

**MEDI-FLEX**



**Medi-Flex Limited**

**Press Release – FY2004 Results**

**Manufacturer of Disposable Gloves Medi-Flex Posts 17.0% Rise in Pre-tax Profit to RM5.2 Million On 15.7% Revenue Growth to RM46.9 Million**

• **Financial Highlights:**

<b>Ringgit Malaysia (thousand)</b>	<b>FY2004</b>	<b>FY2003</b>	<b>Change</b>
<b>Revenue</b>	46,863	40,499	+15.7%
<b>Gross Profit</b>	8,498	7,105	+19.6 %
<b>Profit Before Taxation</b>	5,175	4,423	+17.0 %
<b>Net Profit</b>	4,376	3,920	+11.6 %

- **Topline and bottomline growth largely driven by 71.6% growth in sales of Cleanroom gloves, which yield better profit margins, to RM22.1 million**
- **Cleanroom gloves segment has become Medi-Flex's main contributor accounting for 47.2% of group revenue for FY04**
- **FY05 Outlook: Directors expect demand for Group's products to remain strong; optimistic of better performance, facilitated by the expansion programme that will progressively ramp up capacity to 850 million gloves by end of FY05 from 415 million gloves in FY04**

**SINGAPORE – 23 February 2005 – Medi-Flex Limited ("Medi-Flex")**, the first manufacturer of disposable gloves to be listed on Singapore Exchange, today announced its first set of results since its admittance to SGX-SESDAQ on 10 November 2004, for the financial year ended 31 December 2004 ("FY04").

Based in Klang, Selangor Darul Ehsan, Malaysia, Medi-Flex focuses on the niche growth segments of Cleanroom, Medical and Industrial gloves that are widely used.

For FY04, the Group achieved a 17.0% growth in profit before tax to RM5.2 million compared to the previous corresponding period FY03, on the back of a 15.7% increase in revenue to RM46.9 million.

Gross profit margin improved in FY04 by 0.6% to 18.1%, mainly attributable to growth in sales of Cleanroom gloves which yield better profit margins. Profit after tax grew 11.6% to RM4.4 million, with positive impact from tax-related benefits arising from the utilisation of reinvestment allowance in Malaysia.

Operating expenses such as Selling and Distribution expenses and General and Administrative expenses rose due to increased freight and forwarding charges, headcount and payroll in tandem with higher turnover.

On a segmental basis, the Cleanroom gloves segment saw significant revenue growth of RM9.2 million or 71.6% to RM22.1 million and has become the Group's largest contributor to Group revenue for FY04. Cleanroom, Medical and Industrial gloves segment respectively accounted for 47.2%, 39.9% and 12.9% of the Group's total FY04 revenue (FY03: 31.9%, 52.9% and 15.2%). The Group also enjoyed 67.1% increase in sales from its markets in Asia compared to FY03.

Medi-Flex's Managing Director Mr Tu Ah Kim said, "The year 2004 was an exciting and landmark year for Medi-Flex. Apart from our Initial Public Offering ("IPO") and becoming the first manufacturer of disposable gloves to list on the Singapore Exchange, we have been riding on the strong demand in FY04 for our products especially for Cleanroom disposable gloves. Our existing plant has been operating at close to maximum capacity round-the-clock seven days a week, and even during the recent Chinese New Year holidays."

As disclosed in Medi-Flex's prospectus dated 1 November 2004, the Group has embarked on a facility expansion programme that will increase its installed production capacity from 415 million gloves to approximately 850 million gloves by end 2005. Consequently, year-end balance for fixed assets increased by RM12.4 million to RM20.2 million, which included the acquisition of four dipping lines and auxiliary equipment in the existing and new factories to increase the production capacity of the Group.

Looking ahead, Mr Tu said, "We expect demand to remain strong in FY05 and are optimistic of achieving better performance in FY05. The progressive completion of our new facility at Olak Lempit, Banting, Selangor Darul Ehsan, will enable the Group to better capitalize on the increase in orders for our products, while generating greater economies of scale."

As the Group needs to maximize the leverage from this period of strong demand worldwide for its products, the Board has not recommended any dividend for FY04.

Earnings per Share for FY2004 measured in Ringgit Malaysia was 5.92 Sen compared to 11.72 Sen for FY03 while Net Asset Value per share as at 31 December 2004 was 29.63 Sen, up from 21.75 Sen a year ago.

During FY04, net cash provided by operating activities increased to RM4.8 million from RM3.7 million. Cash and bank balances increased by RM11.4 million to RM13.9 million in FY2004.

This was attributed to the net proceeds from the recent IPO of the Company and increase in revenue.

The IPO of the Company's shares were sponsored by Stirling Coleman Capital Pte Ltd.

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***Issued on behalf of Medi-Flex Limited by WeR1 Consultants Pte Ltd***

***Media Contact Info***

WeR1 Consultants Pte Ltd

29 Scotts Road Singapore 228224

Tel: (65) 6737 4844, Fax: (65) 6737 4944

Mona Leong, [monaleong@wer1.net](mailto:monaleong@wer1.net), Hp: 91874449 or Eunice Lua, [eunicelua@wer1.net](mailto:eunicelua@wer1.net)