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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE
(1) ANNUAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2024; AND
(2) MAJOR TRANSACTIONS IN RELATION TO THE
ACQUISITION AND DISPOSAL OF CRYPTOCURRENCIES**

**MAJOR TRANSACTIONS IN RELATION TO THE ACQUISITION
AND DISPOSAL OF CRYPTOCURRENCIES**

It has come to the attention of the Board that each of the Acquisitions and 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 Acquisitions and the Disposals.

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, if thought fit, approve 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.

A circular containing, among other things, further details of the Acquisitions and the Disposals together with the notice of the SGM, and other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 6 October 2025.

Reference is made to the annual report (the “**Annual Report**”) of Walnut Capital Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 and dated 28 March 2025. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information provided in note 18 “Cryptocurrencies” to the consolidated financial statements in the Annual Report, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company would like to provide the following supplementary information to the shareholders (the “**Shareholders**”) of the Company regarding the Acquisitions and additional information in respect of the Disposals.

MAJOR TRANSACTIONS IN RELATION TO THE ACQUISITION AND DISPOSAL OF CRYPTOCURRENCIES

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). 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
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

Date	Type and number of cryptocurrencies acquired	Consideration (Number of USDT)	USD equivalent
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)

As the Disposals were conducted in the open market, the Company is not aware of the identity(ies) of the purchaser(s). 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).

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 date of this announcement, 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.

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.

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. Therefore, the Company 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 will undertake the necessary remedial actions as set out below 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 will take the remedial actions set out below 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.

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 this announcement.

To prevent similar incidents from happening again in the future, the Company will implement the following remedial actions:

- (i) The Company has designated the accounting department (the “**Accounting Department**”) and the investment committee (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. Mung Bun Man, Alan, 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, such proposed transaction will be reported to a member of each of the Accounting Department and the Investment Committee.
- (ii) The Accounting Department will compute (a) the percentage ratios in accordance with Chapter 14 of the Listing Rules; and (b) 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.
- (iii) 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 not be proceeded with.
- (iv) Confirmation has to be obtained from the Accounting Department and the Investment Committee that (a) the proposed transaction can be proceeded with; 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 the proposed transaction, before such transaction is proceeded with.

- (v) 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 Accounting Department and the Investment Committee and prior approval of the Board shall be obtained before such transaction is proceeded with. The Board will 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.
- (vi) The Group will issue 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.
- (vii) 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.

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DEFINITIONS

“Acquisitions”	the acquisition of USDT by the Group between the period from 11 December 2024 to 18 December 2024 as aggregated
“Disposals”	the disposal of USDT by the Group between the period from 17 January 2025 to 11 March 2025 as aggregated
“Hong Kong”	the 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	special general meeting of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Acquisitions and the Disposals
“USD” or “United States Dollar”	United States dollar(s), the lawful currency of The United States of America

“HK\$” Hong Kong dollars, the lawful currency in Hong Kong

“%” per cent.

In this announcement, 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.

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

Hong Kong, 12 September 2025

As at the date of this announcement, the Board 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.