



AVAPLAS LTD

VOLUNTARY CONDITIONAL CASH OFFER BY THE NIKKO MERCHANT BANK (SINGAPORE) LIMITED FOR AND ON BEHALF OF ARRK CORPORATION FOR ALL THE ISSUED SHARES IN AVAPLAS LTD – DESPATCH OF OFFEREE CIRCULAR

The Board of Directors (the "**Board**") of Avaplas Ltd (the "**Company**") refers to the voluntary conditional cash offer (the "**Offer**") by The Nikko Merchant Bank (Singapore) Limited ("**Nikko**") for and on behalf of ARRK Corporation (the "**Offeror**") for all the issued ordinary shares of S\$0.05 each in the capital of the Company, which was announced on 16 April 2004.

Shareholders should by now have received a copy of the offer document dated 28 April 2004 (the "**Offer Document**") despatched by Nikko for and on behalf of the Offeror containing, *inter alia*, the formal terms of the Offer.

The Board wishes to announce that the Company has today despatched a circular dated 14 May 2004 (the "**Offeree Circular**") to shareholders of the Company ("**Shareholders**") containing, *inter alia*, the advice of G. K. Goh Stockbrokers Pte Ltd, the independent financial adviser to the independent directors of the Company (the "**Independent Directors**"), and the recommendation of the Independent Directors to the Shareholders, in relation to the Offer.

Shareholders who do not receive a copy of the Offeree Circular by 17 May 2004 may obtain a copy of the same from the share registrar of the Company at the following address:-

Lim Associates (Pte) Ltd
10 Collyer Quay #19-08
Ocean Building
Singapore 049315

Shareholders should note that the Offer Document states that the Offer will close at 3.30 p.m. on 28 May 2004. The Offer Document also states that the Offeror does not intend to revise the terms of the Offer or to extend the Offer beyond 3.30 p.m. on 28 May 2004.

The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted and they jointly and severally accept responsibility accordingly. Where any information has been extracted from the Offer Document, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately extracted from it or, as the case may be, reflected or reproduced in this Announcement.

A copy of the Offeree Circular is attached below:



offereecircular.pdf

By Order of the Board
Tan Ching Chek and Chuang Sheue Ling
Joint Company Secretaries
14 May 2004

Submitted by Tan Ching Chek, Company Secretary on 14/05/2004 to the SGX