IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR

(CIVIL DIVISION)

IN THE FEDERAL TERRITORY OF KUALA LUMPUR, MALAYSIA

ORIGINATING SUMMONS NO: WA-24NCVC-5198-10/2025

In the matter of an office unit known as Unit A-9-1, Megan Avenue 1 (Block A), Jalan Tun Razak, WP Kuala Lumpur held under individual strata title Geran No. 40011/M1-1/9/81, Lot No. 162, Seksyen 43, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan

And

In the matter of Sections 59, 60(4) and/or 61(4) of the Strata Management Act 2013

And

In the matter of Paragraph 6, Regulations 5 and 28, Part 2, Third Schedule, Strata Management (Maintenance and Management) Regulations 2015

And

In the matter of Order 7 and/or Order 92 rule 4 of the Rules of Court 2012

BETWEEN

PERBADANAN PENGURUSAN MEGAN AVENUE 1
(REGISTRATION NO: 1617) … PLAINTIFF

AND

HARJINDER SINGH A/L KULDIP SINGH
(NRIC NO: 690920-10-5587) … DEFENDANT

GROUNDS OF JUDGMENT

Introduction

1. This dispute arises from the uneasy intersection between collective responsibility in strata living and the protection ordinarily afforded to purchasers at judicial sales. The issue before the Court, though narrow in form, carries significant practical implications for the administration of stratified properties throughout the country.

2. The question may be stated shortly. Where a strata unit has accumulated substantial maintenance charges and sinking fund arrears under a previous proprietor which has since gone into liquidation, does a purchaser who acquires the unit through a court-ordered public auction automatically inherit liability for those historical debts upon registration as proprietor?

3. The plaintiff, acting in its capacity as the management corporation, contends that the statutory scheme under the Strata Management Act 2013 admits of only one answer. It argues that the liability attaches to the parcel itself and follows the title irrespective of the manner in which ownership changes hands. The defendant, on the other hand, maintains that such an interpretation would sit uneasily with established principles governing judicial sales, insolvency law, and, most critically, the statutory meaning of the phrase successor in title.

4. The dispute therefore requires the Court to construe the statutory framework against a factual background that is, in several respects, unusual. It is necessary first to recount the material chronology.

Background Facts

5. The narrative begins long before the defendant entered the fray. The property in dispute is an office unit known as Unit A-9-1, Megan Avenue 1 (Block A), Jalan Tun Razak ("the Unit"). Prior to the events giving rise to this action, the Unit was registered in the name of Oryx Energy Consultants Sdn Bhd ("Oryx Energy").

6. Over time, Oryx Energy fell into substantial arrears in respect of maintenance charges, sinking fund contributions, water charges, and late payment interest payable to the plaintiff. The

plaintiff accordingly commenced proceedings before the Strata Management Tribunal *vide* Claim No. TPS/W-4115-12/2018.

7. On 17 January 2019, the Tribunal awarded the plaintiff the sum of RM95,957.97 together with costs of RM250, representing arrears outstanding as at 21 November 2018. Despite the award, Oryx Energy failed to regularise the indebtedness. Consequently, the plaintiff initiated winding-up proceedings against Oryx Energy. On 13 October 2020, a winding-up order was granted by the High Court of Kuala Lumpur on the ground of the company's inability to pay its debts. Although the plaintiff filed a proof of debt in the liquidation, no dividend or recovery has thus far been received from the liquidation estate.

8. Separately and unbeknownst to the plaintiff, or so it is claimed, the financial distress of Oryx Energy had also attracted the attention of its chargee financier, RHB Islamic Bank Berhad ("the Bank"). The Bank initiated foreclosure proceedings under Suit No. WA-38-1017-04/2024. Those proceedings culminated in an order for sale issued by the High Court.

9. Pursuant to this order, a proclamation of sale was issued on 25 June 2024 and subsequently advertised in local newspapers on 23 July 2024. The proclamation of sale expressly recorded Oryx Energy, the judgment debtor in the foreclosure proceedings, was already in liquidation. Crucially, the advertisement also contained the usual cautionary advice directing prospective

bidders to conduct searches and make independent inquiries regarding encumbrances and liabilities affecting the property.

10. On 8 August 2024, the defendant participated in the public auction conducted electronically *via* the High Court e-Auction system. Acting through his authorised agent, the defendant emerged as the successful bidder with a purchase price of RM1,534,760. The defendant subsequently obtained financing facilities and duly settled the balance purchase price within the stipulated time prescribed under the conditions of sale. On 23 June 2025, the defendant was formally registered as the proprietor of the Unit. By letter dated 7 July 2025, the defendant's solicitors notified the plaintiff of the change in ownership and enclosed a certified true copy of the strata title reflecting the defendant's registration.

11. The present controversy crystallised shortly thereafter. On or about 26 July 2025, the plaintiff forwarded to the defendant's solicitors an updated statement of account after amending its ownership records. The statement demanded the staggering sum of RM268,571.54.

12. That statement, however, was marred by an unusual and unexplained inconsistency. The billing aging table reflected accrued sums of RM0.00 for the months of April, May, and June 2025. Yet, without any accompanying explanation, invoice, or breakdown, the entry for July 2025 abruptly exploded with an

accrued charge of RM174,047.15 together with interest amounting to RM94,524.39.

13. Alarmed by this sudden and unexplained aggregation of historical debt, the defendant's representative, Mr Retnakumar a/l M Thurairaju, attended a meeting at the plaintiff's office on 29 July 2025. During this discussion with the plaintiff's accounts executive, Miss Fitria, the defendant's representative took the position that the defendant was not liable for debts incurred by Oryx Energy, emphasising that the Unit had been acquired through a judicial sale conducted pursuant to an order of court.

14. According to the defendant, Miss Fitria then advised that payment need only be made in respect of current charges. Acting on that representation, the defendant on 27 August 2025 tendered payment in the sum of RM1,542.75, representing water charges from December 2024 to June 2025 together with service charges and sinking fund contributions for July 2025 only. The plaintiff accepted the payment without protest or reservation.

15. The parties thereafter appeared, at least temporarily, to proceed on the footing that only current charges remained payable. The plaintiff issued invoices dated 1 October 2025, 1 November 2025, and 1 December 2025 in respect of ongoing monthly charges, and the defendant made advance payment of those sums amounting in total to RM3,998.25 on 18 September 2025.

The plaintiff duly acknowledged receipt with issuance of an official receipt dated 29 September 2025.

16. Subsequently, when the defendant received statements for August and September 2025, which interestingly reflected negative balances, he nonetheless proceeded to settle those amounts as well. The plaintiff accepted the payments and issued an official receipt dated 18 November 2025 without demur.

17. The illusion of amity was shattered on 24 September 2025, when the defendant received by post a notice in Form 20 dated 8 September 2025, accompanied by a statement of account dated 31 August 2025, demanding payment of RM269,878.49.

18. By letter dated 29 September 2025, the defendant's solicitors disputed liability for any charges accrued prior to the defendant's registration as proprietor. The plaintiff's solicitors responded on 8 October 2025 insisting that the obligation to pay was attached to the Unit itself and not merely to the previous owner. The defendant's solicitors reiterated their denial of any indebtedness for prior charges by further correspondence dated 27 October 2025.

19. Unmoved by this correspondence, the plaintiff commenced the present originating summons on 23 October 2025 seeking, amongst others, a declaration that the defendant, as the registered proprietor and alleged successor in title to Oryx

Energy, is statutorily liable under the SMA 2013 for all outstanding charges and contributions relating to the Unit, including those incurred prior to the defendant's acquisition of title through the judicial auction.

Plaintiff's Contentions

20. The plaintiff's case is advanced upon what may fairly be described as a strict and uncompromising reading of the statutory scheme under the Strata Management Act 2013 ("the SMA 2013"). At the centre of its argument lies the proposition that liability for maintenance charges and sinking fund contributions is not merely personal to a defaulting proprietor, but constitutes a continuing statutory burden which follows the parcel notwithstanding any subsequent change in ownership.

21. Central to this submission is the interpretation of sections 60(4) and 61(4) of the SMA 2013. It is submitted that the phrase *"the proprietor of, or his successor-in-title to, the parcel"* reflects a deliberate legislative design to ensure continuity in the collection of charges essential for the maintenance and financial sustainability of stratified developments. In the plaintiff's submission, the statutory regime would be rendered commercially ineffective if outstanding contributions could simply evaporate upon a transfer of ownership.

22. The plaintiff further contends that the disjunctive term *“or”* appearing in the relevant provisions merely identifies alternative categories of persons from whom the same debt may be recovered. It does not, counsel argues, require the management corporation to elect between one debtor and another, nor does it extinguish the underlying liability merely because recovery against the previous proprietor has proven unsuccessful.

23. In support of this proposition, the plaintiff relies heavily upon the decision of the Court of Appeal in ***Brightvite Sdn Bhd v Pantai Towers Management Corporation & Another Appeal*** **[2019] 2 CLJ 439; [2018] 1 LNS 769**. The plaintiff submits that the Court of Appeal recognised that the statutory debt remains singular in nature, but recoverable against either the previous proprietor or the successor in title. According to counsel, the decision establishes that the liability is attached not to the personal conduct of the debtor alone, but to the proprietary status connected with the parcel itself.

24. The plaintiff next argues that the earlier proceedings against Oryx Energy do not bar the present action. It is submitted that neither the doctrine of *res judicata* nor any principle of election arises in the circumstances of this case. The defendant was not a party to the Tribunal proceedings nor to the winding-up proceedings involving Oryx Energy. More fundamentally, the plaintiff contends that its statutory cause of action against the

defendant only crystallised upon the defendant becoming the registered proprietor on 23 June 2025.

25. Viewed in that light, the filing of a proof of debt in the liquidation of Oryx Energy was merely a step to preserve rights, not an election that precludes recovery from the current owner. The plaintiff submits that such conduct cannot amount to a waiver of its statutory right to recover the same outstanding sums from a successor in title. Once again, reliance is placed upon the reasoning in ***Brightvite*** (supra), where the Court of Appeal accepted that the lodging of a proof of debt against the original proprietor did not operate as an estoppel against subsequent recovery from a successor proprietor under the express provisions of the statute.

26. The plaintiff also places considerable emphasis on the defendant's alleged failure to undertake adequate due diligence prior to the auction. Counsel submits that the defendant could, and ought to, have invoked section 73 of the SMA 2013 to obtain a certificate confirming the extent of any outstanding charges affecting the Unit before participating in the judicial sale. In the plaintiff's submission, the defendant entered the auction with full opportunity to investigate the financial burdens attached to the property and cannot now complain of the consequences of an omission to do so.

27. In that regard, the plaintiff characterises the defendant's reliance upon the winding-up of Oryx Energy and the nature of the judicial sale as legally immaterial. Counsel argues that neither insolvency principles nor the mechanics of a foreclosure sale can override what is said to be the plain statutory command embodied in the SMA 2013.

28. Finally, the plaintiff rejects the defendant's invocation of public policy considerations relating to judicial sales. Counsel submits that the SMA 2013 is social legislation enacted to protect the collective interests of all parcel owners within a stratified development. To allow a new proprietor to escape arrears would be to force other, compliant proprietors to subsidise the default of the previous owner.

29. The plaintiff further contends that the terms contained in the proclamation of sale are incapable of affecting its statutory rights. Those terms, it is argued, constitute contractual arrangements between the chargee bank and the purchaser alone. As the management corporation was not a party to the foreclosure proceedings or the conditions of sale, it cannot be bound by any representation, omission, or allocation of liability contained therein.

Defendant's Contentions

30. The defendant resists the claim by casting himself not as a successor to the defaults of Oryx Energy, but as an innocent

purchaser drawn into a historical liability which, he contends, the law neither intended nor permits him to bear. His case is framed not merely upon technical construction, but upon broader notions of fairness, commercial certainty, and the integrity of judicial sales conducted under the authority of the Court.

31. Counsel for the defendant submits that the Unit was acquired through a judicial sale ordered by the High Court, and not through an ordinary private conveyance between vendor and purchaser. In that regard, considerable reliance is placed upon the decision of the Federal Court in ***AmBank (M) Berhad v AIM Edition Sdn Bhd*** **[2022] 2 MLRA 313; [2022] 1 CLJ 831; [2022] 1 MLJ 357; [2021] 1 LNS 2082**, where the Court emphasised that a judicial sale is fundamentally statutory in character and cannot simply be equated with a conventional commercial transaction negotiated between private parties.

32. The defendant therefore argues that the legal incidents ordinarily associated with voluntary transfers of property cannot automatically be transplanted into the context of a court-supervised auction. According to counsel, a purchaser at a judicial sale acquires title pursuant to the authority of the Court and through the machinery of statute, rather than through consensual succession from the defaulting proprietor.

33. Building upon that premise, the defendant directly challenges the plaintiff's assertion that he falls within the meaning of the phrase successor in title under the SMA 2013. Counsel submits that no legal nexus exists between the defendant and Oryx Energy. The contract arising from the auction was concluded between the defendant and the chargee bank pursuant to the order for sale. Oryx Energy, being in liquidation, was neither a contracting party nor a voluntary transferor of the Unit. In the defendant's submission, the statutory expression successor in title must therefore be interpreted in a manner consistent with ordinary proprietary succession, namely a transfer derived from the title of the former proprietor himself. A purchaser who acquires property independently through a judicial process, counsel argues, cannot sensibly be described as succeeding to the title of the defaulting owner in the conventional legal sense contemplated by the statute.

34. The defendant accordingly seeks to distinguish the decision in ***Brightvite*** (supra). Counsel submits that the factual matrix in that case was materially different, particularly because the purchaser possessed prior knowledge of the indebtedness and had a corporate connection with the previous proprietor. Here, by contrast, the defendant maintains that he was a genuine third-party purchaser with no relationship whatsoever to Oryx Energy and no participation in its defaults.

35. The defendant further contends that the present proceedings amount, in substance, to an impermissible attempt to circumvent the insolvency regime governing Oryx Energy. Counsel emphasises that the debt was not merely an unascertained running account. It had already crystallised into a Tribunal award in 2019 and subsequently formed the foundation for the winding-up order obtained against Oryx Energy in 2020.

36. In those circumstances, the defendant argues that the plaintiff had already elected to pursue its remedies against Oryx Energy through the insolvency process. Upon the commencement of winding up and the filing of a proof of debt, the plaintiff became an unsecured creditor within the liquidation framework. The defendant submits that plaintiff's subsequent action of pursuing a *bona fide* purchaser at a judicial sale for the identical debt constitutes a double claim.

37. A substantial aspect of the defence is also founded upon the equitable doctrine of estoppel. The defendant relies upon the meeting held on 29 July 2025 between his representative, Mr Retnakumar a/l M Thurairaju, and the plaintiff's accounts executive, Miss Fitria. According to the defendant, it was expressly represented during that meeting that only current charges payable after the transfer of ownership needed to be settled. Acting upon that representation, the defendant proceeded to make payment for charges arising during the post-registration period. Those payments were accepted by the

plaintiff, and official receipts were duly issued without protest, reservation, or indication that historical arrears remained disputed.

38. The defendant therefore argues that the plaintiff, having induced reliance through its representation and conduct, is estopped from subsequently asserting liability for pre-existing arrears. Counsel submits that the plaintiff cannot approbate and reprobate by simultaneously accepting the defendant's payments on the footing that only current charges were payable, while later insisting that historical liabilities remained recoverable in full.

The Court's Analysis and Findings

39. This case sits at the intersection of two competing legal imperatives. On one side stands the legitimate statutory interest of a management corporation in securing the financial lifeblood necessary to maintain a stratified development for the collective benefit of all proprietors. On the other stands the equally important principle that a purchaser at a judicial sale ought ordinarily to acquire title with certainty, finality, and confidence in the integrity of the court-supervised process.

40. The plaintiff's claim derives apparent force from the breadth of the statutory language upon which it relies. Yet statutory words do not exist in isolation. Words which appear plain in one factual setting may assume a materially different complexion when

placed against an altogether different commercial and legal background. It therefore becomes necessary to examine not merely the literal wording of the statutory scheme, but also the true *ratio decidendi* of the authorities relied upon by the plaintiff, most notably the decision of the Court of Appeal in ***Brightvite*** (supra).

41. The issue before this Court is ultimately a narrow but important one. The plaintiff contends that, by operation of sections 60(4) and 61(4) of the SMA 2013, the defendant, upon registration, became the successor in title to the parcel and thereby assumed the burden of the outstanding charges. The critical question, however, is whether Parliament intended the expression successor in title to extend to a purchaser who acquires title through a judicial auction conducted pursuant to foreclosure proceedings initiated by a chargee bank.

42. In ***Brightvite*** (supra), the Court of Appeal, in construing section 45(5) of the Strata Titles Act 1985, a provision materially similar to sections 60(4) and 61(4) of the SMA 2013, observed as follows:

> *"[30] A perusal of the section warrants the construction that* ***the sum due and owing may be recovered as a debt from a proprietor of the subject parcel or the successor in title to the proprietor of the subject parcel.***
>
> *[31] In other words,* ***the section envisages that the debt may be recovered from two 'parties' as it were, namely the existing***

proprietor or the proprietor's successor in title. But the section clearly refers to one and the same debt, that debt being the sum outstanding as management fees. In other words, that single debt is recoverable from either the proprietor or the proprietor's successor in title. *The section does not provide that the debt is divisible between the proprietor and the successor in title in accordance with the point at which acquisition took place. That is not a tenable construction to adopt in view of the clear and unambiguous meaning of the subsection. We are not therefore persuaded by this argument.*

[34] We did not have considerable difficulty in dismissing this argument. This is because the provisions of s. 45(5) and (6) are, as the learned judge described them, 'crystal clear'. ***As stated earlier, a perusal of the section shows that Parliament has expressly provided for a debt in respect of management fees for services rendered are separately recoverable as debts from either the proprietor or its successor in title.*** *In this context, sub-s. 6 clearly provides that a "purchaser to be duly registered as a proprietor" is to be considered a "proprietor" for the purposes of recovery of such a debt. Applied to the instant case, it simply means that Brightvite and Benchmark are liable for the debts, notwithstanding that Metroplex was the registered proprietor for some or most of the period in respect of which the debt arose. Such statutory provision is express and cannot be ignored."*

43. The predecessor provision considered in ***Brightvite*** (supra), namely section 45(5) of the Strata Titles Act 1985, provided:

(5) ***Any contribution levied under subsection (3) in respect of a parcel shall be due and payable*** *on the passing of a resolution to that effect by the management corporation and in accordance with the*

*terms of that resolution**, and may be recovered as a debt from a proprietor of, or his successor in title to, the parcel**.*

44. The corresponding provisions now relied upon by the plaintiff, namely, sections 60(4) and 61(4) of the SMA 2013, substantially preserve the same legislative structure and language. Section 60(4) provides:

> *(4) **Any Charges imposed under subsection (3) in respect of a parcel shall be due and payable** on the passing of a resolution to that effect by the management corporation and in accordance with the terms of that resolution, **and may be recovered in the manner set out in section 78 from the proprietor of, or his successor-in-title to, the parcel,** or the person for the time being receiving the rent of the parcel, whether as an agent or a trustee or a receiver, and who would receive the same if the parcel were let to a tenant.*

45. Similarly, section 61(4) provides:

> *(4) **Any contribution to the sinking fund imposed under subsection (3) in respect of a parcel shall be due and payable** on the passing of a resolution to that effect by the management corporation and in accordance with the terms of that resolution, and **may be recovered in the manner set out in section 78 from a proprietor of, or his successor-in-title to, the parcel,** or the person for the time being receiving the rent of the parcel, whether as an agent or a trustee or a receiver, and who would receive the same if the parcel were let to a tenant.*

46. ***Brightvite*** (supra) therefore establishes, as a general proposition, that outstanding maintenance charges may be recovered not merely from the original proprietor but also from a successor in title. The debt remains singular in nature, but the statute permits recovery against either category of person identified by Parliament. A purchaser cannot ordinarily avoid liability merely because the arrears accrued prior to the acquisition of title.

47. That proposition, however, does not conclude the present dispute. The decisive inquiry is not whether a successor in title may be liable, but whether the defendant, having acquired the Unit through a judicial sale conducted by a chargee pursuant to an order of court, falls within the statutory conception of a successor in title.

48. The expression successor in title is not defined in the SMA 2013. Its meaning must therefore be gleaned from the surrounding statutory context and established principles of property law. In ordinary legal parlance, the expression connotes continuity of estate, where the incoming proprietor succeeds to the proprietary position of the outgoing proprietor and, with it, assumes the incidents and burdens attached to the property.

49. It is precisely at this juncture that the distinction between ***Brightvite*** (supra) and the present case becomes both pronounced and legally decisive.

50. In ***Brightvite*** (supra), the purchaser acquired the property directly from the defaulting proprietor through what was, in substance, a private commercial transaction. Significantly, the Court of Appeal noted the existence of a corporate nexus between the purchaser and the previous proprietor through common shareholding and directorship. The purchasers were therefore not strangers to the defaulting proprietor nor plausibly ignorant of the liabilities attaching to the property. Knowledge, both actual and inferential, formed an important part of the factual matrix against which the Court of Appeal approached the equities of the case. The Court expressly observed:

> *"[37] In the instant case, at least one of the entities, Benchmark ought to have been cognisant of this debt, as its majority shareholder holding 998 out of 1000 shares, Madam Lim Siew Kim was at all material times a director of Metroplex."*

51. The factual landscape before this Court is altogether different. The defendant is a complete stranger to Oryx Energy. There is no allegation of collusion, common control, familial relationship, or corporate connection of any kind. Equally, there is no evidence that the defendant possessed actual knowledge of the historical arrears now sought to be recovered.

52. More fundamentally, the legal nature of the transaction itself is entirely different. In ***Brightvite*** (supra), title passed pursuant to a consensual commercial dealing between the vendor and

purchaser. The purchaser dealt with the very party responsible for the arrears and was therefore in a position to negotiate contractual protections, demand warranties, seek indemnities, insist upon disclosure of outstanding charges as a condition for completion of the sale, or adjust the purchaser price to account for existing liabilities. In that context, the purchaser could properly be described as stepping into the commercial and proprietary shoes of the vendor.

53. The present case bears none of those characteristics. The Unit was acquired through a judicial auction arising from foreclosure proceedings instituted by the chargee bank pursuant to the Rules of Court 2012. The sale was conducted under the authority and supervision of the Court. Oryx Energy was not a contracting party in any meaningful commercial sense. The defendant neither negotiated with Oryx Energy nor obtained title through any voluntary act on its part. Indeed, as the company was already in liquidation, the practical possibility of extracting contractual protections or indemnities was entirely illusory.

54. The defendant therefore did not acquire the Unit through voluntary succession from Oryx Energy in the ordinary proprietary sense. Rather, title was passed through the operation of law consequent upon the enforcement of a registered security. That distinction is not merely semantic, it is juridically fundamental.

55. The plaintiff is correct in submitting that ***Brightvite*** (supra) is binding upon this Court under the doctrine of *stare decisis*, particularly in light of the Federal Court's refusal of leave to appeal. This Court is not at liberty to depart from the *ratio decidendi* of that decision. But a precedent binds only within the parameter of its material facts and underlying principle. Properly understood, ***Brightvite*** (supra) addressed voluntary succession in a private commercial transaction. It did not determine whether a purchaser at a judicial auction conducted pursuant to foreclosure proceedings is likewise a successor in title for the purposes of sections 60(4) and 61(4) of the SMA 2013.

56. The legal nature of a judicial sale was authoritatively examined by the Federal Court in ***AmBank (M) Berhad v AIM Edition Sdn Bhd*** **[2022] 2 MLRA 313; [2022] 1 CLJ 831; [2022] 1 MLJ 357; [2021] 1 LNS 2082**, where the Court held:

> *"[39] On our part, we must emphasise that the public auction is a judicial sale of the subject property, judicial as it is ordered by the Court after the Court is satisfied that the grounds for ordering a sale under the National Land Code 1965 have been met.* ***If there are any shortcomings in that sale, the remedy lies elsewhere but not in contract as there is none to begin with****…*
>
> *[60] We are therefore of the unanimous view that in relation to the first question,* ***a judicial sale pursuant to s 256 of the National Land Code 1965 clearly does not give rise to a contract between the chargee bank and the successful bidder such as the plaintiff who***

is the respondent in this appeal. *Given the fact that the remedy for an order for sale is expressly provided by statute, there is no reason or need to deploy the legal fiction of a contract.* ***Ultimately, this was a judicial sale governed by statute and it is neither correct nor plausible to fit such a creature of statute into the confines of the Contracts Act 1950.*** *"*

57. It is against this statutory and legal backdrop that the interpretative exercise under the SMA 2013 must be undertaken. The SMA 2013 is social legislation. But the invocation of that principle does not permit the Court to adopt an interpretation untethered from legislative purpose. The Court of Appeal in ***Pesuruhjaya Bangunan Kawasan Pentadbiran Majlis Bandaraya Pulau Pinang v. Perbadanan Pengurusan Mar Vista Resort*** **[2025] 1 CLJ 555** observed:

> *"[71] The counsel for the respondent submits that since the SMA 2013 is social legislation, this court must use a liberal approach in interpreting the Act. With respect to counsel, his submission is at odds with* ***the principles of interpretation of social legislation promulgated by the Federal Court in PJD Regency. In PJD Regency, the learned Chief Justice stated that courts must use the purposive approach in "the interpretation of the protective language of social legislation" and that courts "shoulders the obligation to ensure that the said term or provision is interpreted in a way which ensures maximum protection of the class in whose favour the social legislation was enacted".***
>
> *[72]* ***Who are the class in whose favour the SMA 2013 was enacted? They are the purchasers, proprietors, and parcel owners***

of the subdivided building managed by the management corporation. *In this present appeal, this class of persons are the purchasers, proprietors, and parcel owners of the units in the Mar Vista Resort. "Purchaser", "proprietor" and "parcel owner" are defined in s. 2 of the SMA 2013 as follows:"*

58. Applying this purposive approach, the evident legislative objective underlying sections 60(4) and 61(4) is the prevention of a defaulting proprietor from escaping liability through the expedient of a voluntary transfer. That is the specific mischief the provisions target. That mischief is conspicuously absent here. Oryx Energy did not voluntarily divest itself of the Unit in order to evade charges. The property was compulsorily sold pursuant to the enforcement of a registered security by the chargee bank.

59. Furthermore, the nature of a judicial sale by a chargee fundamentally alters the equitable landscape. A purchaser at such a sale participates in a process conducted under judicial authority and is entitled to proceed on the footing that the sale is transparent, final, and subject only to encumbrances expressly preserved by law or disclosed in the conditions of sale. To saddle such a purchaser with undisclosed historical liabilities incurred by a previous proprietor, absent clear statutory language to that effect, would not merely visit hardship upon the individual purchaser, it would undermine the certainty, finality, and commercial reliability which court-sanctioned sales are intended to achieve.

60. For these reasons, this Court is unable to accept that the defendant falls within the statutory meaning of a successor in title as contemplated by sections 60(4) and 61(4) of the SMA 2013. The defendant did not acquire the Unit through a voluntary conveyance from the defaulting proprietor, nor did he assume the proprietary position of Oryx Energy through any consensual transaction capable of carrying with it the historical liabilities now asserted by the plaintiff. The acquisition arose solely by operation of law pursuant to a judicial sale ordered in the enforcement of a registered charge.

61. To hold otherwise would, in effect, imposed upon a purchaser at a judicial auction a hidden burden of historical liabilities, notwithstanding the absence of contractual nexus, actual knowledge, or statutory notice. Such an interpretation would not only strain the statutory language beyond its proper ambit, but would also erode the confidence and certainty upon which the efficacy of judicial sales ultimately depends.

62. In the final analysis, ***Brightvite*** (supra) does not avail the plaintiff on the facts of the present case. The principle established therein applies to voluntary succession in title arising from a private commercial transfer. It does not extend to a purchaser who acquires title through a court-supervised foreclosure sale conducted pursuant to statute. Accordingly, the plaintiff’s attempt to recover the historical arrears from the

defendant under sections 60(4) and 61(4) of the SMA 2013 cannot be sustained.

63. In light of that conclusion, the remaining disputes between the parties recede largely into the realm of academic. This includes the factual controversy surrounding the representation allegedly made by the plaintiff's accounts executive, Miss Fitria. Although the defendant's plea of estoppel was advanced with considerable force on the evidence before the Court, it is unnecessary for this Court to make any definitive finding on the issue. The matter is resolved on firmer and more fundamental ground, namely, that the alleged debt is not, as a matter of statutory construction, recoverable against this defendant at all. In those circumstances, it becomes unnecessary to resolve the conflicting accounts concerning the meeting of 29 July 2025.

Conclusion

64. In the end, this case is not merely about unpaid maintenance charges. It is about where the law chooses to place the burden of a failed enterprise. Oryx Energy has long since collapsed into insolvency, leaving behind a trail of unrecovered debts and commercial wreckage. The plaintiff now seeks the Court to carry those liabilities across the bridge of a judicial sale and lay them at the feet of a stranger to that history.

65. The law, in my judgment, does not permit such a crossing.

66. The plaintiff's loss is undoubtedly a bitter pill for the remaining proprietors of Megan Avenue 1 to swallow. They are left to shoulder the burden of a defaulting neighbour who has long since vanished into the mist of insolvency. Yet, the alternative of undermining the integrity of every judicial sale in the country, would inflict a far greater wound on the administration of justice. The Strata Management Act 2013 was enacted to bring order to communal living, not to ensnare innocent third parties in the financial wreckage of strangers.

67. Accordingly, the plaintiff's originating summons is dismissed. The defendant is entitled to his costs fixed at RM10,000 subject to allocatur.

Dated the 18th day of June 2026

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MOH KOK WAI

JUDICIAL COMMISSIONER OF THE HIGH COURT
HIGH COURT (CIVIL DIVISION NCvC14)
HIGH COURT OF MALAYA AT KUALA LUMPUR
IN THE FEDERAL TERRITORY OF MALAYSIA

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