

STATUS OF MATERIAL LITIGATIONS AS AT 12 FEBRUARY 2009**Legal Action against Y&G Corporation Bhd (“Y&G”) (formerly “MHB”)****(i) Raja Eleena Siew Ang & Associates vs CCM Bioscience Bhd (now known as Y&G)
Kuala Lumpur High Court Suit No. S-22-1474-2002**

Plaintiff filed a claim against Y&G on 19 December 2002 for RM373,478.10 for work done, services rendered, disbursements and expenses incurred at the request of Y&G in respect to the Sale and Purchase Agreement dated 13 March 1999 between Wide Heritage (M) Sdn Bhd and CCM Bioscience Bhd (now known as Y&G) for the purchase of the entire equity interest in Mercedes Builders Sdn Bhd (“MBSB”) which was completed during the tenure of the previous Board and Management of Y&G. Plaintiff had on 24 January 2003 obtained a summary judgment for the claim and Defendant was served with a statutory notice pursuant to section 218 of the Companies Act, 1965 on 7 April 2003. Defendant is preparing for appeal. Both parties have agreed to settle the matter amicably.

Status: Case pending

**(ii) Malayan Banking Berhad vs Y&G Corporation Bhd (“Y&G”) (formerly “MHB”)
Kuala Lumpur High Court Suit No. D3-28-34-2006 / D5-22-1435-2005**

Plaintiff had filed a claim against Y&G for a sum of RM704,708.78 being outstanding balance of overdraft account with MBB and had successfully obtained a judgment against the Company on 4 April 2008. The Company had previously offered to settle with MBB with a payment of RM300,000 which was rejected by MBB on 23 January 2007. The Company had again, on 4 November 2008, offered to MBB a new settlement proposal of RM400,000 but was rejected and MBB pursued further with serving S.218 Notice on the Company on 10 September 2009. In response to the said Notice, the Company has again, on 18 September 2009, offered a revised settlement proposal of RM550,000 payable in the following manner – RM150,000 upfront payment and the balance of RM400,000 by three (3) monthly instalment of RM150,000, RM150,000 and RM100,000 respectively, payable at an interval of one (1) month each from the date of the upfront payment.

Status: MBB has vide its settlement offer letter dated 9 October 2009, agreed to accept to Y&G’s above revised settlement sum of RM550,000 (payable as proposed by the Company) towards full and final settlement of the judgment sum. As at the date of this Report, the said revised settlement sum has been fully paid-off by Y&G.

**(iii) Lee Hock Soon vs Y&G Corporation Bhd (“Y&G”)
Kuala Lumpur High Court Suit No. D22-840-2009**

Plaintiff had, on 27 May 2009, filed a claim against Y&G for a sum of RM622,920.49 being monies advanced by the Plaintiff to the Defendant from Year 2002 till 2005 plus 8% interest per annum on the said sum calculated from the date of the Writ until the date of its full settlement. Lee Hock Soon was a former Director of Y&G at all material times until his resignation on 12 September 2005. Y&G had appointed solicitors to defend against the said claim and had, on 12 June 2009, served its Statement of Defence to the Plaintiff’s Solicitors. The Honourable Court has fixed the case for Case Management on 13 January 2010 and the Company has also duly-served its Bundle of Documents to the Plaintiff Solicitors. The Directors are in the opinion that the claims are without basis nor authority.

Status: On 13 January 2010, the Honourable Court has postponed the case for Case Management to 25 February 2010.

STATUS OF MATERIAL LITIGATIONS AS AT 12 FEBRUARY 2009 (Cont'd)

(iv) ICP Marketing Sdn Bhd v. MBSB & Lee Hock Soon & Y&G Corporation Bhd (“Y&G”) (formerly “MHB”) Shah Alam High Court Suit No. MT5-22-209-2002

Plaintiff had on 26 March 2002 filed a claim for RM854,369.37 in respect of goods sold (pretentioned spun concrete piles) and delivered in relation to Likas Sport Complex Project at Kota Kinabalu, Sabah against MBSB, RM1,000,000 against Lee Hock Soon as Personal Guarantor of MBSB and RM500,000 against Y&G as Corporate Guarantor of MBSB. Statement of Defence has been filed by MBSB. Plaintiff obtained summary judgment for the claim. The case went for full trial on 14 October 2009 and written submissions have been filed in by both parties. On 16 November 2009, the Honourable Court has granted the Plaintiff's claim against both Lee Hock Soon and Y&G with costs.

Status: Y&G has from December 2009 started negotiating for an amicable settlement with the Plaintiff.