

PRESS RELEASE:

EU Ban on Antibiotics Opens Up New Potential Export Markets for Yang Yang

An E.U.-wide ban *(note 1)* on the use of antibiotics as growth promoters in animal feed went into effect from the 1st January 2006. The last four antibiotics, *(note 2)* which were in use as feed additives to improve growth and feed efficiency of livestock and poultry are not allowed to be marketed or used since the 1st January 2006.

This ban is the final step in the phasing out of antibiotics used for non- medicinal purposes in animal food. *(note 3)* It is part of the European Commission's overall strategy to tackle the emergence of bacteria and other microbe resistant to antibiotics, due to their overexploitation or misuse.

"Antibiotics" mixed into animal feed to promote growth is widely believed to have started by mistake and stories of farmers mixing dried fungal mycelia, originally thought to be vitamin B12, with feed to help the stimulation of growth abound. The fungal mycelia, was later found to be an antibiotic.

By the mid 40's the use of antibiotics to treat diseases in food-producing animals began in earnest when tests in the US showed that their use resulted in growth responses in animals. Coming out from a previous period where farmers concocted their own treatments, antibiotics were hailed as the best thing for livestock farming. Proven results in treating diseases, and improved rate of gain and feed efficiency earned antibiotics widespread popularity.

It would appear from a search of the Government archives that the first real concerns about the development of antibiotic resistance in human pathogens and recommendations on the ban of sub-therapeutic use of antibiotics in animal feeds appeared in a report to the British Parliament during the late sixties. Denmark (1986) and Sweden (1997) were the first European countries to ban antibiotics, with the EU evoking the first broad bans in 1997.

Effective from January 2006, the European Union's ban on antibiotic growth promoters removes the four remaining antibiotic growth promoters in the EU food chain. This ban not only affects animal production in the EU, but also prevents other countries exporting meat to Europe that has been raised using growth promoters (of any form, not just antibiotics).

Yang Yang China Holdings Limited, through its wholly owned subsidiary, Guangdong JBC Biological Co Ltd, utilises the chemical free proprietary pro-biotic "LETU" lacto bacillus within a holistic pig farming regime to produce, high quality, antibiotic and chemical free pork. Other benefits of the biotechnology are that the dreadful smell of the common pig farm is eliminated and no anti-biotics are used. Once in use in Australia the opportunity to open up new export markets for anti-biotic free pork to the EU looks promising.

Yang Yang China Holdings Limited through its' Chinese subsidiary Guangdong JBC Biological Technology Co Limited has developed a lacto bacillus biotechnology that when fed to animals (in water and food) negates the need for Antibiotic Growth Promoters (AGP). Extensive scientific testing of the "LETU" lacto bacillus biotechnology over the last three (3) years on pig farms in China, demonstrated improved results, including no scouring, healthier pigs and faster growth.

Add this to the fact that the smell on the farm is eliminated and the settlement ponds give off no Methane, the worst of the Green house gases affecting the ozone layer, this revolutionary bio-technology is set to re-write the way people view pig farming and the associated down side of the industry.

Yang Yang recently applied to the Australian Quarantine Inspection Service (AQIS) for a permit to import the product from Japan so that they can start work on introducing the product to the Australian Pig Farming market. AQIS approval for the importation of the "seed" LETU has been approved (permit no. 200604643 issued on the 21st March 2006)

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is an Australian government authority responsible for the assessment and registration of pesticides and veterinary medicines and for their regulation up to and including the point of retail sale. Yang Yang has made application for the approval to use LETU on the chosen pig farm site in Young NSW. Once approvals are obtained from APVMA and anti-biotic

On the 7th September 2006 Yang Yang received confirmation that the preliminary assessment of the application has been completed and that the application now goes for full evaluation, as a category 23 (Modules I & II.4) additive. (APVMA Permit No. 9519 Permit Name LETU LACTOBACILLUS FERMENTUM / PIGS / FEED ADDITIVE)

In Australia scours causes, on average, the death of 14% of all pigs born in Australia within their first twenty-eight (28) days of life. This equates to 976,000 baby pigs lost a year in Australia. Costs, to the Australian pig farmer and Australian exports in general, are significant. Scours (Diarrhoea) and other bacterial diseases significantly contribute to poor quality and high morbidity rates of young pigs, causing lost profit, for the pig farming industry worldwide.

About Yang Yang

Yang Yang China Holdings Limited is an international biotechnology company focused on developing its proprietary LETU lactobacillus. Yang Yang is listed on the Stock Exchange of Newcastle and has its operations in Guangzhou Province, China and Sydney, Australia. Its lead programs involve the licensing of farms in both Australia and China to use LETU lactobacillus in animal feed. For additional information please contact the company on +61-2-9327 7373.

Yang Yang Forward - Looking Statements

This press release contains forward-looking statements that reflect the Company's current expectations regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's research strategy, the applicability of the discoveries made therein, the successful and timely completion of clinical studies and the uncertainties related to the regulatory process.

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Dated 1st

Reference Notes:

Note (1)

<http://www.thepoultrysite.com/poultrynews/8763/eu-antibiotics-ban-begins-in-january>

Note (2) http://www.accessmylibrary.com/comsite5/bin/pdinventory.pl?pdlanding=1&referid=2930&purchase_type=ITM&item_id=0286-12178777

Note (3) <http://www.efeedlink.com/showdetail/?id={C98EFB5E-8813-4ECB-AA36-70157AA677B0}>