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SEALAND CAPITAL GALAXY LIMITED

("Sealand", or the "Company", or "the Group")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Sealand Capital Galaxy Limited (LSE: SCGL) announces that it has published its unaudited interim results for the six months ended 30 June 2024 with respect to the Company and its subsidiaries (the "Group").

Nelson Law, Executive Chairman of the Company commented:

"Moving forward, we will leverage our strengths to enhance sales across the full spectrum of channels, both online and offline, within our authorized sales capacity.

"Collaboration with local retail partners has proven beneficial. The brand owner continues to support our efforts, having renewed our sole distributorship for another three years with a modest increase in distributor pricing. They are also providing assistance in designing product sales bundles. Additionally, we plan to launch workshops this year to educate customers on our products, which we believe will enhance sales and improve profit margins, benefiting from the renewed distributor agreement.

"We are actively pursuing more retail agreements to broaden our sales reach. Furthermore, we will explore opportunities to negotiate new brand partnerships to expand our product categories."

He concluded:

"The impact of the pandemic continues to be felt, exacerbated by rising interest rates and escalating raw material costs. This challenging environment affects not only our group but the broader economy in which we operate. Many retailers in our region have struggled, with increased operating expenses leading to closures. In response, our group has implemented various support measures for our business partners, including a new partnership program with revised suggested retail pricing. Additionally, based on our renewed agreement with the brand owner, we are extending accounts receivable aging periods to help our retail partners improve their sales margins and navigate these tough conditions."

Ends

Enquiries:

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Law Chung Lam Nelson, Executive Chairman

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Notes to Editors:

The Company's Shares are traded on the Official List of the London Stock Exchange's main market for listed securities under the ticker SCGL.

Further information on Sealand please visit: <http://www.scg-ltd.com/>

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 e-commerce, mobile payment and other IT related business. Today it announces its results for the six months ended 30 June 2024.

Business Review

Our recent focus on e-business in China has not yielded satisfactory profit results. Moving forward, we will leverage our strengths to enhance sales across the full spectrum of channels, both online and offline, within our authorized sales capacity.

Collaboration with local retail partners has proven beneficial. The brand owner continues to support our efforts, having renewed our sole distributorship for another three years with a modest increase in distributor pricing. They are also providing assistance in designing product sales bundles. Additionally, we plan to launch workshops this year to educate customers on our products, which we believe will enhance sales and improve profit margins, benefiting from the renewed distributor agreement.

We are actively pursuing more retail agreements to broaden our sales reach. Furthermore, we will explore opportunities to negotiate new brand partnerships to expand our product categories.

Financial Review

During the six months ended 30 June 2024, the loss attributable to ordinary shareholders was £163,890 (2023: £203,951), and the revenue for the period was £71,631 (2023: £61,198).

Prospects

The impact of the pandemic continues to be felt, exacerbated by rising interest rates and escalating raw material costs. This challenging environment affects not only our group but the broader economy in which we operate. Many retailers in our region have struggled, with increased operating expenses leading to closures. In response, our group has implemented various support measures for our business partners, including a new partnership program with revised suggested retail pricing. Additionally, based on our renewed agreement with the brand owner, we are extending accounts receivable aging periods to help our retail partners improve their sales margins and navigate these tough conditions.

As a publicly listed company, we are committed to delivering optimal returns for our shareholders. We continuously seek new business opportunities within China and across Asia. We aim to leverage the potential of the China "Belt and Road" initiative and explore new ventures in the ASEAN region, capitalizing on our headquarters in Hong Kong.

Looking ahead, we anticipate that 2025 may pose significant challenges for businesses overall. While there are indications of a potential reduction in interest rates, which could improve the business environment, it is prudent not to rely solely on uncertain large-scale policies. Our group will continue to capitalize on its strategic location within ASEAN to drive growth and resilience.

SEALAND CAPITAL GALAXY LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS

Going Concern

As at 30 June 2024, the Group has cash and cash equivalent balances of £8,108 and net current liabilities and net liabilities of £1,427,781.

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 2024:

| | |
|-------------------------|--|
| 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 2024

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.

The group faces risks associated with integrating and assimilating acquired businesses. Difficulties may arise due to cultural differences, operational complexities, and organizational alignment, which could impact the performance and profitability of acquired entities.

International Interest Rates and Inflation

The international landscape has indicated a potential reduction in interest rates, influenced by the upcoming U.S. election results in November. Given the unpredictability associated with human factors in this election, forecasting remains challenging. The Hong Kong Dollar's peg to the U.S. Dollar, as dictated by the currency policy in our special economic zone, will significantly impact our operations.

Currency Fluctuations

The U.S. Dollar is the predominant global currency, and its fluctuations will have substantial repercussions on our procurement of goods from Europe and the products we sell in Asia.

As a publicly listed company, we recognize the importance of continuously monitoring the operating environment. Our group is committed to striving for improved results in the upcoming fiscal year.

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 2024

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

Chung Lam Nelson Law
Chairman
30 September 2024

SEALAND CAPITAL GALAXY LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | | Six months ended 30 June 2024 (Unaudited) £ | Six months ended 30 June 2023 (Unaudited) £ |
|--|--------------|--|--|
| | Notes | | |
| Revenue | 5 | 71,631 | 61,198 |
| Cost of services | | (35,813) | (38,899) |
| Gross profit | | <u>35,818</u> | <u>22,299</u> |
| Other income | 5 | 1,837 | 8,151 |
| Administrative expenses | | (199,758) | (275,488) |
| Finance costs | | (71) | (425) |
| Gain on deregistration of subsidiaries | | - | 41,207 |
| Loss before tax | 6 | <u>(162,174)</u> | <u>(204,256)</u> |
| Income tax expenses | | - | - |
| Loss for the period | | <u>(162,174)</u> | <u>(204,256)</u> |
| Attributable to: | | | |
| Equity holders of the Company | | (163,890) | (203,951) |
| Non-controlling interests | | 1,716 | (305) |

| | | | |
|---|---|--------------|--------------|
| | | (162,174) | (204,256) |
| Loss per share attributable to equity holders of the Company | | | |
| | | Pence | Pence |
| Basic and diluted | 8 | (*) | (*) |

* 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 2024

| | Notes | Six months ended 30 June 2024 (Unaudited) £ | Six months ended 30 June 2023 (Unaudited) £ |
|---|-------|---|---|
| Loss for the period | | (162,174) | (204,256) |
| Other comprehensive (loss)/income | | | |
| Items to be reclassified subsequently to profit or loss: | | | |
| - Exchange differences on translation of foreign operations | | (2,534) | 39,653 |
| Other comprehensive loss for the period, net of tax | | (2,534) | 39,653 |
| Total comprehensive loss for the period | | (164,708) | (164,603) |
| Attributable to: | | | |
| Equity holders of the Company | | (165,765) | (173,999) |
| Non-controlling interests | | 1,057 | 9,396 |
| | | (164,708) | (164,603) |

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

SEALAND CAPITAL GALAXY LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | Notes | At 30 June 2024 (Unaudited) £ | At 31 December 2023 (Unaudited) £ |
|---|-------|--|--|
| Non-current assets | | | |
| Property, plant and equipment | 9 | - | 14,178 |
| Current assets | | | |
| Inventories | 10 | 43,998 | 49,224 |
| Deposit, prepayment and other receivables | | 51,249 | 45,531 |
| Trade receivables | | 35,070 | 35,435 |
| Cash and cash equivalents | | 8,108 | 9,111 |
| | | 138,425 | 139,301 |
| Current liabilities | | | |
| Trade payables | | 38,305 | 36,110 |
| Other payables and accrued expenses | | 690,481 | 630,524 |
| Amount due to a director | | 837,420 | 740,486 |

| | | | |
|--|----|--------------------|--------------------|
| Finance lease liabilities | 11 | - | 14,432 |
| | | <u>1,566,206</u> | <u>1,421,552</u> |
| Net current liabilities | | <u>(1,427,781)</u> | <u>(1,282,251)</u> |
| Total assets less current liabilities | | <u>(1,427,781)</u> | <u>(1,268,073)</u> |
| Net liabilities | | <u>(1,427,781)</u> | <u>(1,268,073)</u> |
| Capital and reserves | | | |
| Share capital | 12 | 72,490 | 71,581 |
| Reserves | | <u>(1,180,042)</u> | <u>(1,018,368)</u> |
| Total equity attributable to equity shareholders of the Company | | <u>(1,107,552)</u> | <u>(946,787)</u> |
| Non-controlling interests | | <u>(320,229)</u> | <u>(321,286)</u> |
| Total equity | | <u>(1,427,781)</u> | <u>(1,268,073)</u> |

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

SEALAND CAPITAL GALAXY LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | Attributable to the equity holders of the Company | | | | | Total £ |
|---|---|--------------------|----------------------------------|-------------------------|-----------------------|-----------------|
| | Share capital £ | Share premium £ | Share-based payment reserve £ | Accumulated losses £ | Exchange reserve £ | |
| Six months ended 30 June 2024 | | | | | | |
| At 1 January 2024 (Audited) | <u>71,581</u> | <u>6,917,830</u> | <u>357,417</u> | <u>(8,328,881)</u> | <u>35,266</u> | <u>(946,7</u> |
| Loss for the period | - | - | - | (163,890) | - | (163,8 |
| Exchange differences arising on translation | - | - | - | - | (1,875) | (1,8 |
| Total comprehensive (loss)/income | <u>-</u> | <u>-</u> | <u>-</u> | <u>(163,890)</u> | <u>(1,875)</u> | <u>(165,7</u> |
| Issue of share | 909 | 4,091 | - | - | - | 5,1 |
| At 30 June 2024 (Unaudited) | <u>72,490</u> | <u>6,921,921</u> | <u>357,417</u> | <u>(8,492,771)</u> | <u>33,391</u> | <u>(1,107,5</u> |
| Six months ended 30 June 2023 | | | | | | |
| At 1 January 2023 (Audited) | <u>71,581</u> | <u>6,917,830</u> | <u>357,417</u> | <u>(7,914,649)</u> | <u>(3,720)</u> | <u>(571,5</u> |
| Loss for the period | - | - | - | (203,951) | - | (203,9 |
| Exchange differences arising on translation | - | - | - | - | 29,952 | 29,1 |
| Total comprehensive (loss)/income | <u>-</u> | <u>-</u> | <u>-</u> | <u>(203,951)</u> | <u>29,952</u> | <u>(173,9</u> |
| At 30 June 2023 (Unaudited) | <u>71,581</u> | <u>6,917,830</u> | <u>357,417</u> | <u>(8,118,600)</u> | <u>26,232</u> | <u>(745,5</u> |

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 2024

Six months

Six months

| | ended 30 June 2024 (Unaudited) £ | ended 30 June 2023 (Unaudited) £ |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (162,174) | (204,256) |
| Adjustments for: | | |
| Depreciation | 14,252 | 14,693 |
| Gain on deregistration of subsidiaries | - | (41,207) |
| Share based payments expense | 5,000 | - |
| Interest expenses | 71 | 425 |
| Bank interest income | (15) | (10) |
| Operating cash flows before movements in working capital | (142,866) | (230,355) |
| Decrease in inventories | 5,226 | 14,827 |
| (Increase)/decrease in prepayments and other receivables | (5,718) | 1,968 |
| Decrease/(increase) in trade receivables | 365 | (417) |
| Increase in amount due to a director | 96,934 | 64,508 |
| Increase/(decrease) in trade payables | 2,195 | (1,419) |
| Increase in other payables and accrued expenses | 59,957 | 98,009 |
| Net cash generated from/(used in) operations | 16,093 | (52,879) |
| Payment of interest portion of lease liabilities | (71) | (425) |
| Net cash generated from/(used in) operating activities | 16,022 | (53,304) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net cash outflow on deregistration of subsidiaries | - | (989) |
| Interest income received | 15 | 10 |
| Net cash generated from/(used in) investing activities | 15 | (979) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment of principal portion of lease liabilities | (14,503) | (12,099) |
| Net cash used in financing activities | (14,503) | (12,099) |
| Net increase/(decrease) in cash and cash equivalents | 1,534 | (66,382) |
| Foreign exchange realignment | (2,537) | 38,445 |
| Cash and cash equivalents at 1 January | 9,111 | 35,567 |
| Cash and cash equivalents at 30 June | 8,108 | 7,630 |

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 2024

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 2024 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 2023 annual financial statements extracted, except for the accounting policy changes that are expected to be reflected in the 2024 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 2022 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.

SEALAND CAPITAL GALAXY LIMITED

NOTES TO UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 e-commerce segment includes sales of goods through internet and provision for consultancy services related to e-commerce.

| | Digital marketing and payment £ | E- commerce £ | Unallocated £ | Total £ |
|--|--|------------------------------|--------------------------|--------------------|
| Six months ended 30 June 2024 (Unaudited) | | | | |
| Revenue | - | 71,631 | - | 71,631 |
| Segment loss | (206) | (7,662) | (154,306) | (162,174) |
| Assets | 51 | 94,612 | 43,762 | 138,425 |
| Liabilities | 6,474 | 72,022 | 1,487,710 | 1,566,206 |
| Six months ended 30 June 2023 (Unaudited) | | | | |
| Revenue | - | 61,198 | - | 61,198 |
| Segment loss | (6,366) | (7,081) | (190,809) | (204,256) |
| Assets | 26 | 149,841 | 60,540 | 210,407 |
| Liabilities | 6,488 | 88,822 | 1,161,503 | 1,256,813 |

| | | | | |
|-------------|-------|--------|-----------|-----------|
| Liabilities | 6,488 | 99,865 | 1,161,502 | 1,267,855 |
|-------------|-------|--------|-----------|-----------|

5. REVENUE AND OTHER INCOME

| | Six months ended 30 June 2024 (Unaudited) £ | Six months ended 30 June 2023 (Unaudited) £ |
|----------------------|---|---|
| REVENUE | | |
| Commission income | 437 | 642 |
| Sales of goods | 71,194 | 60,556 |
| | <u>71,631</u> | <u>61,198</u> |
| OTHER INCOME | | |
| Bank interest income | 15 | 10 |
| Others | 1,822 | 8,141 |
| | <u>1,837</u> | <u>8,151</u> |

SEALAND CAPITAL GALAXY LIMITED

NOTES TO UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6. LOSS BEFORE TAX

| | Six months ended 30 June 2024 (Unaudited) £ | Six months ended 30 June 2023 (Unaudited) £ |
|---|---|---|
| Loss before tax has been arrived at after charging | | |
| Depreciation - Owned assets and right of use assets | 14,252 | 14,693 |

7. EMPLOYEES

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

| | Six months ended 30 June 2024 (Unaudited) | Six months ended 30 June 2023 (Unaudited) |
|-----------------------------|--|--|
| Directors | 2 | 2 |
| Staff | 3 | 3 |
| Directors' remuneration (£) | <u>99,000</u> | <u>99,000</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 £163,890 (2023: £203,951) by the weighted average number of 715,815,080 ordinary shares (2023: 715,815,080) in issue during the six months ended 30 June 2024.

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 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

| | Right of use assets £ |
|-----------------------------|-----------------------------|
| At 1 January 2024 (Audited) | 14,178 |
| Depreciation for the period | (14,252) |
| Exchange differences | 74 |
| At 30 June 2024 (Unaudited) | <u>-</u> |

SEALAND CAPITAL GALAXY LIMITED
NOTES TO UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

10. INVENTORIES

| | At 30 June 2024 (Unaudited) £ | At 31 December 2023 (Audited) £ |
|----------------|--|--|
| Finished goods | 43,998 | 49,224 |

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 2024 (Unaudited) £ | At 31 December 2023 (Audited) £ |
|---|--|--|
| Current portion: | | |
| Gross finance lease liabilities | - | 14,503 |
| Finance expense not recognised | - | (71) |
| | - | 14,432 |
| The net finance lease liabilities are analysed as follows: | | |
| - Not later than 1 year | - | 14,432 |

12. SHARE CAPITAL

| | Number | £ |
|--|-------------|--------|
| Ordinary shares issued and fully paid | | |
| At 1 January 2024 (Audited) | 715,815,080 | 71,581 |
| Issue of share (note (a)) | 9,090,909 | 909 |
| At 30 June 2023 (Unaudited) | 724,905,989 | 72,490 |

Note:

- (a) On 26 January 2024, the Company issued 9,090,909 ordinary new shares of £0.0001 per share for the settlement of professional fees of £5,000.

13. NON-CASH TRANSACTION

On 26 January 2024, the Company issued 9,090,909 ordinary new shares of £0.0001 per share for the settlement of professional fees of £5,000.

14. 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 2024.

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