



AVAPLAS LTD

**NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE
DATE (amended)**

This announcement supercedes Masnet No : 2 of 06.07.2004.

Notice is hereby given that the Annual General Meeting of the Company will be held on 22 July 2004 at Cube 4, Basement 1, Changi Village Hotel (Former Le Meridien Changi), 1 Netheravon Road Singapore 508502 at 11.15 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the directors' report and accounts for the year ended 31 March 2004 and the auditor's report thereon. (Resolution 1)
2. To re-elect the following directors retiring by rotation pursuant to Article 91 of the Company's Articles of Association:
 - (i) Wong Vee Tong (Resolution 2)
 - (ii) Ng Jwee Phuan @ Frederick (Eric)(Resolution 3) [*See Explanatory Note (a)*]
3. To approve the proposed payment of the final dividend of 0.1 cent per ordinary share (tax exempt 1-tier) for the year ended 31 March 2004. (Resolution 4)
4. To approve the Directors' fees of \$280,000 for the year ended 31 March 2004 (2003 : \$280,500). (Resolution 5)
5. To re-appoint Auditors and to authorise the Directors to fix their remuneration.(Resolution 6)
6. To transact any other business of the Company which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions:-

7. "That notwithstanding the provisions of the Articles of Association of the Company, pursuant to Section 161 of the Companies Act, Chapter. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, the Directors be and are hereby authorised to issue shares in the Company (whether by way of bonus issue, rights issue or otherwise) at any time and upon such terms and conditions and for such purposes and

to such persons as the Directors may, in their absolute discretion, deem fit provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the Company's issued share capital;
- (ii) for the purpose of determining the aggregate number of shares that may be issued under (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for
 - (a) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards that are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent consolidation or subdivision of shares; and
- (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier "[see *Explanatory Note (b)*] (Resolution 7)

8. "That approval be and is hereby given to the Directors and any committee appointed by them to offer and grant, within a period of sixty (60) days from the date of this Annual General Meeting ("AGM"), on the terms of and pursuant to the Rules of the Avaplas Ltd Share Option Plan ("Share Option Plan") to Mr Boone Quek Howe Sear, options under the Share Option Plan to subscribe for 540,000 ordinary shares of \$0.05 each in the capital of the Company ("Shares") at a subscription price equal to the volume-weighted average price of the Shares for the three (3) consecutive trading days immediately preceding the date of this AGM, such options being exercisable for a period commencing on (and including) the first anniversary and ending on (and including) the tenth anniversary of the date of grant of such options, and to allot and issue Shares upon the exercise of any such options (notwithstanding that the exercise thereof or such allotment and issue may occur after the conclusion of the next or any ensuing Annual General Meeting of the Company)."[see *Explanatory Note (c)*] (Resolution 8)

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 11 August 2004 to 12 August 2004, both dates inclusive, for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08 Ocean Building Singapore 049315, up to the close of business at 5:00 p.m. on 10 August 2004 will be registered to determine shareholders' entitlement to the proposed dividend. The dividend, if approved, will be paid on 23 August 2004 to shareholders registered in the books of the Company on 10 August 2004.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the

dividend entitlements to holders of shares in accordance with its practice.

By Order Of the Board

Chuang Sheue Ling and Tan Ching Chek
Joint Company Secretaries
Dated : 6 July 2004
Singapore

Explanatory Notes:

(a) Mr Ng Jwee Phuan @ Frederick (Eric), if re-elected, will remain as an Audit Committee Member and is considered an independent director for purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(b) The proposed ordinary resolution 7 in item 7 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to the limit as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

(c)(i) The proposed ordinary resolution 8 in item 8, will empower the Directors, within 60 days from the date of the AGM, to grant options to Mr Boone Quek Howe Sear, who is the controlling shareholder of the Company, on the terms of and pursuant to the Avaplas Ltd Share Option Plan ("Share Option Plan"), to subscribe for 540,000 ordinary shares of \$0.05 each in the capital of the Company ("Shares") at a subscription price equal to the volume-weighted average price of the Shares for the three (3) consecutive trading days immediately preceding the date of this AGM. As this resolution relates to the authorisation for the Company to grant options to Mr Boone Quek Howe Sear, the latter and his associates will abstain from voting on this resolution at the AGM.

(c)(ii) The participation of and the grant of options to Mr Boone Quek Howe Sear have been approved by the shareholders at the Extraordinary General Meeting duly held on 23 August 2001. The basis for the participation and the grant of options to Mr Boone Quek Howe Sear has been provided in the Circular dated 7 August 2001 ("the Circular"). A copy of the Circular may be inspected at the registered office of the Company at 19 Changi South Street 1, Changi South Industrial Estate, Singapore 486779 during normal business hours from the date hereof up to and including the date of the Annual General Meeting. The relevant extract from the Circular is reproduced below for convenience of reference.

(c)(iii) Mr Boone Quek Howe Sear is currently the Chief Executive Director of the Company. He is also the founder of the Company and has been the Chief Executive Director of the Company since the Company's inception in March 1993. With over 20 years of experience in the plastic moulding industry, he has an in-depth knowledge of market trends and conditions. Mr Boone Quek Howe Sear, together with the Executive directors and executive officers of the Company, is responsible for the overall strategy for business growth and corporate development of the Group. One of his major contributions to the Group was to align a strategic relationship with ARRK Corporation, which is principally engaged as a leading provider of product development services to industrial customers around the world, as a major shareholder of the Group. Through this alliance, there is potential to develop opportunities for the Group to provide Avaplas Ltd's production and/or contract manufacturing services to the other customers of the ARRK Group in the future.

(c)(iv) In recognition of his performance and contribution to the Group, and to motivate him to continue to make contributions to the Group in the future, the Company is proposing to grant to Mr Boone Quek Howe Sear options to subscribe for 540,000 ordinary shares of \$0.05 each in the capital of the Company ("Shares") at a subscription price equal to the volume-weighted average price of the Shares for the three (3) consecutive trading days immediately preceding the date of this AGM. The number of options to be granted to Mr Boone Quek Howe Sear has been set and approved by the Remuneration Committee in accordance with Clause 2.1 of the Circular to Shareholders in relation to Avaplas Ltd Share Option Plan dated 7 August 2001, which took into consideration the value of the options to be granted, arrived at based on Blacksholes Model, relative to the total remuneration of the employee vis-a-vis competitive market practice.

Notes to Proxy Form:

- (i) A member entitled to attend and vote at this meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) If a proxy is to be appointed, the form must be deposited at the registered office of the Company, 19 Changi South Street 1, Changi South Industrial Estate, Singapore 486779 not less than 48 hours before the time set for the meeting.
- (iii) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (iv) In the case of joint shareholders, all holders must sign the form of proxy.

Submitted by Tan Ching Chek, Company Secretary on 06/07/2004 to the SGX