

**SEALAND CAPITAL GALAXY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**SEALAND CAPITAL GALAXY LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CONTENTS**

	<b>PAGES</b>
Corporate Information	1
Chairman’s Statement	2
Directors’ Report	3 – 7
Statement of Directors’ Responsibilities	8
Independent Auditor’s Report	9 – 12
Consolidated Statement of Profit or Loss	13
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18 – 40

## **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 (Statutory Auditor)  
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 & CARD  
Willow House, PO Box 709,  
Cricket Square, Grand Cayman,  
KY1 1107, Cayman Islands

# SEALAND CAPITAL GALAXY LIMITED

## CHAIRMAN'S STATEMENT

Dear Shareholders

I hereby present the annual report of Sealand Capital Galaxy Limited (the "Company" or "Sealand", together with its subsidiaries, the "Group") for the year ended 31 December 2023 (the "Year").

### PERFORMANCE FOR THE YEAR

The Group reported a loss of £427,046 (2022: £179,569) during the Year. The Group encountered an economic downturn marked by rising interest rates, resulting in escalated operational expenses for our regular customers and become more conservative in placing orders. Moreover, the devaluation of the RMB by 10% had a profound impact on Chinese travelers, leading to reduced purchasing power. The Group's revenue for the Year decreased by 44.52% to £125,793 (2022: £226,750). These circumstances posed significant challenges for the Group, requiring us to reevaluate and adapt to the changing economic landscape. Despite these obstacles, the Group remain steadfast in overcoming these hurdles and seizing potential avenues for sustainable growth.

The Group will enhance sales by implementing strategic product combinations that effectively reduce the retail price, thereby enticing customers to make additional purchases. Emphasizing larger quantities sold at a lower gross profit margin, our primary objective is to maximize revenue generation.

### KEY DEVELOPMENTS FOR THE YEAR

The Company, through one of its wholly owned subsidiaries, has achieved a significant milestone by successfully extending the sole distributorship for the brand HH Simonsen in the Hong Kong area for an additional three years. This contract renewal underscores the strong partnership and commitment to representing the brand in this thriving market.

The extension of this distributorship contract comes with a projected moderate growth of 5% in sales each year. This consistent growth trajectory reflects the Group's dedication to maximizing sales potential and capturing market demand. With the Group's deep understanding of the product's unique features and our proven sales expertise, the Group is confident to achieve the ambitious sales targets in the upcoming years.

This achievement not only solidifies the position as the exclusive distributor but also highlights our unwavering commitment to delivering exceptional products to our valued customers. The Group remain focused on enhancing customer satisfaction and fostering long-term relationships with the clientele.

### FUTURE PROSPECTS AND OUTLOOK

Despite the global economy experiencing sluggish growth in the aftermath of the pandemic, the Group remains dedicated to enhancing its performance. However, the Group acknowledge the challenges posed by ongoing political conflicts between nations. Nevertheless, the Group is steadfast in belief that the Group can expand our sales within our region, employing a strategic approach that emphasizes the expansion of direct sales through online shopping platforms.

In response to the evolving business landscape, the Group is committed to leveraging the power of e-commerce to reach a wider customer base. By capitalizing on the convenience and accessibility of online shopping, the Group aim to tap into new markets and optimize our sales potential. The Group focus on expanding direct sales channels aligns with the goal of fostering meaningful customer relationships and delivering unparalleled value.

### ACKNOWLEDGEMENTS

We wish to express our appreciation to our shareholders, business partners and suppliers for their continued support during what has been a difficult time for all. We would like to thank our dedicated staff for their contributions to the success of the Group.



Chung Lam Nelson Law  
Chairman  
30 April 2024

## **SEALAND CAPITAL GALAXY LIMITED**

### **DIRECTORS' REPORT**

The directors present their report, together with the audited financial statements of Sealand Capital Galaxy Limited and its subsidiaries for the year ended 31 December 2023 (the "Year").

#### **The Company**

Sealand Capital Galaxy Limited was incorporated in the Cayman Islands on 22 May 2015 as an exempted company with limited liability under the Companies Law. The Company's registered office is Willow House, PO Box 709, Cricket Square, Grand Cayman, KY1-1107, Cayman Islands.

#### **Principal activities**

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.

#### **Results and dividends**

The results are set out in the primary statements on pages 13 to 14 of the financial statements. The directors do not recommend a payment of dividend for the Year (2022: Nil).

#### **Business review and management report**

##### *Overview*

During the Year, The Group recorded a consolidated loss of £427,046 (2022: £179,569) as set out on page 13 of these financial statements.

##### *Operations*

The revenue from the e-Commerce business for the Year decreased from £224,562 to £124,492. The decrease is mainly due to the rising interest rates and devaluation of RMB, resulting in conservative approach in placing orders by customers and decrease in purchasing power of the end-consumers.

#### **Going concern**

As at 31 December 2023, the Group has cash and cash equivalent balances and net liabilities and net current liabilities of £9,111, £1,268,073 and £1,282,251, respectively.

The director's cash-flow projections for the forthcoming 12 months conclude there will be the need for additional cash resources to fully implement the business plans. A director has confirmed to provide financial supports to the Group and granted loan of approximately £80,000 to the Group subsequent to the reporting period for supporting the Group's operation for the forthcoming 12 months. In addition, the directors are in non-binding discussions with individuals and institutions that may lead to further equity and/or loans being raised. There may be uncertainty that any such funds will be forthcoming or the price and other terms being acceptable and as such there is a material uncertainty over going concern.

## SEALAND CAPITAL GALAXY LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Our strategy

As the Company strives for long-term growth, we remain committed to pursuing a strategic approach that encompasses various facets of our business. In line with this vision, the Group actively seek out selective and attractive investment opportunities that align with our goals and values.

Notably, the Group have observed significant progress in certain business categories within the China region. This development serves as a promising signal, prompting us to explore potential cooperative opportunities through partnerships and collaborations. By leveraging the strengths and expertise of like-minded entities, the Group aim to drive mutual growth and unlock new avenues of success.

Our approach to identifying and pursuing these opportunities is rooted in thorough analysis, meticulous evaluation, and prudent decision-making. The Group prioritize partnerships that complement the existing capabilities and align with our strategic objectives. Through these collaborative ventures, we seek to enhance our market position, expand our customer base, and diversify our offerings.

#### Outlook

The Group will continue to monitor market developments and will manage its businesses and investment portfolio with a view to further improving its overall asset quality and potential growth. The Group will also continue to manage its assets and assess new investment opportunities to achieve stable growth and enhance shareholders' value.

#### Event after the reporting period

Subsequent to the reporting period, the Company remains actively engaged in pursuing potential capital injections through various avenues within the capital market. We recognize the importance of securing additional financial resources to support our growth strategies and enhance our operational capabilities.

The Group is currently in non-binding negotiations with individuals and institutions regarding potential loan grants. These discussions reflect our commitment to exploring viable funding options that align with our long-term objectives. By leveraging external financial support, the Group aim to strengthen our financial position and maximize our potential for sustainable growth.

#### Directors

The following directors served during the year ended 31 December 2023:

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

#### Substantial shareholding

At 31 December 2023, the Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report:

Name	Number of Ordinary Shares	Approximate % Shareholding
Chung Lam Nelson Law *	349,854,461	48.87%
Computershare Company Nominees Limited	117,525,104	16.42%
Premium Full Limited	93,786,896	13.10%
Tien San Chua	72,000,000	10.06%
Ahead Eternity Limited	55,000,000	7.68%

(\* indicates a director of the Company)

## SEALAND CAPITAL GALAXY LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Directors' interests

The directors' interests in the share capital of the Company as at 31 December 2023 are shown below. All interests are beneficial.

	Number of Ordinary Shares
Mr Chung Lam Nelson Law	349,854,461

Directors' emoluments are detailed in Note 10 to the financial statements.

#### Share capital and voting rights

Details of the share capital and movements in share capital during the year are disclosed in Note 19 to the financial statements.

#### Ratio of men to women

At 31 December 2023, there was one women (2022: 1) employed across the Group making 33% (2022: 14%) of our Group-wide employee base.

The Directors are satisfied that it has the appropriate balance of skills, experience and expertise necessary, and will give due regard to diversity in the event of further changes to both its own membership and/or the membership of the senior management team.

#### Climate - Related Financial Disclosure

The Company's objective is to enhance the Company's strategies, structures, resources, and tools in order to adeptly address and leverage climate-related risks and opportunities.

The Company ensures that its financial disclosures related to climate issues adhere to internationally recognized standards, with particular emphasis on the four fundamental components established by the Task Force on Climate-related Financial Disclosures (TCFD).

Core Elements	Description
Governance	Structures and processes in place to oversee climate-related issues, including the role of the board, management, and relevant committees.
Strategy	Insights into the company's actual and potential impacts of climate-related risks and opportunities on its business, strategy, and financial planning
Risk Management	Processes used to identify, assess, and manage climate-related risks integrated into overall risk management. Adaptations to strategies in response to climate considerations.
Metrics and targets	Disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities, providing quantitative information on performance and progress.

The table below shows our current progress against TCFD Recommendations

TCFD pillar	Recommended Disclosure	Cellular Goods Summary
Governance	The Board's supervision of risks and opportunities associated with climate-related factors.	The Board of Directors exercises oversight over climate-related issues, integrating them within the broader framework of governance.
Strategy	The influence of climate-related risks and opportunities on the business, strategic decisions, and financial planning.	The Board are aware that air transportation has higher carbon emissions compared to sea

		transportation. Therefore, starting from 2023, the company are gradually transitioning our transportation method from air to sea freight.
Risk Management	The company's protocols for effectively managing climate-related risks.	<p>The process of identifying climate-related risks is seamlessly integrated into our regular operations. Although we may not have a dedicated task force, every team member is accountable for considering climate-related risks within their specific areas of responsibility.</p> <p>This decentralized approach guarantees that climate considerations are incorporated into our day-to-day decision-making processes. Given our small team size, collaboration plays a vital role. We regularly facilitate cross-functional discussions to collectively evaluate climate-related risks. By leveraging the expertise of each team member, we ensure a comprehensive understanding of potential impacts on our supply chain, production, and market dynamics. This collaborative effort cultivates a shared awareness of the challenges posed by climate-related factors.</p>
Metrics and targets	Metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	The carbon capture initiative entails goals for mitigating emissions and actively contributing to wider climate initiatives. These metrics underscore the Company's steadfast dedication to comprehensive sustainability practices throughout its diverse business portfolio.

### **Greenhouse gas emissions**

The Group recognizes the importance of assessing its operational carbon footprint to effectively manage and reduce its environmental impact. However, due to the limited scale and nature of its activities during the reviewed period, the Company's operations involve only a small number of employees and directors, and it operates from rented offices. Consequently, the Company's carbon emissions are minimal, and it is currently impractical to gather emissions data at this stage. In Hong Kong, the Company's energy consumption was below 14,000 KWh in 2023, and it is currently exempt from the obligation to disclose its sources of greenhouse gas and other emissions as stipulated by the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2014.

### **Financial risk management**

The Group's financial risk management objective is to minimise, as far as possible, the Group's exposure to each risk as detailed in Note 5 to the financial statements.



## SEALAND CAPITAL GALAXY LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Corporate governance

As a company with a Standard Listing, the Group is not required to comply with the provisions of the Corporate Governance Code. Although the Company has not adopted the Corporate Governance Code, it intends to adopt such procedures as are appropriate for the size and nature of the Company and the size and composition of the Board. These corporate governance procedures have been selected with due regard to the provision of the UK Corporate Governance Code in particular:

- given the size of the Board, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company;
- given the size of the Board, the board has not established an audit committee, a remuneration committee and a nomination committee comprising at least one non-executive director in each committee. The Board is taking the responsibilities to review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the directors' fees, taking into account the interests of Shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance.
- the Corporate Governance Code recommends the submission of all directors for re-election at annual intervals. None of the directors will be required to retire by rotation and be submitted for re-election; and
- the Board has complied with the provision of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.

#### Auditors

The auditors, PKF Littlejohn LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

#### Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



Chung Lam Nelson Law  
Chairman  
30 April 2024

**SEALAND CAPITAL GALAXY LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations. The directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ("IFRSs").

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the Cayman Islands governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

**Directors' Responsibility Statement Pursuant to Disclosure and Transparency Rules**

Each of the directors, whose names and functions are listed on page 1, confirms that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and loss of the Group and parent company; and
- the Annual Report and financial statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face.

By order of the board



Chung Lam Nelson Law  
Chairman  
30 April 2024

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEALAND CAPITAL GALAXY LIMITED**

### **Opinion**

We have audited the Group financial statements of Sealand Capital Galaxy Limited ('the Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs).

In our opinion, the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of its loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 4(p) in the Group financial statements, which indicates that the Group incurred a net loss of £427,046 during the year ended 31 December 2023 and, as of that date, the Group was in a net liability position of £1,268,073. As stated in note 4(p), the directors' cash flow projections for the following 12 months conclude that there will be the need for additional cash resources to fully implement the business plans. A director has confirmed to provide financial supports to the Group and granted loan of approximately £80,000 to the Group subsequent to the reporting period for supporting the Group's operation for the forthcoming 12 months. In addition, the directors are in non-binding discussions with individuals and institutions that may lead to further equity and/or loans being raised. There may be uncertainty that any such funds will be forthcoming. These events or conditions, along with the other matters as set forth in note 4(p), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the Group financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Group financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included obtaining managements' forecasts to the period ended 30 April 2025 and challenging the key assumptions and inputs within. In order for the Group to meet their liabilities as they fall due, the Group will need to raise funds either from existing shareholders or the open market.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Our application of materiality**

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the Group financial statements was £61,000 (2022: £31,200) based on 5% (2022: 5%) of the net liabilities at the year end. The performance materiality was £42,700 (2022: £21,840), being 70% (2022: 70%) of overall materiality to ensure sufficient coverage for group reporting purposes. For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. As a Group whose main aim is to maintain its operation as a going concern, net liabilities of the Group were considered the most appropriate benchmarks to shareholders.

We agreed with those charged with governance that we would report all differences identified during the course of our audit in excess of £3,050 (2022: £1,560) as well as those that we believe warranted reporting on qualitative grounds.

### **Our approach to the audit**

In designing our audit, we determined materiality and assessed the risks of material misstatement in the Group financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Of the 10 components of the Group, a full scope audit was performed on the complete financial information of 5 components, and the remaining components were subject to analytical review only because they were not significant to the Group.

Of the above 5 components of the Group, 4 are located in Hong Kong and audited by a component audit team operating under our instruction, and the audit of the remaining component were performed by us using a team with specific experience in auditing groups and publicly listed entities. The engagement partner interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the Group financial statements.

### **Key audit matters**

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

### **Other information**

The other information comprises the information included in the annual report, other than the Group financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group financial statements does not cover the other information and,

we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Group financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the Group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs (UK) 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the Group financial statements. We obtained our understanding in this regard through discussions with management, and application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group in this regard to be those arising from LSE Listing Rules, Disclosure Guidance and Transparency Rules, Cayman Islands laws and local regulations, like local Companies Ordinances, local tax laws and local employment laws applicable to the subsidiaries.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group with those laws and regulations. These procedures included, but were not limited to: enquiries of management, review of board minutes and Regulatory News Service (RNS) announcements and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the Group financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment

assessment of trade and other receivables. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.

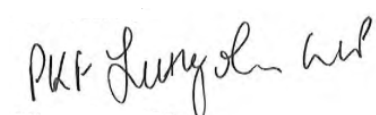
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We engaged with our component auditors to ensure they assessed whether there were any instances of non-compliance with laws and regulations at a local level and ensured they reported any such breached or concerns to us. None were noted at the component or Group level.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Group financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Group financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance our engagement letter dated 6 February 2024. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Ling (Engagement Partner)**  
**For and on behalf of PKF Littlejohn LLP**  
**Registered Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

30 April 2024

**SEALAND CAPITAL GALAXY LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Revenue</b>	8	125,793	226,750
Cost of services		(71,893)	(133,962)
<b>Gross profit</b>		53,900	92,788
Other income	8	16,067	20,484
Administrative expenses		(537,554)	(449,007)
Finance cost arising from finance lease	18	(666)	(738)
Gain on disposal of subsidiaries		-	153,000
Gain on deregistration of subsidiaries		41,207	3,904
<b>Loss before tax</b>	9	(427,046)	(179,569)
Income tax expense	11	-	-
<b>Loss for the year</b>		(427,046)	(179,569)
<b>Attributable to:</b>			
Equity holders of the Company		(414,232)	(177,096)
Non-controlling interests		(12,814)	(2,473)
		(427,046)	(179,569)
<b>Loss per share attributable to equity holders of the Company</b>			
		<b>Pence</b>	<b>Pence</b>
Basic and diluted	12	(0.06)	(0.03)

The notes to the financial statements on pages 18-40 form an integral part of these financial statements.

**SEALAND CAPITAL GALAXY LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Loss for the year</b>		(427,046)	(179,569)
<b>Other comprehensive income/(loss)</b>			
Items to be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations		51,816	(170,292)
- Release of translation reserve upon disposal and deregistration of foreign subsidiaries		-	104,362
Other comprehensive income for the year, net of tax		51,816	(65,930)
<b>Total comprehensive loss for the year</b>		(375,230)	(245,499)
<b>Attributable to:</b>			
Equity holders of the Company		(375,246)	(186,197)
Non-controlling interests		16	(59,302)
		(375,230)	(245,499)

The notes to the financial statements on pages 18-40 form an integral part of these financial statement



**SEALAND CAPITAL GALAXY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Non-current assets</b>			
Property, plant and equipment	13	14,178	44,791
<b>Current assets</b>			
Inventories	14	49,224	106,088
Deposit, prepayments and other receivables	15	45,531	58,305
Trade receivables	15	35,435	26,430
Cash and cash equivalents		9,111	35,567
		139,301	226,390
<b>Current liabilities</b>			
Trade payables	16	36,110	36,110
Other payables and accrued expense		630,524	480,213
Amount due to a director	17	740,486	602,646
Finance lease liabilities	18	14,432	29,858
		1,421,552	1,148,827
<b>Net current liabilities</b>		(1,282,251)	(922,437)
<b>Total assets less current liabilities</b>		(1,268,073)	(877,646)
<b>Non-current liabilities</b>			
Finance lease liabilities	18	-	15,197
<b>Net liabilities</b>		(1,268,073)	(892,843)
<b>Capital and reserves</b>			
Share capital	19	71,581	71,581
Reserves		(1,018,368)	(643,122)
<b>Total equity attributable to equity shareholders of the Company</b>		(946,787)	(571,541)
<b>Non-controlling interests</b>		(321,286)	(321,302)
<b>Total deficit</b>		(1,268,073)	(892,843)

The notes to the Financial Statements on pages 18-40 form an integral part of these financial statements.

These Financial Statements were approved by the Board of Directors and authorized for issue on 30 April 2024.

Signed on behalf of the Board of Directors



.....  
Chung Lam Nelson Law  
Chairman  
30 April 2024

SEALAND CAPITAL GALAXY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to equity holders of the Company						Non- controlling interests	Total deficit
	Share capital	Share Premium	Share-based payment reserve	Exchange Reserve	Accumulated losses	Total		
	£	£	£	£	£	£		
<b>At 1 January 2023</b>	<b>71,581</b>	<b>6,917,830</b>	<b>357,417</b>	<b>(3,720)</b>	<b>(7,914,649)</b>	<b>(571,541)</b>	<b>(321,302)</b>	<b>(892,843)</b>
Loss for the year	-	-	-	-	(414,232)	(414,232)	(12,814)	(427,046)
Exchange differences arising in translation	-	-	-	38,986	-	38,986	12,830	51,816
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,986</b>	<b>(414,232)</b>	<b>(375,246)</b>	<b>16</b>	<b>(375,230)</b>
<b>At 31 December 2023</b>	<b>71,581</b>	<b>6,917,830</b>	<b>357,417</b>	<b>35,266</b>	<b>(8,328,881)</b>	<b>(946,787)</b>	<b>(321,286)</b>	<b>(1,268,073)</b>
<b>At 1 January 2022</b>	<b>59,569</b>	<b>6,660,898</b>	<b>357,417</b>	<b>5,381</b>	<b>(7,737,553)</b>	<b>(654,288)</b>	<b>(369,877)</b>	<b>(1,024,165)</b>
Loss of the year	-	-	-	-	(177,096)	(177,096)	(2,473)	(179,569)
Exchange differences arising in translation	-	-	-	(113,463)	-	(113,463)	(56,829)	(170,292)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(113,463)</b>	<b>(177,096)</b>	<b>(290,559)</b>	<b>(59,302)</b>	<b>(349,861)</b>
Issue of ordinary shares (Note 19)	12,012	256,932	-	-	-	268,944	-	268,944
Disposal and deregistration of subsidiaries	-	-	-	104,362	-	104,362	107,877	212,239
<b>At 31 December 2022</b>	<b>71,581</b>	<b>6,917,830</b>	<b>357,417</b>	<b>(3,720)</b>	<b>(7,914,649)</b>	<b>(571,541)</b>	<b>(321,302)</b>	<b>(892,843)</b>

The notes to the financial statements on pages 18-40 form an integral part of these financial statements.

**SEALAND CAPITAL GALAXY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(427,046)	(179,569)
Adjustments for:		
Depreciation	29,010	34,746
Exchange difference	50,955	-
Gain on disposal of subsidiaries	-	(153,000)
Gain on deregistration of subsidiaries	(41,207)	(3,904)
Share of profit of an associate	-	-
Provision for impairment loss on trade and other receivables	17,811	-
Provision for impairment loss on inventories	42,413	-
Interest expenses	666	738
Bank interest income	(11)	(10)
Operating cash flows before movements in working capital	(327,409)	(300,999)
Decrease/(increase) in inventories	14,451	(24,265)
Decrease/(increase) in deposit, prepayments and other receivable	12,393	(14,525)
Increase in amounts due to a director	137,840	235,618
Increase in trade receivables	(26,816)	(11,307)
Increase in trade payables	-	16,005
Increase in other payables and accrued expenses	192,912	311,158
Net cash generated from operations	3,371	211,685
Payment of interest portion of lease liabilities	(666)	(738)
<b>Net cash generated from operating activities</b>	<b>2,705</b>	<b>210,947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of subsidiaries	(1,013)	(1,018)
Interest income received	11	10
<b>Net cash used in investing activities</b>	<b>(1,002)</b>	<b>(1,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of principal portion of lease liabilities	(30,623)	(33,582)
<b>Net cash used in financing activities</b>	<b>(30,623)</b>	<b>(33,582)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(28,920)</b>	<b>176,357</b>
Foreign exchange realignment	2,464	(148,988)
<b>Cash and cash equivalents at 1 January</b>	<b>35,567</b>	<b>8,198</b>
<b>Cash and cash equivalents at 31 December</b>	<b>9,111</b>	<b>35,567</b>

The notes to the financial statements on pages 18-40 form an integral part of these financial statements.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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 Company’s registered office is at Willow House, PO Box 709, Cricket Square, Grand Cayman, KY1-1107, Cayman Islands. These consolidated 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 financial statements have been prepared in accordance with the International Financial Reporting Standard (“IFRSs”) and IFRIC interpretations applicable to companies reporting under IFRSs.

These financial statements are presented in Great British Pounds (“£”) rounded to the nearest Great British Pound, except for otherwise indicated, and have been prepared under the historical cost convention.

Details of going concern are included in note 4(p).

#### 3. STANDARDS AND INTERPRETATIONS

##### (i) New standards, amendments and interpretations adopted by the Group and Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standard / Interpretation	Application
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

##### (ii) New standards, amendments and interpretations not yet adopted

Standard / Interpretation	Application
IAS 1 amendments	Classification of Liabilities as Current or Non-current
IAS 1 amendments	Effective: Annual periods beginning on or after 1 January 2024
IAS 1 amendments	Non-current Liabilities with Covenants
IFRS 16 amendments	Effective: Annual periods beginning on or after 1 January 2024
IAS 7 & IFRS 7 amendments	Lease liability in a Sale and Leaseback
IAS 7 & IFRS 7 amendments	Supplier finance arrangements
IAS 21 amendments	Effective: Annual periods beginning on or after 1 January 2024
IAS 21 amendments	Lack of Exchangeability
Amendments to IFRS 10 and IAS 28	Effective: Annual periods beginning on or after 1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 10 and IAS 28	Effective: To be determined

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

**SEALAND CAPITAL GALAXY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of consolidation**

These financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) for the year ended 31 December 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

**(i) Business combinations**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

**(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Basis of consolidation (Continued)

###### (iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

###### (iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### (b) Revenue recognition

Revenue is recognised to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

SEALAND CAPITAL GALAXY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (Continued)

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Revenue from e-commerce service is recognised when the performance obligation is satisfied. Interest income from a financial asset is accrued on a time basis using the effective interest method.

(c) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(d) Foreign currency transactions

(i) Functional and presentational currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"), being British Pound Sterling ("GBP" or "£"), Chinese Yuan ("CNY") and Hong Kong Dollar ("HKD"). The Group Financial Statements are presented in GBP.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Comprehensive Income.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (d) Foreign currency transactions (Continued)

###### (iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the contractual arrangement(s) with the other vote holders of the investee assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income (loss).

##### (e) Goodwill and intangible assets

###### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For the goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

##### (f) Property, plant and equipment

Property, plant and equipment is measured on the cost basis and therefore stated at historic cost less accumulated depreciation. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

All repairs and maintenance expenditure is charged to the Consolidated Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:



## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (f) Property, plant and equipment (Continued)

###### Owned assets

Office equipment	36 - 60 months
Leasehold improvement	lower of 36 months and the lease term

###### Right-of-use assets

Buildings	Over the lease term
-----------	---------------------

The assets' useful lives are reviewed, and, if appropriate, asset values are written down to their estimated recoverable amounts, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts, and are included in profit or loss.

##### (g) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives or those not yet available for use are not subject to amortisation and are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable. An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset. For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable. An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

SEALAND CAPITAL GALAXY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) **Financial instruments**

Financial assets and financial liabilities are recognised in the statements of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities within the scope of IFRS 9 are initially measured at fair value and transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The Group's financial assets, including deposits, receivables, contract assets and cash and cash equivalents, are subsequently measured at amortised cost using the effective interest method, less identified impairment charges (see Note 4(i)) as the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities include lease liabilities, trade payables, amount due to a director, other payables and accruals. All financial liabilities are subsequently measured at amortised cost using the effective interest method.

(i) **Impairment of financial assets**

The Group recognises loss allowances for expected credit loss on the financial instruments that are not measured at fair value. The Group considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Group considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfill its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognised in profit or loss. The receivable is written off against the receivable impairment charges account when the Group has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of expected credit losses decreases, the reversal would be adjusted to the receivable impairment charges account at the reporting date. The amount of any reversal is recognised in profit or loss.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (j) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows of the financial assets expire; or where the Group transfers the financial assets and either (i) it has transferred substantially all the risks and rewards of ownership of the financial assets; or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets but has not retained control of the financial assets.

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged, cancelled or expires.

##### (k) Inventories

Inventories are stated at the lower of cost or net realisable value, with cost determined using the first-in, first-out (“FIFO”) cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowances are established to reduce the cost of excess and obsolete or damaged inventories to their estimated net realisable value.

##### (l) Trade Receivables

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the initial recognition date to the end of each of the reporting period. In the opinion of the directors of the Company, apart from those balances for which allowances have been provided, other trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of unsettled balances.

The Group applied the simplified approach to provide the expected credit losses (“ECL”) prescribed by IFRS 9. The impairment methodology is set out in Note 4 and Note 5(iii) respectively. As part of the Group’s credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms.

##### (m) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

##### (n) Current and deferred income tax

Income tax comprises current and deferred tax. Current income tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company’s subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (n) Current and deferred income tax (Continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is utilised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### (o) Leases

###### Lessee

All leases with a term of more than 12 months are recognised as an asset representing the right to use of the underlying asset and a liability representing the obligation to make lease payments, unless the underlying asset is of low value. Both the asset and the liability are initially measured on a present value basis. Right-of-use assets are recognised under fixed assets and are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the assets and the lease term. Lease liabilities are initially measured at the present value of unpaid lease payments and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

###### Lessor

Leases where substantially all the risks and rewards of ownership of assets remain with the Group are classified as operating leases. Assets leased under operating leases are included in fixed assets and rentals receivable are credited to surplus or deficit on the straight-line basis over the lease term.

##### (p) Going Concern

The director's cash-flow projections for the forthcoming 12 months conclude there will be the need for additional cash resources to fully implement the business plans. A director has confirmed to provide financial supports to the Group and granted loan of approximately £80,000 to the Group subsequent to the reporting period for supporting the Group's operation for the forthcoming 12 months. In addition, the directors are in non-binding discussions with individuals and institutions that may lead to further equity and/or loans being raised. There may be uncertainty that any such funds will be forthcoming or the price and other terms being acceptable and as such there is a material uncertainty over going concern.

##### (q) Employee benefits

Salaries, wages, paid annual leave, bonuses and non-monetary benefits are accrued in the Year in which the associated services are rendered by the employees of the Group.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### (s) Share-based payments

Equity-settled share-based payment transactions in exchange for services of goods are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

#### 5. FINANCIAL RISK MANAGEMENT

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

The Group's activities expose it to a variety of financial risks as below.

##### (i) Interest rate risk

The Group has floating rate financial assets in the form of deposit accounts with major banking institutions of £9,111. Apart from the abovementioned amount, no other financial instrument is subjected to interest rate risk. The interest rate risk is therefore considered minimal.

##### (ii) Foreign exchange risk

Foreign currency risk is the risk to earnings or capital arising from movements in foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its foreign exchange dealings and other investment activities.

The Group monitors the relative foreign exchange positions of its assets and liabilities to minimise foreign currency risk. The foreign currency risk is managed and monitored on an ongoing basis by senior management of the Group. It is considered by the management of the Group that the exposure to foreign exchange risk is minimal.

**SEALAND CAPITAL GALAXY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**5. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(iii) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets and contract assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements. The Group's maximum exposure to credit risk is summarised in Note 23.

Most of the Group's cash in banks have been deposited with reputable and creditworthy banks in Hong Kong. Management considers there is minimal credit risk associated with those balances.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The responsibility for liquidity risk management rests with the Board of Directors.

As at the reporting date, the Group was in a net current liabilities positions. The Group is currently obtaining cash advances from one of a director to meet its temporary operating needs. Further, the Board of Directors is sourcing alternatives for the Group's future capital needs include the issue of equity instruments and external borrowing. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

**(v) Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

**(vi) Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balances.

The capital structure of the Company consists of debt and equity attributable to the owners of the Company, comprising share capital, share premium and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the associated risks, and take appropriate actions to adjust the Company's capital structure. The overall strategy of the Company remained unchanged.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY UNCERTAINTIES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Key source of estimation uncertainty

##### **Trade receivables and contract assets**

The Group's customer base consists of a wide range of clients and the trade receivables and contract assets are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and contract assets and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the prior years and adjusted for current and forward- looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the Year.

At 31 December 2023, a provision for impairment loss on trade receivables and contract assets of £9,500 (2022: Nil) was recognised according to the management expected loss. The Group's trade receivables which are past due but which the Group has not impaired as there have not been any significant changes in credit quality of customers and the management believes that the amounts are fully recoverable. Receivables that were neither past due nor impaired at 31 December 2023 relate to a wide range of customers for whom there was no history of default.

The Group does not hold any collateral over trade receivables and contract assets at 31 December 2023 (2022: Nil).

##### **Allowance for obsolete inventories**

Allowance for obsolete inventories is made for those identified obsolete and slow-moving inventories and inventories with a carrying amount higher than net realisable value. The assessment of the allowance involves management's judgement and estimates on which are influenced by assumptions concerning future sales and judgements in determining the appropriate level of inventory allowance against identified surplus or obsolete items. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

At 31 December 2023, allowance for obsolete inventories of £42,413 (2022: Nil) was recognised.

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. SEGMENT INFORMATION**

The Chief Operating Decision Maker (“CODM”) has been identified as the executive directors 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;
- (b) The software development and support segment includes sales and distribution of mobile game and all other I.T. related development and support services; and
- (c) The e-commerce segment includes sales of goods through internet and provision for consultancy services related to e-commerce.

	<b>Digital marketing and payment £</b>	<b>Software development and support £</b>	<b>e-Commerce £</b>	<b>Unallocated £</b>	<b>Total £</b>
<b>Year ended 31 December 2023</b>					
Revenue	-	-	125,793	-	125,793
Segment loss	(1,691)	-	(11,838)	(413,517)	(427,046)
Depreciation	-	-	-	29,010	29,010
Assets	6	-	110,393	43,080	153,479
Liabilities	6,470	-	99,858	1,315,224	1,421,552
<b>Year ended 31 December 2022</b>					
Revenue	887	-	225,863	-	226,750
Segment (loss)/Profit	(53,128)	(7,920)	4,534	(123,055)	(179,569)
Depreciation	-	-	-	34,746	34,746
Assets	443	-	196,419	74,319	271,181
Liabilities	21,767	-	125,892	1,016,365	1,164,024



**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. SEGMENT INFORMATION (CONTINUED)**

**Geographical information:**

	<b>2023</b>	<b>2022</b>
<b>Revenue by Geography</b>	<b>£</b>	<b>£</b>
Hong Kong	125,793	226,750

**Information about major customers**

For the year ended 31 December 2023, 2 external customer contributed more than 10% to the Group revenue (2022: no external customer contributed more than 10% to the Group revenue).

**8. REVENUE AND OTHER INCOME**

	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>REVENUE</b>		
Advertising services	-	887
Commission income	1,301	1,301
eCommerce sales	124,492	224,562
	125,793	226,750
<b>OTHER INCOME</b>		
Bank interest income	11	10
Government subsidy	-	2,730
Others	16,056	17,744
	16,067	20,484

**9. LOSS BEFORE TAX**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss before tax has been arrived at after charging:		
Depreciation – Owned assets	-	1,387
Depreciation – Right of use assets	29,010	33,359
Cost of inventories sold	71,893	133,462
Exchange gain, net	50,520	(125,886)
Provision for impairment losses on trade and other receivables	17,811	-
Allowance for obsolete inventories	42,413	-
Staff cost (including Director Remuneration)	206,861	307,105
Audit fees	52,500	52,241

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**10. EMPLOYEES**

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

	<b>2023</b>	<b>2022</b>
Directors	<u>2</u>	<u>2</u>
Staff	<u>3</u>	<u>7</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs, including directors' costs comprise:		
Wages, salaries and other staff costs	206,861	307,105
Share-based remuneration	<u>-</u>	<u>-</u>
	<u>206,861</u>	<u>307,105</u>

Included in the wages, salaries and other staff cost, £3,827 (2022: £26,616) represents the salaries paid to the daughter of a director.

**Key Management Remuneration**

The directors' emoluments in respect of qualifying services, which all related to short-term employee benefits, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Chung Lam Nelson Law</b>		
Salaries and fees – in cash	180,000	180,000
Share-based payment	-	-
<b>Geoffrey John Griggs</b>		
Salaries and fees – in cash	18,000	18,000
Share-based payment	<u>-</u>	<u>-</u>
	<u>198,000</u>	<u>198,000</u>

No pension contributions were made on behalf of the directors of the Company.

No share options were granted to directors during the year and year ended 31 December 2023 and 2022.

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. INCOME TAX**

No provision for profits tax has been made in these consolidated financial statements as the Group did not have any assessable profits. The profits tax rate for Hong Kong is currently at 16.5% (2022: 16.5%) of the estimated assessable profits for the Year.

A reconciliation of income tax expense applicable to the loss before tax at the statutory tax rate of Hong Kong to the income tax expense at the effective tax rate of the Group is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss before tax	<u>(427,046)</u>	<u>(179,569)</u>
Tax at the Hong Kong statutory tax rate of 16.5%	(70,463)	(29,629)
Effect of different tax rates in other jurisdictions	-	51,135
Income not subject to tax	(7,319)	(178,623)
Expenses not deductible for tax	74,833	157,216
Tax losses not recognized for the year	4,380	4,856
Utilisation of tax losses not recognised for the year	<u>(1,431)</u>	<u>(4,955)</u>
	<u>-</u>	<u>-</u>

Hong Kong statutory tax rate of 16.5% is adopted in the tax reconciliation since the Group's major operating subsidiaries are incorporated and operated in Hong Kong and subject to Hong Kong Profits Tax.

Potential deferred tax assets arising from operating loss carryforward totalling approximately £588,000 (2022: £570,000) have not been recognised due to uncertainty as to when taxable profits will be generated.

**12. BASIC AND DILUTED LOSS PER SHARE**

Basic loss per share is calculated by dividing the loss attributable to the Company's owners of £414,232 (2022: £177,096) by the weighted average number of 715,815,080 ordinary shares (2022: 602,495,699) in issue during 2023.

The following potential ordinary shares are anti-diluted and therefore excluded from the weighted average number of ordinary shares for the purpose of diluted loss per share.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Effect of potential ordinary shares</b>		
Employee share options (Note 21(a))	<u>105,122,539</u>	<u>105,122,539</u>

Diluted loss per share was the same as basic loss per share as no potential dilutive ordinary shares were outstanding for both the years ended 31 December 2023 and 2022.

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**13. PROPERTY, PLANT AND EQUIPMENT**

	Office equipment £	Leasehold improvement £	Right-of-use Assets £	Total £
At 1 January 2023	-	-	44,791	44,791
Depreciation for the year	-	-	(29,010)	(29,010)
Exchange differences	-	-	(1,603)	(1,603)
At 31 December 2023	-	-	14,178	14,178
At 1 January 2022	-	1,159	14,491	15,650
Additions for the year	-	-	59,721	59,721
Depreciation for the year	-	(1,387)	(33,359)	(34,746)
Exchange differences	-	228	3,938	4,166
At 31 December 2022	-	-	44,791	44,791

**14. INVENTORIES**

	2023 £	2022 £
Finished goods:		
Gross amount	91,637	106,088
Allowance for obsolete inventories	(42,413)	-
	49,224	106,088

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**15. TRADE RECEIVABLES, DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES**

(a) Trade receivables

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade receivables – billed	25,935	26,430
Less: Provision for impairment loss	<u>(9,500)</u>	<u>-</u>
	<u><u>35,435</u></u>	<u><u>26,430</u></u>

During the year, the Group has recognised a provision for impairment loss on trade receivables of £9,500 (2022: Nil). The Group normally grants credit periods of up to 90 days to its customers as approved by the management on a case by case basis.

The ageing analysis of trade receivables - billed (net of loss allowance) based on invoice date at the end of the reporting period is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within 30 days	14,431	9,305
31 to 60 days	1,769	6,134
61 to 90 days	1,310	2,006
91 to 180 days	<u>17,925</u>	<u>8,985</u>
	<u><u>35,435</u></u>	<u><u>26,430</u></u>

The carrying amount of the Group's trade receivables as at 31 December 2023 and 2022 was denominated in Hong Kong Dollars.

(b) Deposit, prepayments and other receivables

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Prepayments	32,684	35,814
Deposit and other receivables	21,158	22,491
Less: Provision for impairment loss	<u>(8,311)</u>	<u>-</u>
	<u><u>45,531</u></u>	<u><u>58,305</u></u>

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. TRADE PAYABLES**

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
91 to 180 days	-	-
181 to 365 days	-	-
More than 365 days	36,110	36,110
	<u>36,110</u>	<u>36,110</u>

**17. AMOUNT DUE TO A DIRECTOR**

The amount was unsecured, interest-free and had no fixed terms of repayment.

**18. LEASE LIABILITIES**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Current portion:</b>		
Gross finance lease liabilities	14,503	30,544
Finance expense not recognised	(71)	(686)
	<u>14,432</u>	<u>29,858</u>
<b>Non-current portion:</b>		
Gross finance lease liabilities	-	15,272
Finance expense not recognised	-	(75)
	<u>-</u>	<u>15,197</u>
	<u>14,432</u>	<u>45,055</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>The net finance lease liabilities are analysed as follows:</b>		
- Not later than 1 year	14,432	29,858
- Later than 1 year but not more than 5 years	-	15,197
	<u>14,432</u>	<u>45,055</u>

The interest on lease liabilities for the year ended 31 December 2023 was £666 (2022: £738). The Group does not recognise right-of-use assets and lease liabilities for short-term leases and leases where the underlying asset is of low value. The expenses for these leases for the year ended 31 December 2023 were £Nil (2022: £ Nil).

**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**19. SHARE CAPITAL**

	2023		2022	
	Number of shares	£	Number of shares	£
<b>Ordinary shares issued and fully paid</b>				
At 1 January	715,815,080	71,581	595,694,385	59,569
Issue of shares	-	-	120,120,695	12,012
At 31 December	715,815,080	71,581	715,815,080	71,581

On 20 December 2022, the Company has issued 115,211,604 new ordinary shares of 0.21 pence each to Mr. Nelson Law, the Company's Chairman and Chief Financial Officer, for the conversion of the loan owned to him of £241,944.

On 4 April 2022, the Company has issued 4,909,091 new ordinary shares of the Company in lieu of professional service provided.

**20. CAPITAL AND RESERVES**

The nature and purpose of equity and reserves are as follows:

Share capital comprises the nominal value of the ordinary issued share capital of the Company.

Share Premium represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.

## SEALAND CAPITAL GALAXY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 21. SHARE-BASED PAYMENTS

##### (a) Share Options

During the year ended 31 December 2021, the Group has implemented a stock option plan (the “Plan”) for the employees and directors, which awards options over the ordinary share of the Company. The Board of Directors (the “Board”) approves all grants and the terms of all grants. Options awarded under the Plan generally vest on issue and exercisable over a period from one year after the grant date to four years after the grant date.

The fair value of each option granted is estimated on grant date using the Black-Scholes option-pricing model by applying the following assumptions:

Share price	£0.0007
Risk-free interest rate	0.0022%
Expected life of warrant (years)	4
Expected annualised volatility	0.66
Expected dividend yield	Nil

For the year ended 31 December 2021, the Company recorded share-based compensation expenses in the amount of £357,417.

At 31 December 2023 and 2022, the Group had 105,122,539 share options outstanding as follows.

Date of Grant	Exercise start date	Expiry date	Exercise price	Number granted
19/10/2021	19/10/2021	18/10/2025	0.7p	Nil

##### (b) Shares issued for services

On 4 April 2022, the Company has issued 4,909,091 new ordinary shares of the Company in lieu of professional service provided.

#### 22. RELATED PARTY TRANSACTIONS

- (a) Details of the compensation of key management personnel was disclosed in Note 10 to the financial statements.
- (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 Year.



**SEALAND CAPITAL GALAXY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**23. FINANCIAL INSTRUMENTS BY CATEGORY**

The totals for each category of financial instruments is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets at amortised cost		
Trade receivables	35,435	26,430
Deposit and other receivables	12,847	22,491
Cash and cash equivalents	9,111	35,567
	<u>57,393</u>	<u>84,488</u>
<b>Financial liabilities</b>		
Liabilities at amortised cost		
Trade payables	36,110	36,110
Other payables and accrued expense	630,524	480,213
Amounts due to directors	740,486	602,646
Lease liabilities	14,432	45,055
	<u>1,421,552</u>	<u>1,164,024</u>

Prepayments are excluded from the summary above.

**24. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	<b>Lease liabilities</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 January	45,055	14,750
New lease	-	59,721
Financing cash flows	(29,674)	(33,582)
Exchange adjustment	(949)	4,166
At 31 December	<u>14,432</u>	<u>45,055</u>

**25. CAPITAL COMMITMENTS**

There were no capital commitments as at the year ended 31 December 2023 (2022: Nil).

SEALAND CAPITAL GALAXY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

26. DEREGISTRATION OF SUBSIDIARIES

In April 2023, the Group deregistered the subsidiaries of Taohui Limited (PRC) and Ptp Media Limited (PRC). The principal activities of the subsidiaries are inactive.

The following summarises the carrying amount of the assets and liabilities at the date of deregistration:

	£
<b>Net liabilities of the deregistered subsidiaries</b>	
Prepayments and other receivables	381
Cash and cash equivalents	1,013
Other payables and accrued expenses	<u>(42,601)</u>
	(41,207)
Gain on deregistration of subsidiaries	<u>41,207</u>
	<u>-</u>
<b>Net cash flow on deregistration of subsidiaries</b>	<u>-</u>
<b>Net outflow of cash and cash equivalents</b>	<u>(381)</u>

27. SUBSEQUENT EVENT

On 26 January 2024, the Company has issued 9,090,909 new ordinary shares of the Company in lieu of professional service provided. The management expects share premium of approximately £9,000 will be generated as a result.