

MEDI-FLEX LIMITED

SALE AND PURCHASE AGREEMENT BETWEEN OUR SUBSIDIARY FLEXITECH SDN. BHD. AND MAY FAH WOOD INDUSTRIES SDN. BHD.

Further to our announcement dated 4 August 2005, the Board of Directors of Medi-Flex Limited (the "Company") wishes to announce that the subsidiary of the Company, Flexitech Sdn Bhd ("Flexitech"), has entered into a Sale and Purchase Agreement on 15 September 2005 with May Fah Wood Industries Sdn. Bhd. (the "Agreement") for a piece of leasehold land measuring in area approximately 11,735.87 square metres held under HS(M) 5735 No. P.T. 4065, Mukim Tanjung Duabelas, Olak Lempit, Selangor Darul Ehsan together with all buildings and offices erected thereon and bearing postal address of Lot 127, Jalan Enam, Kompleks Perabut, Olak Lempit, 42700 Banting, Selangor Darul Ehsan (the "Leasehold").

Remaining term of the Leasehold : Approximately 82 years

Consideration for the Leasehold : RM 3,950,000.

Date of Completion: : Six (6) months from the date of the receipt by the company's solicitors the consent to transfer from the State Authority made in favour of the Company.

The Sale and Purchase Agreement is subject to the following conditions precedent:-

- (a) The sale and purchase shall be conditional upon the consent to transfer the Leasehold from the Vendor to the Company being obtained from the State Land Authority and the parties shall jointly apply and use their best endeavours to obtain the said consent.
- (b) In the event that the application for consent is refused or is not obtained within six (6) months from the date of the Sale and Purchase Agreement and unless the Company agrees to grant a further extension of time to obtain the said consent, the Sale and Purchase Agreement shall be rescinded and all sums paid by the Company to the Vendor shall be refunded to the Company.

Save as disclosed above, none of the Directors, controlling shareholders or substantial shareholders of the company has an interest, direct or indirect, in the above transaction.

Submitted by Tu Ah Kim, Managing Director, on 26th September 2005 to the SGX.