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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND TO REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (3) FURTHER APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE  
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

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This circular is dispatched together with the annual report of Walnut Capital Limited (the “**Company**”) which comprises, among other things, the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2023.

A notice convening the annual general meeting (the “**AGM**”) of the Company to be held at Unit 3108, 31/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Thursday, 30 May 2024 at 11:00 a.m., at which, among other things, the above proposals will be considered, is set out on pages 13 to 16 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you are able to attend and/or vote at the AGM, 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 Secretaries 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 AGM (i.e. Tuesday, 28 May 2024 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 AGM or any adjournment thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

23 April 2024

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## **RESPONSIBILITY STATEMENT**

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This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company (as defined herein). 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.

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## DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Unit 3108, 31/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Thursday, 30 May 2024 at 11:00 a.m. or any adjournment thereof, notice of which is set out on pages 13 to 16 of this circular
“Board”	the board of Directors
“Bye-law(s)”	the bye-laws of the Company (as amended from time to time)
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“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, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 905)
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number of Shares representing such number of Shares actually repurchased by the Company under the Repurchase Mandate
“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
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting such mandate

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## DEFINITIONS

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“Latest Practicable Date”	17 April 2024, 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
“Nomination Committee”	the nomination committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended from time to time
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Mung Kin Keung (*Co-chairman*)

Mr. Mung Bun Man, Alan

*Non-executive Directors:*

Dr. Ng Kit Chong (*Co-chairman*)

Mr. Wang Mingmin

*Independent non-executive Directors:*

Mr. Fung Wai Ching

Ms. Lui Sau Lin

Mr. Chung Wang Hei

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit 3108, 31/F

West Tower, Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

23 April 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND TO REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (3) FURTHER APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE  
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM in respect of, among other matters, (i) the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the re-election of retiring Directors and further appointment of an independent non-executive Director who has served for more than nine years; and (iii) the notice of the AGM.

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# LETTER FROM THE BOARD

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## ISSUE MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 1 June 2023 (the “2023 AGM”), general mandates were granted to the Directors to exercise the powers of the Company to issue new Shares and to repurchase Shares respectively.

Such mandates granted at the 2023 AGM will lapse at the conclusion of the AGM.

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the Issue Mandate and the Repurchase Mandate.

### Issue Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors will be given a general and unconditional mandate (i.e. the Issue Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate number of up to 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting such mandate.

In addition, a separate ordinary resolution will further be proposed for the Extension Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details of the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company had an aggregate of 700,333,925 Shares in issue. Subject to the passing of the resolutions for the approval of the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 140,066,785 Shares.

### Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors will be given a general and unconditional mandate to repurchase issued and fully paid Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate number of up to 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting such Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 70,033,392 Shares.

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## LETTER FROM THE BOARD

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The Issue Mandate (including the Extension Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the Issue Mandate (including the Extension Mandate) and the Repurchase Mandate until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (iii) the passing of an ordinary resolution by the Shareholders in a general meeting prior to the next annual general meeting of the Company revoking or varying the authority given to the Directors.

### EXPLANATORY STATEMENT

An explanatory statement containing all the relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement is to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant the Directors the Repurchase Mandate at the AGM.

### RE-ELECTION OF DIRECTORS AND FURTHER APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS

As at the Latest Practicable Date, the Board comprised of two executive Directors, namely Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan (“**Mr. Mung**”); two non-executive Directors, namely Dr. Ng Kit Chong and Mr. Wang Mingmin (“**Mr. Wang**”); and three independent non-executive Directors, namely Mr. Fung Wai Ching (“**Mr. Fung**”), Ms. Lui Sau Lin and Mr. Chung Wang Hei.

According to Bye-law 83(2), any Director appointed by the Board to fill a casual vacancy or, subject to authorisation by the Shareholders in general meeting, as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. Wang shall retire at the AGM in accordance with Bye-law 83(2). Mr. Wang has confirmed that he will not offer himself for re-election as a non-executive Director at the AGM due to his wishes to devote more time to pursue his other business engagements. Mr. Wang has confirmed that he has no disagreements with the Board and there are no other matters relating to his retirement which need to be brought to the attention of the Stock Exchange and the Shareholders.

According to Bye-law 84(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Mr. Mung and Mr. Fung shall retire by rotation at the AGM in accordance with Bye-law 84(1) and being eligible, Mr. Mung and Mr. Fung will offer themselves for re-election at the AGM as an executive Director and an independent non-executive Director respectively.

Mr. Fung was appointed as an independent non-executive Director on 10 October 2014 and has served for more than nine years. Pursuant to the code provision B.2.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, if an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by the Shareholders.

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## LETTER FROM THE BOARD

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Mr. Fung is an existing independent non-executive Director. Mr. Fung is presently an owner of a printing company in Hong Kong. Mr. Fung has over 20 years of experience in managing paper, packaging and printing industries in both China and Hong Kong markets. Mr. Fung has demonstrated his ability to provide an independent view on the Company's matters in different perspectives and his presence in the Board with his experience and background contributes to the diversity of the Board.

The Nomination Committee has assessed the independence of Mr. Fung based on their confirmation of independence with reference to the criteria as set out under Rule 3.13 of the Listing Rules and is of the view that Mr. Fung meets such independence guidelines and maintains his independence in accordance with the terms of the guidelines despite that he has served the Board for more than nine years. Mr. Fung has not engaged in any executive management of the Group. In particular, the Nomination Committee is satisfied that Mr. Fung, the independent non-executive Director who will stand for re-election at the AGM, has and will continue to provide valuable contributions to the Company and demonstrate his ability to exercise independence of judgement and provide a balanced and objective view in relation to the Company's affairs which will continue to be of significant benefit to the Company. After careful consideration, the Nomination Committee is of that view that Mr. Fung will continue to demonstrate strong independence in judgement and therefore, the Board considers that Mr. Fung is still independent and should be re-elected. The re-appointment of Mr. Fung at the AGM will be subject to the approval of by the Shareholders by way of a separate resolution.

The Nomination Committee has evaluated the performance of each of the retiring Directors during the year ended 31 December 2023 and found the performance of all of them satisfactory. Based on the recommendation of the Nomination Committee, the Board has recommended that the retiring Directors, namely Mr. Mung and Mr. Fung stand for re-election as Directors at the AGM.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### **AGM**

A notice convening the AGM to be held at Unit 3108, 31/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Thursday, 30 May 2024 at 11:00 a.m. is set out on pages 13 to 16 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the Issue Mandate (including the Extension Mandate), the Repurchase Mandate, the re-election of the Directors and the further appointment of an independent non-executive Director who has served for more than nine years.

A copy of the annual report of the Company including, among other things, copies of the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and the auditors of the Company for the year ended 31 December 2023, are dispatched to the Shareholders together with this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries 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 appointed for the holding of the AGM (i.e. Tuesday, 28 May 2024 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 AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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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 resolutions set out in the notice of the AGM will be voted by poll.

No Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 27 May 2024 to Thursday, 30 May 2024 both days inclusive, in order to determine the entitlement to attend the AGM. In order to qualify for attending and voting at the AGM, 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 Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 24 May 2024.

### **RECOMMENDATION**

The Directors consider the proposed grant of the Issue Mandate (including the Extension Mandate), the Repurchase Mandate and the proposed re-election of Directors and further appointment of an independent non-executive Director who has served for more than nine years are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### **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*

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## **APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution at the AGM to approve the Repurchase Mandate.*

### **1. NUMBER OF SHARES WHICH MAY BE REPURCHASED**

As at the Latest Practicable Date, there was a total of 700,333,925 Shares in issue.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 70,033,392 Shares (representing 10% of the total number of issued Shares as at the date of passing of the resolution) during the period (the “**Relevant Period**”) ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (iii) the passing of an ordinary resolution by the Shareholders in a general meeting prior to the next annual general meeting of the Company revoking or varying the authority given to the Directors.

### **2. REASONS FOR PROPOSED REPURCHASE OF SHARES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company. The Repurchase Mandate will only be exercised when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The Directors have no present intention to repurchase any Shares.

### **3. SOURCE OF FUNDS**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of continuance and Bye-laws, the Listing Rules, the Companies Act and the applicable laws of Bermuda. The Company will not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

**4. EFFECT OF EXERCISING THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2023) in the event that the Repurchase Mandate is exercised in full at any time during the Relevant Period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**5. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders at the AGM.

**6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

**7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 the Takeovers Code.

As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Directors, the Directors are not aware of any Shareholder or a group of Shareholders acting in concert, who may become obliged to make a mandatory general offer in accordance with the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the Directors had no intention to exercise the Repurchase Mandate to an extent which will trigger the mandatory offer requirement pursuant to the rules of the Takeovers Code.

## APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

Furthermore, the Company is an investment company under Chapter 21 of the Listing Rules. Pursuant to Rule 21.04 of the Listing Rules, the Company is not required to comply with Rule 8.08(1) of the Listing Rules which states that there should be at least 25% of the Shares as held in the hands of the public. Even though the Company is not required to comply with Rule 8.08(1) of the Listing Rules, the Company still intends to maintain a public float of having at least 25% of the Shares being held in the hands of the public if such Repurchase Mandate were to be exercised.

### 8. SHARES REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

### 9. CORE CONNECTED PERSON

No core connected persons (as defined in the Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

### 10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2023</b>		
April	0.255	0.121
May	0.129	0.092
June	0.275	0.075
July	0.250	0.170
August	0.235	0.141
September	-	-
October	0.190	0.102
November	0.133	0.108
December	0.119	0.102
<b>2024</b>		
January	0.161	0.118
February	0.213	0.120
March	0.239	0.182
April (Up to the Latest Practicable Date)	0.195	0.385

*Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:*

**EXECUTIVE DIRECTOR**

**Mr. Mung Bun Man, Alan** (“**Mr. Mung**”), formerly known as Mung Chiu Yu, Alan, aged 37, was an executive Director during the period from 12 November 2010 to 3 April 2013 and was re-appointed as an executive Director on 31 March 2014 and the chief executive officer of the Company on 9 February 2015. He is also a director of various subsidiaries of the Company. He holds a Bachelor of Arts Degree in Business Economics from University of California-Santa Barbara and a Master’s Degree in Finance from Peking University. He has extensive working experience in investment and asset management.

Mr. Mung was appointed as an executive director of Global Mastermind Holdings Limited (formerly known as Well Way Group Limited) (stock code: 8063), a company listed on the GEM of the Stock Exchange, on 24 March 2014.

Mr. Mung entered into a service agreement with the Company on 1 April 2020 for an initial term of one year commencing from 1 April 2020 and shall continue thereafter unless and until terminated by either party giving not less than 2 months’ prior notice. He will be subject to retirement by rotation at least once every three years in accordance with the Bye-laws. He is currently entitled to a director’s fee of HK\$2,160,000 per annum, a monthly housing allowance of HK\$187,000 plus the management charges (subject to review from time to time) and the government rates (which is subject to adjustment according to the government’s next assessment), and a discretionary bonus as may be determined by the Board from time to time. Such emolument was, and discretionary bonus will be, determined with reference to the then prevailing market conditions, the performance of the Company as well as Mr. Mung’s individual performance.

Mr. Mung is the son of Mr. Mung Kin Keung, who is the co-chairman of the Board and an executive Director. Save as disclosed above, he does not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as respectively defined in the Listing Rules).

As at the Latest Practicable Date, China Lead Investment Holdings Limited (“**China Lead**”), a company wholly and beneficially owned by Mr. Mung, was interested in 525,191,925 Shares, representing approximately 74.99% of the issued share capital of the Company. Mr. Mung is therefore deemed to be interested in the Shares held by China Lead under Part XV of the SFO. Save as disclosed above, Mr. Mung does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO nor does he hold any other position with the Company or any of its subsidiaries.

As at the Latest Practicable Date, save as disclosed herein, (i) Mr. Mung does not hold any position in the Company or any of its subsidiaries; (ii) Mr. Mung has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years or other major appointments and professional qualifications; and (iii) Mr. Mung does not have, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there are no other matters relating to the re-election of Mr. Mung that needs to be brought to the attention of the Shareholders nor is there any information relating to Mr. Mung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (2)(v) of the Listing Rules.

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Fung Wai Ching** (“**Mr. Fung**”), aged 54, was appointed as an independent non-executive Director on 10 October 2014. He is presently an owner of a printing company in Hong Kong. He has over 20 years of experience in managing paper, packaging and printing industries in both China and Hong Kong markets.

Mr. Fung was appointed as an independent non-executive director of Global Mastermind Holdings Limited (formerly known as Well Way Group Limited) (stock code: 8063), a company listed on the GEM of the Stock Exchange, on 23 June 2014.

Pursuant to a letter of appointment entered into between the Company and Mr. Fung dated 18 April 2017, the Company appointed Mr. Fung as an independent non-executive Director for an initial term of one year commencing from 18 April 2017 unless terminated in accordance with the terms of the letter of appointment. He is also subject to the retirement and re-election at the AGM in accordance with the Bye-laws. Pursuant to the letter of appointment, Mr. Fung is entitled to receive a Director’s fee of HK\$60,000 per annum which is determined by the Board with reference to his experience and responsibilities in the Company and the recommendation from the remuneration committee of the Company.

Whilst Mr. Fung had served the Company as an independent non-executive Director for more than nine years, the Company believes that Mr. Fung remains independent and can independently express opinions on matters of the Company.

As at the Latest Practicable Date, save as disclosed herein, (i) Mr. Fung does not hold any position in the Company or any of its subsidiaries nor does he have any relationship with any Director, senior management or substantial or controlling Shareholders of the Company; (ii) Mr. Fung has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years or other major appointments and professional qualifications; and (iii) Mr. Fung does not have, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there are no other matters relating to the re-election of Mr. Fung that needs to be brought to the attention of the Shareholders nor is there any information relating to Mr. Fung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (2)(v) of the Listing Rules.

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# NOTICE OF AGM

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “AGM”) of Walnut Capital Limited (the “Company”) will be held at Unit 3108, 31/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Thursday, 30 May 2024 at 11:00 a.m., for the following purposes:

#### Ordinary Resolutions

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “Directors”) and auditors of the Company for the year ended 31 December 2023.
2. To re-elect Mr. Mung Bun Man, Alan as executive Director.
3. To re-elect Mr. Fung Wai Ching, who has served more than nine years, as independent non-executive Director.
4. To authorise the board of Directors (the “Board”) to fix the Directors’ remuneration.
5. To appoint Elite Partners CPA Limited as the auditors of the Company and to authorise the Board to fix its remuneration.
6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with ordinary shares of par value of HK\$0.01 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“**Bye-laws**”), shall not exceed 20% of the number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purpose of this resolution,

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any other applicable laws of Bermuda to be held; and
- (iii) the date on which such mandate is revoked or varied by an ordinary resolution by the shareholders of the Company (“**Shareholders**”) in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose of this resolution,

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any other applicable laws of Bermuda to be held; and
- (iii) the date on which such mandate is revoked or varied by an ordinary resolution by the Shareholders in general meeting.”

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## NOTICE OF AGM

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8. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions numbered 6 and 7 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 6 above be and is hereby extended by the addition thereto of a number representing the total number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 7 above.”

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

Hong Kong, 23 April 2024

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

*Head office and principal place of  
business in Hong Kong:*  
Unit 3108, 31/F  
West Tower, Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the AGM convened by this notice is entitled to appoint one or, if he/she/it is the holder of two or more Shares, more than one proxy to attend and, subject to the provisions of the Bye-laws, 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 AGM 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, 27 May 2024 to Thursday, 30 May 2024, both days inclusive, in order to determine the entitlement to attend the AGM. In order to qualify for attending and voting at the AGM, 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 Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 24 May 2024.
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 Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the AGM (i.e. Tuesday, 28 May 2024 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 AGM or any adjournment thereof should you so wish. In such event, the form of proxy previously submitted shall be deemed to be revoked.
5. With respect of resolutions numbered 2 and 3 of this notice, Mr. Mung Bun Man, Alan and Mr. Fung Wai Ching shall retire from the office of directorship by rotation and shall offer themselves for re-election in accordance with the Bye-laws. Details of the retiring Directors which are required to be disclosed under the Rules Governing the Listing of Securities on the Stock Exchange are set out in the circular of the Company dated 23 April 2024.
6. As at the date of this notice, the Board comprises two executive Directors, namely Mr. Mung Kin Keung (Co-chairman) and Mr. Mung Bun Man, Alan; two non-executive Directors, namely Dr. Ng Kit Chong (Co-chairman) and Mr. Wang Mingmin; and three independent non-executive Directors, namely Mr. Fung Wai Ching, Ms. Lui Sau Lin and Mr. Chung Wang Hei.