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MEDICAL CHINA LIMITED

神州醫療科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

**DELAY IN DESPATCH OF CIRCULAR
IN RESPECT OF
VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF A FORESTRY BUSINESS
TOP-UP PLACING OF SHARES**

The Company has made an application to the Stock Exchange for an extension of time for the despatch of the Circular to no later than 7 September 2007.

Reference is made to the announcement (the “Announcement”) of the Company dated 31 July 2007 in respect of, among other things, (i) a very substantial acquisition; (ii) the Top-up Placing. Terms defined in the Announcement shall have the same meaning when used in this announcement unless the context otherwise required.

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to send to its Shareholders and arrange for the publication of a circular (the “Circular”) to the Shareholders within 21 days after publication of the Announcement, which is on or before 22 August 2007.

As more time is required to finalize certain information of the Circular, particularly the finalization of the unaudited pro forma financial information on the Group and the statement of indebtedness of the Company as of 31 July 2007, the despatch of the Circular will be postponed.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 of the GEM Listing Rules by extending the despatch date of the Circular to no later than 7 September 2007.

By Order of the Board
Medical China Limited
Li Wo Hing
Executive Director & Chief Executive Officer

Hong Kong, 21 August 2007

As at the date of this announcement, the board of Directors of the Company comprises three executive directors, namely, Mr. Li Nga Kuk, James, Mr. Li Wo Hing and Mr. Li Tai To, Titus; one non-executive director, namely Mr. Chen Minshan; and three independent non-executive directors, namely Mr. Fan Wan Tat, Mr. Tam Wai Leung, Joseph and Mr. Chan Kim Chung, Daniel.

This announcement, for which the Directors collectively and individually accept full responsibilities, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

This announcement will remain on the “Latest Company Announcement” page of the GEM website at “<http://hkgem.com>” for seven days after the date of the publication.

** For identification purposes only*