

PROPOSED DUAL LISTING OF MEDI-FLEX LIMITED ON THE AIM MARKET OF THE LONDON STOCK EXCHANGE

1. Introduction

- 1.1 The Board of Directors of Medi-Flex Limited (the “**Company**”) is pleased to announce that the Company intends to seek a dual listing (the “**Proposed Dual Listing**”) on the Aim Market of the London Stock Exchange (“**AIM**”).
- 1.2 The Proposed Dual Listing would involve, *inter alia*, the issue of new ordinary shares of S\$0.10 each in the capital of the Company (the “**New Shares**”) by way of a placing (the “**Placing**”) with institutional and other investors, predominantly in the United Kingdom (the “**UK**”). The New Shares to be issued have not been finalised at this point in time but is envisaged to not exceed 15% of the 171,694,171 issued Shares as at the date of this announcement. Barring unforeseen circumstances and subject to the conditions set out in paragraph 3 of this announcement, the admission to AIM is expected to be effected in the first half of 2006. Further details of the Proposed Dual Listing, including arrangements to be made by shareholders of the Company (“**Shareholders**”) if they wish to trade their Shares on AIM, will be contained in a circular to be dispatched to Shareholders (the “**Circular**”).

2. Rationale for the Proposed Dual Listing

The Directors believe that the Proposed Dual Listing will benefit the Company in the following ways:

- (a) a dual listing on 2 recognised stock exchanges will increase the visibility of the Company and its subsidiaries (collectively, the “**Group**”) and their products in Europe, which is one of the Group’s key markets;
- (b) the proceeds of the Placing will strengthen the capital base of the Group and help towards funding the continuation of Phase II of the Company’s accelerated expansion programme to capitalise on the increasing global demand for cleanroom and medical disposable gloves; and
- (c) the Proposed Dual Listing will increase the shareholder base of the Company which is expected to increase the public float and therefore improve the trading liquidity of the Shares.

3. Conditions of the Proposed Dual Listing

The Proposed Dual Listing is subject to, *inter alia*, the following:

- (a) the approval of Shareholders at an extraordinary general meeting (the “**EGM**”) for the issue of the New Shares for the purpose of the Proposed Dual Listing;
- (b) the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the New Shares on the SGX-ST Dealing and Automated Quotation System (“**SGX Sesdaq**”);
- (c) the admission of the Company’s issued share capital, including the New Shares, to trading on AIM; and
- (d) all other relevant legal and/or regulatory approvals in Singapore and the UK.

4. **Appointment of Advisers**

4.1 The Company has appointed Strand Partners Limited, an authorised nominated adviser in the UK, and Hichens, Harrison & Co. plc, an authorised broker in the UK, to advise the Company in relation to the Proposed Dual Listing on AIM.

4.2 In addition, the Company has appointed SAC Capital Private Limited as the financial adviser in relation to seeking Shareholders' approval on the issue of the New Shares for the purpose of the Proposed Dual Listing.

5. **Circular**

The Circular, setting out details on the Proposed Dual Listing and containing the notice of EGM to seek Shareholders' approval of the issue of the New Shares, will be dispatched to Shareholders in due course.

6. **Trading Caution**

Shareholders and potential investors should note that the Proposed Dual Listing is subject to the fulfillment of, *inter alia*, the conditions set out above, including the obtaining of the relevant legal and/or regulatory approvals in both Singapore and the UK, and accordingly should exercise caution when trading in the Shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board of
MEDI-FLEX LIMITED

Tu Ah Kim
Managing Director
1 December 2005