

MEDI-FLEX LIMITED

(Incorporated in Singapore)

(Company Registration Number 200312754H)

PROFIT WARNING

The Board of Directors (the “Board”) of Medi-Flex Limited (the “Company”) wishes to announce that the Board deems it appropriate to issue a profit warning in respect of the financial results of the Group for the second half year ended 31 December 2006.

The Board expects the financial results of the Group for the second half year ended 31 December 2006 to be dismal based on 2006 results due to the following factors:

1. the Group was affected by the aftermath of the first half financial results, resulting in the Group not being able to operate the production efficiently due to cash flow constraints and shortage of funds; and
2. as the Group reduced the production of latex glove substantially at the end of first half 2006, there was a substantial quantity of undelivered latex committed at high price as at first half of 2006. The Group was consuming these committed latex progressively in the second half 2006, resulting in the Group not being able to enjoy the substantial reduction of the latex price in second half of 2006.

Further details of the Group’s performance will be disclosed when it announces its unaudited financial results for the full year ended 31 December 2006.

Submitted by Mr Tu Ah Kim, Managing Director on 5 January 2007 to the SGX.