



SHL CONSOLIDATED BHD.

(Company No. 293565-W)

16th Floor, Wisma Sin Heap Lee, 346 Jalan Tun Razak, 50400 Kuala Lumpur.
Tel : (603) 2163 7788 Fax : (603) 2163 1391 E-mail: enquiry@shlcb.com.my

MATERIAL LITIGATION

LEGAL ACTION AGAINST SHL REALTY SDN BHD (“SHL Realty”), A WHOLLY OWNED SUBSIDIARY OF SHL CONSOLIDATED BHD (“SHL”)

The Board of Directors of SHL wishes to announce that **Damai Service Hospital (HQ) Sdn. Bhd.** (“Damai Service Hospital (HQ)”), **DSH Management Sdn. Bhd.** (“DSH Management”) and its director, **Dr Guna Sittampalam** (“Dr. Guna”) (collectively referred as “**the Plaintiffs**”) have filed a legal suit under the Civil Suite No: 22NCVC-1098-11-2011 against **SHL Realty Sdn. Bhd.** and its director **Dato’ Ir Yap Chong Lee** (“Dato’ Yap”) (collectively referred as “**the Defendants**”) via the Plaintiffs’ Statement of Claim (“SOC”) dated 8 November 2011 and Amended SOC dated 30 January 2012.

The legal suit is in relation to the construction and establishment of a private hospital on a piece of freehold land held under Lot 21147, Mukim of Cheras, District of Hulu Langat, Selangor owned by SHL Realty (“the said private hospital”).

The Plaintiffs alleged in their SOC and Amended SOC that the Defendants have made their representations fraudulently on the leasing and/or sale of the said private hospital to the Plaintiffs and that the Plaintiffs have spend a substantial amount of time, cost and effort in the said private hospital project.

The Defendants have filed its Defence and Counter-Claim (“DCC”) dated 6 January 2012 and Amended DCC dated 28 February 2012, and vehemently denied the representations in the SOC and the Amended SOC and deny knowledge of the loss and/or damage as pleaded by the Plaintiffs.


The Board of SHL is of the view that the Defendants have a good defence to the legal suit filed by the Plaintiffs and is of the opinion that it is impossible to assess the possible financial and operational impact of the legal suit on the SHLGroup.

In consideration that the legal suit is premature, the Plaintiffs and Defendants have been advised by their respective solicitors to file for mediation.

This announcement is dated 21st day of May, 2012

Yours faithfully,
For and on behalf of the Board
SHL CONSOLIDATED BHD


DATO’ YAP TEIONG CHOON
Executive Director


DATO’ YAP CHONG LEE
Executive Director