

MEDI-FLEX LIMITED

(Incorporated in Singapore)
(Company Registration Number: 200312754H)

PROPOSED PLACEMENT OF 328,305,829 NEW ORDINARY SHARES IN THE CAPITAL OF MEDI-FLEX LIMITED - APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Further to its announcement dated 12 October 2006 ("the Initial Announcement"), the Board of Directors of Medi-Flex Limited ("the Company") wishes to announce that the Company has appointed SAC Capital Private Limited as the independent financial adviser to advise its independent directors in connection with the proposed whitewash resolution for the waiver of the rights of the independent shareholders of the Company to receive a mandatory general offer as a result of the proposed placement of new ordinary shares in the capital of the Company ("the Proposed Placement").

Completion of the Proposed Placement is subject to, *inter alia*, the conditions precedents set out in the Initial Announcement. The Company will make further announcements concerning the Proposed Placement as may be required under the Listing Manual of the Singapore Exchange Securities Trading Limited, as and when appropriate.

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, inter alia, the conditions set out above, including the obtaining of the relevant regulatory approvals in both Singapore and Malaysia, and accordingly should exercise caution when trading in the shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD
TU AH KIM
MANAGING DIRECTOR

23 October 2006