



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

Monday, October 23, 2006

Stock Exchange of Newcastle
Ground Floor 384 Hunter Street
Newcastle NSW 2300

ANNOUNCEMENT

Attached to this announcement is the Notice of Annual General Meeting for 2006.

We wish to advise that the date of the meeting as announced in our Annual Report of the 30th November 2006 has changed.

The Annual General Meeting will be held at 4.00 PM on the 23rd November 2006 at the Wests Club 115 Liverpool Road Ashfield Sydney Australia 2131.

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 document 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.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Liu Yang', is written over a light blue horizontal line.

LIU Yang
Chairman

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

**NOTICE OF ANNUAL GENERAL MEETING TO BE HELD AT
West's Club**

**1st Floor — 115 Liverpool Road Ashfield Sydney NSW 2131
4.00 PM (EDT)
23rd November 2006**

To be valid, forms of proxy for use at the general meeting must be completed and returned to the company offices 5th Floor
203-233 New South Head Road EDGECLIFF NSW 2027 no later than 10.00 AM (EDT) 21st November 2006

YANG YANG CHINA HOLDINGS LIMITED
ACN 109 469 383
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Yang Yang China Holdings Limited ("the Company") will be held at Wests Club 1st Floor 151 Liverpool Road Ashfield Sydney NSW 2131 on 23rd November 2006 at 4.00 PM (EDT).

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the Financial Report and Reports of the Directors and the Auditors in respect to the financial year ended 30 June 2006.

Resolutions

2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the remuneration report for the financial year ended 30 June 2006 be adopted."

Note: The vote on this item is advisory only and does not bind the Directors or the Company.

3. Re-Election of Director — Mr. Zhou Xiao Bo

The Company, having received the requisite consents, consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That Mr. Zhou Xiao Bo be and is re-appointed as a director of the Company."

4. Re-Election of Director — Mr. Colin Archer

The Company, having received the requisite consents, consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That Mr. Colin Archer be and is re-appointed as a director of the Company.”

5. Re-Election of Director — Ms LIU Yang

The Company, having received the requisite consents, consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That Ms. LIU Yang be and is re-appointed as a director of the Company.”

6. Ratification of Share Placement with Options Attached

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of NSX Listing Rules and for all other purposes, shareholders ratify the allotment and issue of 2,700,000 fully paid ordinary shares in the capital of the Company at an issue price of \$A 0.20 cents and 1,375,000 options to various institutional and sophisticated investors as detailed in the accompanying explanatory memorandum.”

7. Approval of Private Placement — \$750,000 Capital Raising

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of NSX Listing Rules and for all other purposes, shareholders ratify a private placement to raise \$750,000 or part thereof by the allotment and issue of 25,000,000 fully paid ordinary shares in the capital of the Company at an issue price of \$A 0.03 cents to various institutional and sophisticated investors as explained in the accompanying explanatory memorandum.”

BY ORDER OF THE BOARD

THIS 23RD DAY OF OCTOBER 2006



LIU Yang
Chairman

EXPLANATORY MEMORANDUM

1. Financial Statements and Reports

The Corporations Act requires the financial report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report (the "Reports") to be laid before the Annual General Meeting. The Corporations Act does not require the shareholders to approve the Reports, however a reasonable opportunity will be given to ask questions of the management of the Company in relation to the Reports and make comments on the Reports.

2. Adoption of Remuneration Report

The Remuneration Report commences on page 8 of the Company's 2006 Annual Report including the remuneration tables referred to in the report and set out in note 9 to the financial statements on page 26.

The vote on this proposed resolution is advisory only and will not bind the directors or the Company. However, the board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The board unanimously recommends that the shareholders pass the resolution to adopt the Remuneration Report.

3. Re-Election of Director — Mr. Zhou Xiao Bo

NSX Listing Rules and clause 19.4 the Constitution of the Company states that:—"Directors may fill casual vacancies or appoint additional Directors Notwithstanding clause 19.3 (*Election of Directors by Company. The election of Directors must be by Resolution of the Company in general meeting*) the Directors have power at any time and from time to time to appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors must not at any time exceed the maximum number for the time being fixed by or under this Constitution clause 19.1 Number of Directors. (*The number of the Directors must not be less than 3, nor, until otherwise determined by the Company in general meeting, more than 10*) Any Director appointed under clause 19.4 after the Company is Listed must retire from office at, and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Mr Zhou Xiao Bo was appointed a Director of the Company on 6th July 2006. This appointment was after the previous AGM and as such he is required to be re-elected to the Board at this AGM.

4. **Re-Election of Director — Mr. Colin Archer**

Clause 20.2 “Directors’ Retirement by Rotation. Unless otherwise determined by a Resolution of the Company, while the Company is Listed, one third of the Directors for the time being, or if their number is not a multiple of 3, then the whole number nearest one third, must retire from office at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire will, unless they otherwise agree among themselves, be determined by drawing lots. A retiring Director may act as a Director throughout the meeting at which it retires and at any adjournment.

Mr. Colin Archer was first appointed onto the Board of the company on the 18th June 2004. The company was listed on the Newcastle Stock Exchange on the 7th September 2005. Mr. Colin Archer retires as required by Clause 20.2 of the company’s constitution. He is seeking re-election.

5. **Re-Election of Director — Ms. LIU Yang**

Clause 20.2 “Directors’ Retirement by Rotation. Unless otherwise determined by a Resolution of the Company, while the Company is Listed, one third of the Directors for the time being, or if their number is not a multiple of 3, then the whole number nearest one third, must retire from office at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire will, unless they otherwise agree among themselves, be determined by drawing lots. A retiring Director may act as a Director throughout the meeting at which it retires and at any adjournment.

Ms. LIU Yang was first appointed onto the Board of the company on the 18th June 2004. The company was listed on the Newcastle Stock Exchange on the 7th September 2005. Ms. LIU Yang retires as required by Clause 20.2 of the company’s constitution. She is seeking re-election.

6. **Ratification of Share Placement with Options Attached**

As announced to the NSX on 13th February 2006 the Company advised the market that due to strong market support, it had raised five hundred and forty thousand dollars (\$A 540,000.00) in a placement to institutional and sophisticated investors for on-going working capital for the Company. The number of shares issued was 2,700,000 at \$0.20 a share. The placement was settled in two tranches of 2,500,000 and 200,000 shares respectively. An entitlement to take up one \$0.30 cent option for every two shares purchased was completed at the time of this placement. The number of \$0.30 cent options issued was 1,350,000 redeemable at \$0.30 an ordinary share up to and including 31st December 2006. The options were issued in two tranches of 1,250,000 and 100,000 options respectively.

The approval proposed will re-instate the Company’s capacity to issue further equity securities

under NSX Listing Rules within the 15% limit on new issues. If this resolution is approved, the Company will have greater flexibility to issue equity securities in the future if opportunities arise which the directors of the Company believe are in the best interests of the Company. However, the Company is not required to seek such approvals. If shareholders do not approve the proposed resolutions, the shares issued will not be invalidated. Instead the Company will need to include those shares issued in its 15% limit on new issues in accordance with NSX Listing Rules and accordingly, the Company's flexibility to issue further equity securities without shareholder approval, even if to do so would be in the best interests of the Company, will be more limited than if the approvals were given.

The board unanimously recommends that shareholders vote in favour of this Resolution.

7. Approval of Private Placement — \$750,000 Capital Raising

The company proposes to go to the market with a Private Placement for capital raising of \$750,000 to institutional and sophisticated investors for on-going working capital for the Company. The number of shares to be issued is 25,000,000 at \$0.03 a share or part thereof.

The Company will issue the shares no later than 28 February 2007. The funds received will be used to provide ongoing working capital for the Company.

The terms of the options are as follows:

- (a) The board unanimously recommends that shareholders vote in favour of this Resolution.

NOTES:

A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

To be effective, the proxy form (and any power of attorney) must be lodged at the registered office of the Company not less than 48 hours before the time of holding the meeting. The proxy may be lodged by facsimile transmission to the facsimile number at the Company's principal place of business, being (02) 9327-4908.

A copy of the power of attorney must be lodged for any proxy appointed under a power of attorney, together with evidence of non-revocation of the power of attorney.

A proxy for a corporation must be appointed under the common seal of the corporations or signed in accordance with the requirements of Section 127 of the Corporations Act.

A Proxy Form is attached. If required it should be completed, signed and returned to the company's principal place of business in accordance with the instructions on that form.

YANG YANG CHINA HOLDINGS LIMITED ACN 109 469 383
 Level 5, 5th Floor Edgecliff Centre 203 New South Head Road EDGECLIFF
 NSW 2027 Telephone: 02 9327 7373 Facsimile: 02 9327 4908
PROXY FORM

I/We _____

of _____

being a member/members of Yang Yang China Holdings Limited hereby appoint

of _____

or in his/her absence, the Chairman of the Meeting as my/our general /special proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on 23rd November 2006 or at any adjournment of that meeting.

Signature of Shareholder _____

Signed this _____ day of _____ 2006

The Chairman proposes to vote undirected proxies in favour of resolutions 2 to 8

If you do **not** wish to direct your proxy how to vote, please place a mark in the box. ☐

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Unless otherwise instructed the proxy will vote as he or she thinks fit, or abstain from voting.

Should the member wish to direct the proxy how to vote, the following should be completed

	Resolutions	<u>For</u>	<u>Against</u>	<u>Abstain</u>
2	Adoption of Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-Election of Director — Mr Zhou Xiao Bo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-Election of Director — Mr. Colin Archer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-Election of Director — Ms LIU Yang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of Share Placement with Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of Private Placement \$750,000 Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>