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China Animal Healthcare Ltd.

中國動物保健品有限公司*

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock code: 0940)

- (1) **RESIGNATION OF AN EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER;**
- (2) **RESIGNATION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR, THE CHAIRMAN OF AUDIT COMMITTEE AND A MEMBER OF NOMINATION COMMITTEE**
- (3) **NON-COMPLIANCE WITH REQUIREMENTS ON INDEPENDENT NON-EXECUTIVE DIRECTORS AND COMPOSITION OF AUDIT COMMITTEE AND NOMINATION COMMITTEE**

The board (“**Board**”) of directors (“**Directors**”) of China Animal Healthcare Ltd. (**the “Company**”, together with its subsidiaries, the “**Group**”) hereby announces that Mr. Sun Jinguo (“**Mr. Sun**”) resigned as an executive director and deputy chief executive officer of the Company on 26 June 2015. In addition, Mr. Liang Hsien Tse Joseph (“**Mr. Liang**”) resigned on the same date as an independent non-executive Director (“**INED**”), the chairman of audit committee of the Board, a member of nomination committee of the Board and the chairman of the Special Committee to look into the Unresolved Matters (as defined therein) as disclosed in the Company's announcement dated 10 June 2015.

- (1) **RESIGNATION OF AN EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER;**

Mr. Sun resigned due to his family and personal commitments. Mr. Sun has confirmed that he has no disagreement with the Board. Both Mr. Sun and the Board are not aware of any other matters relating to the resignation of Mr. Sun that need to be brought to the attention of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the shareholders of the Company.

(2) RESIGNATION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR, THE CHAIRMAN OF AUDIT COMMITTEE AND A MEMBER OF NOMINATION COMMITTEE

Mr. Liang resigned due to a disagreement with the Board which arose because the members of the Board were not able to reach a consensus on the timing of the commencement of the forensic investigation requested by the auditors.

Save as the matters set out above, both Mr. Liang and the Board are not aware of any other matters relating to the resignation of Mr. Liang that need to be brought to the attention of the Stock Exchange and the shareholders of the Company.

(3) NON-COMPLIANCE WITH REQUIREMENTS ON INDEPENDENT NON-EXECUTIVE DIRECTORS AND COMPOSITION OF AUDIT COMMITTEE AND NOMINATION COMMITTEE

The Board noted that as a result of the resignation of Mr. Liang, the numbers of INEDs and of the members of audit committee of the Company have fallen below the minimum number as required under Rules 3.10(1) and 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The number of INEDs also does not represent at least one-third of the Board as required under Rule 3.10A of the Listing Rules, nor represent a majority of the nomination committee as required under Code Provision A.5.1 of the Corporate Governance Code which is set out under Appendix 14 to the Listing Rules.

In addition, given that the remaining two INEDs, namely Mr. Cai Huiyi and Mr. Liu Zhanmin, do not possess the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules., the resignation of Mr. Liang further constitutes non-compliance with Rule 3.10(2) of the Listing Rules.

The Board shall use its best endeavour to identify suitable candidate(s) to fill up the above-mentioned vacancies as soon as practicable and within three months required under Rules 3.11 and 3.23 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

The Board hereby expresses its gratitude to Mr. Liang and Mr. Sun for their valuable contribution to the Company during their terms of office.

By order of the Board
China Animal Healthcare Ltd.
Wang Yangang
*Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, 30 June 2015

As at the date of announcement, the executive Directors of the Company are Mr. Wang Yangang and Mr. Li Jun; non-executive Directors are Mr. Alberto Riva, Dr. Ying Du and Mr. Goh Kay Seng Edwin; and the independent non-executive Directors are Mr. Cai Huiyi and Mr. Liu Zhanmin.

** For identification purpose only*