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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)

ANNOUNCEMENT OF 2022 FINAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Walnut Capital Limited (the “**Company**”) presents the annual consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 and the consolidated statement of financial position of the Group as at 31 December 2022 together with the comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	6	757	6,538
Other income	7	339	90
Loss arising in change in fair value of financial assets at fair value through profit or loss, net		(98,709)	(48,731)
Administrative expenses and other operating expenses		(18,660)	(20,939)
Finance costs	8	(763)	(988)
Loss before income tax	9	(117,036)	(64,030)
Income tax expense	10	—	—
Loss and total comprehensive loss for the year attributable to owners of the Company		<u>(117,036)</u>	<u>(64,030)</u>
Loss per share	11		
Basic and diluted (<i>HK cents</i>)		<u>(16.71)</u>	<u>(9.14)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		189	262
Intangible assets		<u>7,135</u>	<u>7,135</u>
		<u>7,324</u>	<u>7,397</u>
Current assets			
Prepayment		449	528
Other receivables		38	232
Deposits paid		701	772
Financial assets at fair value through profit or loss	13	98,679	238,818
Cash and cash equivalents		<u>2,120</u>	<u>2,371</u>
		<u>101,987</u>	<u>242,721</u>
Current liabilities			
Accruals and other payables		2,134	25,905
Other financial liability – non-convertible bond		<u>10,000</u>	<u>10,000</u>
		<u>12,134</u>	<u>35,905</u>
Net current assets		<u>89,853</u>	<u>206,816</u>
Total assets less current liabilities		<u>97,177</u>	<u>214,213</u>
Net assets		<u>97,177</u>	<u>214,213</u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		7,003	7,003
Reserves		<u>90,174</u>	<u>207,210</u>
Total equity		<u>97,177</u>	<u>214,213</u>
Net asset value per share (HK\$)		<u>0.14</u>	<u>0.31</u>

NOTES

For the year ended 31 December 2022

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is situated at Unit 3107, 31/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (**HK\$’000**) except otherwise indicated.

The principal activities of the Company and its subsidiaries (collectively refer to as the “**Group**”) are investing in listed and unlisted equity and debt securities, listed derivative financial investments and unlisted investment funds.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and by the disclosure requirement of the Hong Kong Companies Ordinance.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and performance assessment.

The Group has one reportable segment for both years which is investment in listed and unlisted equity and debt securities, listed derivative financial instruments and unlisted investment funds. The reportable segments are based on the information about the operations of the Group that management uses to make decisions. The Group’s reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies. Thereafter, the CODM considered the Group has only one reporting and operating segment under HKFRS 8 *Operating Segments*, thus no segment information is presented.

The Company’s place of domicile is in Hong Kong which is determined based on the location of central management and the Group’s revenue is mainly derived from Hong Kong for both years.

6. REVENUE

	2022 HK\$’000	2021 <i>HK\$’000</i>
Dividend income	757	5,953
Interest income	—	585
	<u>757</u>	<u>6,538</u>

7. OTHER INCOME

	2022 HK\$’000	2021 <i>HK\$’000</i>
Government grant (<i>Note</i>)	266	—
Net foreign exchange gain	73	90
	<u>339</u>	<u>90</u>

Note:

During the year ended 31 December 2022, the Group recognised government grants of approximately HK\$266,000 in respect of Covid-19-related subsidies which relates to Employment Support Scheme provided by the Hong Kong government.

8. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on:		
Other financial liability		
– non-convertible bond	200	227
Lease liabilities	–	60
Other interest expenses to financial institutions	563	701
	<u>763</u>	<u>988</u>

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Auditors' remuneration:		
– Audit services		
• Elite Partners CPA Limited	320	–
• Other auditors	182	300
– Non-audit services	12	62
	514	362
Depreciation of property, plant and equipment	103	1,254
Depreciation of right-of-use assets	–	2,733
	<u>–</u>	<u>2,733</u>

An analysis of the loss arising in change in fair value of financial assets at fair value through profit or loss (“FVTPL”), net is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Realised loss/(gain) on disposal of financial assets at FVTPL		
Proceeds from disposal of financial assets at FVTPL	(114,053)	(177,959)
Less: Carrying amounts of financial assets at FVTPL	139,596	174,099
	<u>25,543</u>	<u>(3,860)</u>
Unrealised loss on financial assets at FVTPL	73,166	52,591
	<u>98,709</u>	<u>48,731</u>

10. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made as the Group incurred estimated tax losses or the taxable profits was wholly absorbed by estimated tax losses brought forward from prior years.

11. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share		
(Loss for the year attributable to owners of the Company)	<u>(117,036)</u>	<u>(64,030)</u>
	2022 <i>'000</i>	2021 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>700,334</u>	<u>700,334</u>

The basic and diluted loss per share are the same for both years.

No diluted loss per share was presented as there was no potential ordinary shares in issue for both years.

12. DIVIDENDS

No dividend was paid, declared or proposed during the years ended 31 December 2022 and 31 December 2021, nor has any dividend been proposed by the board of directors subsequent to the end of the reporting period.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Derivative financial instruments listed in Hong Kong, at fair value	686	648
Listed equity and debt securities:		
– Equity and debt securities listed in Hong Kong, at fair value	69,206	173,874
– Equity and debt securities listed outside Hong Kong, at fair value	<u>31</u>	<u>18,770</u>
	69,923	193,292
Unlisted equity and debt securities	25,246	37,005
Unlisted investment funds	<u>3,510</u>	<u>8,521</u>
	<u>98,679</u>	<u>238,818</u>

14. INVESTMENT

Pursuant to the requirements stipulated in Chapter 21.12 of the Listing Rules, the Group discloses its list of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 31 December 2022 and 2021 respectively as follows:

As at 31 December 2022

Name of investments	Notes	Percentage of equity interest held %	Net assets attributable to the Company HK\$'000	Cost of investment HK\$'000	Market value/ fair value at 31 December 2022 HK\$'000	Dividend received HK\$'000
Listed equity securities in Hong Kong						
Alibaba Group Holding Limited	(a)	below 0.01	4,804	19,370	7,073	-
Brockman Mining Limited	(b)	2.91	16,056	44,597	42,674	-
Frontier Services Group Limited	(c)	0.41	1,943	9,597	3,196	-
Huayi Tencent Entertainment Company Limited	(d)	0.20	690	11,177	3,883	-
Kingston Financial Group Limited	(e)	0.07	15,186	36,608	2,850	-
Tencent Holdings Limited	(f)	below 0.01	877	4,917	3,173	54
Unlisted equity and debt securities outside Hong Kong						
Oddup Inc. - Preferred shares	(g)	N/A	N/A	11,700	11,810	-
Oddup Inc. - SAFETI	(g)	N/A	N/A	2,340	3,493	-
Infinity Technology (Cayman) Limited - Preferred shares	(h)	N/A	N/A	3,900	2,990	-
Pantheon Lab Limited - Convertible promissory notes	(i)	N/A	N/A	3,925	3,307	-
				<u>148,131</u>	<u>84,449</u>	

As at 31 December 2021

Name of investments	Percentage of equity interest held %	Net assets attributable to the Company HK\$'000	Cost of investment HK\$'000	Market value/ fair value at 31 December 2021 HK\$'000	Dividend received HK\$'000
Listed equity securities in Hong Kong					
Alibaba Group Holding Limited	below 0.01	14,411	53,612	27,228	–
Ausnutria Dairy Corporation Ltd.	0.04	2,949	8,171	7,088	203
Brockman Mining Limited	2.91	17,934	44,597	78,326	–
Frontier Services Group Limited	0.41	2,086	9,597	6,004	–
Huayi Tencent Entertainment Company Limited	0.29	2,206	16,068	8,278	–
Logan Group Company Limited	0.02	14,628	11,129	5,698	1,061
Tencent Holdings Limited	below 0.01	3,816	17,597	15,531	–
Times China Holdings Limited	0.07	38,844	16,541	5,538	1,128
Unlisted equity securities outside Hong Kong					
Oddup Inc. – Preferred shares	N/A	N/A	11,700	21,692	–
Unlisted investment funds outside Hong Kong					
Click Ventures Segregated Portfolio Company – Fund Series 3T SP	N/A	N/A	<u>7,800</u>	<u>5,600</u>	–
			<u>196,812</u>	<u>180,983</u>	

Notes:

- (a) Alibaba Group Holding Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 09988) and on the New York Stock Exchange (the “NYSE”) (symbol: BABA). Alibaba Group Holding Limited is principally engaged in core commerce, cloud computing, digital media and entertainment and innovation initiatives and others.

For the nine months ended 31 December 2022, the unaudited consolidated profit attributable to the owners of the company was approximately RMB48,993 million and its unaudited consolidated net assets was approximately RMB1,100,129 million.

- (b) Brockman Mining Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 00159). Brockman Mining Limited is principally engaged in the acquisition, exploration and development of iron ore in Australia.

For the six months ended 31 December 2022, the unaudited consolidated loss attributable to the equity holders of the company was approximately HK\$28,637,000 and its unaudited consolidated net assets was approximately HK\$551,688,000.

- (c) Frontier Services Group Limited was incorporated in the Bermuda and its shares are listed on the Stock Exchange (stock code: 00500). Frontier Services Group Limited is principally engaged in the provision of aviation, logistics, security, insurance and infrastructure related services and the provision of online financial market information.

For the year ended 31 December 2022, the audited consolidated loss attributable to the equity holders of the company was approximately HK\$28,966,000 and its audited consolidated net assets was approximately HK\$470,575,000.

- (d) Huayi Tencent Entertainment Company Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00419). Huayi Tencent Entertainment Company Limited is principally engaged in (i) entertainment and media business; and (ii) provision of healthcare and wellness services.

For the year ended 31 December 2022, the audited consolidated loss attributable to the equity holders of the company was approximately HK\$269,980,000 and its audited consolidated net assets was approximately HK\$349,925,000.

- (e) Kingston Financial Group Limited was incorporated in Bermuda and its shares are listed on the Stock Exchange (stock code: 01031). Kingston Financial Group Limited is principally engaged in securities brokerage, underwriting and placements, margin and initial public offering financing, other financial services, hotel operations, food and beverage, gaming and securities investment. Its shares were privatised and delisted in the Stock Exchange on 27 February 2023.

For the six months ended 30 September 2022, the unaudited consolidated profit attributable to owners of the company was approximately HK\$1,823,000 and its unaudited consolidated net assets was approximately HK\$20,674,446,000.

- (f) Tencent Holdings Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 00700). Tencent Holdings Limited is principally engaged in the provision of VAS, Online Advertising services and FinTech and Business Services.

For the year ended 31 December 2022, the audited consolidated profit attributable to the equity holders of the company was approximately RMB188,709 million and its audited consolidated net assets was approximately RMB782,860 million.

- (g) Oddup Inc. was incorporated in the United States of America and is principally engaged in operating a research platform that provides analytical information on startups, their trends, and both current and expected future valuations.

For the year ended 31 December 2022, the unaudited loss attributable to the owners of the company was approximately US\$2,051,405 and its unaudited net assets was approximately US\$6,943,000.

- (h) Infinity Technology (Cayman) Limited was incorporated in the Cayman Islands. Infinity Technology (Cayman) Limited is principally engaged in providing the point of sales and online ordering platform service.

For the year ended 31 December 2022, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$5,009,000 and its unaudited consolidated net assets was approximately HK\$28,024,000.

- (i) Pantheon Lab Limited was incorporated in Hong Kong and is principally engaged in artificial intelligence and software research and development.

For the year ended 31 December 2022, the unaudited loss attributable to owner of the company was approximately HK\$875,000 and its unaudited net liabilities was approximately HK\$2,876,000.

15. EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 December 2022 and up to the date of this announcement.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current year presentation.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (for the year ended 31 December 2021: Nil).

PUBLIC FLOAT

On the basis of information that is publicly available to the Company and within the knowledge of the Directors at the date of this report, the Company has complied with the public float requirement of the Listing Rules throughout the year ended 31 December 2022.

CHANGE OF COMPANY NAME AND SHORT NAME

On 11 April 2022, the Company announced that the English name of the Company was proposed to be changed from “Global Mastermind Capital Limited” to “Walnut Capital Limited” and adopted 胡桃資本有限公司 as the secondary name of the Company (the “**Change of Company Name**”). The Change of Company Name had become effective on 23 June 2022. Details of the Change of Company Name were set out in the Company’s announcement dated 11 April 2022, the circular of the Company dated 29 April 2022 and the announcement of the Company relating to the poll results of the annual general meeting of the Company dated 15 June 2022. The English stock short name of the Company for trading in the shares of the Company on the Stock Exchange was changed from “GLOBAL M CAP” to “WALNUT CAP” and a Chinese stock short name “胡桃資本” was adopted for trading in the Shares on the Stock Exchange both with effect from 9:00 a.m. on 3 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the year ended 31 December 2022, the Group recorded a loss attributable to owners of the Company of approximately HK\$117.0 million, compared to a loss attributable to owners of the Company of approximately HK\$64.0 million for the year ended 31 December 2021. The Group recorded an increase in loss of approximately HK\$53.0 million attributable to owners of the Company for the year ended 31 December 2022. Such increase was mainly attributable to an increase in loss arising in change in fair value of financial assets at fair value through profit or loss of approximately HK\$50.0 million.

Investment Objectives, Policies and Restrictions

Set out below are the investment objectives, policies and restrictions of the Group:

- i. Our investments will normally be made in listed and unlisted companies;
- ii. The Group had made investments with a short to long term perspective with the objective of making capital gain as well as income from dividend or interests. Over the years, the Group invested in listed and unlisted securities, bonds, direct investments, projects, properties and structured products. Investments are also made in special or recovery situations;
- iii. There is no restriction 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 any company which represents more than 20% of the consolidated net assets of the Company at the time such investment is made;
- iv. The Company will not either on its own or in conjunction with any connected person take legal, or effective, management control of underlying investments and that in any event the investment company will not own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in any one company or body; and
- v. The Directors do not intend to seek bank borrowings until substantially all the Company's funds have been invested and that the Company borrows, 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.

Investment Review

As at 31 December 2022, the major investments of the Group were (i) approximately HK\$69,923,000 of a portfolio of listed financial instruments; (ii) approximately HK\$25,246,000 of direct investment in unlisted financial instruments; and (iii) approximately HK\$3,510,000 of direct investment in unlisted investment funds. The investment portfolio of the Group mainly comprises equity and debt securities mainly in Hong Kong and the United States of America.

Dividend from listed equity investments during the year ended 31 December 2022 was approximately HK\$757,000.

The details of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments at 31 December 2022 are respectively set out in note 14.

Name of investments	Notes	Number of shares held as at 31 December 2022 '000	Market value/ fair value as compared to	Realised gain/ (loss) for the year ended 31 December 2022 HK\$'000	Unrealised gain/ (loss) for the year ended 31 December 2022 HK\$'000
			the consolidated total asset of the Group at 31 December 2022 %		
Listed equity securities in Hong Kong					
Alibaba Group Holding Limited	<i>i</i>	82	6.47	(7,400)	(2,677)
Brockman Mining Limited	<i>ii</i>	270,088	39.04	–	(35,652)
Frontier Services Group Limited	<i>iii</i>	9,684	2.92	–	(2,808)
Huayi Tencent Entertainment Company Limited	<i>iv</i>	26,780	3.55	(536)	(1,875)
Kingston Financial Group Limited	<i>v</i>	10,000	2.61	–	(1,000)
Tencent Holdings Limited	<i>vi</i>	10	2.90	(5,790)	(1,167)
Unlisted equity and debt securities outside Hong Kong					
Oddup Inc.	<i>vii</i>				
– Preferred shares		N/A	10.80	–	(9,934)
Oddup Inc.	<i>vii</i>				
– SAFETI		N/A	3.20	–	–
Infinity Technology (Cayman) Limited					
– Preferred shares	<i>viii</i>	N/A	2.74	–	(1,422)
Pantheon Lab Limited					
– Convertible promissory notes	<i>ix</i>	N/A	3.03	–	(618)
				<u>(13,726)</u>	<u>(57,153)</u>

Notes:

- i. As disclosed in Alibaba Group Holding Limited (“**Alibaba**”) December Quarter 2022 Result Announcements, Alibaba delivered a solid quarter despite softer demand, supply chain and logistics disruptions due to impact of changes in COVID-19 measures, Looking ahead, Alibaba expected continued recovery in consumer sentiment and economic activity. Alibaba was focused on driving growth for their customers amid the competitive landscape, and creating sustainable, long-term value for Alibaba’s shareholders.
- ii. As disclosed in the interim report 2022/2023 of Brockman Mining Limited (“**Brockman**”), the Marillana project had advanced significantly in relation to both on ground technical studies as well as progression of the infrastructure solution for the project.

Since July 2022, substantial field work had been underway at Marillana. Notably among those field works are: (1) development of a water borefield for testing and modelling of the dewatering and water management design; and (2) commencement of a program of close spaced drilling to inform the optimum spacing for infill resource drilling, which was planned to be undertaken for the areas within the early years of the mine life. At the end of the interim period, 4 pumping bores, 24 water monitoring bores and 51 resource drill holes had been completed.

Work also continued on the metallurgical testwork program, which included the successful completion of the first pilot plant run. Analysis of the results from the pilot plant is currently in progress.

The Mineral Resources (“**MinRes**”) – Hancock Joint Operation continued to advance the engineering studies required to support the final investment decision on the rail and port infrastructure which will facilitate the export of the Marillana ore. MinRes was additionally advancing studies and preparation (including miscellaneous licence applications, environmental studies and permitting) for the haul road corridor from Marillana to a rail loading facility on the Roy Hill railway.

Continuing advancement of the Marillana and Ophthalmia Projects overarching studies and approvals, leading to construction and ultimately production.

- iii. As disclosed in the final results announcement for the year ended 31 December 2022 of Frontier Services Group Limited (“**Frontier**”), it had been more than three years since COVID-19 became endemic in most of the world. Many countries around the world had removed their restrictions on travelling and their business activities had been resumed to normal. During 2022, the Frontier encountered other new challenges in the face of the complex and severe market situation around the globe, such as the sharp rise in fuel prices which ended up with high operational costs in Frontier’s logistics and aviation segment; high inflation rate in certain overseas markets led to high finance costs and increase in operational costs, and increased in foreign exchange risks which inevitably resulted in additional financial burden for every segment. In response to all these uncertainties, management of the Group had taken proactive measures to overcome all these challenges and remained focus on Frontier’s annual goals and tasks to minimise the Frontier’s loss and achieve the Frontier’s target, which was close to breakeven as soon as possible.

At present, most industries were still struggling and the outlook was still subject to considerable uncertainties, in particular, the new geopolitical tensions and the re-election of government to be carried out in certain countries in Africa and South East Asia. Hence, the Frontier would remain cautious on all these latest development. Nevertheless, the Frontier still believed that there were business opportunities for Frontier to grasp. Frontier's recent success in certain countries could enable Frontier to further build Frontier's footprints there. At the same time, the Frontier would continue implement cost- saving measures to enhance Frontier's competitiveness in the market. The Frontier believed that with the continuous support from Frontier's shareholders together with Frontier's firm commitment towards Frontier's mission, the Frontier would become stronger and thrive for success during these challenging times. The operating performance of 2022 was a good indication or sign for the Group to back on the right track to success.

- iv. As disclosed in the annual results announcement for the year ended 31 December 2022, Huayi Tencent Entertainment Company Limited ("**Huayi Tencent**"), the Huayi Tencent had seen the right opportunity to transform Huayi Tencent's business strategy to internet healthcare over the past two years, and the results were beginning to emerge. The two core businesses – "Echartnow", a platform for online prescription, circulation and marketing of pharmaceutical products, and "Meerkat Health", which focused on smart healthcare services – were now largely in place and are gradually taking shape.

With the worldwide release of the last film project of the entertainment and media business, "Moonfall", in 2022, the Huayi Tencent's investment and operations in the entertainment and media business were essentially completed. The Group had confirmed that it would not invest in new films and television projects in order to focus Huayi Tencent's resources on the development of Huayi Tencent's internet healthcare business.

Looking ahead, the Huayi Tencent would continue to expand the scale of Huayi Tencent's two core businesses, "Echartnow" and "Meerkat Health". That included building a comprehensive product system for "Echartnow" and shaping "Meerkat Health" into a "new entity enterprise" committed to the effective combination of industrial internet and consumer internet. Once the investment period was completed, Huayi Tencent would enter into a fruitful period, achieving long-term stable development, maximising profits and bringing substantial returns to Huayi Tencent's shareholders.

- v. On 13 October 2022, a controlling shareholder of Kingston Financial Group Limited ("**Kingston**") requested the board of Kingston to put forward a proposal to the registered shareholders of ordinary shares of Kingston other than the controlling shareholder for the privatization of Kingston. The cancellation price per share was HK\$0.30. The privatization was completed on March 2023.
- vi. As disclosed in the announcement of the annual results for the year ended 31 December 2022 of Tencent Holdings Limited ("**Tencent**"), during 2022, Tencent increased Tencent's business efficiency, sharpened Tencent's focus on core activities, and developed new services and revenue lines, better positioning Tencent for a new sustainable growth model in the future.

For QQ, Tencent enlivened the video chat experience by adding Super QQ Show avatars and utilising motion capture technology to mirror users' facial expressions and gestures in real time. Tencent enriched the anime, comics and games content for Mini World, the short-video service within QQ, and launched AI-powered creation tools, increasing DAU and time spent per user significantly.

Tencent's payment business benefitted from the vibrancy of the Mini Programs commerce ecosystem, which contributed a high-teens percentage of Tencent's commercial payment volume in the fourth quarter of 2022. Tencent were expanding Tencent's wealth management user base through investor education, better services and a broadening product line. Tencent were also exploring opportunities in consumer loans and online insurance services through closer collaboration with licensed financial institutions, under a new regulatory framework.

Tencent further reduced loss-making activities and optimised costs, while focusing on healthier-margin self-developed PaaS solutions, such as video cloud and database. Tencent were helping automakers to enhance their IT infrastructure and product offerings in areas such as customised smart cockpit solution, digital map and data management.

Tencent were investing in Tencent's AI capabilities and cloud infrastructure to embrace foundation models, which Tencent believed would enhance the experience of Tencent's existing products and services and allow Tencent to explore introducing new products.

- vii. Oddup Inc. was incorporated in the United States of America and is principally engaged in operating a research platform that provides analytical information on startups, their trends, and both current and expected future valuations.
- viii. Infinity Technology (Cayman) Limited is principally engaged in providing the point of sales and online ordering platform service.
- ix. Pantheon Lab Limited was incorporated in Hong Kong and is principal engaged in artificial intelligence and software research and development.

The Directors believe that the future performance of the Hong Kong listed equities held by the Group is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares and fundamentals of an investee company, such as investee company's news, business fundamental and development, financial performance and prospects. Accordingly, the Directors closely monitor the above factors, particularly the fundamentals of each investee company in the Group's equity portfolio, and proactively adjust the Group's equity portfolio mix in order to improve its performance.

Liquidity and Financial Resources

As at 31 December 2022, the Group had (i) cash and cash equivalents of approximately HK\$2,120,000 (2021: HK\$2,371,000); (ii) other financial liability of approximately HK\$10,000,000 (2021: HK\$10,000,000); and margin loan from securities broker of approximately HK\$515,000 (2021: HK\$25,276,000); and (iii) net current assets of approximately HK\$89,853,000, as compared to approximately HK\$206,816,000 as at 31 December 2021. The gearing ratio (borrowings/total equity) was 10.8% (2021: 16.5%), borrowings included margin loan from securities broker and other financial liability – non-convertible bond. The current ratio of the Group was 8.41 compared to 6.76 as at 31 December 2021.

Charges on Assets

As at 31 December 2022, a portfolio of listed equity and debt securities held under margin account with carrying amounts of approximately HK\$17,396,000 (2021: HK\$91,319,000) have been pledged to secure margin loan from securities broker in accruals and other payables.

Capital Commitment and Contingent Liabilities

The Group had no material capital commitment and contingent liabilities as at 31 December 2022 (2021: nil).

Share Capital and Capital Structure

As at 31 December 2022, the Company had 700,333,925 shares of HK\$0.01 each in issue (2021: 700,333,925 shares).

Capital Commitment and Contingent Liabilities

The Group had no material capital commitment and contingent liabilities as at 31 December 2022 (2021: nil).

Foreign Exchange Exposure

Most of the investments and the business transactions of the Group are denominated in Hong Kong dollar. The board believes the foreign exchange exposure is minimal.

Material Acquisitions and Disposals of Subsidiaries

The Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2022.

Prospects

2022 may be the most turbulent year we have seen in the past 20 years. Hang Seng Index had a return rate of -15.5%, falling for three consecutive years, the MSCI China Index had a return rate of -23.6%, and the Shanghai and Shenzhen 300 Index had a return rate of -21.6%. It is noteworthy that the China Internet Index, after falling nearly 50% in 2021, fell another 17% in 2022.

During the two major crashes in March and October 2022, the market focuses on potential further lockdown due to COVID-19, entrepreneurs' confidence remains weak, and most of all the real estate market struggling to find a bottom.

However, things has changed dramatically after October 2022, the Covid-zero policy has ended, and the government has put economic development back in the most important position.

In the foreseeable future, the board believes that the economy will continues to improve and consolidate. The board believes companies with strong growth prospects will remain attractive and this could help the board eliminate distractions that are impossible to forecast, such as geopolitical risk, commodity prices, and interest rate movements. The board will not time the market and will remain focus on finding and investing in companies that are trading at an attractive value and strong growth prospects.

Employees and Remuneration Policy

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance, qualification, experience and the remuneration policies are reviewed on a regular basis.

There are 15 employees, including 2 executive directors, 1 non-executive director and 3 independent non-executive directors as at 31 December 2022. Remuneration policies are reviewed in accordance with the market situation and the performance of individual director from time to time. In addition to salaries, the Group provides employee benefits such as medical insurance and mandatory provident fund schemes. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The emoluments of the directors were determined with reference to their duties and responsibilities with the Company, the Company's performance, prevailing market conditions and the market emoluments for directors of other listed companies and reviewed by the remuneration committee.

The Group's total staff costs (including directors' emoluments) for the year ended 31 December 2022 under review amounted to approximately HK\$11,158,000 (31 December 2021: approximately HK\$11,292,000).

Principal Risks and Uncertainties

Principal risks	Description	Mitigating actions
Business risk	Business risk is the risk of rapid changes in investment market could impact the Group's performance.	<ul style="list-style-type: none"> Continuously monitor the market dynamics and adopt a conservative approach on investment
Economic risk	Economic risk is the risk of any downturn in economic conditions could impact the Group's performance.	<ul style="list-style-type: none"> Regularly review forward looking indicators to identify economic conditions.
Liquidity risk	Liquidity risk is the risk that the Group would not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> Regularly monitor liquidity and statement of financial position. Maintain appropriate liquidity to cover commitments. Limit liquidity risk exposure by investing securities listed on stock exchanges.
Price risk	Price risk is the risk that changes in equity prices would affect the Group's income and the value of its holdings of equities.	<ul style="list-style-type: none"> Regularly monitor equity portfolio to address any portfolio issues promptly. Spread price risk exposure by investing a number of equities.
Exchange risk	Exchange risk is the risk that changes in foreign exchange rates would affect the Group's income and the value of its holdings of assets.	<ul style="list-style-type: none"> Closely monitor statement of financial position and cashflow exchange risk exposures and consider appropriate use of financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge the exchange risk.

Principal risks	Description	Mitigating actions
People risk	People risk is the risk of loss the services of any Directors, senior management and other key personnel could have a material adverse effect on the Group's businesses.	<ul style="list-style-type: none"> • Provide competitive reward and benefit packages to attract and retain the employees the Group needs. • Ensure that the staff of the Group has the right working environment to enable them to do the best job and maximise their satisfaction at work.
Legal and regulatory risk	Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs on civil and/or criminal proceedings and reputational damage being incurred.	<ul style="list-style-type: none"> • Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement for any compulsory changes. • Seek legal or other specialist advice as appropriate.

Environmental Policy

The Group is committed to acting in an environmentally responsible manner in our business operations and promoting green measures towards environmental protection to our employees. Our group adheres to the principle of recycling, reducing and reusing. Encouraging paper recycling culture, doubled-sided printing and copying, and encouraging energy-saving culture by switching off idle lightings and electrical appliance are implemented by the Group. In order to enhance environmental sustainability, the Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the Group's business operation.

Compliance with Regulations

During the year, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group as far as the board is aware.

Relationship with Employee, Customers, Suppliers and Others

As the Group is engaged in investment in listed and unlisted financial instruments, there are no major customers and suppliers during the year.

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group's immediate and long-term goals. Although there are no major customers and suppliers during the year the Company creates a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

Financial Key Performance Indicators

The Group's net asset value is a key indicator of the financial performance and it decreased to approximately HK\$97,177,000 as at 31 December 2022 (2021: HK\$214,213,000). During the year ended 31 December 2022, the Group suffered from a loss of approximately HK\$117,036,000, mainly because of loss arising in change in fair value of financial asset through profit or loss amounting to approximately HK\$98,709,000; and (ii) the administrative expenses and other operating expenses amounting to approximately HK\$18,660,000.

The net asset value per share was approximately HK\$0.14, which was calculated on the above net assets value and 700,333,925 ordinary shares of HK\$0.01 each in issue as at 31 December 2022.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (“**2023 AGM**”) of the Company will be held on or before 30 June 2023. A notice convening the 2023 AGM and the book closure of register of members, for the purpose of ascertaining shareholders' entitlement to attend the 2023 AGM, will be published and despatched in the manner as required by the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all 3 independent non-executive Directors (the “**Independent Non-executive Director(s)**”) of the Company, namely Ms. Lui Sau Lin, Mr. Fung Wai Ching and Mr. Chung Wang Hei in accordance with Rules 3.13 of the Listing Rules.

The Board has reviewed the independence of all Independent Non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-executive Directors has been impaired up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules on the Stock Exchange as the code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2022. To ensure Directors’ dealings in the securities of the Company (the “**Securities**”) are conducted in accordance with the Model Code, a Director is required to notify designated executive Directors in writing and obtain a written acknowledgement from the designated executive Directors prior to any dealings the Securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) in Appendix 14 of the Listing Rules during the year ended 31 December 2022.

DISCLOSURE OF DIRECTORS’ INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in the information on Directors since 1 January 2022 or after their date of appointment, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, as set out below:

Dr. Ng Kit Chong resigned as an executive director and chairman of Oriental Payment Group Holdings Limited (Stock Code: 8613) whose shares are listed on GEM with effective from 10 November 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with management in conjunction with the external auditors of the Group's consolidated financial statements for the year ended 31 December 2022, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, and financial reporting matters of the Group for the year ended 31 December 2022.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's auditors, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 December 2022 and up to the date of this announcement.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2022 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This final results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/walnutcapital/) and the 2022 annual report containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 30 March 2023

As at the date of this announcement, the board 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, Dr. NG Kit Chong (Co-chairman); and three independent non-executive directors, namely, Mr. FUNG Wai Ching, Ms. LUI Sau Lin and Mr. CHUNG Wang Hei.