

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 year ended 31 December 2009 whereas there was a loss for the year ended 31 December 2008.

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 year ended 31 December 2009 whereas there was a loss for the year ended 31 December 2008. The expected turnaround in performance of the Group was mainly attributable to the increased profit contributions from its principal subsidiary, Wuhan Grand Pharmaceutical Group Limited (“Wuhan Grand”), the acquisition of which was completed in the second half of 2008. Profit after tax of Wuhan Grand for the year ended 31 December 2009 is expected to increase by over 30% when compared with that of the previous year. Further, there is a fair value gain of approximately HK\$17,244,000 arising from the issue of a promissory note by the Company 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 year ended 31 December 2009, which will be published before 31 March 2010.

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, 12 February 2010

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

** For identification purpose only*