

**MEDI-FLEX LIMITED (REG NO. 200312754H)**

**ADDITIONAL INFORMATION ON ANNOUNCEMENT ON ACQUISITION OF LAND BY FLEXITECH FROM MAY FAH WOOD INDUSTRIES RELEASED ON 26 SEPTEMBER 2005**

Medi-Flex Limited (the "Company") wishes to issue a clarification on the following in response to queries raised by SGX-ST in respect of the acquisition of land which was announced on 26 September 2005:-

**Query : Factors taken into account in determining the aggregate value of the consideration, how it will be satisfied, including the terms of payment as required under Rule 1008(2)(a) which made reference to Rule 1010(3)**

**Response :** The factors taken into account in determining the aggregate value of the consideration are:-

- 1) the proximity of the factory from our newly set up factory, situated in the adjacent plot of land, which makes for ease of management.
- 2) the built-up of the factory which makes it suitable for future expansion.

The purchase consideration will be funded through an internal generated fund and banking facilities.

**Query : The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation and the basis and the date of such valuation as required under Rule 1008(2)(b) which made reference to Rule 1010(5) of the Listing Manual.**

**Response :** We obtained an assessment of the market value of the property in question, as at 15 August 2005, from Chartwell ITAC International Sdn Bhd ("Chartwell"). According to Chartwell, the value of the property in its existing physical condition with vacant possession and subject to its title being free from encumbrances, good, marketable and registrable is RM 4,300,000.

Submitted by Hew Yew Fook, Executive Director, on 29th September 2005 to the SGX.