



**YANG YANG CHINA
HOLDINGS LIMITED**
A B N 2 1 1 0 9 4 6 9 3 8 3

Thursday, June 01, 2006

Dear Shareholder

We refer to the Notice of Meeting and Chairman's letter lodged earlier today by the company and in response to queries from the NSX and shareholders the company advises as follows:

The letter forwarded to shareholders is designed and should be read as an update to shareholders on the activities of the company in accordance with its continuous disclosure obligations under the Listing Rules of NSX.

In addition, the company clarifies that the meeting scheduled and called for Tuesday 4th July 2006 at 4.00 pm at the Stamford Plaza Hotel 33 Cross Street Double Bay is NOT an Extraordinary General Meeting as such but is more accurately described as an update to shareholders on the activities of the company. It will also be an opportunity for shareholders to discuss the future direction of the company with the Board of Yang Yang China Holdings Ltd.

The Board apologises for the confusion and looks forward to meeting with shareholders at the aforesaid meeting.

The Board confirms that any information presented to shareholders at the meeting on Tuesday 4th July 2006 at 4.00 pm at the Stamford Plaza Hotel 33 Cross Street Double Bay will be lodged with the NSX.

If you have any queries please do not hesitate to contact the Company Secretary on 02-9327 7373.

Yours Faithfully,

A handwritten signature in black ink, appearing to be 'Li Yang'.

Ms Yang LIU
Chairman