
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Grand Pharmaceutical and Healthcare Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) GENERAL MANDATE TO ISSUE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Grand Pharmaceutical and Healthcare Holdings Limited to be held at Unit 3302, The Centre, 99 Queen's Road Central, Hong Kong on 5 June 2015 at 11:00 a.m. or any adjournment thereof is set out on pages 8 to 10 of this circular.

A form of proxy for use at the annual general meeting of China Grand Pharmaceutical and Healthcare Holdings Limited is enclosed with this circular. Whether or not you are able to attend and vote at such meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon and return the same to China Grand Pharmaceutical and Healthcare Holdings Limited's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Unit 3302, The Centre, 99 Queen’s Road Central, Hong Kong on 5 June 2015 at 11:00 a.m. notice of which is set out on pages 8 to 10 of this circular
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	China Grand Pharmaceutical and Healthcare Holdings Limited, a company incorporated in Bermuda with limited liability and its securities are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares in the manner as set out in the ordinary resolution number 4 of the notice of Annual General Meeting
“Latest Practicable Date”	22 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Notice”	the notice convening the AGM as set out on pages 8 to 10 of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of HK\$ 0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Chengwei (Chairman)
Mr. Hu Bo (Deputy Chairman)
Dr. Shao Yan (Chief Executive Officer)
Dr. Zhang Ji

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Ms. So Tosi Wan, Winnie
Mr. Lo Kai Lawrence
Dr. Pei Geng

Principal place of business

in Hong Kong:
Unit 3302, The Center
99 Queen's Road Central
Hong Kong

28 April 2015

To the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATE TO ISSUE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting to be held at Unit 3302, The Centre, 99 Queen's Road Central, Hong Kong on 5 June 2015 at 11:00 a.m.. These include resolutions relating to (i) the general mandate for the issue of new Shares; and (ii) re-election of retiring Directors.

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LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to allot, issue and deal with new Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 1,962,040,888 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued before the Annual General Meeting, the Company will be allowed to issue a maximum of 392,408,177 Shares.

3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to bye-law 87(1), Mr. Liu Chengwei, Ms. So Tosi Wan, Winnie and Dr. Pei Geng retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to the amended code provisions as set out in the Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules, the further appointment of an independent non-executive director who has served more than 9 years should be subject to a separate resolution to be approved by the Shareholders. Ms. So Tosi Wan, Winnie has served the Company for more than 9 years. The reasons why the Board believes Ms. So Tosi Wan, Winnie is still independent and should be re-elected are set out as below.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are as follows:

Mr. Liu Chengwei, aged 41, was appointed as executive director of the Company in July 2008. Mr. Liu is the Chairman of the Company and is a director of Grand Pharm (China), the principal subsidiary of the Company. Mr. Liu is also a director of Huadong Medicine Company Limited, the shares of which are listed on the main board of the Shenzhen Stock Exchange. Mr. Liu has over 10 years of financial and management experience in the PRC. Mr. Liu is currently the General Manager of the Pharmaceutical Industry Division of China Grand Enterprises Incorporation (“**China Grand**”) and a director of China Grand. So far as the Directors are aware, the Company and China Grand have a common shareholder, namely Mr. Hu Kaijun, which holds 62.60% and 49% equity interest in the Company and China Grand respectively. Mr. Liu worked for General Electric Company’s China subsidiaries for 5 years before joining China Grand in 2001. Mr. Liu holds a bachelor degree in International Economics from Peking University and a master degree in Business Administration from China Europe International Business School.

Mr. Liu is appointed for a term of one year and is renewable automatically for successive terms of one year after the expiry of the term of appointment, unless terminated by not less than three months’ notice in writing served by either party and is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Liu will be entitled to receive HK\$50,000 per annum as director’s remuneration which is determined by reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the market salary range for the position.

LETTER FROM THE BOARD

Saved as disclosed above, as at the Latest Practicable Date (i) Mr. Liu did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company; (ii) he did not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (iii) he did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) he did not hold other positions with the Company and its subsidiaries.

Saved as disclosed above, there is no information in relation to Mr. Liu's re-election that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

Ms. So Tosi Wan, Winnie, aged 52, was appointed as independent non-executive director of the Company in March 2005. Ms. So is a fellow member of the Association of Chartered Certified Accountants and a practicing member of the Hong Kong Institute of Certified Public Accountants. She is a partner of an accounting firm.

Ms. So is appointed for a term of one year and is renewable automatically for successive terms of one year after the expiry of the term of appointment, unless terminated by not less than three months' notice in writing served by either party and is subject to retirement by rotation and re-election in accordance with the Bye-laws. Ms. So will be entitled to receive HK\$180,000 per annum as director's remuneration which is determined by reference to her duties and responsibilities within the Company, the Company's remuneration policy and the market salary range for the position.

Saved as disclosed above, (i) Ms. So did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company; (ii) she did not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (iii) she did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) she did not hold other positions with the Company and its subsidiaries.

Ms. So met the independence guidelines as set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation and considered him to be independent. Ms. So has served on the Board as independent non-executive director for more than 9 years. In view of Ms. So's extensive experience in the accounting field, the Board believes that she is capable to provide constructive contributions and objective view to the Board. Therefore, the Board considers Ms. So is still independent and should be re-elected.

Saved as disclosed above, there is no information in relation to Ms. So's re-election that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

Dr. Pei Geng, aged 55, was appointed as independent non-executive director of the Company in May 2011. Dr. Pei holds a bachelor degree in Medicine and clinically become a neurosurgeon after graduation from Beijing Capital University of Medicine, China. Dr. Pei also holds a licentiate degree in Medical Sciences from Uppsala University, Sweden and a PhD degree in neuroscience from University of Würzburg, Germany. Dr. Pei is currently working in Multiway Trading Intl., USA and its Beijing branch.

LETTER FROM THE BOARD

Dr. Pei is appointed for a term of one year and is renewable automatically for successive terms of one year after the expiry of the term of appointment, unless terminated by not less than three months' notice in writing served by either party and is subject to retirement by rotation and re-election in accordance with the Bye-laws. Dr. Pei will be entitled to receive HK\$60,000 per annum as director's remuneration which is determined by reference to his duties and responsibilities within the Company, the Company's remuneration policy and the market salary range for the position.

Saved as disclosed above, (i) Dr. Pei did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company; (ii) he did not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; (iii) he did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) he did not hold other positions with the Company and its subsidiaries.

Saved as disclosed above, there is no information in relation to Dr. Pei's re-election that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of holders of securities of the Company.

4. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 8 to 10 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, resolutions will be proposed to approve (i) the general mandate for the issue of new Shares; and (ii) re-election of retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you are able to attend and vote at the Annual General Meeting, please complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and in such case the proxy form shall be deemed to be revoked.

5. POLL VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the Annual General Meeting pursuant to Bye-laws 66(1)(a) of the Bye-laws. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder will be required to abstain from voting on any resolutions to be approved at the AGM.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors are of the opinion that the granting of the Issue Mandate and the proposed re-election of retiring Directors are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of Annual General Meeting.

8. MISCELLANEOUS

The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in case of inconsistency.

Yours faithfully,
By order of the Board of
China Grand Pharmaceutical and Healthcare Holdings Limited
Liu Chengwei
Chairman

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of China Grand Pharmaceutical and Healthcare Holdings Limited (the “Company”) will be held at Unit 3302, The Centre, 99 Queen’s Road Central, Hong Kong on 5 June 2015 at 11:00 a.m. for the following purposes:

1. To adopt the audited financial statements together with the report of the directors and the report of the auditors for the year ended 31 December 2014.
2.
 - (a) To re-elect Mr. Liu Chengwei as an executive Director;
 - (b) To re-elect and retain Ms. So Tosi Wan, Winnie as independent non-executive Director, who has served more than 9 years in the Company;
 - (c) To re-elect Dr. Pei Geng as independent non-executive Director; and
 - (d) To authorize the board of Directors to fix their remuneration.
3. To re-appoint HLB Hodgson Impey Cheng Limited as auditors to hold office until the conclusion of the next annual general meeting and to authorise the directors to fix their remuneration.

ORDINARY RESOLUTIONS

As special business to consider and, if thought fit, pass the following resolutions as ordinary resolutions, with or without modification:

4. “THAT:
 - (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares; (c) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company from time to time; or (d) an issue of shares under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares, shall not exceed 20% of the aggregate of the nominal amount of the issued share capital of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly; and

- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

Yours faithfully,

By order of the Board of

China Grand Pharmaceutical and Healthcare Holdings Limited

Liu Chengwei

Chairman

Hong Kong, 28 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The register of members will be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015 both days inclusive, during which period no transfer of shares can be registered. In order to qualify to attend the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 2 June 2015.
3. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so presents whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to proposed resolution no. 2 above, Mr. Liu Chengwei, Ms. So Tosi Wan, Winnie and Dr. Pei Geng will retire from their offices of Director at the Annual General Meeting and, being eligible, offer themselves for re-election.

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