



AVAPLAS LTD

Appointment of Independent Financial Adviser

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board of Directors of Avaplas Ltd (the "**Company**") refers to the Company's announcements on 16 April 2004 relating to:-

(i) the Company's entry into a share purchase agreement to dispose of its entire shareholding interest of 30.19% in the capital of Univac Design & Engineering Pte Ltd to Univac Precision Engineering Pte Ltd (the "**Divestment**"); and

(ii) the voluntary conditional cash offer (the "**Offer**") to be made 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 ("**Shares**").

The Board wishes to inform shareholders of the Company that it has appointed G. K. Goh Stockbrokers Pte Ltd ("**GK Goh**") as the independent financial adviser to advise the independent directors of the Company in connection with the Divestment and the Offer.

A circular containing, *inter alia*, the advice of GK Goh and the recommendation of the independent directors of the Company in relation to the Offer will be posted to shareholders of the Company within 14 days from the date of despatch of the formal offer document (containing, *inter alia*, the terms of the Offer and enclosing the appropriate form(s) of acceptance of the Offer) to be issued by Nikko for and on behalf of the Offeror. In the meantime, shareholders of the Company are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests.

A separate circular containing, *inter alia*, the notice convening an extraordinary general meeting of the Company to seek shareholders' approval for the Divestment, information relating to the Divestment and the opinion of GK Goh in relation to the Divestment, will be posted to shareholders of the Company in due course.

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.

By Order of the Board

Tan Ching Chek
Company Secretary
20 April 2004

Submitted by Tan Ching Chek, Company Secretary on 20/4/2004 to the SGX