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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)

**(1) RESIGNATION OF NON-EXECUTIVE DIRECTOR
AND
(2) CHANGES IN COMPOSITION OF REMUNERATION
COMMITTEE AND COMPLIANCE COMMITTEE**

The Board hereby announces that:

1. Mr. Riva has resigned as a non-executive Director with effect from 29 February 2016. As a result of his resignation, Mr. Riva also ceased to be a member of the Remuneration Committee and a member of the Compliance Committee of the Company with effect from 29 February 2016; and
2. Mr. Zhang Suqiang has been appointed as a member of the Remuneration Committee with effect from 9 March 2016.

(1) RESIGNATION OF NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of China Animal Healthcare Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that Mr. Alberto Riva (“**Mr. Riva**”) has resigned as a non-executive Director with effect from 29 February 2016 pursuant to a resignation letter dated 29 February 2016 (the “**Resignation Letter**”) tendered by Mr. Riva, which the Company received on 1 March 2016. As a result of his resignation, Mr. Riva also ceased to be a member of the Remuneration Committee and a member of the Compliance Committee of the Company with effect from 29 February 2016.

In the Resignation Letter, Mr. Riva stated the reasons for his resignation, which are summarised as follows:-

In the Resignation Letter, Mr. Riva alleged that, among others, the Company's responses or work in relation to the following are disappointing, unsatisfactory and unacceptable:

- (i) delay in the progress of the Forensic Investigation (as defined in the announcement of the Company dated 30 October 2015) and the Company's lack of response to his requests made from time to time for updates on the Forensic Investigation, preliminary findings, copies of documents sent to the Company by RSM Nelson Wheeler Corporate Advisory Limited and the projected timeline of completion of the Forensic Investigation;
- (ii) the Company not having provided sufficient information for and responses to Mr. Riva's queries in relation to matters including the suspension of trading in the Company's shares (as disclosed in the announcement of the Company dated 30 March 2015), the impact on the business of revocation of the GMP certificates and production permits (as disclosed in the announcement of the Company dated 23 October 2015) and the Lost Documents (as defined in the announcement of the Company dated 28 December 2015). In Mr. Riva's opinion, the announcements of the Company on the aforementioned events were unsatisfactory to him and too vague.

As such, Mr. Riva is of the opinion that his views and concerns have not been considered or respected by the other members of the Board.

Save as disclosed above, the Board considers that there are no other matters in relation to the resignation of Mr. Riva that need to be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Board hereby expresses its gratitude to Mr. Riva for his valuable efforts and contributions to the Company during his tenure of office with the Company.

(2) CHANGES IN COMPOSITION OF REMUNERATION COMMITTEE AND COMPLIANCE COMMITTEE

Upon his resignation as a non-executive Director, Mr. Riva also ceased to be a member of the Remuneration Committee and a member of the Compliance Committee of the Company.

(a) Remuneration Committee

To fill the vacancy on the Remuneration Committee arising from Mr. Riva's resignation as a non-executive Director, Mr. Zhang Suqiang has been appointed as a member of the Remuneration Committee with effect from 9 March 2016. As at the date of this announcement, the Remuneration Committee comprises Mr. Cai Huiyi, Mr. Liu Zhanmin and Mr. Zhang Suqiang, with Mr. Cai Huiyi as its chairman.

(b) Compliance Committee

The Board is assessing which Director is most suited to fill the vacancy on the Compliance Committee arising from Mr. Riva's resignation as a non-executive Director. A further announcement will be made by the Company as soon as practicable once such vacancy is filled.

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

Hong Kong, 9 March 2016

As at the date of announcement, the executive Directors are Mr. Wang Yangang, Mr. Li Jun and Ms. Song Yanmei; non-executive Directors are 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*