

SEALAND CAPITAL GALAXY LIMITED
UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

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SEALAND CAPITAL GALAXY LIMITED

CORPORATE INFORMATION

Board of Directors

Executive Director: Mr Chung Lam Nelson Law
(Chairman and Chief Financial Officer)

Non-executive Director: Mr Geoffrey John Griggs

Company Secretary Collas Crill Corporate Services Limited
Willow House, PO Box 709,
Cricket Square, Grand Cayman,
KY1 1107, Cayman Islands

Registered Office Willow House, PO Box 709,
Cricket Square, Grand Cayman,
KY1 1107, Cayman Islands

Independent Auditor PKF Littlejohn LLP
15 Westferry Circus,
London E14 4HD,
United Kingdom

Principal Banker China Construction Bank (Asia) Corporation Limited

Legal advisers for English law Hill Dickinson LLP
The Broadgate Tower,
20 Primrose Street,
London EC2A 2EW

Legal advisers for Cayman Islands law Collas Crill
Willow House, PO Box 709,
Cricket Square, Grand Cayman,
KY1 1107, Cayman Islands

SEALAND CAPITAL GALAXY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Sealand Capital Galaxy Limited is a company acting as a special purpose acquisition company. The Group is engaged in digital marketing, mobile payment and other IT related business. Today it announces its results for the six months ended 30 June 2022.

Business Review

Since April 2020, the Covid-19 pandemic had a significant negative impact on the Group's business, but the Group is happy to report that it has now turned a corner, notwithstanding the other new challenges facing virtually all economies, such as high energy prices, inflation, and slowing growth rates.

The Group's presence on Tmall, via products for which it has exclusive licences variously in mainland China, Hong Kong, and Macau, continues to drive profits. These include Carter Beauty, Czech & Speake, Heath London, HH Simonsen, Inari, Living Garden Honey, Missguided Beauty, Silllk Aromas Beauty, and The Gruff Stuf. Tmall is a leading Chinese-language website for business-to-consumer online retail, allowing local Chinese and international businesses to sell brand name goods to consumers in greater China. include Carter Beauty, Czech & Speake, Heath London, HH Simonsen, Inari, Living Garden Honey, Missguided Beauty, Silllk Aromas Beauty, and The Gruff Stuf. Tmall is a leading Chinese-language website for business-to-consumer online retail, allowing local Chinese and international businesses to sell brand name goods to consumers in greater .

The Group is delighted to report that its e-commerce segment delivered a profit for the period of £13,118. Although many shoppers have been eager to leave the house and return to stores, behaviours have changed. Online shopping has come to serve a distinct purpose for shoppers, and this trend will only continue. Consumers can have whatever they want, when they want it, on-demand and digitally. Shoppers increasingly expect e-retailers to provide a sophisticated, personalised shopping experience, which the Group is successfully doing.

In addition, the way in which we present information to online shoppers mirrors consumers' increasing time conducting research. Simply put, we are providing more information for shoppers, which is paying off. There is now a greater emphasis on researching everything about a product in order to make an informed decision.

The type of goods that we provide to shoppers are also precisely the type of items they are reaching for online now. Just as we saw in the aftermath of the 2007 financial crisis, consumers are putting very large purchases on hold, while continuing to splurge on small luxuries such as the upscale cosmetics brands, and other daily luxury items which do not break the bank. This trend is in line with the brands for which we have exclusive licences. We also expect to see this trend to continue into 2023.

The momentum for online purchases is now unstoppable and we continue to keep a strong focus on the evolution of digital buying. For example, livestream shopping is picking up speed, and we continue to monitor advances to ensure that our capabilities match the modern digital marketplace which consumers continue to expect. Our work with influencers in China has also proven to be the correct strategy, and also continues to underpin our success. Younger generations find authenticity and trust in different places than older generations; predominantly they trust their peers and they trust influencers.

Financial Review

During the six months ended 30 June 2022, the loss attributable to ordinary shareholders was £226,910 (2021: £98,643), and the revenue for the period was £76,071 (2021: £39,184).

Prospects

Ecommerce continues to provide a lucrative and viral part of the future of our business. By understanding the trends of today and seeing where they are headed, we are preparing ourselves for continued future success in ecommerce. An increasing number of people are engaging in online shopping, and more engagement means more potential customers with unique interests and needs. This creates many opportunities for merchants looking to engage with ecommerce for the first time or to reinvigorate their efforts, which will amplify our contact with merchants. Our proven capabilities in acting as a bridge between European merchants, mainly of accessible but luxury items, and Chinese consumers, means that we remain excellently placed to continue benefitting from the growing popularity of ecommerce, particularly in China, and changing behaviors in the ecommerce ecosystem. Our commercial and logistical systems and infrastructure are in place, and are capable of adapting to rapid changes in ecommerce trends and behaviors. Our strong ties with Tmall, and with merchants of high quality goods, will also contribute to our continued success.

Going Concern

As at 30 June 2022, the Group has cash and cash equivalent balances of £13,031 and net current liabilities and net liabilities of £1,258,755.

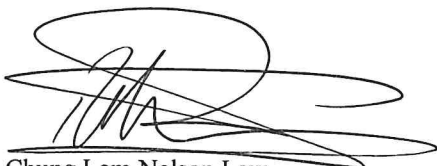
The directors' cash-flow projections for the forthcoming 12 months conclude there will be a need for additional cash resources. The directors are in discussions with some parties that may raise further equity and/or loans. There is no certainty that any such funds will be forthcoming or the price and other terms will be acceptable.

Directors

The following directors served during the six months ended 30 June 2022:

Mr Chung Lam Nelson Law (Chairman and Chief Financial Officer)
Mr Geoffrey John Griggs (Non-executive Director)

I would like to thank my colleagues for their continued perseverance and commitment towards reaching the Groups' objectives.



Chung Lam Nelson Law
Chairman
[30 September 2022]

SEALAND CAPITAL GALAXY LIMITED

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly monitors exposure to risks and uncertainties that it considers key as set out below.

Covid-19

In common with a lot of other businesses, an important challenge currently facing the Group is dealing with the COVID-19 pandemic, although there are encouraging signs that the effect of this is diminishing in the Group's main markets.

Going forward, the virus may however impact the Group's transactional revenue streams and this is carefully considered by the Board on a regular basis.

Acquisitions and investments

Part of the Group's strategy is to acquire and make strategic investments in complementary businesses as appropriate opportunities arise. The risks the Group may face should it acquire or invest in complementary businesses include:

- Difficulties with the integration and assimilation of the acquired business;
- Diversion of the attention of the Group's management team from other business concerns;
- Loss of key employees of any acquired business.
- Acquisitions or investments may require the Group to expend significant amounts of cash, which
- could result in the Group's inability to use the funds for other business purposes.
- Additionally, if the Group funds acquisitions through issuances of ordinary shares, the interests of its shareholders will be diluted, which may cause the market price of the ordinary shares to decline.
- There is no guarantee that the Directors will be able to complete acquisitions of complementary companies on acceptable terms. Failure to do so over an extended period would limit the Directors' ability to carry out their strategy and would reduce the long-term prospects of the Group.
- To mitigate the risks in respect of acquisitions and investments, the Group carries out due diligence and produces cash flow projections to ensure that any target is a suitable strategic fit and is financially sound. Staff are also trained to effectively manage the integration of acquisitions.

Competition

The majority of the Group's work for existing or new clients or on new projects is won competitively. The Group may face significant competition, including from larger companies which have greater capital and other resources and may result in some margin erosion. There is no assurance that the Group will be able to compete successfully in such a marketplace in the future.

Financial Risks

The Group financial risks including foreign exchange risk, interest rate risk, credit risk, liquidity risk and cash flow risk are carefully monitored by the Board.



Chung Lam Nelson Law
Chairman

[30 September 2022]

SEALAND CAPITAL GALAXY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with IAS 34 "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and loss of the Group as a whole as required by DTR 4.2.4R subject to the comment on the going concern position of the Group.
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the year and a description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

A handwritten signature in black ink, appearing to be 'Chung Lam Nelson Law', written over a horizontal line.

Chung Lam Nelson Law
Chairman
[30 September 2022]

SEALAND CAPITAL GALAXY LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Note	Six months ended 30 June 2022 (Unaudited) £	Six months ended 30 June 2021 (Unaudited) £
Revenue	5	76,071	39,184
Cost of services		<u>(62,953)</u>	<u>(35,280)</u>
Gross profit		13,118	3,904
Other income	5	16,313	8,288
Administrative expenses		(237,535)	(160,515)
Finance costs		(1,046)	(467)
Gain on bargain purchase of a subsidiary		-	3,839
Gain on disposal of a subsidiary		7,644	-
Share of results of an associate		<u>-</u>	<u>274</u>
Loss before tax	6	(201,526)	(144,677)
Income tax expense		<u>-</u>	<u>(575)</u>
Loss for the period		<u>(201,526)</u>	<u>(145,252)</u>
Attributable to:			
Equity holders of the Company		(226,910)	(98,643)
Non-controlling interests		<u>25,384</u>	<u>(46,609)</u>
		<u>(201,526)</u>	<u>(145,252)</u>
Loss per share attributable to equity holders of the Company			
		Pence	Pence
Basic and diluted	8	<u>(*)</u>	<u>(*)</u>

* Less than 0.001 pence

The notes to the financial statements form an integral part of these financial statements.

SEALAND CAPITAL GALAXY LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six months ended 30 June 2022 (Unaudited) £	Six months ended 30 June 2021 (Unaudited) £
Note		
Loss for the period	(201,526)	(145,252)
Other comprehensive income		
Items not to be reclassified subsequently to profit or loss:		
- Share of other comprehensive income of an associate	-	(72)
Items to be reclassified subsequently to profit or loss:		
- Exchange differences on translation of foreign operations	(86,249)	26,853
Other comprehensive income for the year, net of tax	(86,249)	26,781
Total comprehensive loss for the period	(287,775)	(118,471)
Attributable to:		
Equity holders of the Company	(287,823)	(80,868)
Non-controlling interests	48	(37,603)
	(287,775)	(118,471)

The notes to the financial statements form an integral part of these financial statements.

SEALAND CAPITAL GALAXY LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022**

	Note	At 30 June 2022 (Unaudited) £	At 31 December 2021 (Audited) £
Non-current assets			
Property, plant and equipment	9	-	15,650
Current assets			
Inventories	10	112,478	81,823
Prepayments and other receivables		69,678	66,520
Trade receivables		38,876	15,123
Cash and cash equivalents		13,031	8,198
		<u>234,063</u>	<u>171,664</u>
Current liabilities			
Trade payables		125,233	81,743
Other payables and accrued expenses		535,635	459,317
Amount due to a director		830,959	649,621
Finance lease liabilities	11	991	14,750
		<u>1,492,818</u>	<u>1,205,431</u>
Net current liabilities		<u>(1,258,755)</u>	<u>(1,033,767)</u>
Total assets less current liabilities		<u>(1,258,755)</u>	<u>(1,018,767)</u>
Net liabilities		<u>(1,258,755)</u>	<u>(1,018,117)</u>
Capital and reserves			
Share capital	12	60,060	59,569
Reserves		(953,428)	(692,114)
Total equity attributable to equity shareholders of the Company		(893,368)	(632,545)
Non-controlling interests		(365,387)	(385,572)
Total equity		<u>(1,258,755)</u>	<u>(1,018,117)</u>

The notes to the financial statements form an integral part of these financial statements.

SEALAND CAPITAL GALAXY LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Attributable to equity holders of the Company					Non-controlling interests £	Total equity £
	Share capital £	Share premium £	Share-based payment reserve £	Accumulated losses £	Exchange reserve £	Total £	
Six months ended 30 June 2022							
At 1 January 2022 (Audited)	59,569	6,660,898	357,417	(7,715,246)	4,817	(632,545)	(1,018,117)
Loss for the period	-	-	-	(226,910)	-	(226,910)	(201,526)
Exchange differences arising on translation	-	-	-	-	(60,913)	(60,913)	(86,249)
Total comprehensive loss/(income)	-	-	-	(226,910)	(60,913)	(287,823)	(287,775)
Issue of ordinary shares	491	26,509	-	-	-	27,000	27,000
Disposal of a subsidiary	-	-	-	-	-	-	20,137
At 30 June 2022 (Unaudited)	60,060	6,687,407	357,417	(7,942,156)	(56,096)	(893,368)	(1,258,755)
Six months ended 30 June 2021							
At 1 January 2021 (Audited)	50,983	6,012,444	-	(6,775,080)	14,963	(696,690)	(992,695)
Loss for the period	-	-	-	(98,643)	-	(98,643)	(145,252)
Exchange differences arising on translation	-	-	-	-	17,775	17,775	26,781
Total comprehensive loss/(income)	-	-	-	(98,643)	17,775	(80,868)	(118,471)
Issue of ordinary shares	621	89,379	-	-	-	90,000	90,000
At 30 June 2021 (Unaudited)	51,604	6,101,823	-	(6,873,723)	32,738	(687,558)	(1,021,166)

The notes to the financial statements form an integral part of these financial statements.

SEALAND CAPITAL GALAXY LIMITED

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six months ended 30 June 2022 (Unaudited) £	Six months ended 30 June 2021 (Unaudited) £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(201,526)	(144,677)
Adjustments for:		
Depreciation	16,373	17,488
Gain on disposal of a subsidiary	(7,644)	-
Gain on bargain purchase of a subsidiary	-	(3,839)
Share of profit of an associate	-	(274)
Interest expenses	1,025	467
Bank interest income	(10)	(4)
Operating cash flows before movements in working capital	(191,782)	(130,839)
Increase in inventories	(30,655)	-
Increase in prepayments and other receivables	(1,746)	(83,145)
(Increase)/decrease in trade receivables and contract assets	(23,753)	14,379
Increase in amount due to a director	180,197	3,920
Increase in trade payables	40,361	46,441
Increase in other payables and accrued expenses	106,288	44,059
	78,910	(105,185)
Payment of interest portion of lease liabilities	(1,025)	(467)
Income tax paid	-	(575)
Net cash generated from/(used in) operating activities	77,885	(106,227)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outflow in respect of the disposal of a subsidiary	(143)	-
Net cash inflow from acquisition of a subsidiary	-	43,192
Interest income received	10	4
Net cash (used in)/generated from investing activities	(133)	43,196
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	27,000	90,000
Payment of principal portion of lease liabilities	(15,508)	(13,308)
Net cash generated from financing activities	11,492	76,692
Net increase in cash and cash equivalents	89,244	13,661
Foreign exchange realignment	(84,411)	26,635
Cash and cash equivalents at 1 January	8,198	16,002
Cash and cash equivalents at 30 June	13,031	56,298

The notes to the financial statements form an integral part of these financial statements.

SEALAND CAPITAL GALAXY LIMITED
NOTES TO UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Sealand Capital Galaxy Limited (the “Company”) was incorporated in the Cayman Islands on 22 May 2015 as an exempted Company with limited liability under the Companies Law of the Cayman Islands. The registered office of the Company is Willow House, PO Box 709, Cricket Square, Grand Cayman, KY1-1107, Cayman Islands. These unaudited consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The Company’s nature of operations is to act as a special purpose acquisition company.

The Group engaged in digital marketing and other IT and e-Commerce related businesses.

2. BASIS OF PREPARATION

The unaudited consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the International Accounting Standard (“IAS”) No. 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). These unaudited consolidated interim financial statements were not reviewed or audited by our auditor.

The consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements extracted, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements.

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This consolidated interim financial information contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3. GOING CONCERN

The directors’ cash projections for the forthcoming 12 months conclude that there will be a need for additional cash resources to fully implement the business plans. The directors are in discussion with a number of individuals that may lead to further equity and/or loans being raised. There is no certainty that any such funds will be forthcoming or the price and other terms will be acceptable.

4. SEGMENT INFORMATION

The Chief Operating Decision Maker (“CODM”) has been identified as the executive director of the Company who reviews the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

For management purposes, the Group is organised into business units based on their products and services and has reportable operating segments as follows:

- (a) The digital marketing and payment segment includes services on enlisting merchants to mobile payment gateways and providing digital advertising services; and
- (b) The software development and support segment includes sales and distribution of mobile games and all other I.T. related development and support services operated under Rightyoo.
- (c) The e-commerce segment includes sales of goods through internet and provision for consultancy services related to e-commerce.

SEALAND CAPITAL GALAXY LIMITED

NOTES TO UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

4. SEGMENT INFORMATION - CONTINUED

	Digital marketing and payment £	Software development and support £	e-Commerce £	Unallocated £	Total £
Six months ended 30 June 2022 (Unaudited)					
Revenue	776	-	75,295	-	76,071
Segment profit/(loss)	(19,264)	-	13,118	(195,380)	(201,526)
Assets	30,984	-	165,559	37,520	234,063
Liabilities	295,767	-	139,944	1,057,107	1,492,818
Six months ended 30 June 2021 (Unaudited)					
Revenue	39,067	-	117	-	39,184
Segment loss	(92,154)	(20,284)	(22,099)	(10,715)	(145,252)
Assets	174,003	5,184	33,802	103,653	316,642
Liabilities	352,561	93,426	15,107	876,714	1,337,808

5. REVENUE AND OTHER INCOME

	Six months ended 30 June 2022 (Unaudited) £	Six months ended 30 June 2021 (Unaudited) £
REVENUE		
Advertising services	775	33,337
Commission income	669	2,161
Sales of goods	74,627	3,686
	76,071	39,184
OTHER INCOME		
Bank interest income	10	4
Others	16,303	8,284
	16,313	8,288

SEALAND CAPITAL GALAXY LIMITED

**NOTES TO UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

6. LOSS BEFORE TAX

	Six months ended 30 June 2022 (Unaudited) £	Six months ended 30 June 2021 (Unaudited) £
Loss before tax has been arrived at after charging:		
Depreciation – Owned assets and right of use assets	<u>16,373</u>	<u>17,488</u>

7. EMPLOYEES

The average number of employees during the period was made up as follows:

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited)
Directors	<u>2</u>	<u>3</u>
Staff	<u>2</u>	<u>11</u>
Directors' remuneration	<u>99,000</u>	<u>-</u>

8. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the Company's owners of £226,910 (2021: £98,643) by the weighted average number of 598,081,125 ordinary shares (2021: 512,968,277) in issue during the six months ended 30 June 2022.

Diluted loss per share was the same as basic loss per share as no potential dilutive ordinary shares were outstanding for both the six months ended 30 June 2022 and 2021.

9. PROPERTY, PLANT AND EQUIPMENT

	Office equipment £	Leasehold improvement £	Right of use assets £	Total £
At 1 January 2022 (Audited)	-	1,159	14,491	15,650
Depreciation for the period	-	(1,212)	(15,161)	(16,373)
Exchange differences	<u>-</u>	<u>53</u>	<u>670</u>	<u>723</u>
At 30 June 2022 (Unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SEALAND CAPITAL GALAXY LIMITED

NOTES TO UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

10. INVENTORIES

	At 30 June 2022 £ (Unaudited)	At 31 December 2021 £ (Audited)
Finished goods	<u>112,478</u>	<u>81,823</u>

11. LEASE LIABILITIES

The total minimum lease liabilities under finance leases and their present values at the reporting date are as follows:

	At 30 June 2022 £ (Unaudited)	At 31 December 2021 £ (Audited)
Current portion:		
Gross finance lease liabilities	1,028	14,823
Finance expense not recognised	<u>(37)</u>	<u>(73)</u>
	<u>991</u>	<u>14,750</u>
 The net finance lease liabilities are analysed as follows:		
- Not later than 1 year	<u>991</u>	<u>14,750</u>

12. SHARE CAPITAL

	Number	£
Ordinary shares issued and fully paid		
At 1 January 2022 (Audited)	595,694,385	59,569
Issue of ordinary shares	<u>4,909,091</u>	<u>491</u>
At 30 June 2022 (Unaudited)	<u>600,603,476</u>	<u>60,060</u>

In April 2022, the Company allotted and issued 4,909,091 ordinary shares of £0.0001 each to settle the professional fees of the Group.

13. RELATED PARTY TRANSACTIONS

- (a) Details of the compensation of key management personnel are disclosed in Note 7 to the unaudited interim results.
- (b) Apart from the balances with related parties at the end of the reporting period disclosed elsewhere in the financial statements, the Company had not entered into any significant related party transactions for the six months ended 30 June 2022.