

Notes to the Financial Statements

31 December 2022

cont'd

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest		Principal activities
		31.12.2022	31.8.2021	
		%	%	
Direct interest:				
SCH Corporation Sdn. Bhd. ("SCH Corporation")	Malaysia	100	100	Investment holding
SCH Wire-Mesh Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing, distributing and supplying of quarry grill
SCH Machinery & Equipment Sdn. Bhd.	Malaysia	100	100	Supplying and distributing quarry machinery, quarry equipment and reconditioned quarry machinery as well as spare parts for quarry machinery, quarry equipment and reconditioned quarry machinery to the quarry industry
Sin Chee Heng (Cambodia) Co., Ltd*^	Cambodia	-	100	Supplying and distributing quarry machinery, quarry equipment and reconditioned quarry machinery as well as spare parts for quarry machinery, quarry equipment and reconditioned quarry machinery to the quarry industry
TK Rentals Sdn. Bhd.	Malaysia	100	100	Business of renting and trading of mobile air conditioner, tent and event related equipment and tools, forklift and industrial battery
PK Fertilizers (Sarawak) Sdn. Bhd.	Malaysia	100	83.33	Business of manufacturing, merchandising, trading, distribution and wholesale warehouseman of fertilizers

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31 December 2022

cont'd

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		31.12.2022	31.8.2021	
		%	%	
Direct interest:				
HIB Management Sdn. Bhd. (FKA Sin Chee Heng (Kuantan) Sdn. Bhd.)	Malaysia	100	100	Distributing all kinds of quarry products to the quarry industry and provision of management services
PK Fert Sdn. Bhd.	Malaysia	100	100	Business of marketing and distribution of fertilizers
Hextar Fertilizers Limited ("HFL")*#	British Virgin Islands	100	-	Investment holding
Indirect interest:				
Held through SCH Corporation				
Sin Chee Heng Sdn. Bhd. ("Sin Chee Heng")	Malaysia	100	100	Supplying and distributing all kinds of quarry industrial products and quarry machinery
Sin Chee Heng (Butterworth) Sdn. Bhd.	Malaysia	100	100	Distributing all kinds of quarry products to the quarry industry
Sin Chee Heng (Johore) Sdn. Bhd.	Malaysia	50	50	Distributing all kinds of quarry products to the quarry industry
Indirect interest:				
Held through Sin Chee Heng				
Sin Chee Heng (Sabah) Sdn. Bhd.	Malaysia	100	100	Distributing all kinds of quarry products to the quarry industry
Sin Chee Heng (Sarawak) Sdn. Bhd.	Malaysia	100	100	Distributing all kinds of quarry products to the quarry industry
Sin Chee Heng (Johore) Sdn. Bhd.	Malaysia	50	50	Distributing all kinds of quarry products to the quarry industry

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cont'd

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		31.12.2022	31.8.2021	
		%	%	
Indirect interest:				
Held through HFL				
Hextar Fertilizers Group Sdn. Bhd. ("HFGSB")	Malaysia	100	-	Investment holding
Indirect interest:				
Held through HFGSB				
Hextar Fert Sdn. Bhd.	Malaysia	100	-	Manufacturing, formulation, distribution and trading of a wide range of fertilizers
Hextar Solutions Sdn. Bhd.	Malaysia	100	-	Manufacturing, formulation, distribution and trading of a wide range of fertilizers
PK Fertilizers Sdn. Bhd.	Malaysia	100	-	Manufacturing, formulation, distribution and trading of a wide range of fertilizers

* Subsidiary companies not audited by ECOVIS MALAYSIA PLT.

This subsidiary is consolidated based on its unaudited management account as at 31 December 2022.

^ The subsidiary had struck off in current financial period.

▪ The Company has commenced a member's voluntary winding up of this subsidiary on 17 March 2023.

a. Impairment loss

During the financial period, the Company had conducted a review of the recoverable amount of its investment in certain subsidiary companies at the reporting date.

Reversal of impairment loss of Nil (31.8.2021: RM615,655) was recognised during the financial period. The recoverable amount is determined adjusted net assets or value in use of the respective subsidiary companies as at the end of the reporting period less cost of investment.

b. Changes in ownership interest of a subsidiary

During the financial period, the Company entered into a share purchase agreement with Golden Barley International Pte. Ltd. to acquire the remaining equity interest of its subsidiary, PK Fertilizers (Sarawak) Sdn. Bhd. for a total consideration of RM6,292,500. The acquisition is completed on 18 March 2022.