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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)

(Stock Code: 0940)

**RESIGNATION OF AUDITORS
PROPOSED APPOINTMENT OF AUDITORS
AND
CONTINUAL SUSPENSION OF TRADING**

Reference is made to the announcements of China Animal Healthcare Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 April 2015 and 10 June 2015 (the “**Announcements**”), in relation to the Unresolved Matters. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

RESIGNATION OF AUDITORS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Deloitte Touche Tohmatsu (“**Deloitte**”) gave notice to the Company of their resignation as auditors of the Company on 25 September 2015. In their letter of resignation, Deloitte stated that in the Company's announcement of 10 June 2015, it was disclosed that Deloitte have alleged misconduct on the part of an employee of the Group and also that the Company and themselves were unable to agree upon certain specific work steps relating to the Additional Audit Procedures required by Deloitte to confirm the Company's bank account balances. In view in particular of the alleged misconduct, after careful consideration Deloitte have concluded that it would be in the best interests of all parties for the Company to now appoint new auditors independent of this matter, and accordingly, Deloitte gave the Company formal notice of their resignation as auditors of the Company with immediate effect on 25 September 2015.

Save for the reasons stated above, Deloitte have confirmed that there are no matters that need to be brought to the attention of holders of securities of the Company. The Board confirms that save as disclosed, there are no other matters in relation to the resignation of Deloitte which need to be brought to the attention of the holders of securities of the Company. The Board would like to take this opportunity to express its gratitude to Deloitte for their professional services rendered to the Company in the past years.

PROPOSED APPOINTMENT OF AUDITORS

Given the Resignation, the Company proposes to appoint HLB Hodgson Impey Cheng Limited ("**HLB**") as the new auditors of the Company to fill the casual vacancy occasioned by the Resignation. HLB has given verbal in-principle acceptance of the appointment pending further internal procedures. The Company will make further announcement when the appointment has been finalized.

CONTINUAL SUSPENSION OF TRADING

At the request of the Company, the shares of the Company have been suspended from trading on the Stock Exchange from 9 a.m. on 30 March 2015 pending the publication of the 2014 Annual Results. Dealing in the shares will continue to be suspended until further notice.

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

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

Hong Kong, 29 September 2015

As at the date of announcement, the executive Directors are Mr. Wang Yangang, Mr. Li Jun and Ms. Song Yanmei; 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, Mr. Liu Zhanmin and Mr. Zhang Suqiang.

** For identification purpose only*