

STATUS OF MATERIAL LITIGATIONS AS AT 18 NOV 2010**Legal Action against Y&G Corporation Bhd (“Y&G”)****(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) 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. On 22 March 2010, both parties attended a mediation in the presence of a Judge but failed to reach an amicable settlement. Upon Y&G’s new Solicitors’ advice, Y&G has, in end July 2010, filed in an amended Statement of Defence. The Directors are in the opinion that the claims are without basis nor authority.

Status: During the case management held on 10 November 2010, the Honourable Court has allowed the Plaintiff to file their amended reply on or before 22 November 2010 and has fixed the case for further case management on 3 December 2010.

(iii) ICP Marketing Sdn Bhd vs MBSB & Lee Hock Soon & Y&G Corporation Bhd (“Y&G”) 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 with the Plaintiff and both parties have, in April 2010, reached an understanding whereby the Plaintiff shall not pursue any further legal action against Y&G until further discussion.

STATUS OF MATERIAL LITIGATIONS AS AT 18 NOV 2010 (Cont'd)

Legal Action against Y&G Corporation Bhd ("Y&G") (Cont'd)

(iv) **Lembaga Pembangunan Perumahan dan Bandar ("LPPB") vs Y&G Corporation Bhd ("Y&G") Kota Kinabalu High Court Suit No. K21-29-2010-II**

Plaintiff had, on 21 June 2002, served a sealed copy of Writ of Summons and Statement of Claim dated 27 May 2010 ("the Writ") claiming for a sum of RM1,767,052.00 ("the Guaranteed Amount") being the guaranteed amount made by the Y&G in pursuant to a Corporate Guarantee Agreement dated 5 August 2003 following the failure on the part of Sierra Estates Sdn Bhd ("SESB") in fulfilling the terms and conditions as per the Second Supplementary Agreement dated 5 August 2003 (with regards to the completion of the 400 units Apartment Project in Labuan), plus 8% interest per annum on the said sum (calculated from the date of judgment until the date of full payment) and other incidental costs. SESB was a former subsidiary of Y&G through subsidiaries namely, Mercedes Builders Sdn Bhd ("MBSB"), Mercedes Builders (S) Sdn Bhd ("MBSSB") and Primalmas Sdn Bhd ("PSB"), and had been deconsolidated from the Group due to the winding-up order issued on MBSSB in Year 2007. As an immediate response to the Writ, Y&G has, on 1 July 2010, attended a meeting (convened by LPPB) at the LPPB's office together with the Chargee Bank (RHB Bank) and all parties have agreed in principle to put on hold the case pending Y&G's submission of its Project Revival Proposal of the aforesaid project.

Status: Y&G is still awaiting for the relevant information of the said project from both LPPB and RHB Bank's solicitors before putting forward the said Proposal for their due consideration. However, LPPB has, on 12 November 2010, through their Solicitors served a letter dated 8 November 2010 demanding Y&G to pay for the Guaranteed Amount within thirty (30) days and Y&G is now seeking legal advice from its Solicitors before deciding on its next course of action.

Legal Action by Y&G Corporation Bhd ("Y&G")

(i) **Y&G Corporation Bhd ("Y&G") vs Pow Tuck Weng Kuala Lumpur High Court Suit No. D2-22-1134-2004**

Y&G demanded the refund of RM391,255.25 from Defendant for his failure, neglect and / or refusal to fulfill their obligations. Defendant filed in an application for further and better particulars and the Court granted an Order dated 17 August 2005 for such particulars. Defendant Solicitors via their Letter dated 25 March 2010, requested Y&G to furnish the further and better particulars as stated in the above Order within fourteen (14) days of their letter, failing which the Defendant Solicitors will apply to strike out the claim against the Defendant. Y&G's Solicitors has on 26 March 2010 written to the Defendant Solicitors requesting for relevant cause papers and status report of the case (before deciding on the next course of action) and has on 28 April 2010 received the same from the Defendant Solicitors. After due consideration of the case, Y&G has in May 2010 instructed its solicitors to negotiate with the Defendant Solicitors for a mutual consent to drop the case with no costs to be claimed by both parties.

Status: On 4 October 2010, the Defendant Solicitors served on Y&G an unsealed copy of Summons In Chamber (together with the Defendant's Affidavit affirmed on 30 September 2010) for applying to strike out the Plaintiff's Statement of Claim. In response, Y&G's Solicitors has, on 28 October 2010, reached an amicable settlement with the Defendant Solicitors for a mutual consent to drop the case with no further costs to be claimed by both parties thereafter upon the payment of a net reimbursement cost of RM5,000.00 by Y&G. As at the date of this Report, the said cost has been fully paid-off to the Defendant Solicitors.