

AVAPLAS LTD

(Company Registration No : 199301788C)

2005 Annual Report – Corporate Governance Report

The Board of Avaplas Ltd ("Avaplas" or "the Company") wishes to refer to page 21 of the 2005 Annual Report on Corporate Governance Report.

There is a typographical error under "Internal Controls" of the Corporate Governance Report. The word "external auditors" in the first line of the first paragraph under "Internal Controls" should be read as "internal auditors".

Therefore, the first paragraph under "Internal Controls" should be read as follows :

"During the financial year, the Audit Committee has reviewed, with the assistance of the internal auditors, the effectiveness of the Company's material internal controls as well as considered risk management techniques to be applied to selected areas such as the Group's foreign exchange exposure."

By Order of the Board

Chuang Sheue Ling and Tan Ching Chek
Joint Company Secretaires
Dated 25 July 2005