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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)

**PROGRESS ON THE ACQUISITION OF
THE FORESTRY BUSINESS IN CAMBODIA**

Financial Adviser

COMMERZBANK 

Commerzbank AG Hong Kong Branch

PROGRESS OF THE ACQUISITION

The Board has noted the increase in the price and the trading volume of the shares of the Company today and wishes to state that, save as disclosed below, the Board is not aware of any reasons for such increases.

The Board is pleased to announce that the Office of Prime Minister of Cambodia and the relevant Cambodian provincial government have granted approval to (Cambodia) Tong Min for the land use right and plantation of rubber in the Forest of 9,965 hectares (equivalent to approximately 99.65 million sq.m.).

Reference is made to the circular (the “Circular”) of the Company dated 7 September 2007 in relation to, among other things, the acquisition of the entire equity interest of (Cambodia) Tong Min and the Subscription. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular, unless otherwise stated herein.

PROGRESS OF THE ACQUISITION

The Board has noted the increase in the price and the trading volume of the shares of the Company today and wishes to state that, save as disclosed below, the Board is not aware of any reasons for such increases.

The Board is pleased to announce that as advised by (Cambodia) Tong Min and the legal advisers to the Company on Cambodian laws, the Office of Prime Minister of Cambodia and the relevant Cambodian provincial government have granted the “Sor Chor Noh” i.e. approvals to (Cambodia) Tong Min for the land use right and plantation of rubber in the Forest of 9,965 hectares (equivalent to approximately 99.65 million sq.m.).

The Directors confirm that there are no other negotiation or legally binding agreements which are discloseable under Chapter 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.11 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

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

Hong Kong, 17 September 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 only