MemeStrategy, Inc.
迷策略
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2440)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

FINANCIAL HIGHLIGHTS

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**21,668**	31,050
Cost of Sales	**(21,022)**	(29,725)
Gross Profit	**646**	1,325
Net Loss	**(33,961)**	(30,742)

INTERIM RESULTS FOR SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of MemeStrategy, Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2025.

The financial information below is an extract of the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended June 30, 2025

	Notes	Six months ended June 30, **2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
REVENUE	*4*	**21,668**	31,050
Cost of sales		**(21,022)**	(29,725)
Gross profit		**646**	1,325
Other income and gains or losses	*5*	**129**	1,503
Selling and distribution expenses		**(787)**	(978)
Administrative expenses		**(21,338)**	(25,990)
Impairment losses under expected credit loss ("**ECL**") model		**(12,557)**	(6,481)
Finance costs		**(54)**	(121)
LOSS BEFORE TAXATION	*6*	**(33,961)**	(30,742)
Income tax expense	*7*	**–**	–
LOSS FOR THE PERIOD		**(33,961)**	(30,742)
OTHER COMPREHENSIVE INCOME/ (EXPENSE)			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of intangible assets		**530**	–
Fair value loss on equity investments designated at fair value through other comprehensive income ("**FVTOCI**")		**(940)**	–
		(410)	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(42)**	(614)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD		**(452)**	(614)

	Notes	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		**(34,413)**	(31,356)
Loss for the period attributable to:			
Owners of the Company		**(33,961)**	(30,742)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(34,413)**	(31,356)
			(restated)
LOSS PER SHARE			
– Basic (RMB cents)	*9*	**(11.61)**	(11.16)
– Diluted (RMB cents)	*9*	**(11.61)**	(11.16)

Condensed Consolidated Statement of Financial Position
At June 30, 2025

	Notes	**June 30, 2025** ***RMB'000*** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**1,011**	1,344
Equity investments designated at FVTOCI	*11*	**12,573**	13,513
Right-of-use assets		**1,625**	929
Intangible assets	*10*	**5,551**	73
Prepayments, other receivables and other assets		**179**	377
Total non-current assets		**20,939**	16,236
CURRENT ASSETS			
Trade receivables	*12*	**196,012**	223,268
Contract assets		**2**	32
Prepayments, other receivables and other assets		**5,846**	8,435
Cash and cash equivalents		**15,382**	4,082
Total current assets		**217,242**	235,817
CURRENT LIABILITIES			
Trade payables	*13*	**19,242**	34,282
Other payables and accruals		**419**	6,625
Loan from a controlling shareholder	*14*	**12,203**	–
Interest-bearing bank borrowings	*15*	**10**	3,000
Lease liabilities		**1,124**	717
Tax payable		**1,767**	1,767
Total current liabilities		**34,765**	46,391
NET CURRENT ASSETS		**182,477**	189,426
TOTAL ASSETS LESS CURRENT LIABILITIES		**203,416**	205,662

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	**529**	211
Deferred tax liabilities	**14**	14
Total non-current liabilities	**543**	225
Net assets	**202,873**	205,437
Capital and reserves		
Share capital	**17,104**	15,646
Share premium	**205,017**	160,329
Reserves	**(19,248)**	29,462
Total equity	**202,873**	205,437

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on August 25, 2021. The registered office of the Company is located at the offices of Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally engaged in the technology sector, specialising in the development of hardware and software for Internet of Thing (the "**IoT**"), telecommunication and other innovative technology-driven fields.

The shares of the company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 12, 2022. On January 17, 2025, Home Office Development Limited ("**HODL**"), a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Chan Chin Ching, entered into share purchase agreements with the then controlling shareholders and certain other shareholders of the Company. Upon the completion of the sale and purchase of the shares in accordance with the terms and conditions of the share purchase agreements on January 27, 2025. HODL became the immediate and ultimate controlling company of the Company from the same date onward.

2. BASIS OF PREPARATION

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for equity investments designated at FVTOCI and intangible assets – cryptocurrency, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards and the adoption of the accounting policy for intangible assets – cryptocurrency as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Intangible assets – cryptocurrency

For cryptocurrency that are held by the Group for the purpose of long-term capital appreciation, they are considered to be intangible assets with indefinite useful life given there is no foreseeable limit to the period over which the relevant cryptocurrency is expected to generate net cash inflows for the Group. They are initially recognised at cost and subsequently measured by applying the revaluation model as permitted by HKAS 38 "Intangible assets" to measure the cryptocurrency at a revalued amount, being their respective fair value at the date of the revaluation less any subsequent accumulated impairment losses. For the purpose of revaluation, fair value is measured by reference to the quoted bid price of the cryptocurrency in an active market.

If the carrying amount of cryptocurrency is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of intangible assets revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If the carrying amount of cryptocurrency is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance in the revaluation reserve in respect to that cryptocurrency. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of intangible assets revaluation reserve.

The cumulative revaluation reserve included in equity may be transferred directly to accumulated loss/retained earnings when the surplus is realised. The whole surplus may be realised on the disposal or retirement of the cryptocurrency. The transfer from revaluation reserve to accumulated loss/retained earnings is not made through profit or loss.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	*Lack of Exchangeability*

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

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the technology sector, specialising in the development of hardware and software for IoT, telecommunication, and other innovative technology-driven fields.

An analysis of revenue is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**21,668**	31,050

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended June 30, **2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Types of goods or services		
Data transmission and processing services for IoT applications	**20,392**	31,050
Sales of telecommunication equipment	**1,276**	–
Total revenue from contracts with customers	**21,668**	31,050

	Six months ended June 30, **2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Timing of revenue recognition		
Goods or services transferred at a point in time	**21,668**	31,050

The Group determines its operating segments based on internal reports reviewed by the chief operating decision maker ("**CODM**"), the Chief Executive Officer, for the purpose of allocating resources to the segment and to assess its performance.

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. CODM monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) ***Revenue from external customers***

	Six months ended June 30, **2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Mainland China	**21,668**	31,050

The revenue information above is based on the operation locations of the customers.

(b) Non-current assets

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Mainland China	**933**	2,346
Hong Kong	**7,254**	–
	8,187	2,346

The non-current asset information above is based on the geographical locations of the assets and excludes equity instruments designated at FVTOCI and other receivables.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the period is set out below:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer 1	**10,203**	N/A*
Customer 2	**10,189**	N/A*
Customer 3	**N/A***	12,849
Customer 4	**N/A***	9,236
Customer 5	**N/A***	4,915

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the corresponding period.

5. OTHER INCOME AND GAINS OR LOSSES

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**7**	288
Government grants	**11**	1,169
	18	1,457
Other gains or losses		
Foreign exchange gain, net	**225**	48
Loss on disposal of property, plant and equipment	**(113)**	–
Loss on early termination of leases	**(5)**	–
Others	**4**	(2)
	111	46
	129	1,503

6. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**7,116**	5,946
Employee benefit expense (excluding directors' and chief executive's remuneration):		
– Wages and salaries	**3,216**	2,745
– Equity-settled share option and award expense	**656**	415
– Pension scheme contributions	**261**	543
– Staff welfare expenses	**1,542**	1,942
	5,675	5,645
Cost of inventories sold	**1,233**	–
Cost of services provided	**19,789**	29,725
Depreciation of property, plant and equipment	**309**	768
Depreciation of right-of-use assets	**560**	485
Amortisation of intangible assets	**38**	39
Research and development costs	**602**	12,536
Impairment loss of trade receivables under ECL model, net	**12,550**	6,494
Reversal of impairment loss of contract assets under ECL model, net	**–**	(13)
Impairment loss of other receivables under ECL model, net	**7**	–

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. No provision for income tax has been made as the Group did not generate any assessable profits in Hong Kong for both periods.

The provision for current income tax in Mainland China is based on the statutory rate of 25% of the assessable profits of subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for certain subsidiaries of the Group in Mainland China which are granted tax concession and are taxed at preferential tax rates.

Nanjing Howking Technology Co., Ltd. ("**Nanjing Howking**") and Shenzhen M2Micro Electronics Co., Ltd. ("**Shenzhen M2M**") were recognised as a High and New Technology Enterprise and are entitled to a preferential income tax rate of 15% from December 2022 to December 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current	**–**	–
Deferred	**–**	–
Total tax expense for the period	**–**	–

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during six months ended June 30, 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share amounts is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 292,428,051 (six months ended June 30, 2024: 275,429,904 (restated)) in issue during the period, as adjusted to reflect the share issuance during the period and rights issue on August 8, 2025 (note 16).

The calculations of the basic and diluted loss per share are based on:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company, for the purpose of basic and diluted loss per share	**(33,961)**	(30,742)

	Number of shares	
	2025	2024
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**292,428,051**	275,429,904

The computation of diluted loss per share does not assume the conversion of the Company's share options outstanding during the period since their assumed exercise would result in a decrease in loss per share.

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended June 30, 2025, the Group acquired property, plant and equipment of approximately RMB101,000 (for the six months ended June 30, 2024: nil).

During the six months ended June 30, 2025, the Group had acquired intangible asset – cryptocurrency at a cash consideration of approximately RMB5,003,000. As at June 30, 2025, such cryptocurrency is carried at a revalued amount of approximately RMB5,516,000. The fair value of the digital assets is measured at level 1 which is based on the quoted bid prices in an active market.

11. EQUITY INVESTMENTS DESIGNATED AT FVTOCI

On May 25, 2023, the Company subscribed for 111,270 new ordinary shares in the share capital of Etic International Limited, a private entity, at a consideration of RMB13,513,000 in cash. After the allotment and issue of aforesaid new shares and at June 30, 2025, the ordinary shares subscribed by the Company represent approximately 2.18% of the issued share capital of Etic International Limited.

The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

12. TRADE RECEIVABLES

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**252,018**	294,083
Less: impairment loss allowance	**(56,006)**	(70,815)
	196,012	223,268

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 to 300 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment loss allowance, is as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**14,751**	29,862
1 to 2 years	**100,267**	134,784
2 to 3 years	**63,588**	54,348
3 to 4 years	**17,138**	4,005
4 to 5 years	**268**	269
	196,012	223,268

The movements in the impairment loss allowance of trade receivables are as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At beginning of period	**70,815**	42,785
Impairment losses, net *(note 6)*	**12,550**	28,030
Write-offs	**(27,359)**	–
At end of period	**56,006**	70,815

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**11,458**	11,522
1 to 2 years	**72**	11,975
2 to 3 years	**5,376**	8,453
Over 3 years	**2,336**	2,332
	19,242	34,282

The trade payables are non-interest-bearing and credit periods range from 7 to 90 days.

14. LOAN FROM A CONTROLLING SHAREHOLDER

During the period ended June 30, 2025, the Group entered into two deeds of loan with HODL, the controlling shareholder, pursuant to which HODL agreed to provide shareholder loan facilities (the "**Loan Facilities**") with an aggregate amount of HK$20,000,000 (approximately RMB18,239,000) to the Group.

The Company drew the shareholder loan (the "**Shareholder Loan**") of approximately RMB12,203,000 from HODL according to the Loan Facilities during the six months ended June 30, 2025. The Shareholder Loan under the Loan Facilities is interest-free, unsecured and repayable on demand.

The outstanding amounts of the Shareholder Loan under the Loan Facilities as at June 30, 2025 was denominated in HK$.

15. INTEREST-BEARING BANK BORROWINGS

June 30, 2025

	Effective interest rate	Maturity	*RMB'000* (Unaudited)
Bank loans – unsecured	**2.75%**	**March 2026**	**10**
			10

December 31, 2024

	Effective interest rate	Maturity	*RMB'000* (Audited)
Bank loans – unsecured	2.75%	December 2025	3,000
			3,000

16. EVENTS AFTER THE RELEVANT PERIOD

On June 4, 2025, the Company proposed to raise up to approximately HK$154.8 million before expenses by way of the issue of a maximum of 122,659,756 rights shares (the "**Rights Share**") at the subscription price of HK$1.262 (the "**Subscription Price**") per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares (the "**Rights Issue**"). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is approximately HK$1.25. All conditions set out in the prospectus of the Rights Issue had been fulfilled and the Rights Issue became unconditional on August 7, 2025. The 122,659,756 Rights Shares had been issued on August 8, 2025.

On July 24, 2025, the Company proposed to increase its authorised share capital from US$3,000,000 divided into 300,000,000 shares of US$0.01 each to US$10,000,000 divided into 1,000,000,000 shares of US$0.01 each by the creation of an additional 700,000,000 shares (the "**Increase in Authorised Share Capital**"). The Increase in Authorised Share Capital had been approved by shareholders of the Company on the extraordinary general meeting held on August 7, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the technology sector, specializing in the development of hardware and software for Internet of Things (IoT), telecommunication and other innovative technology-driven fields.

As disclosed in the announcement dated June 9, 2025 and approved by shareholders in the extraordinary general meeting, the Group changed its name from "Howkingtech International Holding Limited" to "MemeStrategy, Inc." This rebranding reflects our commitment to advancing decentralized technologies, leveraging artificial intelligence ("**AI**"), blockchain and other cutting-edge technologies to drive digital asset and Web3 project development. Building on our established IoT expertise, the Group is focused on unlocking new avenues for sustainable growth in the evolving digital economy.

The Group has been operating in the rapidly growing IoT market in the People's Republic of China (PRC) since 2012, and started providing data transmission and processing services for IoT applications to customers in various industries in 2018. The Group expanded into the private 5G network market in the PRC in 2020 by upgrading its data transmission and processing services with 5G technologies. In 2022, the Group was successfully listed on the Stock Exchange of Hong Kong.

HIGHLIGHTS IN THE FIRST HALF OF 2025

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**21,668**	31,050
Cost of Sales	**(21,022)**	(29,725)
Gross Profit	**646**	1,325
Net Loss	**(33,961)**	(30,742)

Financial Performance

Entering 2025, the global operating environment remained uncertain. Despite the Group has maintained its presence in these established areas, the scale of operations has contracted. For the six months ended June 30, 2025, the Group's revenue decreased by approximately 30.2% from approximately RMB31.1 million in the corresponding period of 2024 to approximately RMB21.7 million. This decline was primarily due to a decrease in revenue from data transmission and processing services as IoT clients delayed projects amid cash flow concerns and macroeconomic uncertainty.

The Group's non-5G business revenue decreased by approximately 34.3% from approximately RMB31.1 million for the six months ended June 30, 2024 to approximately RMB20.4 million for the same period in 2025.

The Group's gross profit decreased by approximately 51.2% from approximately RMB1.3 million for the six months ended June 30, 2024 to approximately RMB0.6 million for the same period in 2025, resulting from the decrease in revenue. The Group recorded a net loss of approximately RMB34.0 million for the six months ended June 30, 2025 as compared to a net loss of approximately RMB30.7 million for the same period in 2024, resulting from the increase of impairment losses on trade receivables under ECL model.

While these results highlight market challenges, the Group remains fully committed to developing its existing technology business and intends to explore business opportunities related to next-generation technology, namely artificial intelligence (AI) and blockchain. The Group is optimistic about its strategic repositioning to capitalize on emerging opportunities in the digital economy.

Market Dynamics and Strategic Convergence

In 2025, the IoT and telecommunications sectors continue to face a complex and volatile environment, with rising competition and declining demand impacting its existing operating markets. The Group's revenue contraction reflects these challenges, as clients delay IoT projects amid economic uncertainty.

However, the global digital economy is expanding rapidly, with the global digital asset market projected to reach USD110.2 billion by 2026 and user penetration increasing from 11.82% in 2025 to 12.24% by 2026, according to Statista[1]. Hong Kong is emerging as a global digital asset hub, supported by initiatives like the Policy Statement 2.0 on the Development of Digital Assets (June 26, 2025), the Stablecoins Ordinance (effective August 1, 2025), and the Hong Kong Securities and Futures Commission's "A-S – P-I – Re" regulatory roadmap, creating a favorable environment for innovation and investment.

Considering the evolving macro environment, as disclosed in the Company's Composite Document dated March 7, 2025, while the Group remains fully committed to developing its existing business operations, it intends to explore converging and new business opportunities related to next-generation technology, namely, artificial intelligence ("**AI**") and blockchain.

OUTLOOK FOR 2025

Looking ahead, the Group is strategically pivoting towards AI, digital assets, and Web3 to complement its established IoT expertise, through investing in AI, Blockchain, and Culture, bridging traditional finance with the new economy. It plans to strategically invest in innovative AI and Web3 projects, as well as to prudently allocate resources into high-potential digital assets for long-term growth. The Group aims to accelerate business diversification, develop DePINs, and expand its global market reach sustainably.

Following the successful completion of a rights issue on August 7, 2025, the Group is well-funded to pursue these initiatives.

[1] https://www.statista.com/outlook/fmo/digital-assets/worldwide

Our Three Strategic Business Pillars

AI and Blockchain Development Based on Existing IoT solutions

To capture future opportunities, the Group will offer solutions related to AI and Blockchain based on the existing IoT solutions. These integrated solutions are expected to improve transparency, enhance security and reduce fraud, and drive business growth for both our clients and the Group. The Group's established IoT networks and technology capabilities provide a natural advantage in developing blockchain-based infrastructure solutions. As disclosed in the Prospectus, a key focus will be in-house R&D that integrates AI and blockchain into the Group's existing technology, such as internet platforms, to drive digital and cultural transformation across various business sectors. This will enable the Group to deliver solutions that enhance services for new and existing clients in the IoT space, and explore new business opportunities across different industries and markets to drive long term value for our shareholders.

Digital Transformation for IP and Cultural Industries

The Group also plans to collaborate with traditional industry companies and IP owners, applying its expertise and in-house developed technologies to facilitate digital and culture transformation. These collaborations will involve co-branding, strategic partnerships or licensing agreements, particularly in cultural and IP industries. The Group may also look to engage in joint ventures or equity investments in traditional market players, to develop tailored digital transformation, leveraging the Group's technical and digital innovation capabilities to expand into new markets.

Digital Assets Treasury Strategy

The Group's treasury strategy focuses on cryptocurrencies and other high-growth digital assets, within its long-term investment framework. As of June 30, 2025, the Group has purchased 4,880 units of Solana (SOL), financed by internal resources. The Group recognizes SOL's position as a foundational layer for decentralized applications (dApps), institutional-grade decentralized finance (DeFi) infrastructure, and Web3 innovation. Its emergence as a leading blockchain ecosystem, distinguished by its high-speed, low-cost transactions, and vibrant community adoption, has made it one of the most scalable and economically efficient networks for next-generation technological systems. Solana's versatile blockchain primarily hosts DeFi platforms, tokenized real-world assets (RWAs), and AI-driven Web3 applications – including viral consumer adoption through memecoins. Its scalable, energy-efficient infrastructure empowers developers to build fast, secure, and accessible applications, driving innovation across DeFi, digital identity, payments, and institutional asset tokenization.

Through flexible and prudent financial management, the Group aims to deliver sustainable, long-term value creations for shareholders, aligning with a growing trend among global companies to integrate digital assets into their financial strategies.

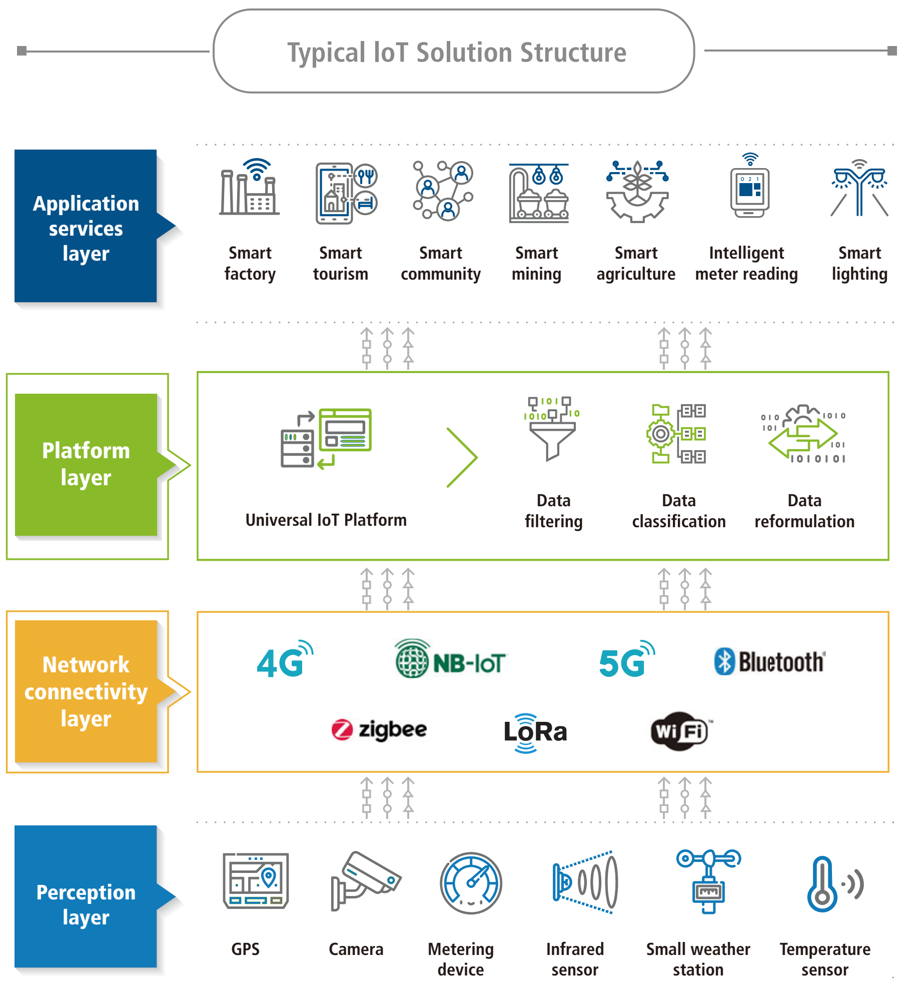
Future Outlook

While navigating a dynamic global landscape, the Group is strategically positioned to leverage its evolving business model, integrating AI, digital assets, and Web3 with its established IoT expertise. Through prudent financial management, strategic investments, and a focus on innovation, the Group is committed to creating long-term, sustainable growth and value for its shareholders, adapting to market opportunities and regulatory developments in the digital economy.

BUSINESS PERFORMANCE

The Industry and the Group's Strengths

The IoT industry where the Group operates possesses great growth potential, driven by growing adoption of advanced technology, rapid development of industrial IoT, increasing demand for private 5G network as well as strong government support. According to Frost & Sullivan, the IoT market in the PRC experienced a rapid growth with a CAGR of approximately 26.2% from 2016 to 2021, and is expected to further grow at a CAGR of approximately 13.3% from 2021 to 2026, reaching approximately RMB5,466.0 billion in 2026, of which the 5G-based IoT market is expected to grow at a CAGR of approximately 62.2% from 2021 to 2026, reaching approximately RMB491.9 billion in 2026. More specifically, the private 5G network market in the PRC is expected to reach approximately RMB236.1 billion in 2026, with a CAGR of approximately 108.2% from 2021 to 2026.



However, the IoT market in the PRC is also competitive and fragmented with more than 30,000 participants competing with each other in each layer of the IoT market from perception layer, network connectivity layer, platform layer to application services layer. Nevertheless, the Company believes that the Group, as an IoT solution provider focusing on network connectivity layer and platform layer, is well positioned to capture the growing demand for IoT solutions and telecommunication equipment in the PRC given its years of industry experience, in-depth market knowledge and insight as well as a proven track record in providing data transmission and processing services and telecommunication equipment. The Company also believes that the Group's one-stop solution, diversified product portfolio, short service delivery capabilities, strong innovation and research capabilities as well as experienced and visionary management will help the Group stand out from its competitors in the future.

Data Transmission and Processing Services

The Group offers data transmission and processing services for IoT applications to its customers in manufacturing, municipal services and other industries in the PRC to assist them to realize and optimize their digitalization. The Group classifies its data transmission and processing services as non-5G network services and private 5G network services depending on the network connection mode the Group adopts in the services. Non-5G network services help customers connect terminal devices with the Group's proprietary Universal IoT Platform via various telecommunication networks or gateways, such as 4G, LORA, Zigbee, NB-IoT or Bluetooth, and the Group provides tailored non-5G network services based on customers' demands and their application scenarios. The Group has started to provide data transmission and processing services with private 5G network since 2020, and has successfully improved the efficiency and cost-effectiveness of its services by offering turnkey solutions with hardware and software integration for its customers.

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Non-5G Network Services Revenue	**20,392**	31,050
Data Transmission and Processing Services for IoT Applications	**20,392**	31,050

Revenue from data transmission and processing services decreased by approximately 34.3% from approximately RMB31.1 million for the six months ended June 30, 2024 to approximately RMB20.4 million for the same period in 2025. Due to the overall poor market conditions in the PRC, many of our clients preferred to build a non-5G network during the first stage to satisfy the basic needs and upgrade to a 5G network during the second phase. As a result, the Group's revenue in the first half of 2025 was mainly concentrated in non-5G businesses.

Sales of Telecommunication Equipment

In addition to data transmission and processing services for IoT applications, the Group also researches, develops and sells telecommunication equipment in the PRC. The Group provides its customers with 5G telecommunication equipment, including 5G pRRU, various types of 5G antennas and 5G communication modules, which were designed to cater to preferences of different consumer groups. The Group also provides other telecommunication equipment, which primarily includes 4G telecommunication equipment and other IT devices, to its customers.

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of 5G Telecommunication Equipment	**1,276**	–
Sales of Telecommunication Equipment	**1,276**	–

FINANCIAL REVIEW

Revenue

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**21,668**	31,050
Data Transmission and Processing Services	**20,392**	31,050
Sales of Equipment	**1,276**	–
or:		
5G Business	**1,276**	–
Non-5G Business	**20,392**	31,050
or:		
PRC	**21,668**	31,050

The Group's revenue decreased by approximately 30.2% from approximately RMB31.1 million for the six months ended June 30, 2024 to approximately RMB21.7 million for the same period in 2025. Revenue from data transmission and processing services decreased by approximately 34.3% from approximately RMB31.1 million for the six months ended June 30, 2024 to approximately RMB20.4 million for the same period in 2025, mainly attributable to the Group's clients in the IoT industry having delayed their projects taking into consideration of their concerns in cash flows and uncertainty in macroeconomic condition. Revenue from sales of equipment increased from nil for the six months ended June 30, 2024 to approximately RMB1.3 million for the same period in 2025.

The Group generates most of its revenue from the PRC market and 100.0% of the Group's revenue was generated from the PRC market in the first half of 2025 (first half of 2024: 100%).

Costs and Expenses

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of Sales	**21,022**	29,725
Material Costs	**19,789**	29,624
OEM Expenses	**1,233**	–
Administrative Expenses	**21,338**	25,990
R&D Expenses	**602**	12,536
Staff Costs	**11,469**	8,609
Professional Expenses	**4,139**	1,192
Selling and Distribution Expenses	**787**	978
Staff Costs	**720**	789
Impairment Losses on Financial Assets	**12,557**	6,481
Trade Receivables	**12,550**	6,494
Other Receivables	**7**	–

Cost of sales includes (i) material costs, (ii) OEM expenses and (iii) labor costs. The Group's cost of sales decreased by approximately 29.3% from approximately RMB29.7 million for the six months ended June 30, 2024 to approximately RMB21.0 million for the same period in 2025. The decrease was primarily due to a rapid decrease in revenue of the Group. Material costs decreased by approximately 33.2% for the six months ended June 30, 2025 as compared to for the same period in 2024, and its share of cost of sales slightly dropped to approximately 94.1% in the first half of 2025 from approximately 99.7% for the same period in 2024. This change was mainly due to the increase in OEM expenses from nil for the six months ended June 30, 2024 to approximately RMB1.2 million for the same period in 2025.

Administrative expenses consist of (i) R&D expenses, (ii) staff costs, (iii) professional expenses, (iv) depreciation and amortization, (v) office expenses, and (vi) tax surcharges. The Group's administrative expenses decreased by approximately 17.9% from approximately RMB26.0 million for the six months ended June 30, 2024 to approximately RMB21.3 million for the same period in 2025, mainly due to i) the R&D expenses decreased from approximately RMB12.5 million for the six months ended June 30, 2024 to approximately RMB0.6 million for the same period in 2025; partly offset by (i) an increase in staff costs from approximately RMB8.6 million for the six months ended June 30, 2024 to approximately RMB11.5 million for the same period in 2025, mainly due to an increase in compensation for dismissal of approximately RMB2.5 million; and (ii) an increase in professional expenses from approximately RMB1.2 million for the six months ended June 30, 2024 to approximately RMB4.1 million for the same period in 2025.

Selling and distribution expenses consist of (i) staff costs, (ii) travelling expenses, (iii) depreciation, and (iv) entertainment expenses. The Group's selling and distribution expenses decreased by approximately 19.5% from approximately RMB1.0 million for the six months ended June 30, 2024 to approximately RMB0.8 million for the same period in 2025, resulting from the decrease in staff costs.

The Group recognizes an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss and use a provision matrix to calculate ECLs for trade receivables and contract assets based on historical expected credit loss rates of industry peers and aging for groupings of various customers with similar loss pattern. The Group's impairment losses on financial assets increased from approximately RMB6.5 million for the six months ended June 30, 2024 to approximately RMB12.6 million for the same period in 2025 mainly due to the trade receivables aged over two years as of June 30, 2025 increased by approximately 38.2% as compared to that of December 31, 2024.

Gross Profit, Loss Before Tax and Net Loss

	Six Months Ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gross Profit	**646**	1,325
Gross Margin	**3.0%**	4.3%
5G Business	**3.4%**	N/A*
Non-5G Business	**3.0%**	4.3%
Loss Before Tax	**(33,961)**	(30,742)
Net Loss	**(33,961)**	(30,742)

* The revenue from 5G business was nil during the six months ended June 30, 2024.

The Group's gross profit decreased by approximately 51.2% from approximately RMB1.3 million for the six months ended June 30, 2024 to approximately RMB0.6 million for the same period in 2025 resulting from the decrease in revenue and gross margin. The Group's gross margin decreased from approximately 4.3% for the six months ended June 30, 2024 to approximately 3.0% for the same period in 2025 due to intensified market competition.

The Group's loss before tax and net loss for the period both increased by approximately 10.5% from approximately RMB30.7 million for the six months ended June 30, 2024 to approximately RMB34.0 million for the same period in 2025, resulting from the decrease in revenue and the intensified market competition.

Cash and Cash Equivalents

Cash and cash equivalents increased from approximately RMB4.1 million as of December 31, 2024 to approximately RMB15.4 million as of June 30, 2025, mainly due to the cash inflow from the exercise of share options of approximately RMB29.6 million during the six months ended June 30, 2025, which were partially offset by decrease of trade payables of approximately RMB15.1 million during the six months ended June 30, 2025.

Intangible Assets – Investment in Cryptocurrency

During the six months ended June 30, 2025, the Group had acquired 4,880 units of Solana (the "**Acquired SOL**"). The Acquired SOL was purchased at an aggregate cost of approximately RMB5.0 million. The investment in cryptocurrency was classified as intangible assets in the Interim Condensed Consolidated Statement of Financial Position as at June 30, 2025.

As of June 30, 2025, the fair values of the Acquired SOL determined based on the then prevailing market prices was approximately RMB5.5 million, which represents approximately 2.3% of the Group's total assets as at the same date. The market prices of the Acquired SOL as of June 30, 2025 was higher than the average purchase prices.

By strategically allocating treasury reserves to SOL, the Company aims to capitalize on three core advantages: (1) exposure to a rapidly expanding ecosystem of developers, users, and institutional adopters driving sustainable demand; (2) yield generation through network validation, leveraging SOL's proof-of-stake architecture to earn staking rewards while contributing to blockchain security; and (3) diversification of treasury assets into a high-growth digital asset with unique utility, complementing traditional reserves and hedging against macroeconomic volatility. This initiative reflects the Board's confidence in SOL's role as a transformative digital asset, underscored by its growing utilization by leading enterprises and institutional investors worldwide. The investment also enhances our commitment to innovation in treasury management and long-term value creation for shareholders.

Borrowing

As of June 30, 2025, the Group had interest-bearing bank borrowings of approximately RMB10,000 (December 31, 2024: RMB3.0 million), which were all denominated in RMB and with fixed interest rate. The Group's total authorized credit facilities remained at RMB10.0 million, among which approximately RMB9.99 million had not been utilized as of the same date.

Loan from a controlling shareholder

As of June 30, 2025, the loan from a controlling shareholder amount to approximately RMB12.2 million is unsecured, interest free and no fixed repayment term (December 31, 2024: nil).

Gearing Ratio

The Group's gearing ratio, calculated by total debt (including interest-bearing bank borrowings, loan from a controlling shareholder and lease liabilities) divided by total equity, remained low at approximately 6.8% as of June 30, 2025 (December 31, 2024: 1.9%). The slight increase of gearing ratio mainly due to the increase of loan from a controlling shareholder as of June 30, 2025 (December 31, 2024: nil).

Rights Issue

On June 4, 2025, the Company proposed to raise up to approximately HK$154.8 million before expenses by way of the issue of a maximum of 122,659,756 rights shares (the "**Rights Share**") at the subscription price of HK$1.262 (the "**Subscription Price**") per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares (the "**Rights Issue**"). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is approximately HK$1.25. The Subscription Price represents a discount of approximately 49.7% to the closing price of HK$2.51 per Share as quoted on the Stock Exchange on June 4, 2025.

The Rights Issue was deemed the best fundraising alternative for several reasons. Firstly, it offers existing Shareholders, including the Controlling Shareholder, the opportunity to maintain their ownership stake and participate in the Company's future growth plans. Secondly, it is a transparent and fair method of raising capital as it gives all Shareholders an equal chance to subscribe for new Shares which reduces potential dilution of minority Shareholders' equity compared to the direct placing to new Shareholders.

The Board also considers Rights Issue to be prudent and preferable to finance the long-term growth of the Group in the form of equity fund raising which will not increase the Group's financing costs. Apart from the Rights Issue, the Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new shares and open offer. The Board notes that bank borrowings, if available, would result in additional interest burden of the Company and create pressure to the liquidity of the Company. Hence, the Board does not consider it to be beneficial to the Company.

On July 18, 2025, a total of 14 valid acceptances and applications in respect of 1,305,750,344 Rights Shares, representing approximately 1,064.53% of the total number of 122,659,756 Rights Shares available for subscription under the Rights Issue, have been received. Accordingly, the Rights Issue was over-subscribed by 1,183,090,588 Rights Shares, representing approximately 964.53% of the total number of 122,659,756 Rights Shares available for subscription under the Rights Issue.

Approval had been granted by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares. Dealings in the fully-paid Rights Shares on the Stock Exchange had commenced at 9:00 a.m. on Monday, August 11, 2025.

The gross proceeds from the Rights Issue were approximately HK$154.80 million and the net proceeds from the Rights Issue, after deducting all related expenses for the Rights Issue, were approximately HK$152.96 million. The net proceeds from the Rights Issue has applied in accordance with the proposed use of proceeds set forth in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS" in the Prospectus.

For details of the Rights Issue, please refer to the Company's announcements dated June 4, 2025, July 24, 2025, July 25, 2025 and August 7, 2025, and the Prospectus.

Capital Structure

As at June 30, 2025, the Company's issued share capital was approximately US$2,453,000 and the number of its issued ordinary shares was 245,319,513 of US$0.01 each.

During the six months ended June 30, 2025, a total of 20,319,513 share options granted were exercised and 20,319,513 shares were allotted and issued accordingly.

Subsequent to the end of the Reporting Period, the Company completed the Rights Issue on August 7, 2025 to raise up to approximately HK$154.8 million before expenses by way of the issue of a maximum of 122,659,756 Rights Shares at the subscription price of HK$1.262 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares.

After the approval from the shareholders obtained at the extraordinary general meeting of the Company on August 7, 2025, the authorised share capital of the Company increased from US$3,000,000 divided into 300,000,000 shares of US$0.01 each to US$10,000,000 divided into 1,000,000,000 shares of US$0.01 each. Details of the increase in authorised share capital have been disclosed in the circular of the Company dated July 24, 2025 and the announcement of the Company dated August 7, 2025.

Capital Expenditure

Capital expenditure primarily consisted of purchases of property, plant and equipment and renovation expenses, which increased from nil for the six months ended June 30, 2024 to approximately RMB0.1 million for the same period in 2025.

Charges on Assets

As of June 30, 2025, the Group did not have any assets or rights pledged (December 31, 2024: Nil).

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities (December 31, 2024: Nil).

Foreign Currency Risk

The Group has transactional currency exposures and are subject to foreign currency risk arising from fluctuations in exchange rates between RMB and foreign currencies. As of June 30, 2025, the Group had transactional currency exposures. Such exposures arose from changes in the fair value of monetary assets and liabilities and exchange differences resulting from translation of the financial statements of certain overseas subsidiaries.

As of June 30, 2025, the Group did not hedge or consider necessary to hedge any of these risks. The Group will constantly review the economic situation and the foreign exchange risk profile and consider appropriate hedging measures in the future, when necessary.

Employees and Remuneration Policy

As of June 30, 2025, the Group had a total number of 33 employees (as of December 31, 2024: 30). For the six months ended June 30, 2025, the Group recognized staff costs (including equity-settled share option expenses) of approximately RMB12.8 million, representing an increase of approximately 10.4% as compared to the same period in 2024.

The Group's success depends on its ability to attract, retain and motivate qualified personnel, and the Group believes that the high-quality talent pool is one of its core strengths. The Group recruits employees mainly through campus recruitment, online recruitment, internal referral and hunting firms or agents, to satisfy its demands for different types of talents.

The Group provides trainings to its employees. In addition to the trainings provided to employees, they can also improve their skills through the Group's development of services and mutual learning among colleagues.

The Group offers competitive compensation for its employees. In addition, the Group regularly evaluates the performance of employees and reward those who perform well with higher compensation or promotion.

The Group enters into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-competition with executive officers and full-time employees. These contracts typically include a non-competition provision effective during and up to two years after their employment with the Group and a confidentiality provision effective during and after their employment with the Group.

Significant Investments, Acquisitions and Disposals

As at June 30, 2025, the Company had a significant investment in Etic International Limited ("**ETIC**"). On May 25, 2023, the Company subscribed for 111,270 new ordinary shares in the share capital of ETIC at a consideration of RMB13,513,000 in cash. After the allotment and issue of aforesaid new shares, the ordinary shares subscribed by the Company represent approximately 2.17695% of the issued share capital of ETIC.

ETIC, through its wholly-owned subsidiary, Etic Industrial Co. Ltd., is indirectly interested in 65.95% equity interest of Nanjing ETIC Communication Technology Co., Ltd. ("**Nanjing Yitaike**"), a limited liability company established in the PRC. Nanjing Yitaike is the principal subsidiary, which is principally engaged in the research and development of millimeter wave chip products for various application scenarios, such as railway passenger information system, long-distance backhaul and smart home systems and other related solutions in the PRC.

The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature. According to the assessment made by the Group's management based on the valuation by the external valuer, as at June 30, 2025, the fair value of the equity investment in ETIC was approximately RMB12.6 million, accounting for approximately 6.2% and 5.3% of the Group's net assets and total assets, respectively.

Saved as disclosed above, as of June 30, 2025, none of each individual investment held by the Group constituted 5% or above of the total assets of the Group.

Save as disclosed above, during the six months ended June 30, 2025, there were no other significant investments held by the Group. The Group did not have any significant acquisitions or disposals of subsidiaries, associates or joint ventures, and there was no future plans for material investments or capital assets.

Save as disclosed in this announcement, particularly in relation to the name re-branding to "MemeStrategy, Inc." and strategic pivot of business model towards integrating AI, digital assets, and Web3 with its established IoT expertise, there is no material change in the business of the Group since the publication of the last annual report of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no important event affecting the Group has occurred since the end of the Reporting Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined in the Listing Rules) during the Reporting Period. As of June 30, 2025, the Company did not hold any treasury shares as defined in the Listing Rules.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended June 30, 2025.

COMPLIANCE WITH MODEL CODE REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, which applies to all Directors and relevant employees of the Company who are likely to possess inside information in relation to the Company or its securities due to his/her office or employment.

The Company has made specific enquiries with each Director, and each of them confirmed that he/she had complied with all required standards under the Model Code during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintenance of good corporate governance practices and procedures. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

Pursuant to code provision C.2.1 of part 2 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. Chan Chin Ching currently performs these two roles concurrently.

The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure appropriate and timely arrangements are in place to meet changing circumstances.

Save for the deviation from code provision C.2.1 of part 2 of the CG Code as described above, the Company had complied with all applicable code provisions set out in part 2 of the CG Code during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely Mr. Siu Chi Wai (Chairman), Mr. Ng Pui Sun Wesley and Ms. Peng Cheng, has reviewed the unaudited interim results of the Group for the six months ended June 30, 2025, including the accounting principles and practices adopted by the Group and confirmed that it has complied with all applicable accounting principles, standards and requirements and made full disclosure.

AUDITOR

The unaudited condensed consolidated financial statements of the Company for the six months ended June 30, 2025 have been reviewed by Deloitte Touche Tohmatsu, the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of HKEXnews (www.hkexnews.hk) and the Company (https://memestrategy.com.hk/). The interim report of the Company for the six months ended June 30, 2025 will be published on the same websites and despatched to the Shareholders (if required) in due course.

DEFINITIONS

"5G"	the 5th generation mobile network, a new global wireless standard after 1G, 2G, 3G and 4G networks
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"CAGR"	compound annual growth rate; the CAGR formula involves (i) dividing the ending value by the beginning value, (ii) making a radical of the amount by the number of years (e.g. 2019~2021=2 years) and (iii) subtracting one to make the rate a percentage
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this announcement to "China" or "PRC" do not include Hong Kong, Macau and Taiwan
"Company"	MemeStrategy, Inc. (formerly known as Howkingtech International Holding Limited), an exempted company with limited liability incorporated in Cayman Islands on August 25, 2021, and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 13, 2022
"Director(s)"	the director(s) of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IoT"	internet of things
"IT"	information technology
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LORA"	Long Range, a proprietary low-power wide-area network modulation technique
"Macau"	the Macau Special Administrative Region of the PRC

"MemeStrategy" or "Group"	the Company and its subsidiaries
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"OEM"	original equipment manufacturer
"Prospectus"	the prospectus as issued by the Company in connection with the Rights Issue, dated on July 4, 2025
"pRRU"	pico remote radio unit, which is used to the baseband unit
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollar(s), the lawful currency of the United States of America
"Universal IoT Platform"	the Group's self-developed centralized data platform of IoT solutions, which provides the infrastructural functions for upper applications
"%"	per cent

By order of the Board
MemeStrategy, Inc.
CHAN Chin Ching
Chairman and executive Director

Hong Kong, August 28, 2025

As of the date of this announcement, the Board comprises Mr. Chan Chin Ching, Mr. Chan Chin Chun, Mr. Kwong Kevin Tak Tsing and Mr. Lee Alexander Patrick as executive Directors; and Mr. Ng Pui Sun Wesley, Ms. Peng Cheng and Mr. Siu Chi Wai as independent non-executive Directors.