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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)**

**2024 INTERIM RESULTS ANNOUNCEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of Walnut Capital Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 together with comparative figures for the corresponding period in 2023 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>166</b>	164
Other income	5	<b>360</b>	–
Loss arising on change in fair value of financial assets at fair value through profit or loss		<b>(11,786)</b>	(4,217)
Administrative expenses and other operating expenses		<b>(7,291)</b>	(6,778)
Finance costs	6	<b>(99)</b>	(100)
Loss before income tax	7	<b>(18,650)</b>	(10,931)
Income tax expense	8	<b>–</b>	–
<b>Loss and total comprehensive loss for the period attributable to owners of the Company</b>		<b><u>(18,650)</u></b>	<b><u>(10,931)</u></b>
			(Restated)
<b>Loss per share</b>	9		
Basic and diluted ( <i>HK cents</i> )		<b><u>(2.26)</u></b>	<b><u>(1.41)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	<b>HK\$'000</b> <b>(Unaudited)</b>	<b>HK\$'000</b> <b>(Audited)</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		49	93
Intangible assets		<u>7,135</u>	<u>7,135</u>
		<u>7,184</u>	<u>7,228</u>
<b>Current assets</b>			
Prepayment		316	478
Other receivables		794	281
Deposits paid		327	324
Financial assets at fair value through profit or loss	<i>11</i>	99,097	73,828
Cash and cash equivalents		<u>12,044</u>	<u>1,595</u>
		<u>112,578</u>	<u>76,506</u>
<b>Current liabilities</b>			
Accruals and other payables		1,152	1,615
Amount due to a director		–	236
Other financial liability			
– non-convertible bond		<u>10,000</u>	<u>10,000</u>
		<u>11,152</u>	<u>11,851</u>

	As at <b>30 June 2024</b> <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Net current assets	<u>101,426</u>	<u>64,655</u>
Net assets	<u><u>108,610</u></u>	<u><u>71,883</u></u>
<b>EQUITY</b>		
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	10,505	7,003
Reserves	<u>98,105</u>	<u>64,880</u>
<b>Total equity</b>	<u><u>108,610</u></u>	<u><u>71,883</u></u>
<b>Net asset value per share (HK\$)</b>	<u><u>0.10</u></u>	<u><u>0.10</u></u>

## NOTES

*For the six months ended 30 June 2024*

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was 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 3108, 31/F, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Hong Kong.

The principal activities of the Group are investing in listed and unlisted equity and debt securities and investment funds.

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

The unaudited condensed consolidated financial statements is presented in Hong Kong dollar and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

The directors of the Company have, at the time of approving the unaudited condensed 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 unaudited condensed consolidated financial statements.

## 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

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

## 3. REVENUE

	Six months ended 30 June	
	2024	2023
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Dividend income	68	163
Bond interest income	98	–
Interest income	–	1
	<u>166</u>	<u>164</u>

#### 4. SEGMENT INFORMATION

The chief operating decision-maker (the “CODM”) has been identified as the Company’s executive directors. The Group’s principal activities are investments in listed and unlisted equity and debt securities and investment funds. The CODM regards it as a single business segment and no segment information is presented.

#### 5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	<u>360</u>	<u>–</u>

#### 6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Interest on:		
Other financial liability		
– non-convertible bond	99	99
Other interest expenses to financial institutions	<u>–</u>	<u>1</u>
	<u>99</u>	<u>100</u>

## 7. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging:		
Depreciation of property, plant and equipment	44	50
Directors' remuneration	2,587	2,360
Staff costs	1,815	1,480
Net foreign exchange loss	72	–
Expenses relating to short-term leases	680	1,106
	<u>680</u>	<u>1,106</u>

## 8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2024 and 30 June 2023 as the Group had no assessable profit arising in or derived from Hong Kong.

## 9. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to owners of the Company)	<u>(18,650)</u>	<u>(10,931)</u>

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited) (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>823,500</u>	<u>772,629</u>

The weighted average number of ordinary shares for the period ended 30 June 2023 for the purposes of calculating basic and diluted loss per share have been adjusted for the issue of new shares by way of rights issue which took place on 30 May 2024.

The Company did not have any potential dilutive shares throughout the six months ended 30 June 2024 and 2023. Accordingly, diluted loss per share is the same as basic loss per share.

## 10. INTERIM DIVIDEND

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2023: nil).

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Government bond issued by The United States of America (the "USA"), at fair value	39,761	–
Listed equity and debt securities		
– Equity and debt securities in Hong Kong, at fair value	37,669	49,821
– Equity and debt securities outside Hong Kong, at fair value	–	31
	77,430	49,852
Unlisted equity and debt securities	18,677	20,922
Unlisted investment funds	2,990	3,054
	<u>99,097</u>	<u>73,828</u>



## 12. 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 as at 30 June 2024 and as at 31 December 2023 respectively as follows:

### As at 30 June 2024

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 as at 30 June 2024 HK\$'000	Dividend received HK\$'000
<b>Listed equity securities in Hong Kong</b>						
Alibaba Group Holding Limited	(a)	Below 0.01	2,398	7,370	3,067	42
Brockman Mining Limited	(b)	2.91	14,914	44,597	27,819	–
Affluent Partners Holdings Limited	(c)	0.55	622	29,341	2,247	–
Tencent Holdings Limited	(d)	Below 0.01	799	3,882	2,793	26
<b>Debt securities</b>						
Treasury Bill	(e)	N/A	N/A	20,532	20,639	–
US Treasury N/B	(f)	N/A	N/A	19,185	19,122	–
<b>Unlisted equity and debt securities</b>						
Oddup Inc. – Preferred shares	(g)	N/A	N/A	11,700	7,860	–
Oddup Inc. – SAFETI	(g)	N/A	N/A	2,340	4,337	–
Infinity Technology (Cayman) Limited						
– Preferred shares	(h)	N/A	N/A	3,900	2,901	–
Pantheon Lab Limited						
– Convertible promissory notes	(i)	N/A	N/A	3,925	2,668	–
				<u>146,772</u>	<u>93,453</u>	

As at 31 December 2023

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 as at 31 December 2023 HK\$'000	Dividend received HK\$'000
<b>Listed equity securities in Hong Kong</b>					
Affluent Partners Holding Limited	0.55	414	29,341	2,434	–
Alibaba Group Holding Limited	below 0.01	4,957	7,370	3,289	–
Brockman Mining Limited	2.91	14,914	44,597	37,812	–
Frontier Services Group Limited	0.40	2,027	9,597	2,179	–
Tencent Holdings Limited	below 0.01	965	4,917	2,789	156
<b>Unlisted equity and debt securities outside Hong Kong</b>					
Click VC Segregated Portfolio Company – Fund 3 SP	N/A	N/A	3,822	1,720	–
Oddup Inc. – Preferred shares	N/A	N/A	11,700	8,171	–
Oddup Inc. – SAFETI	N/A	N/A	2,340	3,925	–
Infinity Technology (Cayman) Limited – Preferred shares	N/A	N/A	3,900	3,180	–
Pantheon Lab Limited – Convertible promissory notes	N/A	N/A	<u>3,925</u>	<u>3,869</u>	–
			<u>121,509</u>	<u>69,368</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 three months ended 30 June 2024, the unaudited consolidated profit attributable to the owners of the company was approximately RMB24,269 million and its unaudited consolidated net assets was approximately RMB1,053,360 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 2023, the unaudited consolidated loss attributable to the equity holders of the company was approximately HK\$10,059,000 and its unaudited consolidated net assets was approximately HK\$512,447,000.

- (c) Affluent Partners Holdings Limited was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange (stock code: 1466). Affluent Partners Holdings Limited is principally engaged in purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and the operation of strategic investment and financial services.

For the year ended 31 March 2024, the audited consolidated loss attributable to owners of the company was approximately HK\$7,448,000 and its audited consolidated net assets was approximately HK\$112,792,000.

- (d) 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 six months ended 30 June 2024, the unaudited consolidated profit attributable to the equity holders of the company was approximately RMB89,519 million and its unaudited consolidated net assets was approximately RMB927,597 million.

- (e) Treasury Bill was the government bond issued by the USA. Treasury Bill will be matured on 5 December 2024.

- (f) US Treasury N/B was the government bond issued by the USA. US Treasury N/B will be matured on 15 December 2024.
- (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 2023, the unaudited loss attributable to the owners of the company was approximately US\$224,000 and its unaudited net assets was approximately US\$4,046,000.

- (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 six months ended 30 June 2024, the unaudited consolidated loss attributable to the owners of the company was approximately HK\$258,000 and its unaudited consolidated net liabilities was approximately HK\$3,982,000.

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

For the five months ended 31 May 2024, the unaudited loss attributable to owner of the company was approximately HK\$2,418,000 and its unaudited net liabilities was approximately HK\$21,339,000.

## **FUND RAISING ACTIVITIES AND USE OF PROCEEDS**

On 9 April 2024, the Company proposed to conduct the rights issue on the basis of one (1) rights shares (“**Rights Share(s)**”) for every two (2) existing Shares held on the record date of 29 April 2024 at the subscription price of HK\$0.162 per Rights Share, to raise gross proceeds of HK\$57 million by way of issuing up to 350,166,962 Rights Shares. On 30 May 2024, the rights issue was completed. The net proceeds from the rights issue after deducting the expenses are estimated to be approximately HK\$55 million. The Company intended to apply the net proceeds from the rights issue as to HK\$15 million for general working capital and the remaining balance of approximately HK\$40 million for future investments.

Details of which were set forth in the Company’s announcements dated 9 April 2024, 20 May 2024 and 29 May 2024, and the Company’s prospectus dated 30 April 2024.

As at 30 June 2024, the net proceed of approximately HK\$3 million and HK\$40 million has been utilized as general working capital and investments respectively. The remaining balance of approximately HK\$12 million was not utilised yet.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

During the six months ended 30 June 2024, the Group recorded a loss attributable to owners of the Company of approximately HK\$18,650,000, compared to a loss attributable to owners of the Company of approximately HK\$10,931,000 in the corresponding period of 2023. Such increase was mainly due to an increase in loss arising on change in fair value of financial assets at fair value through profit or loss of approximately HK\$7,569,000.

### **Investment Objectives, Policies and Restrictions**

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

- i. Our investments will normally be made in listed and unlisted financial instruments.
- 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.
- 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 30 June 2024, the major investments of the Group were approximately HK\$77,430,000 of a portfolio of listed financial instruments, approximately HK\$18,677,000 of direct investment in unlisted financial instruments and approximately HK\$2,990,000 of direct investment in unlisted investment fund. 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 and bond interest income during the six months ended 30 June 2024 was approximately HK\$68,000 and HK\$98,000 respectively.

The details of all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investments as at 30 June 2024 respectively are set out in note 12.

The gain/(loss) arising in change in fair value of financial assets at fair value through profit or loss for all investments with a value greater than 5% of the Group's gross assets and at least 10 largest investment of the companies for the six months ended 30 June 2024 is as follows:

Name of investments	Notes	Number of shares held at 30 June 2024 '000	Market value/ fair value as compared to the consolidated total asset of the Group at 30 June 2024 %	Realised gain for the six months ended 30 June 2024 HK\$'000	Unrealised (loss)/gain for the six months ended 30 June 2024 HK\$'000
<b>Listed equity securities in Hong Kong</b>					
Alibaba Group Holding Limited	(i)	44	2.56%	–	(222)
Brockman Mining Limited	(ii)	270,088	23.23%	–	(9,993)
Affluent Partners Holdings Limited	(iii)	3,745	1.88%	–	(187)
Tencent Holdings Limited	(iv)	8	2.33%	71	591
<b>Debt securities</b>					
Treasury Bill	(v)	N/A	17.23%	–	106
US Treasury N/B	(vi)	N/A	15.97%	–	(64)
<b>Unlisted equity and debt securities</b>					
Oddup Inc. – Preferred shares	(vii)	N/A	6.56%	–	(311)
Oddup Inc. – SAFETI	(vii)	N/A	3.62%	–	413
Infinity Technology (Cayman) Limited – Preferred shares	(viii)	N/A	2.42%	–	(279)
Pantheon Lab Limited – Convertible promissory notes	(ix)	N/A	2.23%	–	(1,201)
				71	(11,147)

*Notes:*

- i. As disclosed in Alibaba Group Announces June Quarter 2024 Results of Alibaba Holdings Limited (“**Alibaba**”), Alibaba’s mission was to make it easy to do business anywhere. Alibaba aimed to build the future infrastructure of commerce. It envisioned that Alibaba’s customers would meet, work and live at Alibaba, and that it would be a good company that lasts for 102 years. Alibaba’s results this quarter demonstrated its strategy at work. Alibaba’s focused on enhancing user experience by offering quality products at attractive prices with great service led to stabilizing market share of Taobao and Tmall Group as Alibaba returned the business on the growth trajectory. The cloud business achieved positive revenue growth momentum, driven by public cloud and AI-related product adoption as Alibaba continued to invest to maintain its market leadership.
- ii. As disclosed in the interim report 2023/24 of Brockman Mining Limited (“**Brockman**”), the Marillana project had advanced significantly in relation to on ground technical studies for the project.

The Joint Venture between Mineral Resources and Hancock Prospecting Pty Ltd continued to progress studies and approvals for the new port development at Stanley Point 3 at the Port of Port Hedland. Separately and collectively, MinRes and Hancock also progressed the studies and approvals for the infrastructure corridors (haul road and rail spur).

Outside of the Marillana project, Brockman received highly encouraging results from initial wide-spaced reconnaissance drilling at Punda Springs.

- iii. As disclosed in the annual result announcement for the financial year ended 31 March 2024 of Affluent Partners Holdings Limited (“**Affluent Partners**”), overall speaking, although the Affluent Partners’ revenue in the Pearls and Jewellery Products segment was increased during FY23, based on the Affluent Partners’ current observation and estimation, the overall downtrend was expected to be carried forward to a certain extent for coming years due to the change of consumption pattern caused by the downturn. As such, the Affluent Partners had introduced jade products as materials for its jewellery products and looking for opportunities to cooperate with others to broaden and diversify its customer base. In addition, Affluent Partners was cooperating with another local brand to explore the fine jewellery market. Affluent Partners had, from time to time, been looking for opportunities to leverage its management expertise to expand its existing business to further uncover the potential market of its ultimate female consumers.

Affluent Partners would further use its resources as a listed company to add value to the acquisition project to increase its profitability and return. Meanwhile, Affluent Partners would continue enhancing the development of the pearls and jewellery business, actively participating in various important jewellery and gem fairs around the world and optimising operation efficiency and productivity to stay competitive.

Further, during the year, Affluent Partners had completed the acquisition of the target group that was principally engaged in providing scientific and pharmaceutical research and development services, skincare solutions through self-transformed skincare brand and mid-to-high-end functional skincare products, as well as brand marketing and consulting services.

Affluent Partners considered that the skincare market had immense potential and there was a product crossover between the Affluent Partners's pearl products and the target group's skincare products, one of the synergies being processing pearls to become one of the ingredients in skincare products. Given the sales and distribution of pearls and jewellery products by Affluent Partners and the sales and distribution of skincare products by the target group, both primarily focused on the female consumer market, there might bring along potential collaboration and cross-selling opportunities which would be mutually beneficial to both parties. The directors of Affluent Partners believed that the Acquisition gave Affluent Partners an opportunity to expand its existing business both vertically by using the Affluent Partners' existing pearl products as raw materials for skincare products and horizontally by widening its range of female consumer products extending from pearl and jewellery to skincare products.

- iv. As disclosed in the announcement of the results for the three and six months ended 30 June 2024 of Tencent Holdings Limited (“**Tencent**”), Tencent's second quarter 2024 results demonstrated the strengths of our platform plus content strategy. Tencent's Domestic Games revenue resumed growth, and Tencent's International Games revenue accelerated growth, due to increased user engagement at several of Tencent's evergreen titles, and the successful launches of certain new games. Tencent Video achieved notable audience and subscriber growth with drama series developed from China Literature IP and produced internally. Looking forward, Tencent would continued to invest in Tencent's platforms and technologies including AI, enabling Tencent to create new business value and better serve user needs.
- v. Treasury Bill was the government bond issued by the USA. Treasury Bill will be matured on 5 December 2024.
- vi. US Treasury N/B was the government bond issued by the USA. US Treasury N/B will be matured on 15 December 2024.
- 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, a Hong Kong-based company founded in 2019 offers restaurant point-of-sale system for Asia. It provides a series of services that enables those in the food and beverage industry to integrate operation, supply, delivery, and financing.  
  
Infinity Technology (Cayman) Limited was recently backed by Y Combinator, and it plans to add central kitchen and school lunch box ordering for schools in Hong Kong, along with working capital loans, inventory management and an HR system to its back end in the short future.
- ix. Pantheon Lab Limited was incorporated in Hong Kong and is principally engaged in artificial intelligence and software research and development.

The Directors believe that the future performance of the 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 30 June 2024, the Group had cash and cash equivalents approximately HK\$12,044,000 (as at 31 December 2023: approximately HK\$1,595,000).

As at 30 June 2024, the Group had outstanding borrowings of approximately HK\$10,000,000 (as at 31 December 2023: approximately HK\$10,236,000) representing:

- (a) The outstanding principal amount of the non-convertible bond (the “**Bond**”) of HK\$10,000,000 (as at 31 December 2023: HK\$10,000,000). The maturity date is 16 April 2025. The Company has an option to repay the outstanding principal amount of the Bond at any time before the maturity date but the bondholder shall not redeem the Bond before the maturity date.

The Bond carries interest at the rate of 2% per annum payable annually in arrears on the last day of each year from the date of the Bond, provided that the final repayment of the interest shall be on the maturity date. However, for every 10% increase in the net profit in any financial year during the term of the Bond as compared to the immediate previous year, the interest rate shall be increased by 1% for that financial year and with retrospective effect. The following year’s interest rate will be reset at 2% subject to adjustment depending on the net profit. The interest rate during the term shall not be less than 2% per annum and not more than 6% per annum.

- (b) The amount due to a director of nil (as at 31 December 2023: HK\$236,000).

The gearing ratio (total debts/total equity) as at 30 June 2024 was 9.2% (as at 31 December 2023: 14.2%). Total debts included the non-convertible bond and the amount due to a director.

As at 30 June 2024, the Group had net current assets of approximately HK\$101,426,000 as compared to approximately HK\$64,655,000 as at 31 December 2023.

As at 30 June 2024, the current ratio of the Group was 10.09 compared to 6.46 as at 31 December 2023.

## **Charges on Assets**

As at 30 June 2024, there were no charges on the Group's assets (as at 31 December 2023: nil).

## **Capital Commitment and Contingent Liabilities**

As at 30 June 2024 and as at 31 December 2023, the Group had no material capital commitment and contingent liabilities.

## **Foreign Exchange Exposure**

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

## **Share Capital and Capital Structure**

As at 30 June 2024, the Company had 1,050,500,887 shares of HK\$0.01 each in issue (as at 31 December 2023: 700,333,925 shares).

## **Material Acquisitions and Disposals of Subsidiaries**

The Group did not have any material acquisition or disposal of subsidiaries during the six months ended 30 June 2024.

## **Prospects**

As we move into the second half of 2024, our approach remains cautious and informed by the past months' experiences. While we started the year with some optimism, ongoing global challenges have made us more conservative.

The financial landscape is still volatile due to geopolitical tensions and economic uncertainties. These factors have required us to reassess our strategies, emphasizing the need for flexibility and prudence.

Despite these challenges, some economies are showing resilience, giving us a cautious sense of optimism. However, we must balance this with a realistic view of the risks ahead.

Our focus will be on preserving capital and managing risks carefully. We will prioritize investments in sectors and businesses with strong fundamentals that can endure economic ups and downs. This conservative stance ensures we protect shareholders interests while navigating uncertainty.

The board is committed to a conservative and disciplined strategy to keep the organization resilient, ready to seize opportunities, and mitigate risks.

## **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 were 15 employees, including 2 executive Directors and 3 independent non-executive Directors as at 30 June 2024. Remuneration policies are reviewed in accordance with the market situation and the performance of individual Directors 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 six months ended 30 June 2024 amounted to approximately HK\$4,402,000 (six months ended 30 June 2023: approximately HK\$3,840,000).

## **DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES**

The change in information on Directors since the date of the 2023 annual report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

Mr. Mung Kin Keung	Mr. Mung has been re-designated from the co-chairman to the chairman of the Board with effect from 24 May 2024.
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## **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 C3 to the Rules Governing the Listing of Securities (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 six months ended 30 June 2024. 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 in 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 C1 of the Listing Rules during the period.

## **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 six months ended 30 June 2024.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) currently comprises 3 independent non-executive Directors, Ms. Lui Sau Lin (the chairman of the Audit Committee), Mr. Fung Wai Ching and Mr. Chung Wang Hei. The Audit Committee has reviewed the 2024 interim report and the condensed consolidated financial statements of the Group for the six months ended 30 June 2024.

## **PUBLICATION OF THE CONSOLIDATED INTERIM RESULTS AND 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.irasia.com/listco/hk/walnutcap/](http://www.irasia.com/listco/hk/walnutcap/)) and the 2024 interim report containing all the information required by the Listing Rules will be dispatched to shareholders 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**  
*Chairman*

Hong Kong, 29 August 2024

*As at the date of this announcement, the board of the Company comprises two executive directors, namely, Mr. MUNG Kin Keung (Chairman) and Mr. MUNG Bun Man, Alan; and three independent non-executive directors, namely, Mr. FUNG Wai Ching, Ms. LUI Sau Lin and Mr. CHUNG Wang Hei.*