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 China Grand Pharmaceutical and Healthcare Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of the directors (the "**Board**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Company and the preliminary review by the management of the Company over the unaudited management accounts of the Group for the six months ended 30 June 2021, it is expected that the consolidated net profit attributable to owners of the Company recorded an increase of not less than 50% as compared to that of the six months ended 30 June 2020 (the unaudited consolidated net profit attributable to owners of the Company for the six months ended 30 June 2020 amounted to approximately HK$718,509,000).

The Board considers that the reason for financial results maintained growing in a good shape is mainly attributable to (among other things): 1) the Group continuously optimizes the profit structure, continuously develops the Group's strategy in the development of innovative and barrier medicines and puts more efforts in the sales of innovative high barrier products and high profit margin products, resulting the overall sales revenue is expected to increase by not less than 40% as compared with the same period of last year; and 2) the fair value change of investment portfolio in listed companies contributes increment of investment income. Given the above factors, the Group still can maintain rapid growth in net profit while continuously investing in research and development.

The information contained in this announcement is only based on the preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2021 and the information currently available to the Board, and such information has not been reviewed by the Company's auditors or audit committee. The consolidated financial results of the Group for the six months ended 30 June 2021 have not been finalized and may be subject to adjustment. The announcement on the interim results of the Group for the six months ended 30 June 2021 is expected to be published in the middle of August 2021.

Shareholders 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
Chairman
Dr. Tang Weikun

Hong Kong, 27 July 2021

As at the date of this *announcement, the Board comprises four executive directors, namely, Dr. Tang Weikun, Dr. Shao Yan, Dr. Niu Zhanqi and Dr. Shi Lin, and three independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Pei Geng and Mr. Hu Yebi.*

* *For identification purpose only*