

**CHINA ANIMAL HEALTHCARE LTD:  
SWISS BANK CLAIMS \$HK200 MILLION FROM  
THE CHAIRMAN'S FAMILY COMPANY**

The Swiss-based, banking leviathan, UBS AG, has issued legal proceedings in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming nearly \$HK200 million from the following two Defendants:

Wang Family Company Ltd  
Ms Li Chun Hua ()

First Defendant  
Second Defendant

HKSAR High Court Action, Number 1173 of 2015 (General Indorsement of Claim, attached) alleges that UBS AG Hongkong Branch entered into a *'Term loan Facility Agreement'*, dated June 12, 2014, in the amount of \$US30 million (about \$HK234 million) with the First Defendant, guaranteed by the Second Defendant.

But the bank alleges that, today, the Defendants are in default of their financial obligations.

The loan was, allegedly, secured by a Mortgage and Charge over 183,274,868 shares in the Issued and Fully Paid-Up Share Capital of China Animal Healthcare Ltd () (Code: 940, Main Board, The Stock Exchange of Hongkong Ltd).

The Second Defendant is the wife of the Executive Chairman of China Animal Healthcare Ltd: Mr Wang Yan Gang ().

At Page 41 of the 2013 Annual Report of China Animal Healthcare Ltd in respect of the Company's Financial Year, ended December 31, 2013, it is stated that Mr Wang Yan Gang is deemed to own, beneficially, 848,774,583 shares, representing 43.17 percent of the entire Issued Share Capital of the publicly listed company.

(The 2014 Annual Report has yet to be published.)

That number of shares was held, a footnote to the *'Long Positions of Ordinary Shares of the Company'* states:

*'300,000,000 shares are held in the name of CCB International Securities Ltd, 40,000,000 shares are held in the name of his spouse, Mdm Li Chunhua and 508,774,583 shares are held in the name of Wang Family Company Limited.'*

Trading in the shares of China Animal Healthcare Ltd has been suspended since March 30, 2015, pending the publication of the 2014 Annual Report.

The following is the General Indorsement of Claim, attached to Writ of Summons, Number 1173 of 2015:

- ‘1. Pursuant to a Term Loan Facility Agreement dated 12 June 2014 (the “**Agreement**”), the Plaintiff granted a loan of up to USD30 million (the “**Loan**”) to the First Defendant. All payment obligations of the First Defendant under the Agreement are (i) secured by, among others, a mortgage and charge over 183,274,868 ordinary shares of China Animal Healthcare Ltd. (the “**Issuer**”) (Hong Kong Stock Code: 0940) (the “**Share Collateral**”) held by the First Defendant in favour of the Plaintiff pursuant to the Security Agreement dated 13 June 2014 (the “**Security Agreement**”), and (ii) guaranteed by the Second Defendant pursuant to the Deed of Guarantee dated 13 June 2014 (the “**Guarantee**”).*
- ‘2. On each of 30 March, 31 March and 1 April 2015, trading in the ordinary shares of the Issuer was suspended, which constituted a Mandatory Prepayment Event under the terms of the Agreement. On 1 April 2015, the Plaintiff issued a Mandatory Prepayment Notice pursuant to the Agreement to the First Defendant declaring a total sum of USD 25,568,750 due and payable by 10 April 2015. The First Defendant’s failure to pay the said sum by 10 April 2015 constituted an Event of Default pursuant to clause 22.1 of the Agreement.*
- ‘3. On 11 May 2015 ... [CLICK TO ORDER FULL ARTICLE](#)*

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