



AVAPLAS LTD

RULE 723 OF THE LISTING MANUAL – SUSPENSION OF TRADING OF SHARES

The Board of Directors of Avaplas Ltd (the "**Company**") wishes to inform shareholders that The Nikko Merchant Bank (Singapore) Limited has announced on 28 May 2004, for and on behalf of ARRK Corporation (the "**Offeror**"), that as at 3.30 p.m. on 28 May 2004 (the "**Closing Date**") being the closing date of the voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares of S\$0.05 each in the capital of the Company ("**Shares**"), the Offeror has received, pursuant to the Offer, valid acceptances of the Offer in respect of 145,101,146 Shares, representing approximately 58.66% of the total issued share capital of the Company as at the Closing Date (the "**Closing Announcement**").

Based on the Closing Announcement, the Offeror now owns, controls or has agreed to acquire (either before or during the Offer and pursuant to the Offer, including acceptances of the Offer, or otherwise) an aggregate of 145,101,146 Shares, representing approximately 58.66% of the total issued share capital of the Company as at the Closing Date.

In the light of the above, as at the Closing Date, the Company's directors, chief executive officer, substantial shareholders and controlling shareholders (which would include the Offeror) own an aggregate of 234,187,938 Shares, representing approximately 94.68% of the total issued share capital of the Company. The public hold approximately 5.32% of the total issued share capital of the Company as at the Closing Date, which is below the minimum 10% public float requirement under Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Accordingly, as required by the SGX-ST, the Company has requested for a suspension of trading of the Shares on the SGX-ST with effect from 9.00 a.m. on 31 May 2004.

The Offeror has reiterated in the Closing Announcement that it intends to preserve the listing status of the Company on the SGX-SESDAQ. The Company intends to make an application to the SGX-ST for the grant of a period of up to three months for appropriate steps to be taken to restore the Company's public float to at least 10%. Once a sufficient level of public float is attained, the Company will request the SGX-ST to lift the suspension of trading of the Shares on the SGX-ST.

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 and opinions expressed 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 in this Announcement has been extracted from published or publicly available sources (including, without limitation, information relating to the Offeror), the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By Order of the Board

Tan Ching Chek
Company Secretary
28 May 2004