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China Grand Pharmaceutical and Healthcare Holdings Limited

遠大醫藥健康控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00512)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that it is expected that the Group will record a profit for the six months ended 30 June 2009 as compared with a loss for the same period last year.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Grand Pharmaceutical and Healthcare Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that, based on information currently available, it is expected that the Group will record a profit for the six months ended 30 June 2009 as compared with a loss for the same period last year. The turnaround in performance of the Group was mainly attributable to: (i) the increased profit contributions from its principal subsidiary, Wuhan Grand Pharmaceutical Group Limited, the acquisition of which was completed in the second half of 2008; and (ii) a fair value gain arising from the issue of a promissory note in February 2009.

The information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the unaudited management accounts of the Group. The Company is still in the process of finalising the results for the six months ended 30 June 2009, which will be published before 30 September 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Grand Pharmaceutical and Healthcare Holdings Limited
Liu Chengwei
Chairman

Hong Kong, 7 August 2009

As at the date of this announcement, the Board comprises of three executive directors, namely Mr Liu Chengwei, Mr Hu Bo and Mr Shao Yan; one non-executive director, namely Mr Zhang Ji and three independent non-executive directors, namely Ms So Tosi Wan, Winnie, Mr Lo Kai Lawrence and Mr Xin Dongsheng.

** For identification purpose only*