



ASX/Media Release

Vitop will be MEDEC Health Centre Master Franchise in China

22 June 2005 – Perth based health care equipment company MEDEC Limited [ASX: MAA] has signed a Heads of Agreement with Hong Kong based ViTop Bioenergy Ltd to launch the MEDEC Health Centre concept into China.

ViTop is one of China's largest supplier of health care products with over 750 franchise outlets in more than 350 cities in China. ViTop is listed on the Hong Kong Stock Exchange and has been a distributor of MEDEC products since February 2005 following an agreement signed in October 2004.

In May 2005, MEDEC launched the second generation Biograph, which is MEDEC's high tech computer supported health assessment device. The Biograph Calorie-Fit provides information of how different people metabolise the food which they eat into energy and how this energy is provided for the challenges of life. This is of interest to every person but particularly for people with a high demand of energy to perform at top levels in sport, business and family but also for people with little available energy such as the sick, old, frail and physiologically vulnerable.

Now MEDEC has finalised its MEDEC Health Centre concept, which uses the Biograph to provide information on what type of food to eat or not to eat. The MEDEC Health Centre also supplies MEDEC's space age bio-stimulation and detoxification devices. MEDEC's clients benefit from more energy, better self healing and more quality of life. The MEDEC concept of biological energy is the space age version of Chi, the Chinese basis of all life and health and has been particularly well accepted in the homeland of the 5000 year old Traditional Chinese Medicine (TCM).

ViTop and MEDEC have finalised an agreement, under which ViTop will establish the MEDEC Health Centre concept for the distribution of MEDEC products in China commencing with the installation of 100 MEDEC / Dokey Bioenergy Health Centres within 100 of ViTop's most successful Chinese franchisees by the end of the 2005 calendar year. This includes the supply of 100 of the new MEDEC Biograph to the MEDEC / Dokey Chinese franchisees under a hardware leasing and software licensing strategy.

The project will be rolled out in stages. During July – November 2005 MEDEC and ViTop will establish several MEDEC/ Dokey training centres in China, which will become the nucleus of 100 franchisees to be trained and established during the 4th Quarter of 2005. Hardware leasing and software licensing will be provided by the joint venture partners and supported by Hong Kong based financial institutions. MEDEC has committed to establish after sales service and partial manufacture in China by the 2006 calendar year and has started to recruit Chinese guest students educated by Australian universities for this purpose.

The proposed final stage will be the establishment of 1000 MEDEC/ Dokey Bioenergy Health Centres in China, providing MEDEC products to ViTop's 6 million existing Chinese clients.

"MEDEC has been working on this project since our listing in October 2003," said Mr Josef Plattner, Chief Executive Officer of MEDEC Ltd. ViTop and MEDEC are a perfect match in product philosophy, know- how and corporate structure. MEDEC is technology based while ViTop has developed an impressive franchise marketing system in China. This joint venture gives MEDEC access to the largest market in the world, which is particularly receptive to MEDEC's type of technology.

The importance of the project is highlighted by the direct involvement of the MEDEC board. Mr Gordon Getley, MEDEC's independent Chairman, has accompanied the CEO on his recent visit to China. Further endorsement has been provided by huge interest in the MEDEC Health Centre concept by large organisations in Europe, Australia, South East Asia and USA.

For further information visit www.medec.com.au, www.vitop.com, and www.coloriefit.info or inquire

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About MEDEC

MEDEC is an Australian based health care equipment company that was listed on the ASX in October 2003. The MEDEC group of companies and its subsidiaries has several product ranges, including the award winning Athlegen brand, which is Australia's market leader in treatment tables for the wellness industry and the innovative MEDEC energy medicine products.

Since its establishment in 2001 the MEDEC group has grown substantially. MEDEC's major market at present is Europe with two subsidiaries and 25 distribution outlets, USA with 8 outlets and Australia with 8 outlets.

MEDEC / Athlegen operate show rooms in all Australian capital cities as well as in Malaysia and Germany. 15 international distributors sell the products to the wellness and health industry and 50 international franchisees offer the energy stimulating products to the public. The products have been sold to more than 30 countries.

The focus of market expansion is presently on South East Asia, Europe and China.

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