



MASNET No. 23 OF 08.06.2004
Announcement No. 23

AVAPLAS LTD

Setting up of a Wholly-Owned Subsidiary in Malaysia

The Board of Directors of Avaplas Ltd ("the Company") wishes to announce that the Company has set up a wholly-owned subsidiary known as Avaplas Sdn Bhd in Malaysia.

Avaplas Sdn Bhd has an authorised capital of RM 1,000,000 consisting of 1,000,000 ordinary shares of RM\$1/- par value each and the initial paid up capital is RM 2 represented by 2 ordinary shares of RM1/- par value each.

The principal activities of Avaplas Sdn Bhd are the manufacture and sale of precision engineering plastics, sub-assemblies and its secondary process.

The incorporation of Avaplas Sdn Bhd is in line with the Company's strategy to expand and locate its facilities closer to its existing major customers in Malaysia. Avaplas Sdn Bhd will also aim to procure new contracts from potential customers located in Malaysia.

The setting up of Avaplas Sdn Bhd is not expected to affect the consolidated earning per share and Net Tangible Asset per share of the Group for the current financial year ending 31 March 2005.

No Director or substantial shareholder of the Company has an interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Chuang Sheue Ling and Tan Ching Chek
Joint Company Secretaries
Dated: 8 June 2004

Submitted by Chuang Sheue Ling and Tan Ching Chek, Joint Company Secretaries on 08/06/2004 to the SGX