



**MATERIAL LITIGATION Swift Haulage Berhad ("SHB" or "Company") - Putrajaya Court of Appeal No. B-01(NCVC)(A)-754-10/2022 filed by Perbadanan Kemajuan Negeri Selangor against North West Depoh Sdn Bhd against Swift Logistics Yard Sdn Bhd, a wholly-owned subsidiary of the Company**

**SWIFT HAULAGE BERHAD**

<b>Type</b>	Announcement
<b>Subject</b>	MATERIAL LITIGATION
<b>Description</b>	Swift Haulage Berhad ("SHB" or "Company") - Putrajaya Court of Appeal No. B-01(NCVC)(A)-754-10/2022 filed by Perbadanan Kemajuan Negeri Selangor against North West Depoh Sdn Bhd against Swift Logistics Yard Sdn Bhd, a wholly-owned subsidiary of the Company

**1. Introduction**

Pursuant to Paragraph 9.04(f) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company wishes to announce that Perbadanan Kemajuan Negeri Selangor ("Appellant") has taken legal proceedings against North West Depoh Sdn Bhd ("Respondent"). Swift Logistics Yard Sdn Bhd (formerly known as Ann Joo Properties Sdn. Bhd.), a wholly-owned subsidiary of the Company is an intervener in this proceedings ("SLY" or "Intervener").

**2. Circumstances leading to the Removal of the Caveat**

The Appellant is the registered owner of the land held under the title of H.S.(D) 116369 No. P.T. 185, Bandar Sultan Suleiman, Daerah Klang, Negeri Selangor Darul Ehsan ("Land"). The said Land was then leased to SLY from 19 July 2012 until 20 November 2022.

SLY entered into a sale and purchase agreement with the Appellant on 26 August 2021 to purchase the said Land ("Sale and Purchase Agreement") and completion of the purchase was on 21 March 2022, upon SLY obtaining the approval from the Economic Planning Unit, of the Prime Minister's Department. SLY has fully satisfied the requirements of the Sale and Purchase Agreement and has beneficial rights to the Land. SLY is at the stage of transferring the ownership on the document of title ("Sale Transaction").

Consequently, the Land was on a rental arrangement vide a tenancy agreement entered into between SLY and the Respondent on 14 January 2015 ("Tenancy") for the rental of an area amounting to 10.3 acres or equivalent to 449,798 square feet.



The Respondent and SLY have mutually agreed in writing to revise and/or amend the terms of the tenancy to deliver vacant possession as follows:-

1. The Land Area for the tenancy period of 01.04.2022 until 31.07.2022 was revised from twenty-seven (27) acres / 1,215,844 square feet to fifteen (15) acres / 653,400 square feet.
2. The Land Area for the tenancy period of 01.08.2022 until 15.01.2023 was revised from fifteen (15) acres / 653,400 square feet to ten (10) acres / 435,600 square feet.
3. The Respondent was to yield up and/or deliver vacant possession of the remaining twelve (12) acres / 562,444 square feet to SLY on 01.04.2022.
4. The tenancy shall come to an end on the 15.01.2023 and the Respondent is to deliver the vacant possession of the remaining portion of the land on 16.01.2023.

Despite the mutual agreement in writing between SLY and the Respondent, the Respondent failed and/or refused and/or neglected to deliver the vacant possession and/or yield up the remaining 12 acres of the land to SLY on 01.04.2022. Subsequently, the Respondent failed and/or refused and/or neglected to deliver the vacant possession of the whole land on 16.01.2023.

On 12 April 2022, the Respondent lodged a private caveat on the said Land with the Klang District and Land Office which in effect prevented the process of the transfer of title from the Appellant to SLY. On 17 May 2022, the Appellant applied for the private caveat to be removed and the removal was scheduled on 14 September 2022.

On 9 August 2022, the Respondent filed an Originating Summons at the Shah Alam High Court under the suit number BA-24NCVC-1312-08/2022 against the Appellant for an extension of time of the private caveat ("Originating Summons"). The Appellant opposed the Originating Summons on the grounds that the Respondent does not have any registrable and/or caveatable interest on the said Land arising from the Tenancy.

On 13 September 2022, the High Court allowed the Respondent's Originating Summons and extended the registration of the Notice of Intended of Removal of Caveat ("Form 19C of the National Land Code") until 16 January 2023 ("High Court Decision"). However, the removal shall only take place upon the expiry of two (2) months from the date of registration of the Form 19C of the National Land Code which is on 16 March 2023. At all material times, SLY was not a party to the proceedings. SLY was only made aware of the existence of the Originating Summons and High Court Decision by the Appellant on 30 September 2022.



The Appellant then filed an appeal to the Court of Appeal on the 11 October 2022 (“Appeal”) to appeal against the High Court Decision. At this juncture, SLY filed an application to intervene in the Appeal which application was allowed by the Court of Appeal on 29 November 2022. On 6 January 2023, the Court of Appeal allowed the Appeal to overturn the High Court’s decision in favour of the Appellant. The Respondent did not file any appeal to the Federal Court against the Court of Appeal’s decision. Pursuant to the order from the Court of Appeal, the Private Caveat lodged by the Respondent has been removed by the Land Office on 16 March 2023.

### **3. Financial and Operational Impact of the legal suit**

The legal suit expected to impact the Sukuk loan tranche 3 of the Company where the total amount of the Sukuk is RM 90,000,000, and RM 61,700,000 is for the reimbursement of the purchase of the Land. The RM61,700,000 is still at the disbursement account until the document for consent to charge is presented for registration at the land office in favour of the Sukuk loan which can only take place after the transfer of title of the ownership of the said Land, The Company’s net loss on the interest amount is RM544,512.00 as of 28 February 2023 and the Company net loss on the interest amount incurred per day is approximately RM 3,224.13.

The litigation is not expected to have other financial and operational impact to the Company and its subsidiaries subsequent to the filing of legal suit.

### **4. Expected Losses, if any, arising from the legal suit**

The Company is of the view that there will not be any losses arising from the legal suit save for total interest amount incurred on the Sukuk loan tranche 3 of the Company and the legal fees that may be incurred in relation to legal representation for SLY in the immediate future.

The Company will make further announcement as and when there are material developments on the above matter.

This announcement is dated 3 April 2023.



#### **Announcement Info**

<b>Company Name</b>	SWIFT HAULAGE BERHAD
<b>Stock Name</b>	SWIFT
<b>Date Announced</b>	03 Apr 2023
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-17022023-00027