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A - S China Plumbing Products Limited

(Incorporated in the Cayman Islands with limited liability)

First Quarterly Report

For the three months ended 31 March 2005

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

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

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

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

The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this report.

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

HIGHLIGHTS

- PRC sales for the three months ended 31 March 2005 increased approximately 3.3% to approximately US\$8.1 million compared to the same period last year. The total sales of the Group increased 31.0% to approximately US\$17.0 million compared to the same period in 2004.
- The Group recorded an operating profit of approximately US\$1.7 million and a net profit of approximately US\$0.8 million for the three months ended 31 March 2005. During the same period in 2004, the Group recorded an operating loss of approximately US\$0.5 million and a net loss of approximately US\$0.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and operations review

- Total turnover of the Group during the quarter ended 31 March 2005 amounted to approximately US\$17.0 million, represents an increase of 31% compared to the same quarter last year. The Group recorded an operating profit of approximately US\$1.7 million and net profit of US\$0.8 million for the quarter ended 31 March 2005. During the same period in 2004, the Group recorded an operating loss of approximately US\$0.5 million and a net loss of approximately US\$0.9 million.
- The Group's export sales for the three months ended 31 March 2005 (the "Current Period") grew 72.3% over same period last year (the "Relevant Periods") attributable to the continuing improvements in product portfolio.
- Gross profit margin for the Relevant Periods increased by 12.8 percentage points to 34.4% compared to same period last year. The improvement in gross profit margin is mainly due to more new products with higher price sold during the Current Period.

Prospects

- The directors expect continuing growth in the market for new construction of residential and commercial properties as a result of the rapidly expanding economy in the PRC.
- However, based on the latest announcements, although the measures adopted by the government have made major progress in controlling the property sector, there still remain uncertainties on whether the measures will continue and to what extent they will impact the property development sector in the rest of the year.
- The Group anticipates continued inflationary pressure on raw material prices.

FOREIGN CURRENCY RISK

The Group has foreign currency risk as certain of its receivables arising from PRC sales are denominated in RMB. The fluctuation of the exchange rates of US\$ against RMB could affect the Group's results of operations.

QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2005

The board of directors is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2005 together with the comparative unaudited consolidated results for the corresponding period in 2004 (the "Relevant Periods") as follows:

Condensed Consolidated Profit And Loss Account

		Unaudited three months ended 31 March	
	<i>Notes</i>	2005 <i>US\$'000</i>	2004 <i>US\$'000</i>
TURNOVER	3	17,039	13,011
Cost of sales		<u>(11,171)</u>	<u>(10,203)</u>
Gross profit		5,868	2,808
Other revenues/(expenses), net		63	185
Distribution costs		(576)	(455)
Administrative and other operating expenses		<u>(3,647)</u>	<u>(3,084)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES BEFORE TAX		1,708	(546)
Tax	4	<u>(534)</u>	<u>(214)</u>
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		1,174	(760)
Minority interests		<u>(362)</u>	<u>(148)</u>
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>812</u>	<u>(908)</u>
Dividend		<u>—</u>	<u>—</u>
Earning/(loss) per share (US cents) Basic	5	<u>0.54</u>	<u>(0.60)</u>

Consolidated Statement of Changes in Equity (Unaudited)

	Issued share 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>	Retained profits/ (accumu – lated losses) <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2005	1,510	85,305	3,553	1,306	(3,121)	9,059	97,612
Net profit for the period	–	–	–	–	–	812	812
At 31 March 2005	<u>1,510</u>	<u>85,305</u>	<u>3,553</u>	<u>1,306</u>	<u>(3,121)</u>	<u>9,871</u>	<u>98,424</u>
At 1 January 2004	1,510	85,305	3,088	989	(3,074)	1,695	89,513
Exchange realignment	–	–	–	–	(77)	–	(77)
Net loss for the period	–	–	–	–	–	(908)	(908)
At 31 March 2004	<u>1,510</u>	<u>85,305</u>	<u>3,088</u>	<u>989</u>	<u>(3,151)</u>	<u>787</u>	<u>88,528</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 31 March	
	2005	2004
	US\$'000	US\$'000
Segment revenue		
PRC	8,057	7,797
North America	2,645	1,843
United Kingdom	2,560	1,205
Others	3,777	2,166
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Total	<u>17,039</u>	<u>13,011</u>

4. TAX

	Three months ended 31 March	
	2005	2004
	US\$'000	US\$'000
Current period provision in respect of:		
The PRC	<u>534</u>	<u>214</u>

4. **TAX (CONTINUED)**

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 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").

For a PRC subsidiary, A-S (Jiangmen) Fittings Co., Ltd ("A-S Jiangmen Fittings"), is subject to a CIT rate of 24% as it is located in a coastal economic development region and is qualified to the 50% exemption from CIT as it qualifies as a "technologically advanced enterprise" pursuant to the PRC tax regulations. As at 31 March 2005, A-S Jiangmen Fittings has not obtained the written approval from the local tax bureau for current year CIT exemption.

A PRC subsidiary, A-S (Shanghai) Pottery Co., Ltd., is subject to a CIT rate of 24% as it is located in Shanghai region and is qualified to the 50% exemption from CIT as it is in its fourth profitable year.

A PRC subsidiary, A-S (Tianjin) Pottery Co., Ltd., is subject to a CIT rate of 15% as it is located in Tianjin economic & development zone and is qualified to the 50% exemption from CIT as it is in its fifth profitable year.

Another PRC subsidiary, Hua Mei Sanitary Ware Co., Ltd. ("Hua Mei") is subject to a CIT rate of 24% and is qualified to a preferential tax rate of 15%. As at 31 March 2005, Hua Mei has not obtained the written approval of the preferential CIT rate from the local tax bureau for current year.

No provision for deferred tax has been provided as the taxable and deductible temporary differences are immaterial for the current and prior periods.

5. **EARNING PER SHARE**

The calculation of basic earning/loss per share for the Relevant Periods is based on the net profit from ordinary activities attributable to shareholders for each of the Relevant Periods and weighted average number of issued ordinary shares of 151,034,000 (2004:151,034,000) during the Relevant Periods.

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

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the three months ended 31 March 2005 (2004: Nil).

DISCLOSURE OF INTERESTS

As at 31 March 2005, 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 31 March 2005, 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 5.46, were as follows:

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. Richard M. Ward	American Standard	Share options to subscribe for 51,001 shares in American Standard (<i>Note 1</i>)	Beneficial owner	Personal	0.0238%
Mr. Ng ChanChoy	American Standard	Share options to subscribe for 9,000 Shares in American Standard (<i>Note 2</i>)	Beneficial owner	Personal	0.0042%

DISCLOSURE OF INTERESTS (CONTINUED)

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

Interests in associated corporations (Continued)

Note 1: On 28 April 2003, 4 February 2004 and 2 February 2005, Mr. Richard M. Ward was granted options to subscribe for 10,000, 7,000 and 10,000 shares, respectively, at US\$70.725, US\$105.08 and US\$43.34 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. On 4 May 2004, the shareholders of American Standard Companies Inc. approved a three-for-one stock split entitling all shareholders of record as at 18 May 2004, to receive two additional shares for each share held on that date. The stock split applies to all common stock and stock options. Before 31 March 2005, 9,999 share options were exercised. Therefore, following the stock split and the exercise of the share options, Mr. Ward has options to subscribe for 20,001, 21,000 and 10,000 shares respectively at US\$23.58, US\$35.03 and US\$43.34 per share.

Note 2: On 2 August 2004 and 2 February 2005, Mr. Ng Chan Choy was granted options to subscribe for 6,000 and 3,000 shares, respectively, at US\$37.78 and US\$43.34 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.

Save as disclosed above, none of the directors and chief executive had registered an interest or short position in the shares and underlying shares of the Company and its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

DISCLOSURE OF INTERESTS (CONTINUED)

(b) Interests of substantial shareholders in the Company

So far as was known to any director of the Company, as at 31 March 2005, 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 5% 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 shareholders	Number of shares held	Capacity Company's issued Capital	Type of interest	Approximate percentage of holding
American Standard (<i>Note 3</i>) American Standard	82,771,000	Beneficial owner	Corporate	54.80%
International Inc. (<i>Note 3</i>) American Standard Foreign	82,706,000	Beneficial owner	Corporate	54.76%
Sales Limited (<i>Note 3</i>) American Standard Foreign	82,706,000	Beneficial owner	Corporate	54.76%
Trading Limited (<i>Note 3</i>) Foundation Brunneria (<i>Note 4</i>)	82,706,000	Beneficial owner	Corporate	54.76%
General Oriental Investments Limited (<i>Note 4</i>)	16,900,000	Beneficial owner	Corporate	11.19%
	16,900,000	Beneficial owner	Corporate	11.19%

Note 3: 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.

DISCLOSURE OF INTERESTS (CONTINUED)

(b) Interests of substantial shareholders in the Company (Continued)

Note 4: 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, no person, other than the directors or chief executives of the Company whose interests are set out in the Section “DISCLOSURE OF INTERESTS” above, had registered an interest or short positions in the share or underlying shares of the Company and its associated corporations that was required to be recorded 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 three months ended 31 March 2005 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 31 March 2005, the Company did not have any share option scheme in place.

SPONSOR’S INTERESTS

As at 31 March 2005, neither Anglo Chinese Corporate Finance, Limited (the “Sponsor”) nor any of its respective directors, employees or associates (as referred to 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 2005 and the Company shall pay an agreed advisory fee per financial quarter to the Sponsor for its provision of such services.

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 three months ended 31 March 2005.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2005, the Company adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

The Company established an audit committee on 16 June 2003 with written terms of reference in compliance with Rules 5.28 of the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee has three members comprising three independent non-executive directors, Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi with Mr. Ho Tse-Wah, Dean serving as the chairman of the committee. The audit committee has reviewed the Group's first quarterly report for the three months ended 31 March 2005.

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

As at the date of this announcement, the Board of the Company comprises Mr. Richard M. Ward, Ms. Cindy Yang, Mr. Ng Chan Choy, Mr. Ye Zhi Mao, Jason (appointed on 17 February 2005) and Mr. Wu Wei Lin, Patrick (appointed on 17 February 2005) as executive directors; Mr. Peter James O'Donnell (appointed on 11 May 2005) as non-executive director and Mr. Chang Sze-Ming, Sydney, Mr. Ho Tse-Wah, Dean and Mr. Wong Kin Chi as independent non-executive directors.

Hong Kong, 11 May 2005