THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Walnut Capital Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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WALNUT CAPITAL LIMITED
胡桃資本有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 905)

(1) MAJOR TRANSACTIONS IN RELATION TO THE ACQUISITION AND DISPOSAL OF CRYPTOCURRENCIES; AND (2) NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting (the "**SGM**") of the Company to be held at Creative lab, 24F, Office Plus, 303 Hennessy Road, Wan Chai, Hong Kong on Thursday, 5 March 2026 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend and/or vote at the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM (i.e. Tuesday, 3 March 2026 at 11:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

6 February 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Announcement"	the announcement of the Company dated 12 September 2025
"Accounting Department"	the accounting department of the Company
"Acquisitions"	the acquisition of USDT by the Group between the period from 11 December 2024 to 18 December 2024 as aggregated
"Board"	the board of Directors
"CCASS"	the central clearing and settlement system established and operated by Hong Kong Securities Clearing Company Limited
"Company"	Walnut Capital Limited(胡桃資本有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, whose Shares are listed on the Main Board (Stock Code: 905)
"Director(s)"	the director(s) of the Company for the time being
"Disposals"	the disposal of USDT by the Group, for the purpose of acquiring other cryptocurrencies, between the period from 17 January 2025 to 11 March 2025 as aggregated
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) or company(ies) who is(are) independent of and not connected (within the meaning of the Listing Rules) with the Company and its connected persons
"Investment Committee"	the investment committee of the Company, comprising two executive Directors and the financial controller of the Company

"Latest Practicable Date"	30 January 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held at Creative lab, 24F, Office Plus, 303 Hennessy Road, Wan Chai, Hong Kong on Thursday, 5 March 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, approving and ratifying each of the Transactions
"Share(s)"	ordinary share(s) of par value of HK$0.01 each in the share capital of the Company, which include treasury share(s) of the Company, if any, and the holders of treasury shares have no voting rights at the general meeting(s) of the Company
"Shareholder(s)"	the holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transactions"	the Acquisitions and the Disposals
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"USD" or "United States Dollar"	United States dollar(s), the lawful currency of The United States of America
"%"	per cent.

In this circular, amounts in USD are translated to HK$ on the basis of USD1 = HK$7.80. The conversions are for illustration purpose only and should not be taken as a representation that USD could actually be converted into HK$ at that rate or at other rates or at all.

WALNUT CAPITAL LIMITED
胡桃資本有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 905)

Executive Directors:
Mr. Mung Kin Keung *(Co-chairman)*
Mr. Mung Bun Man, Alan

Non-executive Director:
Mr. Mung Hon Ting, Jackie *(Co-chairman)*

Independent non-executive Directors:
Mr. Fung Wai Ching
Mr. Chung Wang Hei
Ms. Cheng Hiu Ching

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Unit 25C, TML Tower
3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

6 February 2026

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTIONS IN RELATION TO THE ACQUISITION AND DISPOSAL OF CRYPTOCURRENCIES; AND (2) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Transactions. In order to rectify the non-compliance with the Listing Rules in respect of each of the Transactions as set out in the Announcement, an SGM will be convened for the Shareholders to consider and, if thought fit, approve and ratify each of the Transactions.

The purpose of this circular is to provide you with (i) information in respect of the resolutions to be proposed at the SGM in respect of each of the Transactions; and (ii) the notice of the SGM.

THE ACQUISITIONS

It has come to the attention of the Board that the Acquisitions would have constituted a major transaction on the part of the Company to which the Company had not fully complied with the disclosure requirements under the Listing Rules at the relevant time of entering into the Acquisitions.

The following are the details in relation to the Acquisitions:

Date	**Number of USDT**	**Consideration** *(USD)*
11 December 2024	586,354.954	587,296.26
12 December 2024	2,163,854.858	2,167,803.71
18 December 2024	2,496,255.620	2,500,000.00
Total	5,246,465.432	5,255,099.97 (equivalent to approximately HK$40,990,000)

As the Acquisitions were conducted in the open market, the Company is not aware of the identity(ies) of the vendor(s) and the consideration was based on the market price of the USDT on the open market. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the vendor(s) and their ultimate beneficial owner(s) (if any), is/are Independent Third Party(ies).

THE DISPOSALS

It has also come to the attention of the Board that the Disposals would have constituted a major transaction on the part of the Company to which the Company had not fully complied with the disclosure requirements under the Listing Rules at the relevant time of entering into the Disposals.

The following are the details in relation to the Disposals:

Date	Type and number of cryptocurrencies acquired	Consideration *(Number of USDT)*	USD equivalent and book value of USDT
17 January 2025	210.78897 Ethereum	750,000.00	750,000.00
4 February 2025	430.38365 Ethereum	1,300,000.00	1,300,000.00
7 February 2025	181.81818 Ethereum	500,000.00	500,000.00
Sub-total		2,550,000.00	2,550,000.00
24 February 2025	2.02428 Bitcoin	192,499.45	192,499.45
25 February 2025	5.94947 Bitcoin	532,499.72	532,499.72
28 February 2025	2.75264 Bitcoin	250,000.00	250,000.00
4 March 2025	0.87553 Bitcoin	75,000.00	75,000.00
11 March 2025	0.92408 Bitcoin	75,000.00	75,000.00
Sub-total		1,124,999.17	1,124,999.17
7 February 2025	262.61812 Solana	49,947.39	49,947.39
16 February 2025	1,850.38277 Solana	349,999.78	349,999.78
21 February 2025	1,611.25046 Solana	300,000.20	300,000.20
Sub-total		699,947.37	699,947.37
Total		4,374,946.54	4,374,946.54 (equivalent to approximately HK$34,124,583)

The trading of cryptocurrencies would constitute an acquisition and/or disposal of assets under Rule 14.04(1)(a) of the Listing Rules and therefore would be subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules if any of the percentage ratios of such proposed transaction exceeds 25% pursuant to Rule 21.13 of the Listing Rules.

As one or more of the percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals, being the disposal of USDT by the Group, for the purpose of acquiring other cryptocurrencies, between the period from 17 January 2025 to 11 March 2025 as aggregated, exceeds 25%, the Disposals constitute a major transaction on the part of the Company on an aggregated basis under Chapter 14 of the Listing Rules.

As none of the percentage ratios under Rule 14.07 of the Listing Rules in respect of the acquisition of each of Ethereum, Bitcoin and Solana on an aggregated basis for each of the respective types of cryptocurrencies between the period from 17 January 2025 to 11 March 2025 exceeds 25%, they do not constitute as major transactions on the part of the Company under Chapter 14 of the Listing Rules.

As the Disposals were conducted in the open market, the Company is not aware of the identity(ies) of the purchaser(s) and the consideration was based on the market price of the relevant cryptocurrencies on the open market. The book value of the USDT disposed of was equal to the value of the cryptocurrencies acquired. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser(s) and their ultimate beneficial owner(s) (if any), is/are Independent Third Party(ies).

As the USDT disposed of was utilised to acquire other cryptocurrencies as set out above, there was no gain or loss on the Disposals. There were also no sale proceeds from the Disposals.

Furthermore, as the value of the USDT acquired under the Acquisitions and disposed of under the Disposals to acquire other cryptocurrencies are equivalent, there is no effect on the earnings, assets and liabilities of the Company as a result of the Disposals.

INFORMATION ON USDT

Tether is a blockchain-enabled platform which facilitates the digital use of traditional currencies and USDT is a Tether token which is referred to as stablecoins because (i) it offers price stability as it is pegged 1-to-1 with a matching fiat currency; and (ii) are backed 100% by Tether's reserves. In particular, the USDT is pegged to the US dollar and between June 2023 to June 2025, the exchange rate had shown a steady trend at USDT1 = approximately USD1.00.

As at the Latest Practicable Date, Binance Holdings Limited is the custodian of the Group's USDT.

INFORMATION ON THE GROUP

The principal activity of the Company is to act as an investment holding company. The Group principally invests in listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies.

The Group's investment policy and objectives in relation to investment in cryptocurrencies

The investment purpose of the Group is to make investments with a short to long term perspective and the objective of making capital gains as well as income from dividend, interests or rewards, which includes listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies.

Whilst the Group does not currently intend to engage in the trading of digital assets for the foreseeable future, in the event the Group does intend to do so, the Company will expand the scope of its internal control policies, relevant guidance and training materials to cover digital assets as well.

There are no restrictions on the proportion of the Company's assets which may be invested in any specific sector or company save for the restriction that the Company will not make an investment in cryptocurrencies which represents more than 20% of the consolidated net assets of the Company at the time such investment is made as required under Rule 21.04(3)(b) of the Listing Rules. Furthermore, the Directors do not intend to seek bank borrowings until all the Company's funds have been substantially invested. In the event the Company does seek any bank borrowings, the Directors do not intend to borrow amounts representing in aggregate more than the consolidated net assets of the Company at the time the borrowing is made.

The risk management and control measures of the Group in relation to investment in cryptocurrencies

In relation to the Group's principal activity in investments in listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies, the Group may face the following key risks and uncertainties when it invests in cryptocurrencies. Set out below is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined as follows:

Principal risks:	**Description:**
Market risk	Fluctuations in macroeconomic conditions and market volatility can have a material impact on asset values
Liquidity risk	Low liquidity can result in challenges when attempting to exit positions promptly, as it may lead to significant price impact and increased transaction costs
Operational risk	Risks include human error, inadequate controls, and system failures in managing wallets or transactions
Cybersecurity risk	Cryptocurrency holdings are prone to hacking, phishing, and theft of private keys
Counterparty risk	Custodians and exchanges might fail to meet obligations, especially in lightly regulated jurisdictions
Regulatory and legal risk	Unclear or evolving laws regarding cryptocurrency ownership, taxation, and reporting pose compliance challenges

The Group has implemented the following control measures to mitigate the risks or uncertainties faced by the Group:

Risk mitigation actions:	Description:
Portfolio diversification	Distributing investments across different cryptocurrencies, platforms, and asset types to mitigate asset-specific risk
Secure custody and access controls	Using institutional-grade custodians or multi-signature wallets with strict access controls and storing private keys in cold storage where practical
Independent oversight and segregation of duties	Separating roles for authorization, execution, custody, and reconciliation to prevent single-person control over cryptocurrency transactions
Transaction validation and reconciliation	Implementing verification procedures for wallet addresses, transaction amounts, and counterparties and regularly reconciling blockchain data with internal records
Regular review and reporting	Monitoring market conditions, regulatory updates, and control performance and reporting results periodically to senior management or the Board

The Group's investment process, approval and oversight mechanism in relation to investment in cryptocurrencies and role of the Investment Committee

Furthermore, the Investment Committee, comprising two executive Directors and the financial controller of the Company, shall be accountable to the Board and shall assist the Board in overseeing financial matters of importance to the Company. The Investment Committee oversees the Company's investment objectives and policies, the establishment and monitoring of internal control at the operational levels and in ensuring compliance with investment restrictions when investing in cryptocurrencies.

The Board constantly (i) monitors and reviews the Company's investment to ensure that all investments, including investing in cryptocurrencies, of the Group are aligned with the Group's investment objectives and policies; and (ii) oversees risk management to ensure that appropriate systems are in place. Furthermore, the Board is responsible for investment decisions and activities of the Group and shall perform any duties required by applicable laws, regulations, or the Listing Rules in relation to investment management, if an investment decision is approved.

The concise summary of the Group's approval and oversight mechanisms relating to investments in cryptocurrencies are set out below:

Mr. Mung Bun Man Alan ("**Mr. Alan Mung**"), being an executive Director and the chief executive officer of the Company since 2014 and a member of the Investment Committee, will identify any potential transactions involving the trading of cryptocurrencies which may be beneficial to the Group. Before entering into any such transactions, Mr. Alan Mung, whom initiates the trading of cryptocurrencies will inform the financial controller of the Company, who will in turn assess whether such transactions constitute a notifiable transaction under Chapter 14 of the Listing Rules. The accountant or the financial controller of the Company, being part of the Accounting Department will then compute (a) the percentage ratios in accordance with Chapter 14 of the Listing Rules; and (b) in the case of an acquisition, the aggregate value of the Group's investment in such cryptocurrency(ies) after completion of the proposed transaction as against the Group's net asset value.

If the aggregate value of the Group's investment in such cryptocurrencies exceeds 20% of its net asset value, the financial controller will reject such proposed acquisition. The financial controller will report the remaining transactions to the Investment Committee which would then check the accuracy of the size tests calculations of the Accounting Department in relation to a proposed transaction to ensure that the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules if such percentage ratios exceed 25% on a standalone or aggregated basis. The proposed transaction may only be proceeded with without seeking approval from the Board if the Investment Committee issues a confirmation that (a) the percentage ratios of the transaction do not exceed 25% on a standalone or an aggregated basis; and (b) in respect of acquisition, the aggregate value of the Group's investment in such cryptocurrencies does not exceed 20% of its net assets value.

Where the proposed transaction involving the trading of cryptocurrencies has an aggregate value exceeding 20% of the Group's net asset value after completion of such proposed transaction and such transaction is mistakenly presented to the Investment Committee, the proposed transaction will not be approved by the Investment Committee as it is a violation to the Group's investment policies and the proposed transaction will be rejected in writing.

As set out in the Group's internal control policies, if a proposed transaction for the trading of cryptocurrencies, which constitutes an acquisition or disposal of assets under Rule 14.04(1)(a) of the Listing Rules, (a) has any percentage ratios calculated in accordance with Chapter 14 of the Listing Rules exceeding 25% on a standalone basis or as aggregated; and (b) has an aggregate value that does not exceed 20% of the Company's net asset value after completion of such proposed transaction, the Investment Committee will report such transaction to the Board and obtain prior approval from the Board.

In considering the transaction, the Board will then scrutinise whether the transaction complies with the Chapter 14 requirements applicable to a major transaction, and in respect of the acquisition, the aggregate value of the Group's investment in such cryptocurrency such that it does not exceed 20% of the Company's net asset value. Where such approval is obtained, the Board will ensure that such proposed transaction involving the trading of cryptocurrencies, which constitutes a major transaction on the part of the Company and is subject to the relevant requirements under Chapter 14 of the Listing Rules, will comply with such requirements as set out in the Listing Rules.

Mr. Alan Mung brings robust academic credentials in finance and business coupled with comprehensive executive management experiences to the Group. Mr. Alan Mung leads the Company's investment operations, strategic development, and overall business performance. His expertise spans investment, financing, and corporate governance, meeting the Company's operational requirements effectively. Mr. Alan Mung has 5 years of experience in investments in cryptocurrencies.

The internal control mechanisms to safekeep the cryptocurrencies held by the Group

The Group maintains a comprehensive, multi-layered internal control framework to safeguard its cryptocurrency holdings, integrating technical, procedural, and human controls that collectively ensure security, resilience, and compliance.

Internal control mechanisms:	**Description:**
Whitelisted wallets and transaction controls	All trading of cryptocurrencies by the Group are through pre-approved wallet addresses through a whitelisting process requiring formal registration, ownership verification, and management approval. The Group will secure its cryptocurrency assets by storing them in cold wallets and will transfer assets to cryptocurrency exchanges only when necessary. Specifically, all withdrawals of cryptocurrencies and funds are limited exclusively to pre-approved, whitelisted wallets. The Group enforces strict controls over cryptocurrency withdrawals and transfers by limiting them to pre-approved (whitelisted) wallet addresses. These addresses are registered, ownership is verified, and the whitelisting process requires formal management and Investment Committee approval. Whitelisted wallet addresses consist of those provided by licensed and regulated cryptocurrency exchanges and high-security self-custody wallets, all of which meet international compliance and security standards. On acquiring an exchange account, deposit wallet addresses are retrieved from the exchange or from verified self-custody solutions, and are subject to the same whitelisting standards prior to activation for transaction purposes.

Internal control mechanisms:	Description:
	All cryptocurrency fund transfers and withdrawals must be executed exclusively through whitelisted addresses. Trading activities are confined to the exchange ecosystem which supports controlled asset movements and mitigating transactional risks. The whitelist, which are the pre-approved wallet addresses, incorporates both hot wallets which are online wallets used for active trading, transfers and instant liquidity, and cold wallets which are maintained offline to store the cryptocurrencies and to safeguard against loss from theft or cyberattacks. Transfers from cold wallets to hot wallets are made only as necessary for trading activities. Monthly checks of cold wallet holdings for the reconciliation with the financial statements of the Group are performed by the accountant and the financial controller, being part of the Accounting Department, separately to ensure the integrity and accuracy of cryptocurrency balances. Continuous review and validation of whitelisted addresses are enforced, along with multi-factor authentication, transaction withdrawal limits, and real-time alerts for any suspicious activity. Furthermore, the Group will establish additional wallets only when operationally necessary, for example where a new cryptocurrency asset is incompatible with an existing wallet or is not supported on any of the current wallets. Any addition of new wallet addresses to the whitelist is initiated by an executive Director and requires prior Investment Committee approval from any two of its three members, with a mandatory cooling-off period of at least one day before new addresses are activated for transactions. If any two of the Investment Committee members determines that the reason for the creation of a new wallet is justified, the new wallet will be approved by the Investment Committee for its creation, which will be jointly executed by the executive Directors.

Internal control mechanisms:	**Description:**
Wallet and private key management	The Group employs a hybrid wallet strategy to enhance the security and management of its cryptocurrency assets in both its hot wallets and cold wallets. This strategy involves generating private keys offline and storing them separately from seed phrases in access-controlled facilities. This segregation helps mitigate risks related to insider threats and physical security breaches. Seed phrases are comprised of 12 to 24 words and act as the master backup, enabling recovery of all private keys within a wallet. Private keys are long alphanumeric strings that provide control over individual cryptocurrency addresses. *Transaction authorization process for cryptocurrency trading* Only the executive Directors, being the only authorised persons for such matters, are allowed to execute trades and manage wallet transfers which will involve the below process: (i) **Initiation & authorization**: An executive Director will initiate the proposed transaction involving the trading of cryptocurrencies and inform the financial controller and the Investment Committee of the relevant quantities of the cryptocurrencies to be traded. The financial controller or accountant in the Accounting Department will prepare the size test computations in accordance with Chapter 14 of the Listing Rules and the aggregate value of the Group's investment in such cryptocurrency after completion of the proposed transaction against the Group's net asset value. Any two of the three members of the Investment Committee will review the computation and approve the proposed transaction by issuing a confirmation, with further approval from the Board if the percentage ratios in relation to the proposed transaction exceeds 25%, so as to ensure the proposed trading transactions are complied with the Company's investment policy of trading of cryptocurrencies and Listing Rules.

Internal control mechanisms:	Description:

(ii) **Execution**: The execution of the approved cryptocurrency trading transactions will involve (a) multi-factor authentication; (b) confirmation of transaction details by the executive Directors, such as the proposed transaction amounts, total quantities and prices of cryptocurrencies proposed to be traded; (c) size test calculations prepared by the Accounting Department; and (d) valid confirmation issued from the Investment Committee.

(iii) **Documentation & audit**: The accountant, being part of the Accounting Department, maintains records for audit trail and the financial controller, being part of the Accounting Department, conducts monthly reconciliation of cryptocurrency balances to ensure the accuracy and completeness of the transactions.

Process of transferring cryptocurrencies between cold and hot wallets

Transfers from cold wallets to hot wallets and vice versa are conducted as needed during trading and will involve the below process:

(i) **Initiation & authorization**: Transfer request specifying the proposed quantities of cryptocurrencies to be transferred, which hot wallet address to be transferred to and the reason(s) for the transfer is submitted by an executive Director to the Investment Committee for consideration and approval. If any two of the three members of the Investment Committee approves of the rationale for the transfer, the Investment committee will check the proposed quantities of the cryptocurrencies to be transferred and the receiving (hot) address to ensure the existence of the cryptocurrency asset and the accuracy and ownership of the address.

(ii) **Address verification:** Hot wallet address verified by the Investment Committee.

Internal control mechanisms:	Description:
	(iii) **Execution:** Transfer assets using multi-factor authentication, confirmation of transaction details by the executive Directors, such as the proposed transaction amounts, including total quantities and prices of cryptocurrencies proposed to be traded, against size test calculations prepared by the Accounting Department with valid confirmation issued from the Investment Committee, before signing. (iv) **Hot wallet confirmation:** Confirm receipt of assets in the hot wallet by an executive Director. (v) **Documentation & audit:** The accountant, being part of the Accounting Department, maintains records for audit trail and the financial controller, being part of the Accounting Department, reconciles wallet balances. *Custody of private keys and seed phrases* The Group enforces strict control policies for handling cryptographic keys. The private keys are held securely and exclusively by the two executive Directors. Seed phrases are stored offline in a secure environment, distinct from private keys, to enhance protection against unauthorized access and loss.
Access and digital security controls	Two-factor authentication, strong password policies, and anti-phishing training are mandatory for all authorized personnel The two-factor authentication ("**2FA**") is mandatory for granting access for transactions and transfer. Access to the exchange will require the input from two executive Directors whereby one enters the password, and the other provides the 2FA code. This dual-authorization method ensures that no single individual can access or authorize transactions independently.

Internal control mechanisms:	**Description:**
	Following execution of a cryptocurrency trade, the financial controller, being part of the Accounting Department, independently reconciles transactions by matching approved requests against wallet balances and custody records so as to validate the accuracy and completeness of all cryptocurrency asset movements. The Investment Committee and executive Directors take joint responsibilities for provisioning, monitoring, and updating authentication devices, ensuring the security tools remain effective. Annual reviews are conducted by the Investment Committee to ensure only active, relevant parties retain access privileges and up-to-date and 2FA credentials.
Physical and personnel safeguards	Cold wallets and backups are geographically distributed to enhance resilience against local disasters or breaches In order to minimize risk, the Company is aware that electronic devices used for daily activities are more susceptible to cyberattacks. Therefore, a dedicated device is exclusively assigned for cryptocurrency transactions and asset transfers to mitigate potential exposure. Additionally, all transactions must be conducted over secure networks; the use of public or unsecured networks is strictly prohibited. These measures will reduce the risk of compromise by external threats and enhance the overall security posture. In order to safeguard the cryptocurrency asset, cold wallets will be stored in the company's office vault, with access strictly limited to the executive Directors. Additionally, the Company will be safeguarding the seed phrases by utilizing two separate safe deposit boxes located in different locations. Access to these safe deposit boxes requires the presence of two executive Directors. This will help ensure dual controls and reducing the risk of unauthorized access or loss.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE DISPOSALS

The Company had acquired the USDT as a means to facilitate its engagement in the trading of cryptocurrencies which involves (a) the acquisition of USDT and using such USDT to acquire other cryptocurrencies; and (b) the disposal of cryptocurrencies which converts the proceeds back into USDT. The consideration was funded by the internal resources of the Group.

As at 31 May 2025, the Company held approximately 961,562.76 USDT (including interest generated), being the remaining balance after the Disposals, which utilised part of the USDT for acquisitions of other cryptocurrencies, and represents approximately 4.38% of the unaudited consolidated net assets of the Company. As at the Latest Practicable Date, the Company held approximately 4,531.72 USDT (including interest generated), which represents approximately 0.03% of the unaudited consolidated net assets of the Company.

The Company was of the view that the USDT were cash equivalents as the USDT, being a stablecoin, will not be affected by any appreciation nor depreciation in value as against the United States Dollar. The USDT under the Acquisitions were purchased by the Group with cash and shall be measured initially at cost, that was on the market price of the USDT on the open market. After initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The revalued amounts are determined based on the quoted market prices available on the relevant exchange institutions at the end of the reporting period.

Since the USDT are pegged at 1-to-1 to USD, there was no material change in fair value based on a quoted (unadjusted) market price of USDT at the end of reporting period. Therefore, the fair values of the USDT would approximate to their cost, and no revaluation gain or impairment loss was recognised.

As the USDT disposed under the Disposal was utilised to acquire other cryptocurrencies, the carrying amounts of the USDT disposed of was equal to the value of the other cryptocurrencies acquired on the open market. No gain or loss arising on derecognition of USDT was recognised.

By reason of the above, the Company mistakenly considered that the acquisition, holding and disposal of the USDT did not constitute a transaction on the part of the Company. The Company regrets the inadvertent mistake and has implemented remedial actions as set out below since the end of the year ended 31 December 2025 to avoid future non-compliances from the Listing Rules.

Furthermore, whilst the USDT acquired by the Group represented approximately 37% of the Company's net assets value as at 30 June 2024, the Company had made the inadvertent mistake of regarding the USDT as cash equivalents due to its nature as a stablecoin instead of as an investment of the Company and thereby considered that the Acquisitions did not constitute an investment on the part of the Company under Rule 21.04(3)(b) of the Listing Rules. The Company regrets the non-compliance with Rule 21.04(3)(b) of the Listing Rules and has implemented the remedial actions set out below by the end of the year ended 31 December 2025 to ensure that any holding of USDT by the Company in the future will remain below 20% of the Company's net assets at the time of any such acquisition.

In view of the aforesaid and having considered that the Acquisitions and the Disposals were made in the open market at prevailing market price, the Directors are of view that the Acquisitions and the Disposals were fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

The Company will continue to closely monitor developments within the cryptocurrencies sector, and will identify opportunities for strategic investment should market conditions present attractive prospects in the future.

REMEDIAL ACTIONS

As an immediate remedial action, the Company has admitted the non-compliance with the Listing Rules requirements regarding the Transactions and has published the Announcement.

To prevent similar incidents from happening again in the future, the Company has implemented the following remedial actions since the end of the year ended 31 December 2025:

(i) The Company has specified in its internal control policies that trading of cryptocurrencies constitutes an acquisition or disposal of assets under Rule 14.04(1)(a) of the Listing Rules and therefore would be subject to the relevant requirements under Chapter 14 of the Listing Rules.

(ii) The Company has designated the Accounting Department and the Investment Committee to monitor and assess all transactions involving the trading of cryptocurrencies. The Accounting Department consists of (a) the company secretary and financial controller of the Company, whom is a member of the Hong Kong Institute of Certified Public Accountants and has over 19 years of experience in accounting, audit, taxation and financial management; and (b) the accountant of the Company, whom has more than 19 years of experience in accounting. The Investment Committee consists of two executive Directors, being Mr. Mung Kin Keung and Mr. Alan Mung, and the company secretary and financial controller of the Company, being Ms. So Man Yee. Before a transaction involving the trading of a cryptocurrency is entered into, following the instructions from Mr. Alan Mung, whom initiates the trading of cryptocurrencies, such proposed transaction will be reported to the financial controller of the Accounting Department.

(iii) Mr. Alan Mung, whom initiates the trading of cryptocurrencies will inform the financial controller of the Company, who will in turn assess whether such transaction constitutes a notifiable transaction under Chapter 14 of the Listing Rules. The accountant or the financial controller of the Company, being part of the Accounting Department will then compute (a) the percentage ratios in accordance with Chapter 14 of the Listing Rules; and (b) in the case of an acquisition, the aggregate value of the Group's investment in such cryptocurrency after completion of the proposed transaction as against the Group's net asset value, prior to the entering into of any transactions involving the trading of cryptocurrencies.

(iv) Any proposed transaction involving the trading of a cryptocurrency in which the aggregate value of the Group's investment in such cryptocurrency will exceed 20% of the Group's net asset value after completion of such proposed transaction will be rejected by the financial controller of the Company and will not be proceeded with. Furthermore, in the event that any proposed acquisition of cryptocurrency that exceeds the 20% threshold is mistakenly presented to the Investment Committee, the Investment Committee would reject such transaction in writing as well.

(v) The financial controller will report the remaining transactions to the Investment Committee which will review the calculations and issue a confirmation if (a) the percentage ratios of the transaction do not exceed 25% on a standalone or an aggregated basis; and (b) in respect of acquisition, the aggregate value of the Group's investment in such cryptocurrencies does not exceed 20% of its net assets value.

(vi) Any proposed transaction involving the trading of a cryptocurrency in which (a) any of the percentage ratios exceeds 25% on a standalone basis or as aggregated; and (b) the aggregate value of the Group's investment in such cryptocurrency does not exceed 20% of the Company's net asset value after completion of such proposed transaction, will be reported to the Board by the financial controller of the Investment Committee and prior approval of the Board shall be obtained before such transaction is proceeded with. The Board will scrutinise whether the transaction complies with the Chapter 14 requirements applicable to a major transaction, and in respect of acquisition, the aggregate value of the Group's investment in such cryptocurrency such that it does not exceed 20% of the Company's net asset value. The Board will also ensure that any proposed transaction involving the trading of a cryptocurrency, which constitutes a major transaction on the part of the Company, will comply with the requirements as set out in the Listing Rules.

(vii) The Company has issued relevant guidance and training materials on the trading of cryptocurrencies and its implications under the Listing Rules including Chapter 14, Chapter 14A and Chapter 21 of the Listing Rules to the Directors and senior management of the Group.

(viii) The Company will seek legal advice and/or other professional advice from time to time as and when it is necessary to ensure proper compliance with the relevant requirements of the Listing Rules by the Group.

(ix) The Company has specified in its internal control policies the position of the responsible person for initiating the trade of cryptocurrencies, which is currently Mr. Alan Mung. Whilst the Group does not currently intend to engage in the trading of digital assets for the foreseeable future, in the event the Group does intend to do so, the Company will expand the scope of its internal control policies, relevant guidance and training materials to cover digital assets as well and will specify in such internal control policies position of the responsible person for initiating the trade of digital assets when necessary.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of each of the Transactions under Rule 14.07 of the Listing Rules exceeds 25%, each of the Transactions constitute a major transaction on the part of the Company under the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In order to rectify the non-compliance with the Listing Rules in respect of each of the Transactions, an SGM will be convened for the Shareholders to consider and, if thought fit, approve and ratify each of the Transactions. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholders have a material interest in each of the Transactions. Accordingly, no Shareholder is required to abstain from voting at the SGM.

SGM

A notice convening the SGM to be held at Creative lab, 24F, Office Plus, 303 Hennessy Road, Wan Chai, Hong Kong on Thursday, 5 March 2026 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Ordinary resolutions will be proposed at the SGM to approve and ratify, among other things, each of the Transactions.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend and/or vote at the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM (i.e. Tuesday, 3 March 2026 at 11:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the ordinary resolutions set out in the notice of the SGM will be voted by poll.

Treasury shares, if any, shall have no voting rights at the general meeting(s) of the Company. For the avoidance of doubt, solely from the perspective of the Listing Rules, the Company shall procure, upon depositing any treasury shares in CCASS, the abstention from voting at any of its general meeting(s) in relation to those shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2 March 2026 to Thursday, 5 March 2026 both days inclusive, in order to determine the entitlement to attend the SGM. The record date for attendance and voting at the SGM is Thursday, 5 March 2026. In order to qualify for attending and voting at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 27 February 2026.

RECOMMENDATION

The Directors consider that each of the Transactions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of each of the ordinary resolutions to be proposed at the SGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
Walnut Capital Limited
Mung Kin Keung
Co-chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited financial information of the Company is disclosed in the annual reports of the Company for the years ended 31 December 2022 (pages 65 to 167), 2023 (pages 66 to 167) and 2024 (pages 66 to 159), which were published on 26 April 2023, 23 April 2024 and 23 April 2025 respectively. The interim financial information of the Company is disclosed in the interim report of the Company for the six months ended 30 June 2025 (pages 3 to 30) which was published on 29 September 2025. There was no qualified audit opinion expressed on the consolidated financial statements of the Company for the three years ended 31 December 2022, 2023 and 2024.

The said annual reports and interim report of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.irasia.com/listco/hk/walnutcapital/):

(a) the annual report of the Company for the year ended 31 December 2022 in relation to the financial information of the Company for the same year (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600846.pdf);

(b) the annual report of the Company for the year ended 31 December 2023 in relation to the financial information of the Company for the same year (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0423/2024042300554.pdf);

(c) the annual report of the Company for the year ended 31 December 2024 in relation to the financial information of the Company for the same year (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042301205.pdf); and

(d) the interim report of the Company for the six months ended 30 June 2025 in relation to the financial information of the Company for the same period (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0929/2025092900922.pdf).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2025, being the latest practicable date for the sole purpose of this statement of indebtedness prior to the Latest Practicable Date of this circular, the Group had no outstanding borrowings.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 December 2025, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; or (iii) mortgage or charges; or (iv) any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

As at the Latest Practicable Date, after due enquiry and taking into account factors such as the Group's business prospects, cash and indebtedness level, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of publication of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

Reference is made to the profit warning announcement of the Company dated 22 August 2025, which disclosed that the Group's loss attributable to owners of the Company for the six months ended 30 June 2025 is expected to increase by approximately 40% to 50% as compared to the loss attributable to owners of the Company of HK$18.7 million for the six months ended 30 June 2024. The increase in loss was mainly attributable to (i) the recognition of an impairment loss recognised in respect of cryptocurrencies; and (ii) an increase in administrative and other operating expenses, partially offset by a decrease in the loss arising on changes in the fair value of financial assets at fair value through profit or loss.

Save as disclosed above, the Directors confirm that as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position or outlook of the Group since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are investment in listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies.

The first half of 2025 has seen continued progress in market sentiment, particularly within the Hang Seng Index and CSI 300, building upon the positive momentum established last year. This improvement is driven by persistently low valuations that offer attractive entry points, ongoing government support to stimulate economic growth, and a growing recognition among global investors of Chinese companies' technological strength and commitment to shareholder returns.

With the notable shift in the cryptocurrency landscape, marked by deregulation and broader acceptance across markets. The Group remains committed to identifying and pursuing opportunities in the Web3 ecosystem, which it believes will play a pivotal role in the future investment portfolios.

Despite encouraging trends, the Group recognises that the global economic environment remains highly uncertain. Geopolitical tensions and inflationary pressures continue to present risks. Therefore, the Group will maintain a cautious approach, focusing on capital preservation and prudent risk management. Its investment strategy will prioritise sectors and assets with strong fundamentals capable of withstanding volatility, ensuring organizational resilience as it navigates evolving market conditions.

The Board is committed to strategies that strengthen organizational resilience. The Group is well positioned to capitalise on emerging opportunities while proactively mitigating risks, thereby securing sustainable long-term success.

The information set out in this appendix is for illustrative purposes only and this appendix should be read in conjunction with other financial information included elsewhere in this circular.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2025 of Walnut Capital Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") regarding the acquisitions and disposals of cryptocurrencies during the period from 1 December 2024 to 31 October 2025 (the "**Relevant Period**") (the "**Transactions**") (the "**Unaudited Pro Forma Financial Information**") which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Transaction as if the Transactions had been completed on 30 June 2025 for the unaudited pro forma consolidated statement of assets and liabilities.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the condensed consolidated statement of financial position of the Group as at 30 June 2025, which has been extracted from the Company's published interim report for the six months ended 30 June 2025, after making pro forma adjustments as summarised in the accompanying notes that are directly attributable to the Transaction factually supportable as if the Transactions had been undertaken as at 30 June 2025.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "**Directors**") in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for illustrative purposes only and is based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the assets and liabilities of the Group had the Transactions been completed as of the specified dates or any future date.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies consistent with those of the Group set out in the published annual report of the Group for the year ended 31 December 2024 and the publish interim report of the Group for the six months ended 30 June 2025.

The Unaudited Pro Forma Financial Information should be read in conjunction with the condensed consolidated financial statements of the Group as set out in the published interim report of the Company for the six months ended 30 June 2025 and other financial information included elsewhere in this circular.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group

	The Group as at 30 June 2025 *HK$'000 (Note 1)*	**Pro forma adjustments** *HK$'000*	*Notes*	**Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2025** *HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	23			23
Intangible assets	7,135			7,135
	7,158			7,158
CURRENT ASSETS				
Prepayment	394			394
Other receivables	102			102
Deposits paid	265			265
Cryptocurrencies	138,695	123,223	2, 3	261,918
Financial assets at fair value through profit or loss	80,402			80,402
Cash and cash equivalents	4,727			4,727
	224,585			347,808
CURRENT LIABILITIES				
Accruals and other payables	1,014	200	4	1,214
Other financial liability – non-convertible bond	10,000			10,000
	11,014			11,214
NET CURRENT ASSETS	213,571			336,594
NET ASSETS	220,729			343,752

Notes

1. The balances were extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as set out in the published interim report of the Company for the six months ended 30 June 2025.

2. The Group has carrying amounts of cryptocurrencies with the amounts of approximately HK$138,695,000 as at 30 June 2025, which represented (1) the acquisition and disposal of cryptocurrencies with the amounts of approximately HK$91,666,000 and HK$58,466,000 respectively, and earnings from the certain cryptocurrencies of approximately HK$1,011,000 during the period from 1 December 2024 to 30 June 2025; (2) On 28 January 2025, Mr. Mung Bun Man, Alan ("**Mr. Alan Mung**"), an executive director and a controlling shareholder of the Company, completed to assign 400,000,000 AKI Network tokens ("**AKI Network**") as a gift to Full Long Holdings Limited ("**Full Long**"), a direct wholly-owned subsidiary of the Company (the "**January Donation**"). No consideration was required to pay by Full Long. The fair value of AKI Network as at date of completion of the January Donation was approximately HK$35,041,000; and (3) On 30 May 2025, Mr. Alan Mung completed to assign 170,000,000 Army of Fortune Gem tokens ("**AFG**"), 5,800,000,000 Frog Defense tokens ("**FOFO**"), and 10 Bitcoin ("**BTC**") (the "**May Donation**") as a gift to Full Long. No consideration was required to pay by Full Long. The fair value of AFG, FOFO, and BTC as at date of completion of the May Donation were approximately HK$4,217,000, HK$7,629,000 and HK$8,228,000, respectively.

   (i) The adjustment represented the acquisition of cryptocurrencies with the amounts of approximately HK$27,305,000 and earnings from the certain cryptocurrencies with the amounts of approximately HK$893,000 during the period from 1 July 2025 to 31 October 2025.

   (ii) The adjustment represented the disposal of cryptocurrencies with the amounts of approximately HK$27,302,000 during the period from 1 July 2025 to 31 October 2025.

3. The adjustment represented Mr. Alan Mung completed to assign 10,000,000 CP (the "**August Donation**") as a gift to Full Long. No consideration was required to pay by Full Long on 30 August 2025. The fair value of CP as at date of completion of the August Donation was approximately HK$122,327,000.

4. The adjustment represents estimated professional fee and other transaction costs of approximately HK$200,000 paid by the Group in connection with this circular.

5. On 7 November 2025, the Group entered into a termination and settlement agreement with the bond holder to early terminate settle the outstanding non-convertible bond and the relevant accrued interest with the amounts of approximately HK$10,112,000. The non-convertible bond and the relevant accrued interests were fully settled on 7 November 2025. The effects of repayment are not included in the Unaudited Pro Forma Financial Information of the Group as they are not directly related to the acquisition and disposal of cryptocurrencies but these transactions had improved the Group's capital management and net cash positions.

6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

B. ACCOUNTANTS' REPORT FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Jon Gepsom CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF WALNUT CAPITAL LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Walnut Capital Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-3 of Appendix II to the circular issued by the Company dated 6 February 2026 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-3 of Appendix II to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the acquisition and disposal of cryptocurrencies (the "**Transactions**") on the Group's financial position as at 30 June 2025 as if the Transactions had taken place at 30 June 2025. As part of this process, information about the Group's assets and liabilities as at 30 June 2025 has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 June 2025, on which no auditor's report or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management ("**HKSQM**") 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– the related pro forma adjustments give appropriate effect to those criteria; and

– the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Jon Gepsom CPA Limited
Certified Public Accountants

Hong Kong, 6 February 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("**Model Code**") were as follows:

Long position in Shares of the Company

Name of Director/ chief executive	Capacity/nature of interest	Number of Shares held/ interested in	Approximate percentage of shareholding *(Note 2)*
Mr. Mung Bun Man, Alan *(Note 1)*	Interest in controlled corporation	584,503,925	55.64%

Notes:

1. China Lead Investment Holdings Limited ("**China Lead**") is beneficially interested in 584,503,925 Shares. As China Lead is ultimately wholly-owned by Mr. Mung Bun Man, Alan, Mr. Mung Bun Man, Alan is deemed under the SFO to be interested in 584,503,925 Shares.

2. The percentage figure is based on the number of Shares in issue as at the Latest Practicable Date, being 1,050,500,887 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' interests in the Company

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (not being Directors or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Long position in Shares of the Company

Name of Shareholder	Capacity/nature of interest	Number of Shares held/ interested in	Approximate percentage of shareholding *(Note 2)*
China Lead *(Note 1)*	Beneficial owner	584,503,925	55.64%

Notes:

1. China Lead is beneficially interested in 584,503,925 Shares and is ultimately wholly-owned by Mr. Mung Bun Man, Alan.

2. The percentage figure is based on the number of Shares in issue as at the Latest Practicable Date, being 1,050,500,887 Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or any of their respective associates had any interest in business which competes or may compete, whether directly or indirectly, with the business of the Group or had any other conflict which any person has or may have with the Group pursuant to the Listing Rules.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The members of the Group had not entered into any material contracts (not being contracts in the ordinary course of business) within the two years preceding the date of this circular and up to the Latest Practicable Date.

8. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/walnutcapital/) for a period of 14 days from the date of this circular:

1. the accountants' report on the unaudited pro forma financial information of the Group from Jon Gepsom CPA Limited as set out in appendix II to this circular; and

2. the consent letter referred to in the section headed "9. EXPERT AND CONSENT" in this appendix.

9. EXPERT AND CONSENT

The following is the qualification of an expert who has given opinions, a letter or advice which are contained in this circular:

Name	Qualification
Jon Gepsom CPA Limited	Certified public accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters/reports or its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

10. MISCELLANEOUS

(a) The company secretary of the Company is Ms. So Man Yee ("**Ms. So**"). Ms. So is a member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor's degree in business administration in accountancy from the City University of Hong Kong. Ms. So has over 19 years of experience in accounting, audit, taxation and financial management.

(b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(c) The English text of the circular shall prevail over the respective Chinese text in the case of inconsistency.

WALNUT CAPITAL LIMITED
胡桃資本有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 905)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Walnut Capital Limited (the "**Company**") will be held at Creative lab, 24F, Office Plus, 303 Hennessy Road, Wan Chai, Hong Kong on Thursday, 5 March 2026 at 11:00 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. "**THAT:**

the acquisition of an aggregate of 5,246,465.432 USDT at the consideration of USD5,255,099.97 in the period between 11 December 2024 to 18 December 2024 in the open market from independent third parties be and is hereby approved, confirmed and ratified."

2. "**THAT:**

the disposal of an aggregate of 4,374,946.54 USDT at the consideration of 4,374,946.54 USDT in the period between 17 January 2025 to 11 March 2025 in the open market to independent third parties be and is hereby approved, confirmed and ratified."

By Order of the Board
Walnut Capital Limited
Mung Kin Keung
Co-chairman

Hong Kong, 6 February 2026

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Unit 25C, TML Tower
3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by this notice is entitled to appoint one or, if he/she/it is the holder of two or more shares ("**Shares**") of the Company, more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company, but must be present in person at the SGM to represent the member.

2. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members of the Company.

3. The register of members of the Company will be closed from Monday, 2 March 2026 to Thursday, 5 March 2026, both days inclusive, in order to determine the entitlement to attend the SGM. The record date for attendance and voting at the SGM is Thursday, 5 March 2026. In order to qualify for attending and voting at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 27 February 2026.

4. In order to be valid, the form of proxy of the Company together with original or certified copy of the power of attorney or other authority (if any) under which it is signed must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the SGM (i.e. Tuesday, 3 March 2026 at 11:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. In such event, the form of proxy previously submitted shall be deemed to be revoked.

5. No gifts and beverages will be provided to attendees at the meeting.

6. As at the date of this notice, the board of directors (the "**Director(s)**") of the Company comprises two executive Directors, namely Mr. Mung Kin Keung (Co-chairman) and Mr. Mung Bun Man, Alan; one non-executive Director, namely Mr. Mung Hon Ting, Jackie (Co-chairman); and three independent non-executive Directors, namely Mr. Fung Wai Ching, Mr. Chung Wang Hei and Ms. Cheng Hiu Ching.