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SHL CONSOLIDATED BHD.

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

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

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

The above proposal will be tabled at SHL Consolidated Bhd.'s 15th Annual General Meeting ("AGM") to be held at Ballroom 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 28 September 2009 at 11.30 a.m. Notice of the 15th AGM together with the Form of Proxy is set out in the Company's 2009 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 AGM 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.

Last day and time for lodgment of proxy form : Saturday, 26 September 2009 at 11.30 a.m
Date and time of the 15th AGM: : Monday, 28 September 2009 at 11.30 a.m..

This Circular is dated 4 September 2009

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
Audit Committee	– Audit Committee of SHL
Board	– Board of Directors of SHL
Exchange	– 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) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; (b) 5% or more 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” has 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

4 September 2009

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
Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim
Norendra Ponniah
Chin Yu Tow @ Cheng Yu Thou
Wong Tiek Fong
Wong Yew Mei (Alternate Director to Wong Tiek Fong)

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

Dear Sir/Madam,

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

1. INTRODUCTION

At the AGM held on 25 September 2008, the Company had obtained from its shareholders, mandate to enter into Recurrent RPTs based on the terms set out in the Circular to Shareholders dated 3 September 2008. The said Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless approval for its renewal is obtained from the Shareholders of the Company at the forthcoming AGM.

On 21 July 2009, 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 25 September 2008 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 2009 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 mandate from its shareholders for 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 Recurrent RPTs is RM1 million or more; or
 - ii. the percentage ratio of such Recurrent RPTs is 1% or more,whichever is the higher;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by the Exchange;
- (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 to approve 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; and
- (e) the listed issuer immediately announces to the Exchange when the actual value of a Recurrent RPT entered into by the listed issuer, exceeds the estimated value of the Recurrent RPT disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement

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 25 September 2008 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.

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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 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.

(b) *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.

(c) *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.

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(d) 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.

(e) 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.

(f) 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.

(g) 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.

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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 under the existing shareholders' mandate obtained on 25 September 2008 RM'000	Actual Value transacted as at 31 July 2009 RM'000	**Estimated Value from this AGM until the next AGM RM'000
Provision of management and administration services	SHL Corporate Services Sdn. Bhd., a wholly-owned subsidiary of SHL	Goodstock Land Sdn. Bhd.	Dato' Yap Teiong Choon;	171	153	183
		Marusin Sdn. Bhd.	and Dato' Ir. Yap Chong Lee	111	97	123
		SHL Professional Services Sdn. Bhd.		51	39	39
		Sin Heap Lee Mix Sdn. Bhd.		11	10	13
		Sin Heap Lee Property Services Sdn. Bhd.		171	3	0
		Sin Yan Properties Sdn Bhd		183	117	75
		Unique Mix Sdn Bhd		26	22	26
		Glen Waverley Sdn. Bhd.	Y.A.M. Tengku Abdul Samad Shah Ibni	135	115	123
		Taipan Star Sdn. Bhd.	Almarhum Sultan Salahuddin Abdul Aziz Shah;	14	13	15
			Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee			
		Integrated Perunding Sdn. Bhd.	Dato' Ir. Yap Chong Lee	99	59	63
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;	32	32	0
			Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee			
Procurement of engineering consultancy services	SHL Group	Integrated Perunding Sdn. Bhd.	Dato' Ir. Yap Chong Lee	2,290	2,444	3,542
		Sepakat Setia Perunding (Sendirian) Berhad	Dato' Ir. Yap Chong Lee; and Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim	346	227	688

Category of Transactions	SHL Group	Transacting Companies	Names of the Related Parties for the Transactions	Estimated Value under the existing shareholders' mandate obtained on 25 September 2008 RM'000	Actual Value transacted as at 31 July 2009 RM'000	**Estimated Value from this AGM until the next AGM RM'000
Procurement of property management services	SHL Group	Sin Heap Lee Property Services Sdn. Bhd.	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	145	145	0
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	11,952	7,018	9,904
Procurement of insurance	SHL Group	Marusin Sdn. Bhd.	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	615	401	539
Rental of premises (i)	SHL Group	Goodstock Land Sdn. Bhd. (i)(a)	Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	980	799	969
	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	40	48
	Sin Heap Lee Development Sdn. Bhd., a wholly-owned subsidiary of SHL	Taipan Star Sdn. Bhd. (i)(c)	Y.A.M. Tengku Abdul Samad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah; Dato' Yap Teiong Choon; and Dato' Ir. Yap Chong Lee	-	-	851

Notes:-

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

(i) *The premises rented to the Related Parties are in compliance with Paragraph 3.2(c) of PN 12 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*

(c) *Unit A-3-1, A-9-2, A-9-3, A-10-2, A-10-3, A-11-3 & A-15-3, Taipan Office, Menara Taipan, No. 6, Jalan P. Ramlee, 50250 Kuala Lumpur*

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"> ● SHL-M Sdn. Bhd. ● Sin Heap Lee Development 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.; ● SHL-M Sdn. Bhd. ● Sin Heap Lee Company Sdn. Berhad; ● Sin Heap Lee Construction Sdn. Bhd.; ● Sin Heap Lee Development 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 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 Yes Yes Yes Yes Yes Yes Yes</p>	<p>50% 50% 50% 50% 50% 50% 50% 50% 50%</p>

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 at least two(2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities which will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities provided under the Proposal for the Audit Committee's consideration.
- (ii) For certain Recurrent RPTs where quotations from unrelated third parties are not available, the Audit Committee will review the type and nature of the transactions to satisfy themselves that the transactions with the Related Parties are entered in the best interest of SHL Group. The Audit Committee will take into account factors including pricing, quality, speed of delivery, priority service, good supply logistics and other factors which contribute to the operational and administrative efficiency of SHL Group and ensure that the overall terms are fair and reasonable.
- (iii) The rental of premises shall be at prevailing market rates for the same or substantially similar properties and shall be on normal commercial terms.
- (iv) 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.
- (v) 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.
- (vi) 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 is satisfied that adequate procedures and processes are in place to monitor, track and identify Recurrent RPTs in a timely and orderly manner. The Audit Committee meets on a quarterly basis to review and approve Recurrent RPTs together with any changes pertaining to the procedures and processes.
- 2.6.2 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 15th AGM, will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Shareholders' Mandate was approved, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but must 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 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 are 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.

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 Tan Sri Dato' Ir. Talha Bin Haji Mohamad Hashim who is Director and shareholder 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 31 July 2009, 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	100,000	0.04	15,646,037 (a)	6.46
Dato' Yap Teiong Choon	5,283,869	2.18	58,421,884 (b)	24.13
Dato' Ir. Yap Chong Lee	3,040,319	1.26	82,718,232 (c)	34.16
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., Unikburan Sdn. Bhd. and Steensted Enterprise 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 31 July 2009, 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.	15,646,037	6.46	–	–
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.	8,377,090	3.46	69,825,755#	28.84
	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.	1,025,150	0.42	–	–
	Unikburan Sdn Bhd	15,528,316	6.41	–	–
	Steensted Enterprise Sdn Bhd	1,917,000	0.79	–	–

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., Yap Sin Yan & Sons Sdn. Berhad, Unikburan Sdn. Bhd. and Steensted Enterprise Sdn. Bhd..

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, Integrated Perunding Sdn. Bhd., Unikburan Sdn. Bhd. and Steensted Enterprise 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 15th AGM of the Company, the notice of which is enclosed in the 2009 Annual Report of SHL accompanying this Circular, will be held at Ballroom 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur, on Monday, 28 September, 2009 at 11.30 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 2009 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 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 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 2009 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%	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%	Property development
H. S. C. Sdn. Berhad	10.12.80	1,000,000	100%	Property development
Ho Sin & Son Enterprise Sdn. Bhd.	07.02.77	1,000,000	100%	Property development
Kajang Granite Quarry Sdn. Bhd.	28.09.84	5,000,000	100%	Granite quarrying and manufacturing of aggregates
Mayang Kiara Sdn. Bhd.	11.03.93	50,000	100%	Property development
Mercantile Corporation (M) Sdn. Bhd.	22.03.82	872,400	100%	Contracting for renovation and construction works
Senick Sdn. Bhd.	10.08.84	5	100%	Granite quarrying and manufacturing of aggregates
SHL Corporate Services Sdn. Bhd.	15.08.97	3,000,000	100%	Corporate Services
SHL Home Builders Sdn. Bhd.	25.02.81	160,000	100%	Building construction works
SHL Infra Sdn. Bhd.	10.03.93	4,000,000	100%	Earthworks & infrastructure works, renting out of plant and machineries.
SHL Realty Sdn. Bhd.	02.12.96	3,000,000	100%	Property investment
SHL Ventures Sdn. Bhd.	02.12.96	2	100%	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%	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%	Rental of properties, marketing agent of bricks and building materials
Sin Heap Lee Construction Sdn. Bhd.	27.05.82	90,000,000	100%	Building construction works
Sin Heap Lee Development Sdn. Bhd.	06.10.78	90,000,000	100%	Property development
Soil-Mech Drillers Sdn. Bhd.	08.09.80	250,000	100%	Provision of soil investigation services
Sukma Pesona Sdn. Bhd.	26.06.92	500,000	100%	Property development
Wilayah Builders Sdn. Bhd.	11.06.82	9,000,000	100%	Property development
<i>Subsidiaries of Sin Heap Lee Development Sdn. Bhd.:-</i>				
SHL-M Sdn. Bhd.	08.07.85	45,000,000	100%	Property development
Sungai Long Golf Resort Berhad	18.08.90	5,000,000	100%	Golf resort operator
<i>Associate of Sin Heap Lee Development Sdn. Bhd.:-</i>				
OPT Ventures Sdn. Bhd.	13.08.96	2,500,000	30%	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 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-mix concrete

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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

Save as disclosed below, there have been 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:-

- (a) Sin Heap Lee Development Sdn. Bhd. ("SHLD", a subsidiary of SHL) had on 4 October 2007 entered into a Sale and Purchase Agreement with Marubeni Corporation of Japan for the acquisition of 18,000,000 ordinary shares of RM1.00 each, representing 40% of the total shares capital of SHL-M Sdn. Bhd. (a subsidiary of SHLD), for a total cash consideration of RM18,000,000/-.

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 2007 to 2009 and the latest unaudited results for the 3-month period ended 30 June 2009; and
- (c) The material contracts, referred to in paragraph 2 above.

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