



MATERIAL LITIGATION Swift Haulage Berhad ("SHB" or "Company") - Shah Alam High Court No. BA-22NCVC-427-10/2022 filed by Swift Logistics Yard Sdn Bhd, a wholly-owned subsidiary of the Company, against North West Depoh Sdn Bhd

SWIFT HAULAGE BERHAD

Type	Announcement
Subject	MATERIAL LITIGATION
Description	Swift Haulage Berhad ("SHB" or "Company") - Shah Alam High Court No. BA-22NCVC-427-10/2022 filed by Swift Logistics Yard Sdn Bhd, a wholly-owned subsidiary of the Company, against North West Depoh Sdn Bhd

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 its wholly owned subsidiary, Swift Logistics Yard Sdn Bhd (formerly known as Ann Joo Properties Sdn. Bhd.) ("SLY" or "Plaintiff") has initiated a legal proceedings against North West Depoh Sdn Bhd ("NWD" or "Defendant") vide legal suit number BA-22NCVC-427-10/2022 filed at Shah Alam High Court.

2. Circumstances leading to the filing of legal suit against NWD

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

The Plaintiff entered into a sale and purchase agreement with PKNS on 26 August 2021 to purchase the said Land and the completion of the sale transaction was on 21 March 2022 upon obtaining approval from the Economic Planning Unit of the Prime Minister's Department. The Plaintiff has fully satisfied the requirements of the Sale and Purchase Agreement and has beneficial rights to the Land ("Sale Transaction"). At this completion of Sale Transaction stage however, the Defendant lodged a private caveat on 12 April 2022 preventing the process of the transfer of title from PKNS to the Plaintiff.

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



By way of letters dated 16.04.2015, 11.09.2015, 20.02.2017, 12.12.2018, 25.09.2019, 06.10.2019, 14.01.2021, 11.10.2021 and 28.01.2022 respectively between the parties, the Tenancy Agreement was mutually renewed and/or extended from 16.01.2017 to 15.01.2023 with a term not exceeding three (3) years per renewal and/or extension. The land area for the tenancy was also mutually revised and/or amended throughout 15.01.2017 to 15.01.2023.

The Plaintiff and Defendant 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 Defendant was to yield up and/or deliver vacant possession of the remaining twelve (12) acres / 562,444 square feet to Plaintiff on 01.04.2022.
4. The tenancy shall come to an end on the 15.01.2023 and the Defendant is to deliver the vacant possession of the whole land on 16.01.2023.

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

The Plaintiff filed a legal suit against the Defendant under the Shah Alam Sessions Court number BA-B52-21-05/2022 claiming,

1. The Defendant to deliver vacant possession of the Land;
2. The Defendant to pay the outstanding double rental payment in the sum of RM338,216.26 for the month April and May 2022;
3. The Defendant to pay the outstanding double rental payment in the sum of RM461,204.08 a month from 1 June 2022 until the delivery of vacant possession and damages to be assessed;
4. The interest of 5% annually on the outstanding rental payment;
5. Cost; and
6. Other relief as considered to be fair and reasonable.



The Defendant has filed counterclaim against the Plaintiff, alleging amongst others, that,

1. the Tenancy is coupled with equity on the said Land;
2. a declaration that the Defendant has the right to occupy the said Land under equity;
3. an order that the Plaintiff shall not evict and/or prohibit the Defendant from occupying the Land; and
4. damages of RM6,000,000 for the land betterment or alternatively RM1,270,000 for moving to another location.

The Counterclaim on the damages of RM6,000,000 or alternatively RM1,270,000 is denied in the reply to Defence and Defence Counterclaim by the Plaintiff whereas the Defendant is not entitled to claim any reliefs against the Plaintiff or whatsoever arising from the ordinary tenancy which does not create any equitable rights or was induced to develop the land and is put to strict burden of proof.

The eviction proceeding was transferred to Shah Alam High Court on 17 October 2022 and registered under the suit number BA-22NCVC-427-10/2022. The eviction proceeding at present pending further direction from the court.

Consequently, the Defendant file an application for an injunction on 9 August 2022 to restraint the Plaintiff from evicting the Defendant from the said Land until the eviction proceedings is disposed. On 15 February 2023, the High Court allowed the Defendant's injunction application with costs in the cause.

The Plaintiff filed for an appeal against the decision of the High Court to the Court of Appeal on 21 February 2023 on the grounds that:

1. no attempts were made to evict NWD from the land except from the eviction suit filed by the Plaintiff;
2. there is no tenancy coupled with equity as alleged by the Defendant;
3. the Defendant had previously agreed to deliver the vacant possession of the Land via e-mails/meeting/letter of extensions;
4. the Defendant failed to produce any evidence to support that the tenancy is coupled with equity;
5. the status quo of the parties is maintained without injunction as the Plaintiff did not take any steps to evict the Defendant;
6. damages have always been adequate for the Defendant as the Defendant filed for a counterclaim for the sum of RM6 million and RM1.27 million; and
7. there has been a delay in filing the Injunction application by the Defendant reiterates the fact that there has been no serious risk of the Plaintiff evicting the Defendant from the land, illegally.



The Court of Appeal has given further direction for the parties to file the written submission on 11 April 2023 and the hearing is fixed on 10 May 2023.

The solicitors of the Plaintiff are of the view that the Plaintiff has a reasonable and good chance in succeeding its claim against the Defendant as well as dismissing the Defendant's counterclaim.

3. Financial and Operational Impact of the legal suit.

Save for the amount of RM 2,881,550.28 for the outstanding rental payment as of March 2023 to be incurred by the Defendant, 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 expected loss to the Company is the outstanding rental payment together with the interest to be charged on the outstanding amount claimed by the Plaintiff, and for 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

Company Name	SWIFT HAULAGE BERHAD
Stock Name	SWIFT
Date Announced	03 Apr 2023
Category	General Announcement for PLC
Reference Number	GA1-17022023-00031