



SGX-Listed Manufacturer of Disposable Gloves Medi-Flex to Tap Environmentally Friendly Heat Supply for its New Manufacturing Facility

Singapore, 4 July 2005 – SGX-SESDAQ listed Medi-Flex Limited (“Medi-Flex” or the “company”), a leading manufacturer of latex and nitrile cleanroom disposable gloves, announced today it has entered into an agreement to tap biomass heat supply generated from environmentally friendly resources at its new manufacturing facility (“new facility”) located at Selangor, Malaysia.

Shareholders of Medi-Flex, at an Extraordinary General Meeting held on 4 July 2005, approved an agreement for Greenview Properties Sdn Bhd (“Greenview”) to supply heat to Flexitech Sdn Bhd, a wholly owned subsidiary of Medi-Flex, generated from a boiler system (the “biomass boiler system”) using biomass waste, such as palm kernel shell, palm fibre and wood chips, as fuel for the plant at Olak Lempit, Banting, in Selangor

Greenview, which also owns the premise where the new facility is situated, will build and own the Biomass Boiler System. It is a company incorporated in Malaysia, engaging principally in the business of property investments and development. Medi-Flex’s Managing Director, Mr Tu Ah Kim, together with Non-executive Director, Mr Tu Kwang Yam, are also directors and shareholders of Greenview.

As the biomass waste materials are readily available in Medi-Flex’s country of operation, Malaysia, and are cheaper as compared to fuel oil and natural gas, the company expects to achieve cost savings by using the biomass boiler system.

Commenting on this agreement, Mr Tu said, “Medi-Flex is happy to be entering into this agreement to tap into environmentally friendly resource for our heat supply as this would mean that we can generate greater economies of scale. With the surge of fuel prices, the deployment of the biomass boiler system will lead to long term savings for us.”

“Being a company that believes in sustainable development, Medi-Flex would want to be able to care for its surrounding environment while achieving greater efficiency with its business. This heat supply agreement also reflects the company’s commitment to promote environmentally friendly practices.”

Listed on 10 November 2004, Medi-Flex is the first manufacturer of disposable gloves to be listed on Singapore Exchange. Within Malaysia's thriving disposable glove industry that accounts for more than 55% of the global output for rubber disposable gloves, the company has become a leading original equipment manufacturer ("OEM") for premier cleanroom disposable gloves made from latex or synthetic nitrile. It also produces high-quality disposable gloves for medical applications as well as for industrial and food-handling purposes.

Medi-Flex's first plant in Meru, Klang, is located near Malaysia's main port. At the end-2004, the company had established a new manufacturing facility in Banting located near Malaysia's KLIA airport. Medi-Flex currently has a network of more than 50 customers, who are mainly international distributors of disposable gloves for the electronics, medical and food and beverage industries.

In March 2005, to cope with increasing orders Medi-Flex announced the acceleration of its expansion programme to the previous plan for 850 million gloves, the company is tripling its installed capacity in 2004 during which it was operating at near capacity, to 1.3 billion gloves per year by end 2005 with a total of 18 dipping lines and cleanroom facilities in both plants.

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