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If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused Part B (Proposed Amendments to the Articles of Association of the Company) of this Circular prior to its issuance as it is prescribed as an Exempt Circular pursuant to Practice Note No. 18/2005 of the Listing Requirements of Bursa Securities.

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SHL CONSOLIDATED BHD.

(Company No. 293565-W)
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO:-**

**PART A
PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

The above proposals will be tabled at SHL Consolidated Bhd’s 13th Annual General Meeting (“AGM”) to be held at Ballroom 3, 10th Floor, Crown Princess Kuala Lumpur, City Square Centre, Jalan Tun Razak, 50400 Kuala Lumpur on Monday, 3 September 2007 at 11.00 a.m. Notice of the 13th AGM together with the Form of Proxy is set out in the Company’s 2007 Annual Report dispatched together with this circular.

The Form of Proxy must be deposited at the Registered Office of the Company at 6th Floor, Wisma Sin Heap Lee, 346 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time set for the Meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending the meeting and voting in person at the AGM should you subsequently wish to do so.

The last day and time for lodging the Form of Proxy is on 1 September 2007 at 11.00 a.m.

This Circular is dated 8 August 2007

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply:-

Act	– The Malaysian Companies Act, 1965 as amended from time to time and any re-enactment thereof
AGM	– Annual General Meeting
Articles	– The Articles of Association of SHL
Audit Committee	– Audit Committee of SHL
Board	– Board of Directors of SHL
Bursa Securities	– Bursa Malaysia Securities Berhad
FYE	– Financial year ended
Listing Requirements	– Listing Requirements of Bursa Malaysia Securities Berhad as amended from time to time and any re-enactment thereof
Major Shareholder	– A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is (a) equal to or more than ten percent (10%) of the aggregate of the nominal amounts of all the voting shares in the Company; (b) equal to or more than five percent (5%) of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act.
Proposal or Proposed Shareholders' Mandate	– Proposed shareholders' mandate for the SHL Group to enter into Recurrent RPTs
Recurrent RPTs	– Recurrent related party transactions of a revenue or trading nature with Related Parties which are necessary for the SHL Group's day-to-day operations and are in the ordinary course of business of the SHL Group, details of which are more particularly set out in section 2.2 of this Circular
Related Party (ies)	– A Director, Major Shareholder or person connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company and/or its subsidiaries
RM and sen	– Ringgit Malaysia and sen respectively
SHL Group	– SHL and its subsidiaries
SHL or the Company	– SHL Consolidated Bhd (293565-W)
Transacting Companies	– Companies which are related to the Related Parties or persons connected to them and having business relationship with SHL and/or its subsidiary, details of which are more specifically set out in Section 2.3 and Appendix I of this Circular

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SHL CONSOLIDATED BHD.
(Company No. 293565-W)
(Incorporated in Malaysia)

Registered Office:
6th Floor, Wisma Sin Heap Lee
346 Jalan Tun Razak
50400 Kuala Lumpur

8 August 2007

Board of Directors:

Y.A.M. Tengku Abdul Samad Shah Ibni
Almarhum Sultan Salahuddin Abdul Aziz Shah (*Chairman*)
Dato' Yap Teiong Choon
Dato' Ir. Yap Chong Lee
Ir. Yusoff Bin Md Nasir
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim
Norendra Ponniah
Chin Yu Tow @ Cheng Yu Thou
Leong Chin Cheong
Wong Tiek Fong
Chin Choon Foo (Alternate Director to Leong Chin Cheong)
Wong Yew Mei (Alternate Director to Wong Tiek Fong)

To: **The Shareholders of SHL Consolidated Bhd.**

Dear Sir/Madam,

PART A

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

At the last Annual General Meeting held on 26 September 2006, the Company obtained a general mandate from its shareholders for the Company and/or its subsidiaries to enter into Recurrent RPTs with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the SHL Group's day to day operations.

The said general mandate for the Recurrent RPTs shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

On 24 July 2007, the Board of the Company announced that the Company proposes to seek a fresh shareholders' mandate for the Recurrent RPTs comprising shareholders' mandate which has been obtained on 26 September 2006 as well as additional Recurrent RPTs that were not covered under the previous shareholders' mandate.

This Circular serves to provide you with the relevant information on the Proposal and to seek your approval for the ordinary resolution relating to the Proposal under the agenda of Special Business as set out in the 2007 Annual Report of SHL to be tabled at the forthcoming AGM. The Notice of the AGM is enclosed together with the said Annual Report.

2. DETAILS OF THE PROPOSAL

2.1 The Listing Requirements

Pursuant to Part E, Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of Recurrent RPTs which are necessary for its day to day operations, subject to, inter alia, the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - i. the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - ii. any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%, whichever is the higher;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate shall include the information set out in Part B of Appendix 10D and Appendix PN12/2001-A of Practice Note No. 12/2001; and
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Pursuant to paragraph 10.09 of the Listing Requirements, SHL obtained the approval of its shareholders to enter into Recurrent RPTs at the last AGM of the Company held on 26 September 2006.

The shareholders' mandate obtained on 26 September 2006 took effect from the passing of the ordinary resolution at the said general meeting and will continue to be in force (unless revoked or varied by the Company in general meeting) until the conclusion of the forthcoming AGM of the Company.

SHL has disclosed the aggregate value of the Recurrent RPTs conducted during the financial year ended 31 March 2007 in its Annual Report for the said financial year.

In compliance with paragraph 10.09 of the Listing Requirements and in view of the expiry of the mandate at the conclusion of the forthcoming AGM, SHL now proposes to seek a fresh mandate from its shareholders for the SHL Group to enter into Recurrent RPTs with Related Parties comprising shareholders mandate which has been obtained on 26 September 2006 and additional RPTs that were not covered under previous shareholders' mandate, details of which are more particularly set out in Sections 2.2 and 2.3 of this Circular.

The fresh shareholders' mandate will take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and will continue to be in force (unless revoked or varied by the Company in a general meeting) until the conclusion of the next AGM of the Company. Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

SHL will disclose the aggregate value of the Recurrent RPTs conducted during a financial year in its annual report for the said financial year.

2.2 The Recurrent RPTs

2.2.1 SHL is an investment holding company and is engaged in the provision of strategic, financial and corporate planning services. The principal activities of its subsidiaries include:-

- (i) commercial and residential property development;
- (ii) general building construction including earthworks and infrastructure works;
- (iii) provision of professional construction management and geo-technical services;
- (iv) manufacture of clay bricks and the supply of finished brickworks of wall and other brick structures;
- (v) granite quarrying and manufacturing of aggregates;
- (vi) ownership and operation of a golf resort;
- (vii) marketing and distribution of building materials; and
- (viii) rental of properties.

2.2.2 It is anticipated that the SHL Group would, in the ordinary course of business, enter into the following categories of transactions with the Related Parties.

(a) *Provision of Property Development, Construction and Construction Management Services*

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the provision of property development, construction and construction management services in relation to earthworks, infrastructure works, building construction works, construction supervision, conceptual design, procurement of architectural services, quantity surveying and certification of works, contract documentation and soil-investigation.

These transactions represent part and parcel of the principal activities of the SHL Group and is similar to the provision of property development, general construction and construction management services by the SHL Group to external landowners and customers for their commercial and residential development. These transactions are also an important source of revenue and earnings for the SHL Group.

(b) *Provision of Management and Administration Services*

Transactions that may be carried out with the Related Parties under this category in the ordinary course of business include the provision of office management and administration, private secretarial services, accounting services, human resources management, company secretarial services, internal audit services and corporate consultancy services.

These transactions promote better allocation and utilization of resources and contribute to the recovery of expenses associated with the management and administration of the SHL Group.

(c) *Provision of Property Maintenance Services*

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the provision of property maintenance services for office buildings including cleaning services and provision of waste collection.

These transactions relate to the provision of property maintenance services by the SHL Group in its property development activities.

(d) Procurement of Engineering Consultancy Services

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the procurement of professional engineering consultancy services relating to all stages of project development, which comprise feasibility study, design, contract documentation and construction supervision.

These transactions relate to the procurement of the necessary engineering consultancy services by the SHL Group in its property development, general construction and construction management activities.

(e) Procurement of Property Management Services

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the procurement of property management services in relation to management of properties including procuring and supervision of maintenance contractors for the maintenance of lifts, fire fighting equipment, landscape, air-conditioning system, swimming pool, sauna, gym, provision of waste collection, billing and collection of maintenance fees, water charges, car park rental, quit rent, fire insurance from house buyers, management and supervision of security guards for the protection of assets from trespass, thefts and robberies.

These transactions relate to the procurement of property management services by the SHL Group in its property development and property investment activities.

(f) Procurement of Building Materials

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the procurement of ready-mixed concrete for the construction of buildings and infrastructure works.

These transactions relate to the procurement of building materials by the SHL Group in its property development and construction activities.

(g) Procurement of insurance

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the procurement of insurance in relation to the protection of assets from losses due to thefts, fire, flood, wind storm, lightning strike, landslide, accident and injury or death to the workers of SHL Group.

These transactions relate to the procurement of insurance by the SHL Group in all its business activities.

(h) Rental of Premises

Transactions that may be entered into with Related Parties under this category in the ordinary course of business include the renting of office space for the purpose of housing the offices of management, administration, sales and accounting departments, servicing of customers and display of housing models.

These transactions relate to the renting of office premises by the SHL Group in its property development and general construction activities.

(i) Loan Interest

These are loan interest paid and payable pursuant to the procurement of loans from Related Parties.

2.3 Parties to the Proposal

The categories of Recurrent RPTs contemplated and the parties to the Recurrent RPTs pursuant to the Proposed Shareholders' Mandate are as follows:-

Category of Transactions	SHL Group	Transacting Companies	Names of the Related Parties for the Transactions	**Estimated Value from this AGM until the next AGM RM'000	Period of Business Relationship
Provision of property development, construction and construction management services	Sin Heap Lee Construction Sdn Bhd, a wholly-owned subsidiary of SHL	Taipan Star Sdn Bhd	Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah; Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	1,500	13 years
Provision of management and administration services	Integrated Management Corporation Sdn Bhd, a wholly-owned subsidiary of SHL	Goodstock Land Sdn Bhd	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	168	24 years
		Marusin Sdn Bhd		136	22 years
		SHL Professional Services Sdn Bhd		63	9 years
		Sin Heap Lee Land Sdn Bhd		10	18 years
		Sin Heap Lee Mix Sdn Bhd		10	24 years
		Sin Heap Lee Property Services Sdn Bhd		163	13 years
		Sin Yan Properties Sdn Bhd		175	21 years
		Unique Mix Sdn Bhd		26	9 years
		Glen Waverley Sdn Bhd	Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah; Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	119	24 years
		Taipan Star Sdn Bhd		14	13 years
		Integrated Perunding Sdn Bhd		79	24 years
Provision of property maintenance services	Soil-Mech Drillers Sdn Bhd, a wholly-owned subsidiary of SHL	Glen Waverley Sdn Bhd	Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah; Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	32	24 years

Category of Transactions	SHL Group	Transacting Companies	Names of the Related Parties for the Transactions	**Estimated Value from this AGM until the next AGM RM'000	Period of Business Relationship
Procurement of engineering consultancy services	SHL Group	Integrated Perunding Sdn Bhd	Dato' Ir. Yap Chong Lee	2,673	24 years
		Sepakat Setia Perunding (Sendirian) Berhad	Dato' Ir. Yap Chong Lee; Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim; and Ir. Yusoff Bin Md Nasir	723	24 years
Procurement of property management services	SHL Group	Sin Heap Lee Property Services Sdn Bhd	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	327	13 years
Procurement of building materials	Sin Heap Lee Company Sdn Berhad, a wholly-owned subsidiary of SHL	Unique Mix Sdn Bhd	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	11,289	9 years
Procurement of insurance	SHL Group	Marusin Sdn Bhd	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	492	22 years
Rental of premises (i)	SHL Group	Goodstock Land Sdn Bhd (i)(a)	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	980	24 years
	Integrated Management Corporation Sdn Bhd, a wholly-owned subsidiary of SHL	Glen Waverley Sdn Bhd (i)(b)	Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah; Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	48	24 years
Loan interest (ii)	SHL Realty Sdn Bhd, a wholly-owned subsidiary of SHL	Marusin Sdn Bhd	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	31	22 years

Notes:-

** The "Estimated Value" is subject to changes.

(i) The premises rented to the Related Parties are in compliance with Paragraph 4.2(c) of PN 12/2001 of the Listing Requirements in which the leases do not exceed 3 years and do not involve payment on a lump sum basis

Details on the location of the premises rented to the Related Parties

(a) Wisma Sin Heap Lee, 346 Jalan Tun Razak, 50400 Kuala Lumpur

(b) 18-20-3, Jalan SR 8/3, Sin Heap Lee Business Centre, Off Jalan Serdang Raya, 43300 Seri Kembangan, Selangor Darul Ehsan.

(ii) The unsecured long term loan granted by Marusin Sdn Bhd to SHL Realty Sdn Bhd and disbursed in year 2003 (RM600,000/-) has no fixed terms of repayment. Interest is levied at rates ranging from 5.10% to 5.25% per annum.

2.4 The Directors and/or Major Shareholders of SHL

2.4.1 The Directors and/or Major Shareholders of SHL who are parties to the Proposal are as follows:-

Director/Major Shareholder	Nature of Relationship of the Related Parties with the Transacting Companies		
	Transacting Companies	Directorship	% of direct and/or indirect interests
<p><i>Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah</i></p> <p>Director and major shareholder of SHL.</p> <p>Director of the following subsidiaries of SHL:</p> <ul style="list-style-type: none"> ● Sin Heap Lee Development Sdn Bhd; ● Sin Heap Lee-Marubeni Sdn Bhd; and ● Sungai Long Golf Resort Berhad. 	<p>Glen Waverley Sdn Bhd Taipan Star Sdn Bhd</p>	<p>Yes Yes</p>	<p>Nil Nil</p>
<p><i>Dato' Yap Teiong Choon</i></p> <p>Director and major shareholder of SHL.</p> <p>Director of the following subsidiaries of SHL:</p> <ul style="list-style-type: none"> ● Goodstock (Tawau) Sdn Bhd; ● H.S.C. Sdn Berhad; ● Ho Sin & Son Enterprise Sdn Bhd; ● Integrated Management Corporation Sdn Bhd; ● Mayang Kiara Sdn Bhd; ● Mercantile Corporation (M) Sdn Bhd; ● Senick Sdn Bhd; ● SHL Corporate Services Sdn Bhd; ● SHL Home Builders Sdn Bhd; ● SHL Infra Sdn Bhd; ● SHL Realty Sdn Bhd; ● SHL Ventures Sdn Bhd; ● Sin Heap Lee Company Sdn Berhad; ● Sin Heap Lee Construction Sdn Bhd; ● Sin Heap Lee Development Sdn Bhd; ● Sin Heap Lee-Marubeni Sdn Bhd; ● Soil-Mech Drillers Sdn Bhd; ● Sukma Pesona Sdn Bhd; ● Sungai Long Golf Resort Berhad; and ● Wilayah Builders Sdn Bhd. 	<p>Glen Waverley Sdn Bhd Goodstock Land Sdn Bhd Marusin Sdn Bhd SHL Professional Services Sdn Bhd Sin Heap Lee Land Sdn Bhd Sin Heap Lee Mix Sdn Bhd Sin Heap Lee Property Services Sdn Bhd Sin Yan Properties Sdn Bhd Taipan Star Sdn Bhd Unique Mix Sdn Bhd</p>	<p>Yes Yes Yes No Yes No Yes Yes Yes Yes Yes</p>	<p>50% 50% 50% 50% 50% 50% 50% 50% 50% 50%</p>

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Director/Major Shareholder	Nature of Relationship of the Related Parties with the Transacting Companies		
	Transacting Companies	Directorship	% of direct and/or indirect interests
<p><i>Dato' Ir. Yap Chong Lee</i></p> <p>Director and major shareholder of SHL.</p> <p>Director of the following subsidiaries of SHL:</p> <ul style="list-style-type: none"> ● Integrated Management Corporation Sdn Bhd; ● SHL Corporate Services Sdn. Bhd. ● SHL Realty Sdn Bhd; ● Sin Heap Lee Construction Sdn Bhd; ● Sin Heap Lee Development Sdn Bhd; ● Sin Heap Lee-Marubeni Sdn Bhd; and ● Sungai Long Golf Resort Berhad. 	<p>Glen Waverley Sdn Bhd</p> <p>Goodstock Land Sdn Bhd</p> <p>Integrated Perunding Sdn Bhd</p> <p>Marusin Sdn Bhd</p> <p>Sepakat Setia Perunding (Sendirian) Berhad</p> <p>SHL Professional Services Sdn Bhd</p> <p>Sin Heap Lee Land Sdn Bhd</p> <p>Sin Heap Lee Mix Sdn Bhd</p> <p>Sin Heap Lee Property Services Sdn Bhd</p> <p>Sin Yan Properties Sdn Bhd</p> <p>Taipan Star Sdn Bhd</p> <p>Unique Mix Sdn Bhd</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>50%</p> <p>50%</p> <p>100%</p> <p>50%</p> <p>30%</p> <p>50%</p> <p>50%</p> <p>50%</p> <p>50%</p> <p>50%</p> <p>50%</p> <p>50%</p> <p>50%</p>
<p><i>Ir. Yusoff Bin Md Nasir</i></p> <p>Director and shareholder of SHL.</p> <p>Director of the following subsidiaries of SHL:</p> <ul style="list-style-type: none"> ● Sin Heap Lee Construction Sdn Bhd; and 	<p>Sepakat Setia Perunding (Sendirian) Berhad</p>	<p>Yes</p>	<p>1%</p>
<p><i>Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim</i></p> <p>Director and shareholder of SHL</p>	<p>Sepakat Setia Perunding (Sendirian) Berhad</p>	<p>Yes</p>	<p>15%</p>

2.4.2 Further details of the subsidiaries of SHL and Transacting Companies are attached in Appendix I.

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2.5 Review Procedures for the Recurrent RPTs

2.5.1 There are procedures established by the SHL Group to ensure that Recurrent RPTs are undertaken on an arms' length basis and on normal commercial terms, consistent with the SHL Group's usual business practices and policies, where are generally not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders. The procedures are as follows:-

(a) Limits of authority

- (i) Where the transaction is one with a value equal to or in excess of RM1,000,000.00, it will be reviewed by the Audit Committee which will, if thought fit, recommend to the Board for approval.
- (ii) Where the transaction is one with the value below RM1,000,000.00, it need not be reviewed by the Audit Committee at the point contract is entered into but shall be tabled to the Audit Committee for review on a quarterly basis.

(b) Monitoring of the General Transactions

- (i) To enable the Audit Committee to review and monitor the Recurrent RPTs, a report on the Recurrent RPTs will be made by senior management based on the price competitiveness of services or goods procured or provided under the Proposal for the Audit Committee's consideration.
- (ii) A register will be maintained by the Company to record all the Recurrent RPTs that are entered into pursuant to the Proposal and will be available to the Audit Committee for its quarterly review.
- (iii) To ensure that such Recurrent RPTs are conducted at arm's length and on normal commercial terms consistent with the SHL Group's usual business practices and policies and that such Recurrent RPTs will not be prejudicial to shareholders, the management will ensure that the Recurrent RPTs with the Related Parties will only be entered into after taking into account the pricing, level of service, quality of product and other relevant factors.
- (iv) The Audit Committee may, if it considers necessary, instruct the internal auditor to carry out a review of any or all of the Recurrent RPTs to ascertain that the guidelines and procedures established to monitor the Recurrent RPTs have been complied with.

2.5.2 The Board of SHL and the Audit Committee have reviewed the above procedures and will continue to review the procedures as and when required, with the authority to sub-delegate such function to individuals or committees within the Company as they deem appropriate. If a member of the Board of SHL or the Audit Committee has an interest in the transaction to be reviewed by the Board of SHL or the Audit Committee as the case may be, he will not participate in the deliberation of such transaction and will abstain from any decision making by the Board or the Audit Committee in respect of that transaction.

2.6 Audit Committee Statement

2.6.1 The Audit Committee has seen and reviewed the procedures mentioned in Section 2.5 above and is of the view that the said procedures are sufficient to ensure that the Recurrent RPTs are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

2.7 Validity period

2.7.1 The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM the mandate is again renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier;

Thereafter, approval from the shareholders for subsequent shareholders' mandate will be sought at each subsequent AGM of the Company.

3. RATIONALE FOR THE PROPOSAL

3.1 The rationale for and benefit of the Proposed Shareholders' Mandate to the SHL Group is as follows:

- (i) to facilitate transactions with Related Parties which are in the ordinary course of business of the SHL Group undertaken at arms' length, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority shareholders;
- (ii) to enable the SHL Group to transact with the Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations particularly business need which are time sensitive in nature;
- (iii) for transactions where it is vital that confidentiality be maintained, it will not be viable for prior shareholders' mandate to be obtained as this will entail the release of details of the transactions and may adversely affect the interests of the SHL Group and place the SHL Group at a disadvantage to its competitors who may not require shareholders' mandate to be obtained; and
- (iv) will eliminate the need to announce and convene separate general meeting to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

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4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

4.1 Save for the Directors and/or Major Shareholders who are parties to the Proposal, the details of which are more particularly set out in Section 2.4, none of the other Directors and/or Major Shareholders of SHL has any interest, direct or indirect, in the Proposal. Accordingly:-

Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, Dato' Yap Teiong Choon and Dato' Ir. Yap Chong Lee who are Directors and Major Shareholders of the Company; and Ir. Yusoff Bin Md Nasir and Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim who are Directors and shareholders of the Company:-

- (i) have abstained and will continue to abstain from deliberating and voting on the resolution in respect of the Proposal at the relevant Board meetings; and
- (ii) will abstain from voting in respect of their direct and/or indirect shareholdings in SHL on the resolution approving the Proposal at the forthcoming AGM.

4.2 The direct and indirect interest of the Related Parties as at 18 July 2007, being the latest practical date prior to the printing of this Circular are as follows:-

Related Parties	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	263,500	0.11	23,605,837 (a)	9.75
Dato' Yap Teiong Choon	6,453,969	2.67	58,421,884 (b)	24.13
Dato' Ir. Yap Chong Lee	1,870,219	0.77	65,025,716 (c)	26.86
Ir. Yusoff Bin Md Nasir	9,500	0.00	–	–
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim	25,000	0.01	–	–

Notes:-

- (a) Deemed interested by virtue of holding in Taipan Equity Sdn Bhd.
- (b) Deemed interested by virtue of holding in Sin Heap Lee Holdings Sdn Bhd, Yap Teiong Choon Holdings Sdn Bhd and Marusin Sdn Bhd.
- (c) Deemed interested by virtue of holding in Sin Heap Lee Capital Sdn Bhd; Yap Chong Lee Holdings Sdn Bhd, Yap Sin Yan & Sons Sdn Berhad, Marusin Sdn Bhd & Integrated Perunding Sdn Bhd.

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- 4.3 The name of persons connected to the Related Parties and their respective direct and/or indirect interest in SHL as at 18 July 2007, being the latest practical date prior to the printing of this Circular are as follows:-

Related Parties	Name of Persons Connected to the Related Parties	No. of Ordinary Shares			
		Direct	%	Indirect	%
Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	Taipan Equity Sdn Bhd	23,605,837	9.75	–	–
Dato' Yap Teiong Choon	Yap Teiong Choon Holdings Sdn Bhd	3,411,944	1.41	51,519,703*	21.28
	Sin Heap Lee Holdings Sdn Bhd	51,519,703	21.28	–	–
	Marusin Sdn Bhd	3,490,237	1.44	–	–
Dato' Ir. Yap Chong Lee	Yap Chong Lee Holdings Sdn Bhd	8,191,290	3.38	52,380,439#	21.63
	Sin Heap Lee Capital Sdn Bhd	43,976,500	18.16	–	–
	Yap Sin Yan & Sons Sdn Berhad	8,403,939	3.47	–	–
	Marusin Sdn Bhd	3,490,237	1.44	–	–
	Integrated Perunding Sdn Bhd	963,750	0.40	–	–

Notes:-

* Deemed interested by virtue of holding in Sin Heap Lee Holdings Sdn Bhd.

Deemed interested by virtue of holding in Sin Heap Lee Capital Sdn Bhd and Yap Sin Yan & Sons Sdn Berhad.

- 4.4 The Related Parties will undertake to ensure that persons connected to them and having interests in SHL namely Taipin Equity Sdn Bhd, Yap Teiong Choon Holdings Sdn Bhd, Sin Heap Lee Holdings Sdn Bhd, Marusin Sdn Bhd, Yap Chong Lee Holdings Sdn Bhd, Sin Heap Lee Capital Sdn Bhd, Yap Sin Yan & Sons Sdn Berhad and Integrated Perunding Sdn Bhd will abstain from voting on the resolution in respect of the Proposal at the forthcoming AGM.

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5. AGM

- 5.1 The 13th AGM of the Company, the notice of which is enclosed in the 2007 Annual Report of SHL accompanying this Circular, will be held at Ballroom 3, 10th Floor, Crown Princess Kuala Lumpur, City Square Centre, Jalan Tun Razak, 50400 Kuala Lumpur, on Monday, 3 September, 2007 at 11.00 a.m. for the purpose of considering and if thought fit, passing, inter alia, the ordinary resolution on the Proposal under the agenda of Special Business as set out in the said Annual Report.
- 5.2 If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy enclosed in the 2007 Annual Report of SHL in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 6th Floor, Wisma Sin Heap Lee, 346 Jalan Tun Razak, 50400 Kuala Lumpur not less than forty eight (48) hours before the time fixed for the AGM or any adjournment thereof. The lodging of the form of proxy does not preclude you from attending and voting in person should you subsequently decide to do so.

6. DIRECTORS' RECOMMENDATION

- 6.1 Your Board (except Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, Dato' Yap Teiong Choon, Dato' Ir. Yap Chong Lee, Ir. Yusoff Bin Md Nasir and Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim who are Related Parties of the Proposal), having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interests of the Company and its Shareholders.
- 6.2 Save for Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, Dato' Yap Teiong Choon, Dato' Ir. Yap Chong Lee, Ir. Yusoff Bin Md Nasir and Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim who are Related Parties of the Proposal, your Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposal under the agenda of Special Business as set out in the 2007 Annual Report of SHL to be tabled at the forthcoming AGM.

7. FURTHER INFORMATION

- 7.1 Shareholders are requested to refer to the attached Appendix I and Appendix II for further information.

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

NORENDRA PONNIAH
Senior Independent Non-Executive Director

APPENDIX I**DETAILS OF THE SUBSIDIARIES OF SHL**

The details of the subsidiaries of SHL, all of which are incorporated in Malaysia, are as follows:-

Name of company	Date of incorporation	Issued and paid-up capital RM	Percentage equity interest	Principal activities
Integrated Management Corporation Sdn Bhd	27.05.82	1,000,000	100.0%	Provision of professional management services in commercial, industrial studies and planning, construction management and financial services
Goodstock (Tawau) Sdn Bhd	01.09.82	2,000,002	100.0%	Property development
H. S. C. Sdn Berhad	10.12.80	1,000,000	100.0%	Property development
Ho Sin & Son Enterprise Sdn Bhd	07.02.77	1,000,000	100.0%	Property development
Kajang Granite Quarry Sdn Bhd	28.09.84	5,000,000	100.0%	Granite quarrying and manufacturing of aggregates
Mayang Kiara Sdn Bhd	11.03.93	50,000	100.0%	Property development
Mercantile Corporation (M) Sdn Bhd	22.03.82	872,400	100.0%	Contracting for renovation and construction works
Senick Sdn Bhd	10.08.84	5	100.0%	Granite quarrying and manufacturing of aggregates
SHL Corporate Services Sdn Bhd	15.08.97	3,000,000	100.0%	Corporate Services
SHL Home Builders Sdn Bhd	25.02.81	160,000	100.0%	Building construction works
SHL Infra Sdn Bhd	10.03.93	4,000,000	100.0%	Earthworks & infrastructure works, renting out of plant and machineries.
SHL Realty Sdn Bhd	02.12.96	3,000,000	100.0%	Property investment
SHL Ventures Sdn Bhd	02.12.96	2	100.0%	Investment holding

Name of company	Date of incorporation	Issued and paid-up capital RM	Percentage equity interest	Principal activities
Sin Heap Lee Brickworks Sdn Bhd	22.06.77	30,000,000	100.0%	Manufacturing of clay-bricks and supply of finished brickworks of wall and other brick structures
Sin Heap Lee Company Sdn Berhad	02.01.54	3,900,000	100.0%	Rental of properties, marketing agent of bricks and building materials
Sin Heap Lee Construction Sdn Bhd	27.05.82	90,000,000	100.0%	Building construction works
Sin Heap Lee Development Sdn Bhd	06.10.78	90,000,000	100.0%	Property development
Soil-Mech Drillers Sdn Bhd	08.09.80	250,000	100.0%	Provision of soil investigation services
Sukma Pesona Sdn Bhd	26.06.92	500,000	100.0%	Property development
Wilayah Builders Sdn Bhd	11.06.82	9,000,000	100.0%	Property development
<i>Subsidiaries of Sin Heap Lee Development Sdn Bhd:-</i>				
Sin Heap Lee - Marubeni Sdn Bhd	08.07.85	45,000,000	60.0%	Property development
Sungai Long Golf Resort Berhad	18.08.90	5,000,000	60.0%	Golf resort operator
<i>Associate of Sin Heap Lee Development Sdn Bhd:-</i>				
OPT Ventures Sdn Bhd	13.08.96	2,500,000	30.0%	Property investment

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DETAILS OF THE TRANSACTING COMPANIES

Details of the Transacting Companies, all of which are incorporated in Malaysia, are as follows:-

Name of company	Date of incorporation	Issued and paid-up capital RM	Percentage equity interest	Principal activities
Glen Waverley Sdn Bhd	09.06.81	20,000,000	Nil	Property development & property investment
Goodstock Land Sdn Bhd	24.02.82	1,500,000	Nil	Property investment
Integrated Perunding Sdn Bhd	24.11.82	75,002	Nil	Engineering consultancy services
Marusin Sdn Bhd	24.11.84	500,000	Nil	Investment holding and insurance agent
Sepakat Setia Perunding (Sendirian) Berhad	01.04.73	15,387,503	Nil	Engineering consultancy services
SHL Professional Services Sdn Bhd	24.05.69	5,000,000	Nil	Provision of management consultancy, commercial and industrial planning
Sin Heap Lee Land Sdn Bhd	08.08.88	1,000,000	Nil	Property investment
Sin Heap Lee Mix Sdn Bhd	15.01.79	250,000	Nil	Trading of aggregates and other related product
Sin Heap Lee Property Services Sdn Bhd	24.04.93	100,000	Nil	Property maintenance services
Sin Yan Properties Sdn Bhd	25.10.85	500,000	Nil	Property investment
Taipan Star Sdn Bhd	22.04.93	4,000,000	Nil	Property investment
Unique Mix Sdn. Bhd.	14.02.80	1,500,000	Nil	Production of ready-mixed concrete

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PART B

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

1. INTRODUCTION

The Company had on 24 July 2007 made an announcement to Bursa Securities that the Company proposes to seek approval of its shareholders on the Proposed Amendments to the Articles of Association of SHL.

This Circular serves to provide you with the relevant details of the Proposed Amendments to the Articles of Association of SHL and to seek your approval for the Special Resolution relating to the said Proposed Amendments under the agenda of Special Business as set out in the 2007 Annual Report of SHL to be tabled at the forthcoming AGM. The Notice of the AGM is enclosed together with the said Annual Report.

2. DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES

The details of the Proposed Amendments to the Articles are as follows:

Article 2 – Interpretation

The existing Articles 2 be amended by deleting the definitions for “Central Depository”, “Deposited Security”, “the Exchange”, “Member”, “Prescribed Securities”, “Record of Depositors”, “Rules”, “Securities Account” and substituting in their place the following new definitions:-

WORDS	MEANINGS
Depository	Bursa Malaysia Depository Sdn Bhd.
Deposited Security	Shall have the meaning given in Section 2 of the Central Depositories Act.
Exchange	Bursa Malaysia Securities Berhad.
Member	Any person(s) for the time being holding shares in the Company and whose name(s) appear in the Register of Members (except the Bursa Malaysia Depository Nominees Sdn Bhd) including depositors whose names appear on the Record of Depositors.
Prescribed Securities	Securities prescribed by the Exchange to be deposited with the Depository under and in accordance with the Central Depositories Act.
Record of Depositors	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
Rules	The Rules of the Depository and any appendices thereto as they may be amended or modified from time to time.
Securities Account	An account established by the Depository for the recording of deposit or withdrawal of securities and for dealing in such securities by the Depositor.

The term “Central Depository”, wherever it appears in this Articles of Association, shall be replaced with the term “**Depository**”.

The term “Malaysia Central Depository Nominees Sdn Bhd”, wherever it appears in this Articles of Association, shall be replaced with the term “**Bursa Malaysia Depository Nominees Sdn Bhd**”.

Article 5 – Restrictions on issue of shares

THAT the following existing Article 5(b) be deleted in its entirety:-

“No issue of preferred shares shall be made which would result in the total nominal value of issued preferred shares exceeding the total nominal value of the issued ordinary shares at the time of such issue.”

AND THAT the existing Article 5(c) be renumbered as 5(b).

Article 29 – Suspension of registration

THAT the existing Article 29 be deleted in its entirety and be replaced with the following new Article 29:-

The register of transfers may be closed at such time and for such period as the Directors may from time to time determine provided always that it shall not closed for more than thirty (30) days in any year. At least ten (10) clear market days’(or such other period as prescribed by the Exchange or any relevant governing laws and/or guidelines) notice of intention to close the said register of transfers shall be given to the Exchange. The said notice shall state the purpose or purposes for which the register of transfers is being closed. At least three (3) Market Days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors.

Article 33 – Transmission of securities from Foreign Register

THAT the existing Article 33 be deleted in its entirety and be replaced with the following new Article 33:-

Where:-

- (a) the securities of a company are listed on another stock exchange; and*
- (b) such company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities,*

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

Article 46 – Right of Preference Shareholders

THAT the existing Article 46 be deleted in its entirety and be replaced with the following new Article 46:-

Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts, and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a proposal for the disposal of the whole of the Company’s property, business and undertaking, or where the proposition to be submitted to the meeting directly affects their rights, or when the dividend on the preference shares is in arrear for more than six (6) months or convened during the winding-up.

Article 52 – Notice of Meeting

THAT the existing Article 52 be deleted in its entirety and be replaced with the following new Article 52:-

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days’ notice or 21 days’ notice in the case where any special resolution is proposed or it is an annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

Article 53 – Contents of notice and advertisement

THAT the following existing Articles 53 be deleted in its entirety:-

“Subject to the provisions of the Act as to Special Resolutions and special notice and the provisions of the Listing Requirements as to Annual General Meetings, the notices convening meetings shall specify the place, day and hour of the meeting and shall be given to all shareholders, at least fourteen (14) days before the meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special businesses. At least fourteen (14) days’ notice of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.”

Article 52(A) – Record of Depositors

THAT the existing Article 52(A) be deleted in its entirety and be replaced with the following new Article which be renumbered as **Article 53**:-

- (a) *The company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the company.*
- (b) *The company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").*
- (c) *Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.*

Article 69 – Proxy need not be Member

THAT the existing Article 69 be deleted in its entirety and be replaced with the following new Article 69:-

- (a) *An instrument appointing a proxy to vote at a meeting shall be deemed to include the power on any question at any General Meeting to vote on a show of hands and to demand or concur in demanding a poll on behalf of the appointor.*
- (b) *A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at a meeting. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

Article 72 – Directors

THAT the existing Article 72 be deleted in its entirety and be replaced with the following new Article 72:-

Until otherwise determined by the Company at a General Meeting, the number of the Directors shall not be less than two (2) and more than twelve (12).

Article 78 – Office of Director vacated in certain cases

THAT the existing Article 78 be deleted in its entirety and be replaced with the following new Article 78:-

The office of director shall, ipso facto, be vacated:

- (a) *If he has a Receiving Order in Bankruptcy made against him during his term of office or makes any agreement or composition with his creditors generally;*
- (b) *If he becomes of unsound mind during his term of office;*
- (c) *Upon his attainment of the age of seventy (70) years, unless it has been previously approved by resolution passed by a majority of not less than three-fourth of such Members of the Company entitled to vote in a general meeting of the Company;*
- (d) *If he is removed from his office of director by resolution of the Company in general meeting of which special notice has been given;*
- (e) *If he becomes prohibited from being a director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act;*
- (f) *If he resigns his office by notice in writing under his hand sent to or left at the office.*

Article 91 – Members eligible for office of Director if prescribed notice and consent lodged at office

THAT the existing Article 91 be deleted in its entirety and be replaced with the following new Article 91:-

No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.

3. RATIONALE FOR THE PROPOSED AMENDMENTS TO THE ARTICLES

The Proposed Amendments to the Articles is required to enable the Company to streamline the existing Articles with current developments under the Listing Requirements and provide clarity in the Company's Articles.

4. EFFECT OF THE PROPOSED AMENDMENTS TO THE ARTICLES

The Proposed Amendments to the Articles will not have any effect on the issued and paid-up share capital, substantial shareholdings, net assets, dividend policy, gearing and earnings of SHL.

5. AGM

The AGM will be held at Ballroom 3, 10th Floor, Crown Princess Kuala Lumpur, City Square Centre, Jalan Tun Razak, 50400 Kuala Lumpur, on Monday, 3 September, 2007 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolution on the Proposed Amendments to the Articles under the agenda of Special Business as set out in the 2007 Annual Report of SHL.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2007 Annual Report of SHL in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 6th Floor, Wisma Sin Heap Lee, 346 Jalan Tun Razak, 50400 Kuala Lumpur not less than forty eight (48) hours before the time fixed for the AGM or any adjournment thereof. The lodging of the form of proxy does not preclude you from attending and voting in person should you subsequently decide to do so.

6. DIRECTORS' RECOMMENDATION

Your Board, after having considered all aspects of the Proposed Amendments to the Articles, is of the opinion that the said proposed Amendments are in the best interest of the Company. The Board therefore recommends that you vote in favour of the resolution pertaining to the Proposed Amendments to the Articles to be tabled at the forthcoming AGM.

7. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix II for further information.

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

NORENDRA PONNIAH
Senior Independent Non-Executive Director

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of SHL and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by SHL or its subsidiary companies during the two (2) years immediately preceding the date of this Circular.

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.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except on public holidays) at the Registered Office of the Company from the date of this Circular up to and including the date of the AGM:-

- (a) Memorandum and Articles of Association of SHL;
- (b) Audited consolidated accounts of SHL for the financial years ended 31 March 2005 to 2007 and the latest unaudited results for the 3-month period ended 31 March 2007; and
- (c) The material contracts if any, referred to in paragraph 2 above.

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