory unconditional cash offer referred to herein) through its own internal resources. The Financial Adviser, as financial adviser to INAX, is satisfied that sufficient resources are available to INAX to satisfy full acceptance of the Offer.

### **Effect of Accepting the Possible Offer**

By accepting the Offer, Shareholders will sell to INAX the Shares free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them at the date of Completion, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after the date of Completion.

### **Payment**

Although the Total Per Share Consideration (the price at which the Offer will be made) will be calculated in €, arrangements will be made and set out in the Offer Document, for accepting Shareholders to be paid in HK\$, unless they elect otherwise.

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within ten days of the receipt of duly completed acceptances or the Offer becoming unconditional, whichever is the later.

### **Stamp Duty**

Ad valorem stamp duty of the sellers at a rate of HK\$1 for every HK\$1,000 (or part thereof) of the consideration payable to the Shareholders who accept the Offer will be deducted from the amount payable to such Shareholders. INAX will then pay the stamp duty deducted to the stamp duty office on behalf of the accepting Shareholders.

### **Commitments to accept the Offer**

As mentioned above, Ideal Standard has agreed to cause all Shares directly or indirectly held by it or any of its Affiliates (including American Standard), to be tendered in the Offer forthwith.

The obligation of Ideal Standard to accept, and to cause all of its Affiliates (including American Standard), to accept the Offer shall lapse if the Share and Asset Purchase Agreement is terminated in accordance with the termination provisions of the Share and Asset Purchase Agreement as detailed in the paragraph headed “Termination Provisions” above, or does not become unconditional.

## **FURTHER ARRANGEMENTS UNDER THE SHARE AND ASSET PURCHASE AGREEMENT**

In connection with the Acquisition, Ideal Standard (or its Affiliates) and INAX (or its Affiliates) will enter into an Intellectual Property Agreement and a Transitional Services Agreement (collectively, the “Ancillary Agreements”). Each such agreement has been negotiated at arm’s length, and will be entered into at Completion.

The Ancillary Agreements are to be put into place in order to facilitate the Acquisition and allow for the smooth continuation of the normal business operations of the companies to be acquired by INAX.

Under the Intellectual Property Agreement, INAX will receive a perpetual, royalty-free licence for certain intellectual property and a seven-year, royalty-free licence with respect to certain other intellectual property. In addition, certain intellectual property will be transferred from Ideal Standard to INAX but with the right reserved to Ideal Standard to manufacture products employing such intellectual property using third-party manufacturers in Asia. No fees are payable pursuant to such licenses.

Pursuant to the Transitional Services Agreement, Ideal Standard and INAX will agree to provide certain services to each other for no longer than six months after Completion. These services are to be provided on the basis of cost with no mark-up, and are limited to procurement, information technology, environmental and health and safety services. These services are intended only to facilitate a smooth and efficient transfer of the Asia Bath and Kitchen Business and disengagement of the Asia Bath and Kitchen Business from the rest of the bath and kitchen business operated by Ideal Standard and its Affiliates.

In addition to the above, the Company and/or its subsidiaries are currently parties to various agreements with Ideal Standard Global. These include an intellectual property agreement which gives the Company the right to require Ideal Standard Global to grant territorial licenses to manufacture and distribute products in the PRC under certain brand names and other intellectual property owned by Ideal Standard Global. Subject to the approval of independent Shareholders to the extent required by and in compliance with the GEM Listing Rules, it is the current intention of the parties to novate such agreements from Ideal Standard Global to INAX or its Affiliates at or about the time of Completion.

The Executive has examined the details of the Acquisition, including these ancillary arrangements, and is satisfied that these arrangements do not constitute special deals with favourable conditions between INAX and Ideal Standard in relation to the Acquisition and accordingly the Executive's consent under Rule 25 of the Takeovers Code is not required.

## **GENERAL**

### **Independent Board Committee and Independent Financial Adviser**

In connection with the Offer and in accordance with the Takeovers Code, the Company has formed an independent board committee comprising the only non-executive Director, Mr. Peter James O'Donnell, and Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi being all the independent non-executive Directors, to make a recommendation in respect of the Offer.

The Company will appoint an independent financial adviser to consider the terms of the Offer and will make a further announcement regarding such appointment in accordance with the Takeovers Code. Shareholders are advised to take no action as regards the Offer until they have received the Offer Document which will contain, amongst others, advice of the independent board committee and the independent financial adviser.

### **Despatch of the Offer Document**

Under Rule 8.2 of the Takeovers Code, the Offer Document is normally expected to be despatched within 21 days of the date of this Announcement.

However, as Completion is conditional upon the fulfilment (or, if applicable, the waiver) of the Conditions Precedent and may not take place within 21 days of the date of this Announcement, an application will be made for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document to within seven days after Completion. Subject to such consent being granted by the Executive, the Offer Document will be despatched within seven days after Completion.

### **Disclosure Obligations**

Other than the Share and Asset Purchase Agreement (the details of which are disclosed in the section headed "Sale of the Asia Bath and Kitchen Business by Ideal Standard and Possible Voluntary Conditional Cash Offer" and the agreements set out under the section headed "Further Arrangement under the Share and Asset Purchase Agreement" above), (a) there are no agreements or arrangements to which INAX is a party at the date of this Announcement which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer and (b) there are no arrangements in relation to the Shares or the shares of INAX which might be material to the Offer.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the INAX are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

Pursuant to Note 11 to Rule 22 of the Takeovers Code, stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant provisions of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to cooperate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries

will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.

### **IMPORTANT NOTE FOR SHAREHOLDERS OUTSIDE HONG KONG**

The Offer (or any mandatory unconditional cash offer referred to herein) will be in respect of securities of a company incorporated in the Cayman Islands and will be subject to the statutory procedural and disclosure requirements of Hong Kong, which may be different from those of other jurisdictions.

INAX intends to make the Offer (or any mandatory unconditional cash offer referred to herein) available to all Shareholders, including those with registered addresses, as shown in the register of members of the Company, outside Hong Kong.

The availability of the Offer (or any mandatory unconditional cash offer referred to herein) to persons not resident in Hong Kong and the ability of Shareholders outside of Hong Kong to participate in the Possible Offer will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

**The Offer (or any mandatory unconditional cash offer referred to herein) will only be made if Completion takes place. Completion is subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent. Therefore, the Offer (or any mandatory unconditional cash offer referred to herein) may or may not be made and Shareholders and/or potential investors in the Company are advised to exercise caution when dealing in the Shares.**

### **INFORMATION ON THE COMPANY**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 December, 1993 and its Shares have been listed on GEM since 11 July, 2003.

The Group manufactures and distributes in the PRC a broad range of bathroom and kitchen fixtures and plumbing fittings under the plumbing product brand names of American Standard, including the “American Standard” and “Armitage Shanks” brands.

At the date of this Announcement, there are 151,034,000 Shares in issue.

Other than the Shares, there are no convertible securities, warrants, options, derivatives or other securities issued by the Company.

### **INFORMATION ON INAX**

INAX is incorporated in Japan, and has an extensive history in the manufacture of tiling, building materials and sanitary fixtures for residential, commercial and public buildings and facilities. It currently has operations in Asia, Europe and the United States of America and is a wholly owned subsidiary of the JS Group Corporation, a company

listed in Tokyo and, as at 19 June, 2009 had a market capitalization of approximately ¥413,893 million (approximately HK\$33,070 million). As at 31 March, 2009, being the date to which the latest published accounts of JS Group Corporation were made up, the net current assets position of JS Group Corporation was approximately ¥189,539 million (approximately HK\$15,144 million), including a cash balance of approximately ¥87,887 million (approximately HK\$7,022 million), and the total net assets of JS Group Corporation was approximately ¥533,073 million (approximately HK\$42,593 million).

None of INAX, its Affiliates, nor any person acting in concert with any one of them owns or controls, or has lent or borrowed, any Shares or any convertible securities, warrants or options to acquire (or other outstanding derivatives in respect of) any Shares or (otherwise than by entering into the Share and Asset Purchase Agreement) had any dealings in relevant securities of ASPPL in the six months preceding the date of this announcement or has entered into any derivative in respect of securities in ASPPL that is still outstanding.

### **INTENTIONS OF THE OFFEROR**

INAX is acquiring the Asia Bath and Kitchen Business with a view to, amongst other things, expanding its operations and presence in Asia. INAX intends to integrate the Asia Bath and Kitchen Business with its existing operations, and to continue to grow the business globally, leveraging on the global manufacturing footprint of the Asia Bath and Kitchen Business as a whole.

### **COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

INAX intends to exercise the right to compulsorily acquire those Shares not acquired by it pursuant to the Offer (or any mandatory unconditional cash offer referred to herein, but it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made) under Section 88 of the Companies Law (2007 Revision) of the Cayman Islands if it acquires not less than 90% of the Shares within four months of the posting of the Offer Document as required by Rule 2.11 of the Takeovers Code. Should compulsory acquisition rights arise and be exercised in full, an application will be made for the withdrawal of the listing of the Shares on GEM in accordance with the GEM Listing Rules.

### **MAINTAINING THE LISTING**

In the event that the compulsory acquisition rights are not available to INAX and the Offer (or any mandatory unconditional cash offer referred to herein but it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made) closes, INAX will, together with the Company, use all reasonable endeavours to maintain the listing of the Shares on the Stock Exchange, and will ensure that not less than 25% of the Shares will be held by the public, in compliance with Rule 11.23(7) of the GEM Listing Rules.

If, at the close of the Offer (or any mandatory unconditional cash offer referred to herein but it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made), less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares. It should therefore be noted that upon completion of the Offer, there may be insufficient public float for the Shares, and therefore trading in the Shares may be suspended until a prescribed level of public float is attained.

## **2. RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 09:30 am on Monday 18 May, 2009 pending the publication of this Announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange from 09:30 am on Monday 22 June, 2009.

**The Offer (or any mandatory unconditional cash offer referred to herein, but it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made) will only be made if Completion takes place. Completion is subject to the fulfilment (or, if applicable, waiver) of the Conditions Precedent. Therefore, the Offer (or any mandatory unconditional cash offer referred to herein, but it is not the intention of the parties to the Share and Asset Purchase Agreement that a mandatory general offer will be made) may or may not be made and Shareholders and/or potential investors in the Company are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this Announcement, the following expressions have the meanings set out below unless the context otherwise requires:

- |                     |   |
|---------------------|---|
| “Acquisition”       | the acquisition by INAX of the Asia Bath and Kitchen Business from Ideal Standard |
| “acting in concert” | the meaning ascribed to it in the Takeovers Code                                  |



“Affiliates”	in relation to any body corporate, any person which is from time to time a subsidiary, subsidiary undertaking, parent company or holding company (as defined in the Companies Act) of that body corporate or of such subsidiary, subsidiary undertaking, parent company or holding company as the case may be
“American Standard”	American Standard Foreign Trading Limited, a company incorporated in Bermuda and which is the controlling Shareholder
“Asia Bath and Kitchen Business”	100% of the equity interests in the Target Companies owned by Ideal Standard and/or Affiliates and certain intellectual property rights owned by Ideal Standard and/or its Affiliates in connection with the manufacture and distribution of bathroom and kitchen fixtures and plumbing fittings in Asia
“associate”	the meaning ascribed to it in the Takeovers Code
“Board”	the board of directors of the Company
“Companies Act”	the Companies Act 2006 of the United Kingdom, as amended and in force from time to time
“Company”	A-S China Plumbing Products Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Completion”	completion of the Acquisition
“Conditions Precedent”	the conditions precedent to Completion, as set out in the Share and Asset Purchase Agreement
“Director(s)”	the director(s) of the Company
“€”	Euro, the common currency of the eurozone states
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Financial Adviser”	Anglo Chinese Corporate Finance, Limited, the financial adviser to INAX, and a corporation licensed to carry on type 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ideal Standard”	Ideal Standard International Holding Sarl, a company incorporated in Luxembourg, and the seller under the Share and Asset Purchase Agreement
“Ideal Standard Global”	Ideal Standard Global Ltd., an indirect wholly owned subsidiary of Ideal Standard
“INAX”	INAX Corporation, a company incorporated in Japan, the purchaser under the Share and Asset Purchase Agreement, and the offeror under the Offer and a wholly owned subsidiary of JS Group Corporation, a company incorporated in Japan with limited liability and listed on the Tokyo Stock Exchange
“Long Stop Date”	31 October, 2009, the latest date by which, all the Conditions Precedent need to be fulfilled save as mentioned in this announcement
“Minority Shareholders”	Shareholders other than Ideal Standard and its Affiliates
“Offer”	the possible conditional voluntary cash offer for the Shares at the Total Per Share Consideration to be made by the Financial Adviser on behalf of INAX to acquire all of the issued Shares

“Offer Document”	the document to be issued by or on behalf of INAX to all Shareholders in accordance with the Takeovers Code containing, amongst others, the terms and conditions of the Offer or, where applicable, the composite offer and response document to be issued by INAX and the Company
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share and Asset Purchase Agreement”	the Share and Asset Purchase Agreement dated 18 May, 2009, as amended by a supplementary agreement dated 21 June, 2009 entered into between INAX and Ideal Standard in respect of the Acquisition and the Offer
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension Date”	18 May, 2009, the date on which the Shares were suspended from trading on GEM
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Companies”	American Standard Korea Inc. (incorporated in Korea), PT American Standard Indonesia (incorporated in Indonesia), American Standard B&K (Thailand) Public Company Limited (incorporated in Thailand), Ideal Standard (Thailand) Ltd. (incorporated in Thailand), Ceramic Sanitaryware Pte Ltd. (incorporated in Singapore), American Standard Philippines Limited, Co. (incorporated in the Philippines), American Standard Consulting (Shanghai) Co Ltd (incorporated in the PRC), and American Standard Bath & Kitchen (India) Private Ltd (incorporated in India)
“Total Per Share Consideration”	the price to be paid by INAX to Shareholders for each Share in respect of which the Offer is accepted

“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“United States” or “U.S.”	the United States of America
“US\$”	US dollars, the lawful currency of the United States

*For the purpose of illustration only, amounts denominated in € have been translated into HK\$ at the rate of €1.00 = HK\$10.79, and amounts denominated in ¥ have been translated into HK\$ at the rate of ¥1.00 = HK\$0.0799. Such translations should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.*

By Order of the Board of  
**INAX Corporation**  
**Yuji Tsuboi**  
*Director & Senior Officer Corporate  
Management Controlling Division*

By Order of the Board of  
**A-S China Plumbing Products Limited**  
**Chen Rong Fang**  
*Executive Director and  
Company Secretary*

Hong Kong, 22 June, 2009

*At the date of this Announcement, the Executive Directors of the Company are Mr. Ye Zhi Mao, Jason, Mr. Gao Jin Min, Mr. Wang Gang, Mr. Yang Xiong and Ms. Chen Rong Fang; the Non-executive Director of the Company is Mr. Peter James O’Donnell; and the Independent Non-executive Directors are Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi.*

*This Announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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: (a) the information contained in this Announcement (other than information relating to INAX and its Affiliates) is accurate and complete in all material respects and not misleading, (b) there are no other matters (other than matters relating to INAX and its Affiliates) the omission of which would make any statement in this Announcement misleading and (c) all opinions expressed in this Announcement (other than opinions expressed by INAX and its Affiliates) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*At the date of this Announcement, the directors of INAX are Masahiro Sugino, Ryuichi Kawamoto, Toshikazu Ishihara, Susumu Yamaguchi, Kazuhisa Kato, Akira Tada, Izumi Akiyama, Tadashi Arishiro, Nobuo Kamiya, Moritaka Tokunaga, Kiyotaka Kawanishi, Junichi Yamanaka, Shuji Fukao, Yuji Tsuboi, Yoichiro Ushioda and Yasuo Nagasaka. The directors of INAX jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions (other than those expressed by the Group) expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Group) not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*

*At the date of this Announcement, the directors of JS Group Corporation are Yoichiro Ushioda, Masahiro Sugino, Yasuo Nagasaka, Keiichiro Ina, Yoshinobu Kikuchi, Yoshizumi Kanamori, Takashi Tsutsui, Masahiro Takasaki and Tetsuo Shimura. The directors of JS Group Corporation jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions (other than those expressed by the Group) expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Group) not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*

*This Announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting.*