



**MATERIAL LITIGATION Swift Haulage Berhad ("SHB" or "Company") Shah Alam High Court Case No. BA-24NCVC-11312-08/2022 filed by Swift Logistics Yard Sdn Bhd, a wholly-owned subsidiary of the Company against North West Depoh Sdn Bhd**

**SWIFT HAULAGE BERHAD**

<b>Type</b>	Announcement
<b>Subject</b>	MATERIAL LITIGATION
<b>Description</b>	Swift Haulage Berhad ("SHB" or "Company") Shah Alam High Court Case No. BA-24NCVC-11312-08/2022 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 Swift Logistics Yard Sdn Bhd (formerly known as Ann Joo Properties Sdn. Bhd.), a wholly-owned subsidiary of the Company ("**Plaintiff**") has taken legal proceedings against Govindasamy Naidu a/l Gopal ("**First Defendant**") and North West Depoh Sdn Bhd ("**Second Defendant**").

**2. Circumstances leading to the filing of the Originating Summons**

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. The Plaintiff 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 the Plaintiff and the Second 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 Second 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 Second 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 Second 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 Second Defendant, the Second 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 Second Defendant failed and/or refused and/or neglected to deliver the vacant possession of the whole land on 16.01.2023.

On 12 January 2023, the First Defendant lodged a private caveat on the said Land with the Klang District and Land Office ("Private Caveat") on the same grounds as the private caveat entered on 12 April 2022 by the Second Defendant which was removed by the order of the Court of Appeal on 6 January 2023. This effectively prevents the process of the transfer of title from PKNS to the Plaintiff.

On 14 February 2023, the Plaintiff filed an Originating Summons at the Shah Alam High Court under the suit number BA-24NCVC-1312-08/2022 against the First and Second Defendant for the removal of the Private Caveat on the grounds that the Respondent does not have any registrable and/or caveatable interest on the said Land arising from the Tenancy. The Originating Summons was also filed against the Defendants to claim for damages arising from the Private Caveat and to restraint any shareholders and/or directors and/or employees and/or agents of the Second Defendant from lodging any private caveat on the Land based on the Tenancy.

On 7 March 2023, the Second Defendant filed for a Striking Out Application to remove the Second Defendant from the Originating Summons ("**Striking Out Application**").



On 24 March 2023, the Plaintiff filed the Affidavit in Reply to the Striking Out Application as the Plaintiff has reasonable cause of action against the Second Defendant based on the facts that the First Defendant entered the private caveat in his capacity as a director of the Second Defendant, and the ground for the private caveat which arises from the Tenancy entered into by the Second Defendant ("**Affidavit in Reply**").

The hearing date for the Striking Out Application is fixed on 3 May 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 RM90,000,000, and RM61,700,000 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 RM3,224.13.

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>	GA1-03042023-00071