



SHL CONSOLIDATED BHD.

(Company No. 293565-W)

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ERRATA TO THE CIRCULAR TO SHAREHOLDERS DATED 4 SEPTEMBER 2009

To: The Shareholders of SHL Consolidated Bhd

Please be informed of the following amendments on **Page 19** of our Circular to Shareholders dated 4 September 2009:-

PRINTED AS

3. MATERIAL LITIGATION

Neither SHL nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant which has a material effect on the financial position of SHL or its subsidiary companies. As at the date of this Circular, the Board does not have any knowledge of any proceedings, pending or threatened, against SHL or its subsidiary companies or of any facts likely to give rise to any proceedings which may materially affect the position or business of SHL or its subsidiary companies, financially or otherwise.

SHOULD READ AS

3. MATERIAL LITIGATION

Save as disclosed below, neither SHL nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors are unaware of any proceeding, pending or threatened against the SHL Group or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of SHL or its subsidiary companies.

- (a) SHL-M Sdn. Bhd. ("SHL-M", a subsidiary of SHL) had on 12 April 2004 instituted legal proceedings against the Director of Lands and Mines Selangor ("State Authority") relating to the revision of quit rent rate. SHL-M and the State Authority have different interpretations on the quit rent rate. The SHL Group is seeking from the State Authority the following:
- i. declaring the invalidity of quit rent totaling RM583,680/- per year which the State Authority has imposed retrospectively to 1 January 1994; and
 - ii. recovering the sum of RM190,024/- per year from 1 January 1994 to 31 December 2007 on the grounds that the quit rent payable should be RM69,141/- only.

The High Court had part heard of the case on 20 May 2009 and then fixed for continued hearing on 4 September 2009.

The Directors are of the opinion that is impossible to assess the possible financial outcome of the proceedings.

Kindly note that part (d) of Item 4 has been omitted and should be included as follows:-

4. DOCUMENTS AVAILABLE FOR INSPECTION

- (d) The legal file for the material litigation, referred to in paragraph 3 above.

All other information remain unchanged.