

MEDI-FLEX LIMITED

(Company Registration Number: 200312754H)

Profit Guidance for the First Six Months ended 30 June 2006

The Directors of Medi-Flex Limited (the "Company") wish to announce that the Company's performance for the first six months ended 30 June 2006 ("1H FY06") has been affected by the continuing surge in the price of a key raw material, namely natural rubber or latex, to unprecedented price levels.

The rise in latex price had started in the 2nd half of 2005. These increases were however not significant and the Company was able to manage these increases by progressively passing these increases in latex price onto customers. However in 2006 the price of latex rose sharply. In order to remain competitive, the Company has had to absorb some of these price increases and as a result gross margins of our business have been affected, particularly for lower-price latex glove products. The Company is thus expecting to record a loss for 1H FY06.

The Company has implemented various actions to manage the latex price hikes, including adjusting its sales mix and has put in place other cost control measures.

The Company expects to announce its 1H FY2006 results sometime during 11 August to 14 August 2006.

By Order of the Board

Tu Ah Kim
Managing Director
19 July 2006