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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)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

The Directors proposed to implement the Share Consolidation on the basis that every eight (8) issued and unissued Existing Shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK$0.08 each.

The Existing Shares are currently traded on the Main Board of the Stock Exchange in board lot size of 16,000 Shares. The Directors also proposed to change the board lot size of the Consolidated Shares of the Company from sixteen-thousand (16,000) Existing Shares to two-thousand (2,000) Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation is subject to Shareholders' approval at the SGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular, among other things, contains (i) further information on the Share Consolidation; and (ii) a notice to convene the SGM will be despatched to the Shareholders on or before 15 December 2026.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every eight (8) issued and unissued Existing Shares of par value of HK$0.01 each in the share capital of the Company to be consolidated into one (1) Consolidated Share of par value of HK$0.08 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As set out in the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited (last updated in June 2026) (the "**Guide**"), it is requested that the value of each board lot shall be no less than HK$1,000 and the new board lot unit shall be one of the eight standardised options. In order to comply with the trading requirements under the Main Board Listing Rules, the Directors also proposed to change the board lot size of the Shares of the Company from sixteen-thousand (16,000) Existing Shares to two-thousand (2,000) Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK$0.250 per Existing Share (equivalent to the theoretical closing price of HK$2 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 16,000 Existing Shares is HK$4,000; (ii) the value of each board lot of 16,000 Consolidated Shares would be HK$32,000 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 2,000 Consolidated Shares would be HK$4,000 on the assumption that the change in board lot size had also become effective.

As no odd board lot size of the Shares will be created as a result of the proposed change in board lot size (other than those already existed before the proposed change in board lot size becoming effective), no odd lot arrangement to match the sales and purchase of odd lots will be made by the Company.

EFFECTS OF THE SHARE CONSOLIDATION AND THE CHANGE OF THE BOARD LOT SIZE

As at the date of this announcement, the authorized share capital of the Company is HK$1,000,000,000 divided into 100,000,000,000 Existing Shares of HK$0.01 each, of which 1,050,500,887 Existing Shares are in issue and fully paid. Immediately after the Share Consolidation becoming effective, the authorized share capital of the Company will be HK$1,000,000,000 divided into 12,500,000,000 Consolidated Shares of HK$0.08 each, of which 131,312,610 Consolidated Shares will have been issued and fully paid.

The Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum and articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon the following:

(1) the passing of the ordinary resolutions by the Shareholders to approve the Share Consolidation at the SGM;

(2) the compliance with all relevant procedures and requirements under the applicable laws of the Bermuda and Hong Kong and the Listing Rules to effect the Share Consolidation; and

(3) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares on the basis of every eight (8) Existing Shares for one (1) Consolidated Share, with new nominal value of HK$0.08 each, without any fractional Consolidated Share. It is expected that the new certificates for the Consolidated Shares will be available for collection within ten (10) Business Days after the submission of the existing share certificates to Tricor Investor Services Limited. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK$5 for the cancellation of each share certificate for the Existing Shares cancelled or the issue of each new share certificate for the Consolidated Shares, whichever number of certificates cancelled/ issued is higher, and Shareholders shall pay a minimum fee of HK$20 (or such higher amount as may be allowed by the Stock Exchange from time to time). The existing share certificate for the Existing Shares will cease to be valid for trading and settlement purpose; nevertheless, such share certificates for existing Shares will remain valid and effective as document of legal title and may be exchanged for certificates for Consolidated Shares at any time.

FRACTIONAL ENTITLEMENT TO CONSOLIDATED SHARES

Fractional Consolidated Shares (if any) will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Consolidation and change in board lot size:

The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates:

Publication of the Share Consolidation announcement (including the expected timetable) on the HKEX news website . . . . . Thursday, 19 November 2026

Despatch of circular with notice of SGM . . . . . Tuesday, 15 December 2026

Latest time for lodging transfer documents and the relevant share certificates to qualify for attending and voting at the SGM . . . . . 4:30 p.m. on Monday, 18 January 2027

Latest time for lodging transfer documents and the relevant share certificates for the approved Share Consolidation . . . . . 4:30 p.m. on Monday, 18 January 2027

Closure of register of members for determining entitlement to attend and vote at the SGM (both days inclusive)	Tuesday, 19 January 2027 to Friday, 22 January 2027
Latest time for lodging proxy form	10:30 a.m. on Wednesday, 20 January 2027
Record date for determining entitlement to attend and vote at the SGM	Friday, 22 January 2027
Date of SGM	10:30 a.m. on Friday, 22 January 2027
Announcement on results of SGM	Friday, 22 January 2027
Record date of Share Consolidation	Monday, 25 January 2027
Closure of Register of members for Share Consolidation	Monday, 25 January 2027
Effective date for the Share Consolidation	Tuesday, 26 January 2027
First day for free exchange of existing share certificates for new share certificates	Tuesday, 26 January 2027
Commencement of dealings in Consolidated Shares	9:00 a.m. on Tuesday, 26 January 2027
Original counter for trading in Shares in board lots of 16,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 26 January 2027

Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens . . . . . 9:00 a.m. on Tuesday, 26 January 2027

Original counter for trading in Consolidated Shares in new board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . . 9:00 a.m. on Thursday, 11 February 2027

Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) commences . . . . . 9:00 a.m. on Thursday, 11 February 2027

Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares (if applicable, subject to confirmation with the Stock Exchange). . . . . 9:00 a.m. on Thursday, 11 February 2027 (if applicable)

Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares (if applicable, subject to confirmation with the Stock Exchange). . . . . 4:00 p.m. on Wednesday, 3 March 2027 (if applicable)

Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes. . . . . 4:10 p.m. on Wednesday, 3 March 2027

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) closes. . . . . 4:10 p.m. on Wednesday,
3 March 2027

Latest time for free exchange of existing share
certificates for new share certificates . . . . . 4:30 p.m. on Friday,
5 March 2027

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Main Board Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with consolidation or splitting of its securities. The Guide has further stated that (i) the market price of the shares at a level less than HK$0.10 each is considered as trading at extremity as referred to under Rule 13.64 of the Main Board Listing Rules; (ii) the new board lot unit shall be one of the eight standardised options, which include 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s); and (iii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$1,000. In light of the following reasons, the Board proposed to implement the Share Consolidation and Change in Board Lot Size in order to comply with the trading requirements under the Main Board Listing Rules.

The proposed Share Consolidation is expected bring about a corresponding increase in the trading price of the Consolidated Shares. Further, certain international financial institutions are often restricted from investing in stocks that are priced below a specific value, typically around HK$1. The Share Consolidation will thus make investing in the Shares more attractive to a broader range of investors. In view of the above reasons, the Board considers that the Share Consolidation is justifiable notwithstanding the potential costs.

As at the date of this announcement, the Company has no plan or intention to carry out any equity and/or other corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the change in board lot size, and the Company has no other present intention to raise funds through an equity fund raising exercise or to alter the capital structure of the Company during such period. However, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Main Board Listing Rules as and when appropriate. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Having considered, among other things, the necessity to protect its minority shareholders after the proposed Share Consolidation and change in board lot size, the Board is of the view that the consolidation ratio shall be determined on the basis that no odd board lot size of the Shares will be created as a result of the proposed Share Consolidation and change in board lot size. Accordingly, the Board considers that the proposed 8:1 consolidation ratio represents an appropriate consolidation ratio. Additionally, it would help to maintain the value of each board lot at a reasonable level upon the Share Consolidation becoming effective in order to attract more investors and to broaden the shareholder base of the Company.

In light of the above, the Board is of the view that the Share Consolidation and change in board lot size are in the interest of the Company and the Shareholders as a whole.

SGM AND CIRCULAR

The Share Consolidation is subject to the Shareholders' approval at the SGM to be held at 10:30 a.m. on Friday, 22 January 2027 and to the best knowledge, information and belief of the Directors, no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the SGM will be despatched to the Shareholders on or before 15 December 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

"Board"	the Board of directors of the Company
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Walnut Capital Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
"Consolidated Shares"	ordinary share(s) of HK$0.08 each in the share capital of the Company after the Share Consolidation becoming effective
"Directors"	the directors of the Company
"Existing Shares"	ordinary share(s) of HK$0.01 each, whether issued or unissued in the share capital of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange

"SGM"	the extraordinary general meeting of the Company to be convened at 10:30 a.m. on Friday, 22 January 2027 to approve the Share Consolidation
"Share(s)"	the share(s) of the Company
"Share Consolidation"	the proposed consolidation of every eight (8) issued and unissued Existing Shares into one (1) Consolidated Share in the issued and unissued share capital of the Company
"Shareholder(s)"	the holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
Walnut Capital Limited
MUNG Bun Man, Alan
Executive Director

Hong Kong, 19 November, 2026

As at the date of this announcement, the Board comprises of two executive directors, namely, Mr. Mung Kin Keung (Co-chairman) and Mr. Mung Bun Man, Alan (Chief Executive Officer); 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.