
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Offer, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in A-S China Plumbing Products Limited, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Offer Document should be read in conjunction with the Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.



**OFFER DOCUMENT RELATING TO
THE VOLUNTARY CONDITIONAL CASH OFFER BY
ANGLO CHINESE CORPORATE FINANCE, LIMITED
ON BEHALF OF
INAX CORPORATION
TO ACQUIRE ALL THE SHARES IN**



Financial Adviser to INAX Corporation

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

A letter from Anglo Chinese containing, amongst other things, details of the terms of the Offer is set out on pages 7 to 18 of this Offer Document.

The procedures for acceptance and other related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances should be received no later than 4:00 p.m. on 11 August 2009 (or such other time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code).

10 July 2009

CHARACTERISTICS OF GEM

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

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 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 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 GEM mean that it is a market more suited to professional and other sophisticated investors.

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

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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EXPECTED TIMETABLE

2009

Despatch date of this Offer Document and the commencement of the Offer ⁽¹⁾	10 July
Despatch date of the Response Document ⁽²⁾	expected on or before 24 July
Latest time and date for acceptance of the Offer	4:00 p.m. on 11 August
First closing date of the Offer ⁽³⁾⁽⁴⁾	11 August
Announcement of the results of the Offer, or as to whether the Offer has been revised or extended, on the GEM website	by 7:00 p.m. on 11 August
Latest date for posting of remittances for the first part of the Total Per Share Consideration due under the Offer in respect of valid acceptances received under the Offer ⁽⁵⁾	21 August
Latest time by which the Offer can be declared unconditional as to acceptances.	8 September
Expected date for announcing the second part of the Total Per Share Consideration ⁽⁶⁾	mid-November

Notes:

- (1) The Offer is made on 10 July 2009 being the date of posting of this Offer Document, and is capable of acceptance on and from that date until the close of the Offer Period.
- (2) In accordance with the Takeovers Code, the Company is required to post the Response Document to holders of Shares within 14 days from the posting of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date.
- (3) The Offer will close on 11 August 2009 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror reserves the right to extend the Offer in accordance with the Takeovers Code. If the Offeror decides to extend the Offer, an announcement will be made stating the next closing day or, if the Offer has become or been declared unconditional, that the Offer will remain open until further notice, in which case at least 14 days' notice in writing will be given, to those Shareholders who have not yet accepted the Offer before the Offer is closed.
- (4) In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional, it should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing will be given before the Offer is closed to Shareholders who have not accepted the Offer.
- (5) Remittances in respect of the first part of the Total Per Share Consideration payable for the Shares tendered under the Offer will be despatched by ordinary post to the relevant Shareholders or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Company, at their own risk to their respective addresses as they appear on the register of members of the Company as soon as possible but in any event within 10 days of the date of the receipt by the Registrar of all valid requisite documents from Shareholders accepting the Offer, or the Offer becoming unconditional, whichever is the later.

EXPECTED TIMETABLE

- (6) Remittances in respect of the second part of the Total Per Share Consideration, if any, payable for the Shares tendered under the Offer will be despatched by ordinary post to the relevant Shareholders or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Company, at their own risk to their respective addresses as they appear on the register of members of the Company as soon as possible but in any event within 10 days of the date of the determination of that part.

All time references contained in this Offer Document are to Hong Kong time.

DEFINITIONS

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

“Acquisition”	the acquisition by the Offeror 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 and a subsidiary of Ideal Standard
”Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, 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, and the financial adviser to the Offeror
“Asia Bath and Kitchen Business”	100% of the equity interests in the Target Companies owned by Ideal Standard and/or its 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
“Business Day(s)”	a day (other than a Saturday or a Sunday) on which banks generally are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Companies Act”	the Companies Act 2006 of the United Kingdom
“Companies Law”	the Companies Law (2007 Revision) of the Cayman Islands
“Company”	A-S China Plumbing Products Limited, company incorporated in the Cayman Islands, whose Shares are listed on GEM

DEFINITIONS

“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
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer which accompanies this Offer Document
“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
“Latest Practicable Date”	7 July 2009 being the latest practicable date prior to the printing of this Offer Document for the purpose of ascertaining certain information contained in this Offer Document
“Minority Shareholders”	Shareholders other than Ideal Standard and its Affiliates
“Offer”	the conditional voluntary cash offer for the Shares at the Total Per Share Consideration being made by Anglo Chinese on behalf of the Offeror to acquire all of the issued Shares
“Offer Document”	this offer document dated 10 July 2009 issued by the Offeror in connection with the Offer

DEFINITIONS

“Offer Period”	the period from 18 May 2009, being the date an announcement about the possibility of the Offer, amongst other things, was published in Japan by the Offeror’s parent company, JS Group Corporation, to 4:00 p.m. on 11 August 2009, or such later time and/or date to which the Offeror may decide to extend the Offer in accordance with the Takeovers Code
“Offeror”	INAX Corporation, a company incorporated in Japan, the purchaser under the Share and Asset Purchase Agreement and a wholly-owned subsidiary of JS Group Corporation, a company incorporated in Japan and listed on the Tokyo Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this Offer Document only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the share registrar of the Company and the receiving agent for receiving and processing the acceptances of the Offer
“Relevant Period”	the period from 18 November 2008 (being the date falling six months prior to 18 May 2009, being the date of commencement of the Offer Period) to the Latest Practicable Date
“Response Document”	the document to be published by the Company and despatched to the Shareholders in response to this Offer Document
“Second Amendment Agreement”	the second amendment agreement amending the Share and Asset Purchase Agreement dated 2 July 2009 entered into between Ideal Standard and the Offeror
“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 and the Second Amendment Agreement entered into between the Offeror and Ideal Standard in respect of the Acquisition and the Offer
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of US\$0.01 each in the capital of the Company

DEFINITIONS

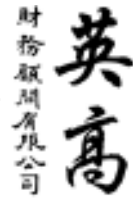
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension Date”	18 May 2009, the date on which the Shares were suspended from trading on GEM
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Companies”	American Standard Korea Inc. (incorporated in Korea), PT American Standard 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 Consulting (Shanghai) Co Ltd (incorporated in the PRC) (the equity interests of which will be transferred to Ceramic Sanitaryware Pte Ltd., but the completion of which is subject to approval by the PRC authorities), American Standard Philippines Limited, Co. (incorporated in the Philippines), American Standard Philippines LLC (incorporated in the U.S.) and American Standard Bath & Kitchen (India) Private Ltd (incorporated in India)
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Total Per Share Consideration”	the price, determined in €, to be paid by the Offeror to Shareholders for each Share in respect of which the Offer is accepted
“United States” or “U.S.”	the United States of America
“US\$”	US dollars, the lawful currency of the United States of America

For the purpose of illustration only, amounts in this Offer Document 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\$0.082. 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.

LETTER FROM ANGLO CHINESE

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
www.anglochinesegroup.com

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong



10 July 2009

To the Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL 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**

1. INTRODUCTION

On 22 June 2009, the Offeror and the Company jointly announced that the Offeror had agreed to acquire the Asia Bath and Kitchen Business from Ideal Standard, pursuant to the terms and conditions of the Share and Asset Purchase Agreement. It was also announced that the Offeror had 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 would make a voluntary conditional cash offer to acquire all the issued Shares.

The Conditions Precedent were all satisfied, and Completion of the Acquisition took place on 2 July 2009 and the Offer is now being made.

On 8 July 2009, the Offeror and the Company jointly announced that the first part of the Total Per Share Consideration payable to all accepting Shareholders (the "Minimum Per Share Consideration") was increased to €0.283 (equivalent to approximately HK\$3.05). There is no certainty that Shareholders will receive any more than the Minimum Per Share Consideration.

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. As at the Latest Practicable Date, Ideal Standard and its Affiliates held in aggregate 96,375,500 Shares, or approximately 63.81%, of the issued share capital of the Company as at the Latest Practicable Date.

This Offer Document and the accompanying Form of Acceptance together set out the terms and conditions of the Offer and certain other information relating to the Offer.

LETTER FROM ANGLO CHINESE

2. THE OFFER

On behalf of the Offeror, we are making the Offer on the terms and conditions set out below in this letter (together with the terms set out in Appendix I to this Offer Document) and in the Form of Acceptance, on the following basis:

for each Share. the Total Per Share Consideration

Conditional Offer

The Offer is conditional only upon acceptances being received under the Offer in respect of more than 50% of the Shares in issue.

Consideration

The consideration payable under the Offer is calculated as follows.

The Total Per Share Consideration will be calculated and paid in two steps.

The Minimum Per Share Consideration, is €0.283 (equivalent to approximately HK\$3.05). The illustration of the HK\$ equivalent has been based on the exchange rate for € to HK\$ set out on page 6 of this Offer Document. The actual amount in HK\$ that will be paid to each accepting Shareholder (unless such accepting Shareholder has elected to receive all or part of the consideration in €) will depend on the rate of exchange obtainable following receipt of the valid acceptance from the accepting Shareholder. For further details, please see the paragraph headed "Payment" under the section "Acceptance And Settlement" of this letter. There is no certainty that Shareholders will receive any more than the Minimum Per Share Consideration, as the Total Per Share Consideration is affected by possible adjustments for cash net of third party and intra group debt of the Group as of Completion and any change in net working capital of the Group as at close of business on 30 June 2009.

For each Share the first part of the Total Per Share Consideration will be paid to all accepting Shareholders as soon as possible but in any event within 10 days following the date on which all the relevant documents are received by the Registrar to render acceptances of the Offer complete and valid, or the Offer becoming unconditional, whichever is the later.

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

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

LETTER FROM ANGLO CHINESE

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.
- B = (i) Cash net of third party and intra group debt of the Group as of the close of business on 30 June 2009 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 the close of business on 30 June 2009 from the fixed “reference net working capital” of €2.6 million (approximately HK\$28.1 million) attributable to the direct and indirect shareholding interest of Ideal Standard in the Company. The “reference net working capital” is 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), (A) required for operating the businesses of the Group at their current level and (B) 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.

If this 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 within approximately three to four and a half months after Completion. It is expected that the second part of the Total Per Share Consideration will be announced no later than around mid-November 2009. The payment of the second part of the Total Per Share Consideration, if any, will be paid to all accepting Shareholders as soon as possible but in any event within 10 days after such amount has been determined.

The Company and the Offeror issued a joint announcement on 7 July 2009, announcing the entering into of the Second Amendment Agreement by Ideal Standard and the Offeror. The Company and its subsidiaries are not a party to the Second Amendment Agreement. At Completion it was agreed between Ideal Standard and the Offeror that accrued royalties payable to Ideal Standard by the Group would be waived by Ideal Standard. Under the Second Amendment Agreement, it was agreed that any accrued royalties payable to Ideal Standard by the Group the payment of which was waived by Ideal Standard will not be included in the determination of the net indebtedness of the Group.

LETTER FROM ANGLO CHINESE

However, 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 the close of business on 30 June 2009 which remain to be determined, it is not possible to determine the final Total Per Share Consideration at this stage. However, based on a statement provided by Ideal Standard, setting out the estimated net indebtedness, estimated intra-group indebtedness and estimated net working capital based on the unaudited management accounts of the Group as at 30 June 2009, which includes the waiver of accrued royalties referred to above, the Total Per Share Consideration under the Offer is estimated to be approximately €0.314 (equivalent to approximately HK\$3.39) (the “Estimated Total Per Share Consideration”).

There has been no material change in the cash net of third party and intra group debt or the net working capital of the Group since 30 April 2009.

The Estimated Total Per Share Consideration may not be indicative of the Total Per Share Consideration. The Total Per Share Consideration may be materially different as it will be based on completion accounts to be prepared after Completion, and will be calculated in €, to three decimal places. The completion accounts to be prepared after Completion had not been prepared at the Latest Practicable Date and are expected to be available only within approximately three to four and a half months after Completion.

Ideal Standard and its Affiliate, American Standard, may, however, effectively receive a price per Share that is less than the Minimum Per Share Consideration under the Offer.

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 to be 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 Estimated Total Per Share Consideration based on a statement setting out the estimated net indebtedness, estimated intra-group indebtedness and estimated net working capital based on the unaudited management accounts of the Group as at 30 June 2009 will be equal to the Total Per Share Consideration, the amount of which will be based on accounts to be prepared after Completion.

LETTER FROM ANGLO CHINESE

Comparisons of Value

The Minimum Per Share Consideration of €0.283 (approximately HK\$3.05) and the Estimated Total Per Share Consideration of approximately €0.314 (approximately HK\$3.39) represent a premium of approximately:

	The Minimum Per Share Consideration	The Estimated Total Per Share Consideration
(a) over the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on 15 May 2009, being the last trading day immediately preceding the Suspension Date;	205.0%	239.0%
(b) over the average closing price of HK\$0.904 per Share based on the daily closing prices for the 5 trading days immediately prior to and including 15 May 2009, being the last trading day immediately preceding the Suspension Date;	237.4%	275.0%
(c) over the average closing price of HK\$0.820 per Share based on the daily closing prices for the 10 trading days immediately prior to and including 15 May 2009, being the last trading day immediately preceding the Suspension Date;	272.0%	313.4%
(d) over the average closing price of HK\$0.707 per Share based on the daily closing prices for the 30 trading days immediately prior to and including 15 May 2009, being the last trading day immediately preceding the Suspension Date;	331.4%	379.5%
(e) over the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the Latest Practicable Date.	24.5%	38.4%

The Estimated Total Per Share Consideration may not be indicative of the Total Per Share Consideration. The Total Per Share Consideration may be materially different as it will be based on completion accounts to be prepared after Completion, and will be calculated in €, to three decimal places. The completion accounts to be prepared after Completion had not been prepared at the Latest Practicable Date and are expected to be available only within approximately three to four and a half months after Completion.

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 Estimated Total Per Share Consideration based on a statement setting out the estimated net indebtedness, estimated intra-group indebtedness and estimated net working capital based on the unaudited management accounts of the Group as at 30 June 2009 will be equal to the Total Per Share Consideration, the amount of which will be based on accounts to be prepared after Completion.

LETTER FROM ANGLO CHINESE

Highest and Lowest Prices

During the Relevant Period, the highest closing price of the Shares was HK\$2.60 per Share as quoted on the Stock Exchange on 22 June 2009 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.

Total Consideration

On the basis of 151,034,000 Shares in issue as at the Latest Practicable Date and the Minimum Per Share Consideration, the Offer values the equity value of the Company at €42,742,622 (equivalent to approximately HK\$461,192,891). Assuming that the Offer is accepted in full by the Shareholders and on the basis of 151,034,000 Shares in issue as at the Latest Practicable Date and based on the Minimum Per Share Consideration, the total amount of cash required to effect the Offer is €42,742,622 (equivalent to approximately HK\$461,192,891).

On the basis of 151,034,000 Shares in issue as at the Latest Practicable Date and (by way of illustration only) the Estimated Total Per Share Consideration, the Offer values the equity value of the Company at €47,424,676 (equivalent to approximately HK\$511,712,254). Assuming that the Offer is accepted in full by the Shareholders and on the basis of 151,034,000 Shares in issue as at the Latest Practicable Date and based on the Estimated Total Per Share Consideration, the total amount of cash required to effect the Offer is €47,424,676 (equivalent to approximately HK\$511,712,254).

The Estimated Total Per Share Consideration may not be indicative of the Total Per Share Consideration. The Total Per Share Consideration may be materially different as it will be based on completion accounts to be prepared after Completion, and will be calculated in €, to three decimal places. The completion accounts to be prepared after Completion had not been prepared at the Latest Practicable Date and are expected to be available only within approximately three to four and a half months after Completion.

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 Estimated Total Per Share Consideration based on a statement setting out the estimated net indebtedness, estimated intra-group indebtedness and estimated net working capital based on the unaudited management accounts of the Group as at 30 June 2009 will be equal to the Total Per Share Consideration, the amount of which will be based on accounts to be prepared after Completion.

Effect of Accepting the Offer

By accepting the Offer, Shareholders will sell to the Offeror 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 as at the date of Completion, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after 2 July 2009. Acceptance of the Offer shall be unconditional and irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

LETTER FROM ANGLO CHINESE

Stamp Duty

Ad valorem stamp duty of the sellers at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the higher of (i) the consideration payable by the Offeror in respect of the relevant acceptance; or (ii) the market value of the Shares will be deducted from the amount payable to such Shareholders. The Offeror will then pay the stamp duty deducted to the stamp duty office on behalf of the accepting Shareholders.

Closing of the Offer

The latest time for acceptance of the Offer is at 4:00 p.m. on 11 August 2009 unless the Offer is revised or extended in accordance with the Takeovers Code.

3. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror intends to finance the Offer through its own internal resources.

Anglo Chinese, as financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy full acceptance of the Offer.

4. INFORMATION ON THE OFFEROR

The Offeror 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 and is a wholly owned subsidiary of JS Group Corporation, a company listed on the Tokyo Stock Exchange and, as at the Latest Practicable Date had a market capitalisation of approximately ¥401,978 million (approximately HK\$32,962.2 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\$15,542.2 million), including a cash balance of approximately ¥87,887 million (approximately HK\$7,206.7 million), and the total net assets of JS Group Corporation was approximately ¥533,073 million (approximately HK\$43,712.0 million).

At the Latest Practicable Date, the directors of the Offeror were 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.

At the Latest Practicable Date, the directors of JS Group Corporation were Yoichiro Ushioda, Masahiro Sugino, Yasuo Nagasaka, Keiichiro Ina, Yoshinobu Kikuchi, Yoshizumi Kanamori, Takashi Tsutsui, Masahiro Takasaki and Tetsuo Shimura.

LETTER FROM ANGLO CHINESE

5. INTENTIONS OF THE OFFEROR

The Offeror is acquiring the Asia Bath and Kitchen Business with a view to, amongst other things, expanding its operations and presence in Asia. The Offeror intends to integrate the Asia Bath and Kitchen Business with its existing operations, and to continue to grow the business globally, using the manufacturing capability of the Asia Bath and Kitchen Business. The acquisition of the Asia Bath and Kitchen Business, with a business presence and market share in the countries where it operates, will significantly enhance that business in the sector.

In particular, it is the intention of the Offeror that the Company will continue to carry on its existing business and will maintain its existing business to the extent where it is in the interest of the Company and the Shareholders as a whole to do so. The acquisition of the Company offers an opportunity for the Offeror to participate in the PRC bath and kitchen products market and the Company's existing manufacturing capacity in the PRC can continue to serve as an export base. As at the Latest Practicable Date, the Offeror had no intention to introduce any major changes to the business of the Group or to redeploy the employees or the fixed assets of the Group, other than in the ordinary course of business, except that the Offeror anticipates that changes may be made to the composition of the Board in compliance with the Takeovers Code and the GEM Listing Rules. As at the Latest Practicable Date, no candidate had been identified to be nominated to the Board. Further announcements will be made in respect of any changes to the Board, if any, pursuant to Rule 17.50(2) of the GEM Listing Rules.

6. COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

The Offeror intends to exercise the right to compulsorily acquire those Shares not acquired by it pursuant to the Offer under Section 88 of the Companies Law if it acquires not less than 90% of the Shares within four months of the posting of this 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.

7. MAINTAINING THE LISTING

In the event that the compulsory acquisition rights are not available to the Offeror and the Offer closes, the Company will be required to 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 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.

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8. ACCEPTANCE AND SETTLEMENT

Procedures for Acceptance

To accept the Offer in respect of your Shares, you should complete the accompanying Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms and conditions of the Offer. The completed Form of Acceptance should then be forwarded together with the relevant original Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of Shares in respect of which you intend to accept the Offer, by hand or by post, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 11 August 2009 (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code). No acknowledgement of receipt of the Form of Acceptance, Share certificate(s), transfer receipt(s) or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to the section headed "Further Procedures for Acceptance" as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

Payment

Although the Total Per Share Consideration is calculated in €, all accepting Shareholders will be paid in HK\$ unless they elect to receive all or part of the consideration in € by completing the appropriate box in the Form of Acceptance. Payments made in HK\$ will be calculated:

- (a) in respect of the first part of the Total Per Share Consideration of €0.283 (equivalent to approximately HK\$3.05), at the exchange rate obtainable by the Offeror following receipt by the Offeror of the relevant duly completed Form of Acceptance (together with all accompanying documents) from the accepting Shareholder; and
- (b) in respect of the second part of the Total Per Share Consideration, calculated at the exchange rate obtainable following determination of the second part of the Total Per Share Consideration.

The obtainable exchange rate will be the € to HK\$ exchange rate as quoted by the Hongkong and Shanghai Banking Corporation Limited at or about 11:00 a.m. on:

- A. In respect of the Minimum Per Share Consideration:
 - (i) for valid acceptances received by the Offeror before the Offer has become, or has been declared unconditional:

the third Business Day (to allow time for processing of bank instructions and approvals thereof) after the Offer becomes, or is declared, unconditional; or

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- (ii) for valid acceptances received by the Offeror after the Offer has become, or has been declared, unconditional:

the fifth Business Day (to allow time for batch processing of bank instructions and approvals thereof) after the receipt by the Offeror of the relevant duly completed Form of Acceptance (together with all accompanying documents) from the accepting Shareholder; or

- B. In respect of the second part of the Total Per Share Consideration:

the third Business Day (to allow time for processing of bank instructions and approvals thereof) after the date of determination of the second part of the Total Per Share Consideration.

Shareholders and/or potential investors in the Company are advised that due to the mechanism for exchange referred to above, the exchange rate on the date of submission of the Form of Acceptance by the accepting Shareholder may not be the same the exchange rate used in the calculation of the consideration due to such accepting Shareholder.

Payment in cash in respect of the first part of the Total Per Share Consideration will be made as soon as possible but in any event within ten days of the date of the receipt by the Registrar of all valid requisite documents from the Shareholders or the Offer becoming unconditional, whichever is the later.

Payment in cash in respect of the second part of the Total Per Share Consideration, if any, will be made as soon as possible but in any event within ten days of the date of the determination of that part.

Nominee Registration

In order for the beneficial owners of Shares whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer. To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately.

9. SHAREHOLDERS OUTSIDE HONG KONG

The Offer is in respect of securities of a company incorporated in the Cayman Islands and admitted to listing in Hong Kong and is subject to the procedure and disclosure requirements of Hong Kong, which may be different from those of other jurisdictions. The ability of Shareholders located outside of Hong Kong to participate in the Offer is subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

The attention of overseas Shareholders and any person (including, without limitation, any nominee, custodian or trustee) who may have an obligation to forward the Offer Document and the accompanying Form of Acceptance outside of Hong Kong is drawn to the section headed "Overseas Shareholders" as set out in Appendix I to this Offer Document.

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10. TAXATION

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offer in respect of their Shares. It is emphasised that none of the Offeror, its Affiliates, any persons acting in concert with any of them, Anglo Chinese, the Company, the Registrar or any of their respective directors, officers or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

11. GENERAL

Further terms and conditions of the Offer are set out in Appendix I to this Offer Document and in the Form of Acceptance.

12. ADDITIONAL INFORMATION

Based on the information provided in the submissions made on behalf of the Offeror in relation to the details of the Acquisition, including certain ancillary arrangements between the Offeror (or its Affiliates) and Ideal Standard (or its Affiliates) to allow for a smooth transition of the Asia Bath and Kitchen Business to the Offeror, the Executive confirmed that such arrangements between Ideal Standard and the Offeror do not constitute special deals under Rule 25 of the Takeovers Code.

In the Company's prospectus dated 19 June 2003, the Company stated that the Company has in place with American Standard Inc., ("ASI") an intellectual property agreement which gives the Company the exclusive right to require ASI to grant to companies in which the Company holds directly or indirectly a majority interest, territorial licences to manufacture and distribute plumbing products in the PRC under the plumbing product brand names, including the "American Standard" and "Armitage Shanks" brands. The prospectus further states that the intellectual property agreement contains no specified termination date and the right provided thereunder to the Company cannot be terminated or revoked by notice even if the interest of American Standard Companies Inc. and its subsidiaries from time to time, (excluding the Company and its subsidiaries) in the Company falls below 51%.

The Company announced that the rights and obligations of ASI under the intellectual property agreement were assigned and novated to Ideal Standard Global, an indirect wholly-owned subsidiary of Ideal Standard. The Company announced on 26 June 2009 that in connection with the Acquisition, the Offeror, Ideal Standard Global and the relevant members of the Group entered into novation agreements in connection with, inter alia, the novation of the rights and obligations of Ideal Standard Global under the intellectual property agreement to the Offeror. Such assignment and novation shall become effective upon receipt of the approval of the Shareholders (other than those who have a material interest in the novation) of the novation, and the approval of the Board.

The intellectual property agreement, which pursuant to its terms is governed by the law of the State of New York, contains no term regarding its duration. In addition, the intellectual property agreement does not provide that the right granted to the Company thereunder cannot be terminated or revoked by notice by ASI even if the interest of American Standard Companies Inc. and its subsidiaries from time to time, (excluding the Company and its subsidiaries) in the Company falls below 51%, although this conclusion is drawn by the Company as stated in the Company's prospectus.

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Further details of the Offer are set out elsewhere in this Offer Document, of which this letter forms a part. You are advised to read carefully the additional information set out in the Appendices to this Offer Document (and in the Response Document of the Company when it is published), before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited

Dennis Cassidy
Director

1. FURTHER PROCEDURES FOR ACCEPTANCE

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the Offer.

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must forward the duly completed Form of Acceptance together with the relevant original Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), for all of your Shares or, if applicable, for not less than the number of Shares in respect of which you intend to accept the Offer by hand or by post, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 11 August 2009 (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code).

- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are registered in the name of a nominee company or a name other than your own, and you wish to accept the Offer, you must either:
 - (i) lodge your original Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to forward the duly completed Form of Acceptance together with the relevant original Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), for all of your Shares or, if applicable, for not less than the number of Shares in respect of which you intend to accept the Offer by hand or by post, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 11 August 2009 (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code);

 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the duly completed Form of Acceptance together with the relevant original Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), for all of your Shares or, if applicable, for not less than the number of Shares in respect of which you intend to accept the Offer by hand or by post, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 11 August 2009 (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code);

- (iii) if your Shares have been lodged with your broker/custodian bank through CCASS, instruct your broker/custodian bank to authorise HKSCC Nominees Limited to accept the Offer in respect of your Shares on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your broker/custodian bank for the timing on processing your instruction, and submit your instruction to your broker/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with HKSCC Nominees Limited for the timing on processing your instruction, and submit your instruction via the CCASS Phone System or CCASS Internet System.
- (c) If the Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer, the Form of Acceptance should nevertheless be completed and forwarded, by hand or by post, to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete the Form of Acceptance and forward it, by hand or by post, to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Anglo Chinese and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form of Acceptance.
- (e) Acceptances of the Offer will be treated as valid only if the duly completed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on 11 August 2009, or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and is:
 - (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

- (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under sub-paragraphs (i) or (iii) of this paragraph (e)); or
- (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (f) Seller's ad valorem stamp duty (rounded up to the nearest HK\$1) arising in connection with acceptance of the Offer will be payable by each accepting Shareholder at the rate of 0.1% of the higher of (i) the consideration payable by the Offeror in respect of the relevant acceptance; or (ii) the market value of the Shares, and will be deducted from the cash amount due to such accepting Shareholder under the Offer. The Offeror will arrange payment of such seller's ad valorem stamp duty on behalf of the Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in respect of the Shares accepted under Offer.
- (g) The Total Per Share Consideration payable in respect of duly completed and valid acceptances of the Offer will be despatched to the persons entitled to it in two stages, further details of which are contained in the paragraph headed "Consideration" in the section "Letter from Anglo Chinese".
- (h) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offer is made on 10 July 2009, being the date of posting of this Offer Document, and is capable of acceptance on and from that date until the close of the Offer Period.
- (b) Unless the Offer is revised or extended in accordance with the Takeovers Code, all acceptances must be received by 4:00 p.m. on 11 August 2009 being first closing date. If the Offeror decides to extend or revise the Offer, the Offeror will issue an announcement through the GEM website by 7:00p.m. on 11 August 2009.
- (c) If, in the course of the Offer, the Offeror revises its terms, all Shareholders, whether or not they have already accepted the Offer, will be entitled to the revised terms. A revised offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (d) The execution by or on behalf of any Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised offer unless such holder becomes entitled to withdraw his/her/its acceptance under the paragraph headed "Right of Withdrawal" in this Appendix and duly does so.

3. ANNOUNCEMENTS

As required under Rule 19 of the Takeovers Code, by 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on 11 August 2009, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the GEM website by 7:00 p.m. on 11 August 2009 stating whether the Offer has been closed, revised, extended or expired. The announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) held, controlled or directed by the Offeror or persons acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror or any persons acting in concert with it.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must specify the percentages of the relevant classes of share capital, and the percentages of voting rights, represented by these numbers.

In computing the total number of the Shares represented by acceptances, only valid acceptances that are complete and in good order and which have been received by the Registrar (as regards the Offer) no later than 4:00 p.m. on 11 August 2009 shall be included.

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below or in compliance with Rule 17 of the Takeovers Code which provides that an acceptor shall be entitled to withdraw his/her/its acceptance after 21 days from 11 August 2009, being the first closing date, if the Offer has not by then become unconditional as to acceptances.
- (b) If the Offeror is unable to comply with the requirements set out in the section headed “Announcements” in this Appendix, the Executive may require that the Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, if an accepting Shareholder withdraws his/her/its acceptance, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Shareholder.

5. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/ or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Registrar no later than the latest time for acceptance (being 4:00 p.m. on 11 August 2009), a cheque for the first part of the Total Per Share Consideration (after deducting the relevant seller's ad valorem stamp duty payable by the Shareholders accepting the Offer) due to each of the accepting Shareholders in respect of the Shares tendered by him/her/it under the Offer will be despatched to such accepting Shareholder, or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Company, by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the date of the receipt by the Registrar of all valid requisite documents from Shareholders accepting the Offer, or the Offer becoming unconditional, whichever is the later.

Cheques for the second part of the Total Per Share Consideration (after deducting the relevant seller's ad valorem stamp duty payable by the Shareholders accepting the Offer), if any, will be despatched to such accepting Shareholder, or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Company, by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the date on which such second part of the Total Per Share Consideration has been determined. It is expected that the second part, if any, of the Total Per Share Consideration will be announced no later than around mid-November, 2009. The completion accounts to be prepared after Completion by reference to which the Total Per Share Consideration will be determined had not been prepared at the Latest Practicable Date and are expected to be available only within approximately three to four and a half months after Completion.

Unless the accepting Shareholders elect to be paid wholly or partly in € by completing the appropriate box in the Form of Acceptance, all cheques made out to accepting Shareholders will be in HK\$.

6. OVERSEAS SHAREHOLDERS

The making of the Offer to any Shareholders in any jurisdiction outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. If you are a citizen or resident or national of a jurisdiction outside Hong Kong, you should inform yourself about and observe any applicable legal and regulatory requirements. It is your responsibility if you wish to accept the Offer to satisfy yourself as to the full observance of all the applicable legal and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, complying with any other necessary formalities or legal requirements and paying any issue, transfer or other taxes due in respect of such jurisdiction.

Any such overseas Shareholder will be responsible for any such issue, transfer or other taxes by whomsoever payable and the Offeror, the Company, Anglo Chinese and any person acting on their behalf shall be entitled to be fully indemnified and held harmless by such overseas Shareholder for any such issue, transfer or other taxes as such person may be required to pay. Acceptance of the Offer by any such overseas Shareholder will constitute a warranty by such person that such person is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

7. GENERAL

- (a) All communications, notices, Forms of Acceptance, Share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or remittances to be delivered by or sent to or from Shareholders will be delivered by or sent to or from them, or their designated agents, at their own risk, and none of the Company, the Offeror, Anglo Chinese, the Registrar nor any of their respective directors, officers, associates, agents or any other person involved in the Offer accepts any liability for any loss in postage or any other liabilities that may arise as a result.
- (b) The provisions set out in the accompanying Form of Acceptance form part of the Offer.
- (c) The accidental omission to despatch this Offer Document and/or the Form of Acceptance to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a Shareholder will constitute such Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Anglo Chinese or such person or persons as the Offeror or Anglo Chinese may direct, to complete and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person to the Offeror that the Shares tendered under the Offer are sold by such person free from all liens, charges, claims, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date of Completion on 2 July 2009 or subsequently being attached thereto, including, without limitation, the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after 2 July 2009.
- (g) Acceptance of the Offer by any person or persons who is/are an overseas Shareholder will be deemed to constitute a warranty by such person or persons to the Offeror that he, she or it has observed the laws of all relevant territories, obtained any requisite governmental, exchange control or other consents, complied with all requisite formalities or legal requirements and paid any issue, transfer or other taxes or other required payments due from him, her or it in connection with such acceptance in any territory, that he, she or it has not taken or omitted to take any action which will or may result in the Offeror or Anglo Chinese or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the Offer or his, her, its acceptance thereof, and is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws.

- (h) The consideration payable to Shareholders under the Offer will be paid in full net of the seller's ad valorem stamp duty in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against the accepting Shareholders.
- (i) References to the Offer in this Offer Document and the Form of Acceptance shall include any extension or revision of the Offer.
- (j) In making their decision, the Shareholders must rely on their own examination of the Offeror, the Company and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Form of Acceptance are not to be construed as any legal or business advice. Shareholders should consult their own professional advisers for professional advice.
- (k) Subject to the terms of the Takeovers Code, acceptance(s) of the Offer may, at the discretion of the Offeror, be treated as valid even if not accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof), but, in such cases, cheques will not be despatched until the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) has/have been received by the Registrar. However, such acceptances will not be counted towards fulfilling the acceptance condition unless Rule 30.2 of the Takeovers Code has been fully complied with.
- (l) If the Offer does not become unconditional in all respects within the time permitted by the Takeovers Code, the Form of Acceptance, the relevant Share certificate(s), transfer receipt(s) and any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Offeror will be returned to the Shareholders who have accepted the Offer by ordinary post or such documents will be made available by the Registrar for collection, as soon as possible but in any event within 10 days after the Offer has lapsed.
- (m) The English texts of this Offer Document and the Form of Acceptance shall prevail over their Chinese texts for the purpose of interpretation.

1. RESPONSIBILITY STATEMENT

The members of the board of directors of the Offeror and of the Offeror's parent company, JS Group Corporation, jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

2. MARKET PRICES

The table below shows the closing market prices of the Shares as quoted on the Stock Exchange on (a) the Latest Practicable Date, (b) the last trading day immediately preceding the Suspension Date and (c) at the end of each of the calendar months during the Relevant Period:

Date	Closing Price per Share (HK\$)
28 November 2008	0.95
31 December 2008	0.74
30 January 2009	0.79
27 February 2009	0.85
31 March 2009	0.69
30 April 2009	0.68
15 May 2009 (last trading day prior to the Suspension Date)	1.00
29 May 2009	1.00 <i>(Note 1)</i>
30 June 2009	2.45
7 July 2009 (Latest Practicable Date)	2.45 <i>(Note 2)</i>

Note:

- (1) This is the closing price from the Suspension Date. The Shares were suspended from trading from the Suspension Date and resumed trading on 22 June 2009.
- (2) This is the closing price from 30 June 2009. The Shares were suspended from trading from 9:30 a.m. on 2 July 2009 and resumed trading on 8 July 2009.

During the Relevant Period, the highest closing price of the Shares was HK\$2.60 per Share as quoted on the Stock Exchange on 22 June 2009 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.

3. DISCLOSURE OF INTERESTS IN THE COMPANY

- (a) As at the Latest Practicable Date, none of the Offeror, the members of the board of directors of the Offeror, its Affiliates nor any of the persons acting in concert with any of them owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (b) As at the Latest Practicable Date, none of the Offeror, the members of the board of directors of the Offeror, its Affiliates, nor any person acting in concert with any of them had 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), or had any dealings in relevant securities of the Company during the Relevant Period, or had entered into any derivative in respect of securities in the Company that were still outstanding.
- (c) As at the Latest Practicable Date, Ideal Standard had 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. As at the Latest Practicable Date, Ideal Standard and its Affiliates held in aggregate 96,375,500 Shares, or approximately 63.81%, of the issued share capital of the Company at the Latest Practicable Date. Save as for entering into the Share and Asset Purchase Agreement, Ideal Standard and American Standard has not dealt for value in the Shares, or any convertible securities, warrants, options or derivatives in respect of any Shares, during the Relevant Period.
- (d) As at the Latest Practicable Date, no persons who had any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, the members of the board of directors of the Offeror, its Affiliates or any of the persons acting in concert with the Offeror owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (e) As at the Latest Practicable Date, neither the Offeror, the members of the board of directors of the Offeror, nor any of the persons acting in concert with any of them had any arrangement with any other person of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code.

4. DEALINGS IN THE SHARES

During the Relevant Period:

- (a) save as disclosed in this sub-paragraph below, neither the Offeror, the members of the board of directors of the Offeror, nor any of the persons acting in concert with any of them had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares:

Name of Party	Date	Type of Transaction	Number of Shares	Price per Share (HK\$)
Offeror	18 May 2009	Agreement to acquire Shares under the Share and Asset Purchase Agreement (Note 1))	96,375,500	(Note 2)

Note 1: These 96,375,500 Shares are the Shares which Ideal Standard has agreed to tender or procure its Affiliates to tender in the Offer.

Note 2: The price per Share will be calculated in accordance with the formula set out in the paragraph headed "Consideration" in the section "Letter from Anglo Chinese".

- (b) no persons who had any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, its Affiliates or any of the persons acting in concert with any of them had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

5. EXPERT AND CONSENT

- (a) The name and qualification of the professional adviser who has given an opinion or advice which is contained or referred to in this Offer Document is set out below:

Name	Qualification
Anglo Chinese Corporate Finance, Limited	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

- (b) Anglo Chinese has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion in this Offer Document of the text of its letter and references to its name in the form and context in which they appear.

6. MISCELLANEOUS

- (a) The principal members of the Offeror's concert group are (i) the Offeror, (ii) JS Group Corporation and (iii) Anglo Chinese, the financial adviser to the Offeror.
- (b) None of the Directors will be given any benefit (save for any statutory compensation required under appropriate laws) as compensation for loss of office or otherwise in connection with the Offer.
- (c) Save for the Share and Asset Purchase Agreement, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, or any of the persons acting in concert with any of it, on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders, on the other hand, having any connection with or dependence upon the Offer.
- (d) There are no agreements or arrangements to which the Offeror is a party as at the Latest Practicable Date which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.
- (e) Unless otherwise required by the GEM Listing Rules with regard to the public float requirements, the Offeror has no intention to transfer, charge or pledge the Shares acquired in the Offer to any other persons.
- (f) The registered address of the Offeror is 5-1 Koiehonmachi Tokoname, Aichi, 479-8585, Japan.
- (g) The registered address of JS Group Corporation is 2-1-1 Ojima, Koto-ku Tokyo 136-8535, Japan.
- (h) The address of Anglo Chinese is 40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from the date of this Offer Document until 11 August 2009 being the closing date of the Offer (a) at the office of Richards Butler in association with Reed Smith LLP, at 20th Floor, Alexandra House, 16-20 Chater Road, Central, Hong Kong, between 9:00 a.m. and 6:00 p.m. (except Saturdays, Sundays and public holidays), (b) on the website of the Company at www.aspl.com and (c) on the website of the SFC at www.sfc.hk:

- (a) the articles of association of the Offeror;
- (b) audited non-consolidated accounts of the Offeror for the two financial years ended 31 March 2009;

- (c) audited consolidated financial statements of JS Group Corporation for the two financial years ended 31 March 2009;
- (d) the letter from Anglo Chinese dated 10 July 2009, the text of which is set out on pages 7 to 18 of this Offer Document;
- (e) letter of undertaking pursuant to which Ideal Standard has agreed to tender or procure its Affiliates to tender all Shares held by them in the Offer;
- (f) the written consent referred to in the section headed “Expert and Consent” in this Appendix II;
- (g) this Offer Document and the Form of Acceptance.