

SPACE CAPITAL BERHAD

Registration Company No: 202001021309 (1377629-P)
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
30TH SEPTEMBER, 2021**

**USHA RL & CO (AF 002411)
CHARTERED ACCOUNTANTS**

Registration Company No: 202001021309 (1377629-P)

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
30TH SEPTEMBER, 2021**

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Registration Company No: 202001021309 (1377629-P)

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30TH SEPTEMBER, 2021

CORPORATE INFORMATION

Directors	:	Datuk Muniswaran @ Yogeswaran Tajul Arifin Bin Mohd Tahir
Principal place of business	:	E-6-2, Capital 5, Oasis Ara Damansara, Ara Damansara, 40170 Petaling Jaya, Selangor Darul Ehsan.
Company Secretary	:	Sahadevan a/l Munusamy (MIA 14309)
Registered office	:	D-12-05, Menara Suezcap, KL Gateway, No.2, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur.
Auditors	:	Usha RL & Co (AF 002411) Chartered Accountants 5/9, Lorong Udang Ketak 1, Sri Segambut, 52000 Kuala Lumpur, Malaysia.
Bankers	:	RHB Bank Berhad
Currency	:	Ringgit Malaysia (RM)
Company's Background	:	The Company is a public limited company, incorporated on 30th July, 2020 under the Companies Act, 2016 and domiciled in Malaysia.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their first report and the audited financial statements of the Company for the financial period ended from 30th July, 2020 (date of incorporation) to 30th September, 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing assets and portfolio management services and related activities. There has been no significant change in the nature of the Company's activities during the financial period.

RESULTS

	30/07/2020- 31/09/2021
	RM
Loss for the period	<u><u>(1,111,189)</u></u>

MOVEMENT ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

DIVIDENDS

No dividends has been paid or declared since the date of incorporation. The director also do not recommend any dividend payment in respect of the current financial period.

SHARES AND DEBENTURES

On 30th July, 2020, the Company introduce its issued and paid up share capital as 3,000 ordinary shares for cash consideration.

There were no issues of debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted to take up unissued shares of the Company during the financial period and there are no unissued shares of the Company under option as at the end of the financial period.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial period since the date of incorporation are as follows:-

Datuk Muniswaran @ Yogeswaran	(Appointed on 30th July, 2020)
Ariivazhagan Bin Supramaniam	(Appointed on 30th July, 2020)
	(Resigned on 01st February, 2021)
Chan Yee Keen	(Appointed on 30th July, 2020)
	(Resigned on 01st February, 2021)
Kamil Khalid Ariff, Dato' Hj.	(Appointed on 15th September, 2020)
	(Resigned on 31st December, 2021)
Tajul Arifin Bin Mohd Tahir	(Appointed on 15th September, 2020)

DIRECTORS' BENEFITS

Since the date of incorporation, no director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by director shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period, was the Company a party to any arrangements whose object is to enable the director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

Particulars of Directors who held office at the end of the financial period and their interest in shares of the Company are as follows:

	----- Ordinary shares -----			As at 30/09/2021
	As at 30/07/2020	Bought	Sold	
<u>Indirect interest in the Company</u>				
<u>Swordfish Solutions Sdn. Bhd.</u>				
Datuk Muniswaran @ Yogeswaran	3,000	-	-	3,000

Other than disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial period did not hold any other interest in shares in Space Capital Berhad.

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

None of the directors or past directors of the Company have received any remunerations from the Company during the financial period.

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company during the financial period.

No payment has been paid to or receivable by any third party in respect of the services provided to the Company by the directors or past directors of the Company during the financial period.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realized in the ordinary course of business including their value as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realize.
- (b) At the date of this report, the Directors is not aware of any circumstances:
- (i) which would render the amount written off or provided for bad and doubtful debts of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liabilities of the Company which has arisen since the end of the financial period.
- (d) No contingent or other liabilities have become enforceable or are likely to become enforceable within the succeeding period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the accounts which would render any amount stated in the accounts misleading.
- (f) In the opinion of the Directors, the financial performance of the Company for the financial period ended 30th September, 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report.

GOING CONCERN

As at 30th September, 2021, the Company incurred a net loss of RM1,111,189 and the Company's current liabilities exceeded its current assets by RM1,108,189 and total liabilities exceeded total assets by RM1,108,189. The ability of the Company to continue as a going concern will depend on the ability of the shareholders to provide ongoing financial support to maintain the continued operations of the Company without a significant curtailment of its business and to enable the Company to meet its liabilities and obligations as and when they fall due.

INDEMNITY AND INSURANCE COSTS

There were no indemnity given to or insurance effected for any director, officer or auditor of the Company.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	30/07/2020- 30/09/2021
	RM
Statutory audit	2,000

HOLDING COMPANY

The Company is wholly owned by Swordfish Solutions Sdn. Bhd., a company domiciled and incorporated in Malaysia.

Registration Company No: 202001021309 (1377629-P)

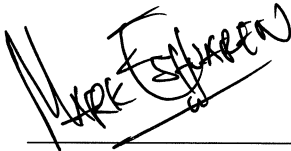
SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

DIRECTOR'S REPORT

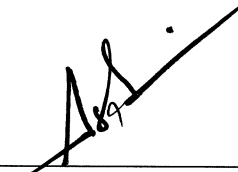
AUDITORS

The auditors, Messrs. Usha RL & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors:



**DATUK MUNISWARAN @
YOGESWARAN**



**TAJUL ARIFIN BIN
MOHD TAHIR**

Kuala Lumpur
Dated: 10th March, 2022

Registration Company No: 202001021309 (1377629-P)

SPACE CAPITAL BERHAD

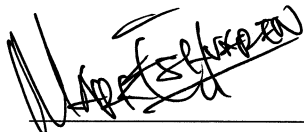
(Incorporated in Malaysia)

STATEMENT BY DIRECTOR

(Pursuant to Section 251(2) of the Companies Act, 2016)

The directors of **SPACE CAPITAL BERHAD** state that, in their opinion, the financial statements set out on pages 12 to 28 are drawn up in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30th September, 2021 and of the results of its business and the cash flows of the Company for the period ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors:



**DATUK MUNISWARAN @
YOGESWARAN**



**TAJUL ARIFIN BIN
MOHD TAHIR**

Kuala Lumpur

Dated: 10th March, 2022

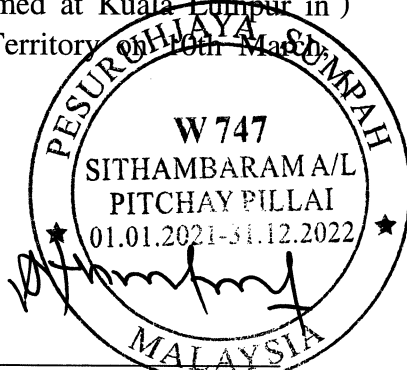
STATUTORY DECLARATION


(Pursuant to Section 251(1)(b) of the Companies Act, 2016)

I, **DATUK MUNISWARAN @ YOGESWARAN (NRIC: 760323-10-5731)**, being the Director primarily responsible for the financial management of **SPACE CAPITAL BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 12 to 28 are to the best of my knowledge and belief correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named at Kuala Lumpur in)
the Federal Territory of Kuala Lumpur)
on 10th March)
2022)

Before me,





**DATUK MUNISWARAN @
YOGESWARAN**

COMMISSIONER FOR OATHS

3A, LORONG CHAN AH TONG,
BRICKFIELDS,
50470 KUALA LUMPUR



Usha RL & Co (AF002411)

5/9, LORONG UDANG KETAK 1, SRISEGAMPUT, 52000 KUALA LUMPUR, MALAYSIA.
Tel : +60125903192, Email : usha@ushamgts.com

Chartered Accountants
Member Firm of Malaysian Institute of Accountants



INDEPENDENT AUDITORS' REPORT

to the Member of Space Capital Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **SPACE CAPITAL BERHAD**, which comprise the statement of financial position as at **30TH SEPTEMBER, 2021**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **30TH SEPTEMBER, 2021**, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material uncertainty related to going concern

We draw attention to the Note 13 in the financial statements, which indicates that the Company incurred a net loss of RM1,111,189 during the year ended 30th September, 2021 and, as of that date, the Company's current liabilities exceeded its current assets by RM1,108,189 and total liabilities exceeded total assets by RM1,108,189. As stated in Note 13, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

to the Member of Space Capital Berhad

(Incorporated in Malaysia)

(Registration Company No.: 202001021309 (1377629-P))

Report on the audit of the financial statements (cont'd)

Information other than the financial statements and Auditors' Report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our Auditors' Report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

to the Member of Space Capital Berhad

(Incorporated in Malaysia)

(Registration Company No.: 202001021309 (1377629-P))

Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

to the Member of Space Capital Berhad
(Incorporated in Malaysia)
(Registration Company No.: 202001021309 (1377629-P))

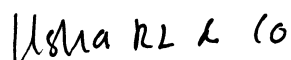
Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

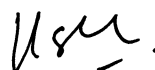
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Usha RL & Co
AF002411
Chartered Accountants



Usha Rani
03548 / 12 / 2022 J
Partner

Dated: 10th March, 2022
Kuala Lumpur

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER, 2021**

	Notes	<u>P/E 30/09/2021 RM</u>
CURRENT ASSETS		
Work in progress	6	7,942,264
Amount due from holding company	7	851
Cash and bank balances		<u>654</u>
Total current assets		<u>7,943,769</u>
TOTAL ASSETS		<u><u>7,943,769</u></u>
EQUITIES AND LIABILITIES		
Share capital	8	3,000
Accumulated losses		<u>(1,111,189)</u>
Total capital equity		<u>(1,108,189)</u>
CURRENT LIABILITIES		
Advances - cumulative redeemable preference shares	9	9,025,300
Payables	10	<u>26,658</u>
Total current liabilities		<u>9,051,958</u>
TOTAL LIABILITIES		<u>9,051,958</u>
TOTAL EQUITIES AND LIABILITIES		<u><u>7,943,769</u></u>

The accompanying notes form an integral part of the financial statements

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM
30TH JULY, 2020 TO 30TH SEPTEMBER, 2021**

	Notes	30/07/2020- 30/09/2021 RM
Revenue		-
Direct costs		<u>(1,083,036)</u>
Gross loss		(1,083,036)
Operating expenses		<u>(28,153)</u>
Loss before tax	11	(1,111,189)
Income tax expense	12	<u>-</u>
Loss for the period		<u><u>(1,111,189)</u></u>

The accompanying notes form an integral part of the financial statements

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM
30TH JULY, 2020 TO 30TH SEPTEMBER, 2021**

	Share capital	Accumulated losses	Total equity
	RM	RM	RM
<u>30th September, 2021</u>			
Balance at 30th July, 2020 (at date of incorporation)	3,000	-	3,000
<u>Changes in equity for 2021:</u>			
Loss for the period	-	(1,111,189)	(1,111,189)
Balance at 30th September, 2021	3,000	(1,111,189)	(1,108,189)

The accompanying notes form an integral part of the financial statements

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM
30TH JULY, 2020 TO 30TH SEPTEMBER, 2021**

	30/07/2020- 30/09/2021
	RM
CASH FLOWS USED IN OPERATING ACTIVITIES	
Loss before tax	(1,111,189)
Changes in working capital:	
Increase in work in progress	(7,942,264)
Increase in amount due from holding company	(851)
Increase in advances - cumulative redeemable preference shares	9,025,300
Increase in payables	26,658
Net cash used in operating activities	(2,346)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issues of share capital	3,000
Net cash from financing activities	3,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	654
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	654

The accompanying notes form an integral part of the financial statements

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

1. GENERAL INFORMATION

The Company is a public limited by shares, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is situated at D-12-05, Menara Suezcap, KL Gateway, No.2, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur.

The principal place of the business of the Company is situated at E-6-2, Capital 5, Oasis Ara Damansara, Ara Damansara, 40170 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of providing assets and portfolio management services and related activities.

The average number of employees, excluding director, during the financial period numbered Nil.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

2. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements of the Company were authorised for issue by the Directors on 10th March, 2022.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in compliance with the Malaysian Private Entities Reporting Standards ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the provisions of the Malaysian Companies Act 2016.

The financial statements of the Company have been prepared using cost and fair value bases.

Management had used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Judgements and assumptions are applied in the measurements and hence, the actual results may not coincide with the reported amounts. The areas involving significant estimation uncertainties are disclosed in Note 5.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

4.1. Financial assets

Financial assets are recognised in the statement of financial position when the Company become a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories which is financial assets measured at "fair value through profit or loss", financial assets that are debt instruments measured at amortised costs or financial assets that are equity instruments measured at cost less impairment.

(i) Financial assets at "fair value through profit or loss"

Financial assets are classified as at "fair value through profit or loss" when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without the undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instruments that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial assets that are debt instruments measured at amortised costs

After initial recognition, debt instruments are measured at amortised costs using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised costs of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1. Financial assets (cont'd)

(iii) Financial assets that are equity instruments measured at cost less impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

(iv) Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets held, other than financial assets at "fair value through profit or loss", are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain categories of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial asset investments carried at amortised cost are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1. Financial assets (cont'd)

(iv) Impairment of financial assets (cont'd)

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for similar financial assets. Such impairment losses are not reversed.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

(v) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfer the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

4.2. Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash and bank balances of the Company.

4.3. Liabilities and equity instruments

(i) Classification of liabilities and equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definition of financial liabilities and equity instruments.

SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3. Liabilities and equity instruments (cont'd)

(ii) Equity instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurements shall be on a present value basis.

The Company account for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS. Distribution to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

4.4. Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

The risk and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

4.5. Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at "fair value through profit or loss" unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are either classified into one of three categories which is financial liabilities measured at "fair value through profit and loss", financial liabilities measured at amortised cost or loan commitments measured at cost less impairment.

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NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5. Financial liabilities (cont'd)

(i) Financial liabilities at "fair value through profit or loss"

Financial liabilities are classified as at "fair value through profit or loss" when the financial liabilities are within the Scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit and loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair values becomes available.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities other than financial liabilities at "fair value through profit or loss" are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities.

(iii) Loan commitment measured at cost less impairment

Commitments to receive loan that meet the condition of Section 11 of the MPERS are measured at cost less impairment.

(iv) Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6. Income tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax assets and liabilities are being offsetted if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. ESTIMATION UNCERTAINTIES

The measurement of assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are in measuring:

Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All other loans and receivables are categorised into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Company's financial position and results.

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NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

5. ESTIMATION UNCERTAINTIES (CONT'D)

Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers, a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate, market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

Measurement of income taxes

Significant judgement is required in determining the Company's provision for current taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payable. Such differences may impact the current taxes in the period when such determination is made. The Company will adjust for the differences as over or under provision of current taxes in the current period in which those differences arise.

6. WORK IN PROGRESS

	P/E
	30/09/2021
	RM
Treasure Global Inc. (Delaware Department of State's File No.: 7908921)	7,942,264

7. AMOUNT DUE FROM HOLDING COMPANY

	P/E
	30/09/2021
	RM
As at 30th September	851

Amount due from holding company consists of advances and work in progress transferred. The amount outstanding is unsecured, interest free and has no fixed terms of repayment.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

8. SHARE CAPITAL

	Number of shares P/E 30/09/2021 <u>Units</u>	Amount P/E 30/09/2021 <u>RM</u>
<i>Ordinary shares</i>		
Issued and fully paid :-		
As at date of incorporation	3,000	3,000
Allotment during the year	-	-
As at end of the period	<u>3,000</u>	<u>3,000</u>

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

9. ADVANCES - CUMULATIVE REDEEMABLE PREFERENCE SHARES

	P/E 30/09/2021 <u>RM</u>
As at 30th September	<u>9,025,300</u>

The subscription price, total subscription, targeted return on investment (ROI), investment period and maturity date is as per the individual subscription agreement.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

10. PAYABLES

	P/E
	30/09/2021
	RM
<u>Other payables and accruals</u>	
Accruals	26,658

Accruals inclusive of Company expenses accrued during the year amounting to RM26,658 are interest free and is normally settled on an average term of 30 to 60 days.

11. LOSS BEFORE TAX

	30/07/2020-
	30/09/2021
	RM
Loss before tax is stated:-	
<u>After charging</u>	
Auditors' remuneration	2,000
Realised loss on foreign exchange	838

12. INCOME TAX EXPENSE

Current tax

The Company has estimated unused tax losses of RM1,111,189 available to offset against future taxable profits.

	30/07/2020-
	30/09/2021
	RM
Unused tax losses	1,111,189
Potential tax benefit calculated at tax rate 17%	188,902

With effect from the Year of Assessment 2020, the unused tax losses shall only be available to offset against future taxable profits for a period of seven (7) consecutive years of assessment from the year in which the tax losses was ascertained. Any amount which is not offset at the end of that period shall be disregarded.

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

12. INCOME TAX EXPENSE (CONT'D)

No provision for income tax expense has been provided, as the Company has no chargeable income during the financial period.

The numerical reconciliation between income tax expense and the product of accounting loss multiplied by the statutory tax rates is as follows:-

	<u>30/07/2020-</u> <u>30/09/2021</u> RM
Loss before tax	<u>(1,111,189)</u>
Tax at applicable tax rate of 17%	<u>(188,902)</u>
Unabsorbed losses not declared for the period	<u>188,902</u>
	<u><u>-</u></u>

13. GOING CONCERN

As at 30th September, 2021, the Company incurred a net loss of RM1,111,189 and the Company's current liabilities exceeded its current assets by RM1,108,189 and total liabilities exceeded total assets by RM1,108,189. The ability of the Company to continue as a going concern will depend on the ability of the shareholders to provide ongoing financial support to maintain the continued operations of the Company without a significant curtailment of its business and to enable the Company to meet its liabilities and obligations as and when they fall due.

14. RELATED PARTY DISCLOSURES

The Company's related party transactions during the period ended 30th September, 2021 are as follows:

	<u>30/07/2020-</u> <u>30/09/2021</u> RM
Licenced Agreement costings	
Entity in which the Director has interests	<u><u>902,530</u></u>

SPACE CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

15. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities are categorised as follows:-

	P/E
	30/09/2021
	RM
<u>Financial assets measured at amortised cost</u>	
Work in progress	7,942,264
Amount due from holding company	851
Cash and cash equivalents	654
	<u>7,943,769</u>
<u>Financial liabilities measured at amortised cost</u>	
Advances - cumulative redeemable preference shares	9,025,300
Payables	26,658
	<u>9,051,958</u>

16. SIGNIFICANT EVENT DURING THE PERIOD

The Malaysia Government Movement Control Order, commonly referred to as the MCO, is a series of national quarantine implemented by the federal government of Malaysia in response to the COVID-19 pandemic in the country starting on 18th March, 2020. MCO measures encompassed restrictions on movement, assembly and international travel, and mandated the closure of business, industry, government and educational institutions to curb the spread of SARS-CoV-2, the virus that causes COVID-19.

The MCO extended till 3rd May, 2020 and thereafter, the Malaysian Government declared Conditional MCO from 4th May, 2020 till 9th June, 2020 and subsequently implemented Recovery MCO from 10th June, 2020 till 31st March, 2021. Further, the Malaysian Government declared MCO from 1st June, 2021 to 31st August, 2021 and further a Conditional MCO from 1st September, 2021 to 31st October, 2021. Each states in Malaysia switch between MCO, Conditional MCO and Recovery MCO depending on the COVID-19 condition in each states.

The Company is in the process of assessing the financial reporting impact of COVID-19 pandemic since ongoing developments remain uncertain and cannot be reasonably predicted as at the date of authorisation of the financial statements.

The Company anticipates that the potential financial reporting impact of COVID-19 would be recognised in the financial statements of the Company in the financial period ending 30th September, 2021.

Registration Company No: 202001021309 (1377629-P)

SPACE CAPITAL BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30TH SEPTEMBER, 2021

17. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements prepared since the date of incorporation of the Company.

18. SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR END

On 26th February, 2022, the Company increased its cumulative redeemable preference shares to RM9,025,300 for cash consideration.

There were altogether, 112 subscribers of cumulative redeemable preference shares.

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SPACE CAPITAL BERHAD

(Incorporated in Malaysia)

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM
30TH JULY, 2020 TO 30TH SEPTEMBER, 2021**

	30/07/2020- 30/09/2021
	RM
REVENUE	-
LESS : DIRECT COSTS	
Consultation fees	180,506
Licenced Agreement costings	902,530
	1,083,036
GROSS LOSS	(1,083,036)
LESS : OPERATING EXPENSES	
Accounting fees	15,000
Auditors' remuneration	2,000
Bank charges	657
Printing, postage and stationery	5,218
Professional fees	3,000
Realised loss on foreign exchange	838
Secretarial and filing fees	1,440
Total operating expenses	28,153
LOSS BEFORE TAX	(1,111,189)

FOR MANAGEMENT PURPOSE ONLY