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This announcement, for which the directors of Medical China Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Medical China Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



MEDICAL CHINA LIMITED

神州醫療科技有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

This announcement is issued at the request of The Stock Exchange of Hong Kong Limited to clarify certain issues mentioned below.

At the request of The Stock Exchange of Hong Kong Limited in relation to certain information on Medical China Limited (the “Company”) and its subsidiaries (the “Group”) contained in the prospectus of the Company dated 19 December 2001 (the “Prospectus”), the board of directors (the “Board”) of the Company would like to clarify and confirm that:

- (1) the number of hospitals in the People’s Republic of China (“PRC”) that the Group has entered into cooperation contracts with for the setting up and operations of radio frequency ablation system treatment centres (the “Contracted Hospitals”) has been increased to 60. Out of the total 49 Contracted Hospitals disclosed in the Prospectus, 44 Contracted Hospitals are still operating but the cooperation contracts with the other 5 Contracted Hospitals were terminated as a result of unsatisfactory performance of the cooperation or insufficient staff of the hospitals. There has been no fatal accident from using the radio frequency ablation system of the Group in the PRC since it operations;
- (2) the 44 Contracted Hospitals mentioned above generated an unaudited aggregate revenues of approximately HK\$3.8 million to the Group in December 2002. Further, no director or senior management of the Group has ever resigned since the listing of the Company in December 2001;

- (3) there has been no change in the sole and exclusive distribution right of the Group for the sale, distribution and marketing of radio frequency ablation system in the PRC and Hong Kong since 19 December 2001, the date of the Prospectus; and
- (4) the Board was and is not aware that there was and is another company in Hong Kong distributing LeVein Electrode at the time of listing of the Company or thereafter.

By order of the Board
Medical China Limited
Li Nga Kuk, James
Chairman

Hong Kong, 19 February 2003

* *For identification purpose only*

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its publication.