



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

Tuesday, March 27, 2007

**By E LODGEMENT**

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

**NEWS-CHANGE OF OPERATIONS**

We are writing to you with regard to the operations and activities of Yang Yang China Holdings Limited and the future direction of the company.

During the past twelve months the company has been facing one hurdle after another with regard to getting the licensed technology LETU into Australia for testing through Veterinary Health Research on an identified pig farm in the town of Young , NSW.

On a number of occasions during the past eighteen months the board has informed the market about the delays and the progress that was being made.

The half yearly accounts for the period up to and including the 31<sup>st</sup> December 2006 were recently released to the National Stock Exchange of Australia and in the documents which accompanies those accounts the board makes reference to the difficulties associated with the use of LETU and the ability of our company to move forward with the trials without additional capital. The right to effect a Private Placement approved by the shareholders at the annual general meeting held in November 2006 expired on the 28<sup>th</sup> February 2007 without raising any funds.

The board has now decided, subject to shareholders' approval, to divest the company of the licenses and rights to use the LETU technology and to seek shareholders approval to accept an offer from Ms. LIU Yang to take back the licenses and rights to use in consideration for a cancellation of her shares in the company and the sum of \$180,000 in cash. The company would then, subject to shareholders' approval change its operations to a holding company, with cash assets and will be able to evaluate investment opportunities.

The proposed timetable for this transaction is as follows:

1. Thursday 26<sup>th</sup> April 2007 printing and despatch of Notice to shareholders.
2. Thursday 26<sup>th</sup> April 2007 notice of selective buy-back and supporting documentation lodged with ASIC.

3. Friday 25<sup>th</sup> May 2007 EGM held.
4. Monday 28<sup>th</sup> May 2007 Notification sent to ASIC of outcome of EGM.
5. Monday 11<sup>th</sup> June 2007, if approved, last day of trading of Ms LIU's shares on NSX.

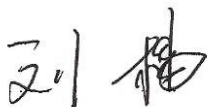
As this transaction involves the Director/Chairman of the company and the Chairman, Ms LIU the board is unable to make a recommendation until an independent expert's report on the nature and scope of the transaction has been prepared.

### **About Yang Yang**

Yang Yang China Holdings Limited is an internationally bio-technology 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.



**LIU Yang**  
Chairman