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A - S China Plumbing Products Limited

(Incorporated in the Cayman Islands with limited liability)

Third Quarterly Report

For the nine months ended 30 September 2003

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

HIGHLIGHTS

- Turnover for the nine months ended 30 September 2003 rose approximately 19.6% to approximately US\$53.8 million (approximately HK\$419.6 million) compared to the same period in 2002. Turnover for the three months ended 30 September 2003 rose approximately 5.1% to approximately US\$19.2 million (approximately HK\$149.8 million) compared to the same period in 2002.
- The Group recorded operating and net profit for the nine months ended 30 September 2003 whereas it made operating and net loss in the same period in 2002. The Group recorded operating profit of approximately US\$1.7 million (approximately HK\$13.3 million) and net profit of approximately US\$1.1 million (approximately HK\$8.6 million) for the three months ended 30 September 2003 whereas it made operating profit of approximately US\$0.3 million (approximately HK\$2.3 million) and net loss of approximately US\$0.6 million (approximately HK\$4.7 million) in the same period in 2002.
- The board does not recommend the payment of an interim dividend for the nine months ended 30 September 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and operations review

- The Group's PRC Sales for the three months ended 30 September 2003 grew more than 10% over same period last year attributable to improved product portfolio and distribution network. Gross profit margin for the third quarter decreased by 4.8 percentage points to 31.78%. This is mainly due to an one-off reversal of the overprovision of slow moving inventory made during the same period last year amounting to approximately US\$0.9 million (approximately HK\$7 million). The gross profit margins over the comparable periods are considered stable after exclusion of the one-off effect.
- Administrative and other operating expenses have decreased by US\$1.9 million (approximately HK\$14.8 million) for the three months ended 30 September 2003 compared to same period last year. The decrease is mainly due to the effect of the one-off bad debt provision and marketing expenses amounting to US\$2 million (approximately HK\$15.6 million) in aggregated in the same period last year.
- The net profit reached approximately US\$1.1 million (approximately HK\$8.6 million) for the three months ended 30 September 2003 compared to a net loss of US\$0.6 million (approximately HK\$4.7 million) in the same period last year. The increase in net profit is mainly due to the combination of the one-off effects stated above, increased sales volume and cost reduction initiatives.
- On the business side, we focused on rolling-out of new products that were launched in the earlier months of this year and continued to upgrade our retail network and improving our capability in selling to developers and project customers. During this quarter, we strengthened our consumer promotion activities based on the findings from the consumer survey which assisted us in respect of sales policy formulation and execution.

Prospects

We expect the 3 key initiatives namely (i) development of new products, (ii) improvement of retail network and (iii) building stronger selling capability to developer and project customers will help PRC domestic sales continue to grow in the fourth quarter of 2003. Nevertheless, the export market remains to be soft as anticipated and we expect the Group's export sales in the fourth quarter of 2003 to be significantly lower than the same period last year.

FOREIGN CURRENCY EXPOSURE

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

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS OPERATION

The following is a comparison of the actual business progress in the period from 1 July 2003 to 30 September 2003 (the "Review Period") and the business objectives as set out on page 122 of the listing document of the Company dated 19 June 2003 (from 1 July 2003 to 31 December 2003). To attain our long-term business goals, the Group reviews its business objectives and strategies on an ongoing basis and makes adjustments as necessary.

<i>Business objectives for the period from 1 July 2003 to 31 December 2003 as set out in the listing document</i>	<i>Actual business progress in the Review Period</i>
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Strategic Development

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| — The Group will continue its cost improvement programmes. | — The company continued to implement six sigma and material management programs to drive cost reduction. |
| — Implementation of new process analysis and control engineering programmes. | — A tightened process control was implemented in the Group's plumbing fittings operations while the Group's bathroom and kitchen fixture operations implemented a new quality assurance process in the period. |
| — The expansion of the geographical coverage of the Group's distribution network will continue along with specific programmes to target the distribution channel for interior decoration companies in the PRC. | — 3 new dealers were added in the cities of Hangzhou, Jiaxing and Chengdu in the third quarter of 2003. A sales manager was appointed to focus on developing the sales channel to interior decoration company. |

Business objectives for the period from 1 July 2003 to 31 December 2003 as set out in the listing document

Actual business progress in the Review Period

Sales and Marketing and Product Development

- Sales outlet expansion will continue and outlets are expected to reach 300 by 31 December 2003.
- Product development will focus on those higher volume products previously imported from Europe. Additional new products will be imported to enhance the Group's image. Introduction of new product offerings will continue.
- We expanded to 306 sales outlets by the end of the third quarter 2003.
- We have launched a total of 53 new stock keep units in the third quarter 2003 including a number of exciting models from Europe. We also unveiled our super water saving series in a designer's seminar in Beijing on 21 August 2003 attended by over 300 architects and designers from the region.

Human Resources

- The Group will continue to develop appropriate skill sets for its staff members at the managerial level to support its growth over this period.
- Group-wide programmes from American Standard Group will be introduced to develop talents in cultivating customers, innovation and performance.
- A leadership workshop was conducted by a well-respected external consultant in early September 2003 which was attended by 60 managers of the Group from all over China.
- Over 17,000 man-hours (equivalent to 6.6 hours per employee) of training were committed in the third quarter 2003. The training topics included sales, marketing, customer relationship building, Six Sigma, manufacturing and others.

CAPITAL STRUCTURE

A-S (Jiangmen) Fittings Co., Ltd. ("A-S Jiangmen Fittings") is in the process of increasing its total investment and registered capital from US\$7.85 million to US\$10.85 million. After the increase in the total investment and registered capital, Ultrawide Engineering Limited's contribution to the total investment and registered capital will increase from US\$7.85 million to US\$10.6 million, representing an increase in shareholding percentage from 96.8% to 97.7%, and A-S (China) Co., Ltd.'s ("A-S (China)") shareholding percentage will decrease from 3.2% to 2.3%. The increase in the total investment and registered capital of A-S (Jiangmen) Fittings is anticipated to be completed by November 2003.

QUARTERLY RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2003

The board of directors is pleased to announce the unaudited consolidated results of the Group for the three months and the nine months ended 30 September 2003 together with the comparative unaudited consolidated results for the respective corresponding periods in 2002 (the "Relevant Periods") as follows:

Condensed Consolidated Profit And Loss Account

	Notes	Unaudited three months ended 30 September		Unaudited nine months ended 30 September	
		2003 US\$'000	2002 US\$'000	2003 US\$'000	2002 US\$'000
TURNOVER	3	19,215	18,277	53,803	44,993
Cost of sales		<u>(13,107)</u>	<u>(11,583)</u>	<u>(38,071)</u>	<u>(31,064)</u>
Gross profit		6,108	6,694	15,732	13,929
Other revenues/(expenses), net		(23)	(205)	(364)	(312)
Distribution costs		(448)	(454)	(1,387)	(1,305)
Administrative and other operating expenses		<u>(3,907)</u>	<u>(5,777)</u>	<u>(10,666)</u>	<u>(12,407)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		1,730	258	3,315	(95)
Finance costs		<u>—</u>	<u>—</u>	<u>—</u>	<u>(46)</u>
PROFIT/(LOSS) BEFORE TAX		1,730	258	3,315	(141)
Tax	4	<u>(272)</u>	<u>(297)</u>	<u>(718)</u>	<u>(620)</u>
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		1,458	(39)	2,597	(761)
Minority interests		<u>(380)</u>	<u>(524)</u>	<u>(953)</u>	<u>(651)</u>
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>1,078</u>	<u>(563)</u>	<u>1,644</u>	<u>(1,412)</u>
Dividend		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Earnings/(loss) per share (US cents) Basic	5	<u>0.71</u>	<u>(0.37)</u>	<u>1.09</u>	<u>(0.93)</u>

Consolidated Statement of Changes in Equity (Unaudited)

	Issued capital <i>US\$'000</i>	Share premium account <i>US\$'000</i>	Reserve fund <i>US\$'000</i>	Expansion reserve <i>US\$'000</i>	Exchange fluctuation reserve <i>US\$'000</i>	Accumulated losses <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2003	11	88,814	2,843	908	(3,006)	(2,461)	87,109
Listing costs	—	(2,010)	—	—	—	—	(2,010)
Share capital reorganisation (Note 6)	1,499	(1,499)	—	—	—	—	—
Exchange realignment	—	—	—	—	(69)	—	(69)
Net gains and losses not recognised in the profit and loss account	1,499	(3,509)	—	—	(69)	—	(2,079)
Net profit for the period	—	—	—	—	—	1,644	1,644
At 30 September 2003	<u>1,510</u>	<u>85,305</u>	<u>2,843</u>	<u>908</u>	<u>(3,075)</u>	<u>(817)</u>	<u>86,674</u>
At 1 January 2002	11	88,814	2,558	908	(2,831)	(2,765)	86,695
Exchange realignment	—	—	—	—	70	—	70
Net gains and losses not recognised in the profit and loss account	—	—	—	—	70	—	70
Net loss for the period	—	—	—	—	—	(1,412)	(1,412)
At 30 September 2002	<u>11</u>	<u>88,814</u>	<u>2,558</u>	<u>908</u>	<u>(2,761)</u>	<u>(4,177)</u>	<u>85,353</u>

Notes:

1. BASIS OF PRESENTATION

The unaudited consolidated results of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules.

2. PRINCIPAL ACTIVITIES

The Group manufactures and distributes in the People's Republic of China (the "PRC") a broad range of bathroom and kitchen fixtures and plumbing fittings under the plumbing product brand names of American Standard Inc. ("ASI"), including the "American Standard" and "Armitage Shanks" brands. The Group has established a manufacturing base for the production of bathroom and kitchen fixtures and plumbing fittings in Beijing, Shanghai, Tianjin and Guangdong provinces using manufacturing equipment and manufacturing technologies developed by American Standard Companies Inc. to ensure the quality of its products.

3. TURNOVER

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2003	2002	2003	2002
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Segment Revenue				
PRC	14,006	12,623	32,752	32,772
North America	3,005	4,300	14,331	8,501
United Kingdom	952	763	2,918	2,596
Others	1,252	591	3,802	1,124
	<u>19,215</u>	<u>18,277</u>	<u>53,803</u>	<u>44,993</u>

4. TAX

	Three months ended		Nine months ended	
	30 September		30 September	
	2003	2002	2003	2002
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Current period provision in respect of:				
The PRC	<u>272</u>	<u>297</u>	<u>718</u>	<u>620</u>

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

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

The subsidiaries of the Company in the PRC (the "PRC subsidiaries") were granted or have a right to apply for exemption from corporate income taxes ("CIT") for the two years starting from the first year in which they earn assessable profits, and are entitled to a 50% exemption from CIT for the following three years (the "50% exemption").

A PRC subsidiary A-S Jiangmen Fittings is subject to a CIT rate of 24% and it qualifies as a "technologically advanced enterprise", and pursuant to relevant PRC tax regulations, A-S Jiangmen Fittings is entitled to a 50% CIT exemption for the three years starting from 1 January 2002. Accordingly, the CIT rate of A-S Jiangmen Fittings was 12%. As of 30 September 2003, A-S Jiangmen Fittings has not obtained the written approval from the local tax bureau for current year CIT exemption.

Another PRC subsidiary, Hua Mei Sanitary Ware Co., Ltd. ("Hua Mei") is subject to a CIT rate of 24% and has obtained a written approval for a preferential tax rate of 15% from 1 January 2002 to 31 December 2003 from the local tax bureau as it qualifies as a "high and new technology enterprise".

5. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the Relevant Periods is based on the net profit/(loss) from ordinary activities attributable to shareholders for each of the Relevant Periods and on the assumption that 151,034,000 shares had been in issue throughout the Relevant Periods, comprising 11,618 shares issued and outstanding throughout the Relevant Periods (until the capital reorganisation of the Company became unconditional on 19 June 2003) and 151,022,382 shares issued pursuant to the increase in authorised share capital, subdivision and capitalisation issue, as described more fully in the paragraph headed "Capital reorganisation" in appendix IV to the listing document.

No diluted earnings/(loss) per share is presented for each of the Relevant Periods as no diluting events existed.

6. SHARE CAPITAL REORGANISATION

During the period ended 30 September 2003, the Company's share capital undertook changes as follows:

- (a) the authorised share capital of the Company was increased from US\$900,000 to US\$3,000,000 by the creation of an additional 1,041,000 A Shares and 1,059,000 B Shares;
- (b) each of the A Shares was sub-divided into 100 A Shares of US\$0.01 each and each of the B Shares was sub-divided into 100 B Shares of US\$0.01 each, thereby resulting in 150,000,000 A Shares and 150,000,000 B Shares in the authorised capital of the Company;
- (c) all A Shares of US\$0.01 each and B Shares of US\$0.01 each were reclassified and converted into ordinary Shares of US\$0.01 each in the capital of the Company each ranking *pari passu* in all respects and having the same rights and privileges set out in the Articles;
- (d) an amount of US\$1,498,722 standing to the credit of the share premium account of the Company was capitalised and applied in paying up in full at par an aggregate of 149,872,200 Shares for allotment and issue to the shareholders of the Company whose name appeared on the register of the members of the Company on 18 June 2003, the date immediately preceding the date on which the listing document was delivered to the Stock Exchange in proportion to their then existing respective shareholding in the Company.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2003 (2002: Nil).

DISCLOSURE OF INTERESTS

As at 30 September 2003 the interests of the Directors and the chief executive in the securities of the Company and its associated corporations as required to be recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

(a) Directors' and chief executive's interests in the Company and in associated corporations

So far as was known to any director of the Company, as at 30 September 2003, the interests and short positions of the directors and chief executive in the shares, underlying share or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the minimum standards of dealing by the directors of a listed issuer as referred to in rule 5.40, were as follows:

Interests in the Company

Name of Director/ chief executive	Number of shares	Capacity	Type of interest	Approximate percentage of holding
Mr. Hui Koonhing	143,000 (Note 1)	Beneficial owner	Personal	0.099%

Note 1: Out of the 143,000 shares, Mr. Hui Koonhing, being one of the beneficiaries under A-S Executive Trust, is entitled to the transfer of 13,000 shares by A-S Executive Trust as and when the trustees decide. In addition, Mr. Hui Koonhing is entitled to the transfer of 130,000 shares by American Standard Foreign Trading Limited in 2004 pursuant to the Management Incentive Plan of the Company.

Interests in associated corporations

Name of Director/ chief executive	Name of company	Number and description of equity derivatives	Capacity	Type of interest	Approximate percentage of holding
Mr. Hui Koonhing	American Standard	share options to subscribe for 5,500 shares in American Standard (Note 2)	Beneficial owner	Personal	0.0076%
Ms. Low Soong Ing	American Standard	share options to subscribe for 2,500 shares in American Standard (Note 3)	Beneficial owner	Personal	0.0034%
Mr. Richard M. Ward	American Standard	share options to subscribe for 10,000 shares in American Standard (Note 4)	Beneficial owner	Personal	0.014%

Note 2: On 1 February 2001, 1 March 2001 and 7 February 2002, Mr. Hui Koonhing was granted options to subscribe for 2,500, 1,500 and 1,500 shares, respectively, at the exercise price of US\$52.07, US\$56.57 and US\$59.69 per share, respectively, in American Standard Companies Inc., being an associated corporation of the Company (within the meaning of Part XV of the SFO). The options were granted free of consideration. The exercise period is for 10 years from each relevant date of grant. Options to subscribe for 1/3 of the shares under each relevant grant may be exercised on or after the first anniversary of the relevant date of grant; options to subscribe for another 1/3 of the shares may be exercised on or after the second anniversary of the relevant date of grant; and options to subscribe for the remaining shares may be exercised on or after the third anniversary of the relevant date of grant.

Note 3: On 11 February 2002 and 6 February 2003, Ms. Low Soong Ing was granted options to subscribe for 1,000 and 1,500 shares, respectively, at US\$59.69 and US\$68.06 per share, respectively, in American Standard Companies Inc., being an associated corporation of the Company (within the meaning of Part XV of the SFO). The options were granted free of consideration. The exercise period is for 10 years from each relevant date of grant. Options to subscribe for 1/3 of the shares under each relevant grant may be exercised on or after the first anniversary of the relevant date of grant; options to subscribe for another 1/3 of the shares may be exercised on or after the second anniversary of the relevant date of grant; and options to subscribe for the remaining shares may be exercised on or after the third anniversary of the relevant date of grant.

Note 4: Mr. Richard M. Ward was granted options to subscribe for 10,000 shares at US\$70.725 per share in American Standard, being an associated corporation of the Company (within the meaning of Part XV of the SFO). The options were granted free of consideration. The exercise period is 10 years from the date of grant on 28 April 2003. Options to subscribe for 3,333 shares may be exercised on or after 28 April 2004; options to subscribe for another 3,333 shares may be exercised on or after 28 April 2005; and options to subscribe for the remaining 3,334 shares may be exercised on or after 28 April 2006.

(b) Interests of substantial shareholders in the Company

So far as was known to any director of the Company, as at 30 September 2003, the persons or companies (not being a director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and, or who were directly or indirectly deemed to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name of shareholder	Number of shares held	Percentage of the Company's issued capital
American Standard (<i>Note 5</i>)	82,771,000	54.80%
American Standard International Inc. (<i>Note 5</i>)	82,706,000	54.76%
American Standard Foreign Sales Limited (<i>Note 5</i>)	82,706,000	54.76%
American Standard Foreign Trading Limited (<i>Note 5</i>)	82,706,000	54.76%

Note 5: American Standard owns a 54.80% shareholding interest in the Company through (i) a wholly-owned subsidiary, American Standard International Inc., being a corporation organized under the laws of the State of Delaware, USA, which in turn owns a 100% interest in American Standard Foreign Sales Limited, being a company incorporated in Bermuda with limited liability, which in turn holds a 100% interest in American Standard Foreign Trading Limited, also being a company incorporated in Bermuda with limited liability, which directly holds a 54.76% shareholding interest in the Company and (ii) another wholly-owned subsidiary of American Standard, ASI, that is one of the beneficiaries under the A-S Executive Trust and is entitled to the transfer of 65,000 shares by the trustees as and when the trustees decide. The 65,000 shares represent a 0.04% shareholding interest in the Company.

(c) Interests of other persons in the Company, which are discloseable under Division 2 and 3 of Part XV of the SFO

So far as was known to any director of the Company, as at 30 September 2003, the interests and short positions of the other persons (not being a director or chief executive of the Company) in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of shareholders	Number of shares	Capacity	Type of interest	Approximate percentage of holding
Foundation Brunneria <i>(Note 6)</i>	13,000,000	Beneficial owner	Corporate	8.61%
General Oriental Investments Limited <i>(Note 6)</i>	13,000,000	Beneficial owner	Corporate	8.61%

Note 6: General Oriental Investments Limited is 100% indirectly owned by Foundation Brunneria, a private discretionary trust whose ultimate beneficiaries are independent from the other shareholders, directors and chief executives of the Company.

Save as disclosed under the section headed “Disclosure of Interests” above, as far as the directors are aware, none of the directors or chief executives of the Company has any interest or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise to be notified to the Company and the Exchange pursuant to the minimum standards of dealing by the directors of the Company as referred to in Rule 5.40.

Save as disclosed under the section headed “Disclosure of Interests” above, as far as the directors are aware, none of the persons (not being a director or chief executive of the Company) has any interests or short positions in the shares or underlying shares of the Company which were notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed “Directors’ and chief executive’s interests in the Company and in associated corporations” above and “Share Option Schemes” below, at no time during the nine months ended 30 September 2003 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Group granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or the Group, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

As at 30 September 2003, the Company did not have any share option scheme in place.

SPONSOR’S INTERESTS

As at 30 September 2003, neither Anglo Chinese Corporate Finance, Limited (the “Sponsor”) nor any of its respective directors, employees or associates (as referred in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in the share capital of the Company or of any members of the Group, or had any right to subscribe for, or to nominate persons to subscribe for the share capital of the Company, or of any members of the Group.

Pursuant to the agreement dated 19 June 2003 between the Company and the Sponsor, the Sponsor is entitled to receive a fee for professional services rendered as the Company’s sponsor for the period from the date of listing and ending on 31 December 2003 and the Company shall pay an agreed advisory fee per financial quarter to the Sponsor for its provision of such services.

COMPETING INTERESTS

During the period under review, Ms. Low Soong Ing, a director of the Company, is also a director of American Standard Vietnam Inc. and Sanitary Wares Manufacturing Corp. These two companies are members of American Standard Group, which are engaged in the plumbing products business, and potentially compete with the Group in relation to its export sales to independent third parties.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2003.

COMPLIANCE WITH RULES 5.28 TO 5.39 OF THE GEM LISTING RULES

The Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules during the nine months ended 30 September 2003.

AUDIT COMMITTEE

The Company established an audit committee on 16 June 2003 with written terms of reference in compliance with Rules 5.23 to 5.27 of the GEM Listing Rules. The audit committee has three members comprising two independent non-executive directors, Mr. Chang Sze-Ming, Sydney, and Mr. Ho Tse-Wah, Dean and one executive director, Mr. Hui Koonhing, with Mr. Chang Sze-Ming, Sydney serving as the chairman of the committee. The audit committee has reviewed the Group's unaudited consolidated interim results for the nine months ended 30 September 2003.

By order of the Board of directors
A-S China Plumbing Products Limited
Richard Ward
Chairman

Hong Kong, 7 November 2003