MemeStrategy, Inc.
迷策略

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2440)

SUPPLEMENTAL ANNOUNCEMENT
SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 14 November 2025 (the "**Announcement**") in respect of the Subscriptions. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Company wishes to provide its Shareholders and potential investors with further information regarding the Company's expansion plans and its proposed use of the net proceeds from the Subscriptions. As disclosed in the Announcement, the Company proposes to allocate the net proceeds from the Subscriptions to further its expansion plans into blockchain solutions and real-world assets ("**RWA**") (including cultural and intellectual property).

BLOCKCHAIN SOLUTIONS

Rationale for our expansion plans into blockchain solutions and its relationship with our existing business

The Company is committed to developing its existing core business operations in the technology sector, specialising in adopting new technological devices and methods for data management. While our current focus includes hardware and software for Internet of Things ("**IoT**") and telecommunications, we are also actively exploring other innovative, technology-driven fields that can enhance the effectiveness of our data management, processing and transmission capabilities.

As part of this development and as previously disclosed by the Company in its 2025 interim report, the Company intends to enhance its existing services (namely data processing, transmission, and IoT software and solutions) by integrating next-generation technology. Blockchain is one such technology with significant potential.

For example, currently, the IoT sector typically relies on traditional data management methods, such as local on-device and cloud storage, which are centralised and vulnerable to tampering and other security risks. Furthermore, the market faces limitations with offline devices. We will therefore venture into applying blockchain technology to upgrade our data processing and transmission services. The Group believes that digital transformations through the use of blockchain, decentralised applications, and smart contracts can be leveraged by IoT and other clients to automate processes, improve transparency, enhance security, reduce fraud, better manage data and ultimately benefit both clients' and the Group's business growth.

To support the successful adoption of blockchain within our technology-enhanced data management business, we have strategically identified a well-established blockchain infrastructure, being the Solana blockchain. Data management using blockchain technology such as Solana typically works as follows. Data is recorded as part of a validated and immutable transaction (as opposed to stored solely on a device or server). After such a transaction is initiated, it is broadcast to the blockchain network and picked up by validators to verify the transaction. Every validator on the network has an opportunity to participate in consensus by casting votes for which blocks should be added to the blockchain, thereby confirming valid transactions contained in such blocks. Validator's consensus votes are stake-weighted, meaning the more stake an individual validator has, the more influence in determining the outcome of consensus voting. Once the network has verified the new block of transactions, it reaches consensus to add it to the blockchain, thus, effectively securing data on the blockchain.

Adopting blockchain has the potential to substantially improve traditional methods of data processing, such as: (1) enhanced security and trust, by virtue of blockchains' immutable and cryptographic nature, which provides a secure method of data management that prevents data manipulation and tampering (which in turn also preserves reputation and saves costs in dealing with security breaches); (2) data ownership, as blockchain can grant immutable record the data generated from IoT devices; and (3) increased interoperability, as the decentralised and open-protocol nature of blockchain allows different IoT devices and systems to communicate on a single platform. The above features of data processing and management on the blockchain should be particularly useful and attractive for industries such as supply chain, logistics and environmental monitoring, where data accuracy and security are paramount.

Further, transition to a blockchain infrastructure has the potential to enable more advanced data processing and new IoT applications. Blockchain allows the processing of low-cost high-speed and transparent microtransactions on the blockchain, which will allow the Group's IoT devices to operate in an automated machine-to-machine economy. For example, a device could autonomously pay for its own bandwidth or electricity usage.

In light of the above, the Group believes such digital transformation for data management will become a growing industry trend with substantial market opportunity to capture, and that our established internet networks and technology capabilities make us well-positioned to develop blockchain-based infrastructure solutions and capitalise on its potential. As such, this expansion into blockchain solutions is both a strategic and logical extension and natural next step of our existing core data management business, representing vertical integration and an expansion of the Group's existing data management services offering.

Having considered the scale of the Group's proprietary validators and its development plans as well as recent market prices of Solana and our treasury reserves, the Group believes that the allocated net proceeds (i.e. HK$41.86 million) are sufficient for to both fully utilise and monetise our proprietary validator technology, and more importantly, move the Company into a credible and scalable data management solution provider in the blockchain IoT ecosystem.

Business plan for blockchain solutions business

As part of its expansion plan to enhance its existing data management solution services by integrating blockchain technology, the Group plans to develop and operate Solana validators, which will be staked with Solana to be acquired by us.

1. Our proprietary Solana validators

As disclosed in the Company's announcement dated 16 June 2025, the Board recognises Solana's position as a foundational layer for decentralised applications (dApps), institutional-grade decentralised 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 supports a wide range of business use cases, including DeFi platforms, tokenised RWAs, and Web3 applications. Its scalable, energy-efficient infrastructure empowers developers to build fast, secure, and accessible applications, driving innovation across DeFi, digital identity, payments, and institutional asset tokenisation. All of the above factors contribute to the Solana blockchain being a potentially highly effective infrastructure with which we may expand our existing data management solution services for our IoT and other clients.

As disclosed in the Announcement, recently, we have successfully developed and constructed our own proprietary Solana validators which provides several important benefits. First, they enables us to participate in the validation of transactions and data on the blockchain, which allows us to contribute to the high performance, resilient, reliable and secure underlying network for the data generated by our clients' IoT devices. This also helps positions us as a credible and scalable data management service and "IoT-meets-Blockchain" solution provider. Further, our validators will provide us with exposure to a rapidly expanding ecosystem and evolving digital economy. Our validators will also provide us with yield generation through network validation, leveraging SOL's proof-of-stake architecture to earn staking rewards, representing an additional revenue stream (as discussed further below).

As mentioned above, our validators will help ensure that our data management services to our IoT and other clients will be immutable, consistent and trustworthy. There are multiple factors that may assess the quality of a validator. These include its technical performance and reliability, such as uptime (amount of time spent to vote on as many blocks as possible to maximise rewards and network efficiency), and skip rate (how often a validator skips its turn to produce a block, which is a reflecting of its configuration, stability and efficiency), which requires optimisation of both hardware and software.

Our proprietary Solana validators are all custom-built, high-performance servers running the core Solana software, and developed to meet the specific demands of data integrity and micro-transaction processing.

2. Staking our proprietary validators with Solana

As previously disclosed in the Announcement, the Solana network uses a Proof-of-Stake consensus mechanism, whereby every validator on the network has an opportunity to participate in consensus by casting votes for which blocks should be added to the blockchain, thereby confirming valid transactions contained in such blocks. Validator's consensus votes are stake-weighted, meaning the more stake an individual validator has, the more influence in determining the outcome of consensus voting. This helps ensure validators remain honest, which is critical for an automated IoT economy to function without human oversight. The amount of digital assets such as Solana staked will also directly correlate with the amount of network responsibilities earned and the number of clients serviceable.

This is because the amount of Solana that is staked directly correlates with extent of participation in consensus and network security, as the volume staked also determines the weight of the validator's consensus vote, which in turn enhances its role in securing the overall network and will directly contribute to building trust from our clients in the integrity of our Web3-integrated data management solutions. In addition, as part of the staking mechanism, we will also earn a staking yield which will provide an additional revenue stream, as validators that successfully process transactions, confirm blocks and thereby help secure the overall blockchain receive rewards in the form of transaction fees as well as newly created Solana tokens. Although our primary commercial rationale is to support IoT data integrity and client trust, such additional revenue stream will be a by-product of our development plans that nevertheless contributes to our financial performance.

Ultimately, based on the above, we believe our proposed acquisition of Solana is an important component for the expansion of our existing data management solutions into blockchain.

REAL WORLD ASSETS AND CULTURAL COLLECTIBLES

Integration and natural expansion of our existing business into RWA and cultural collectibles

As disclosed in our 2025 interim report, the financial performance of our data transmission and processing services has been impacted by macroeconomic uncertainty, which has caused IoT clients to delay planned projects. Consequently, we have been strategically pivoting towards an expansion of our business footprint not just in terms of new technology (such as blockchain as explained above), but also to secure new clients by extending our data management services to emerging high-growth industry sectors, particularly in cultural and IP industries.

According to multiple research reports, the global cultural collectibles sector (such as trading cards, model cars, toys, cultural IPs and other collectibles) is poised to become one of the largest upcoming global consumer sectors, already being a multi-hundred-billion-dollar industry, propelled by strong growth in pop culture, art toys, trading cards, and online marketplaces and institutional recognition (such as by auction houses and wealth management firms). The Hong Kong Trade Development Council recently published in September 2025 that the global collectibles market, valued at US$294.23 billion in 2023, is forecast to reach US$422.56 billion by 2030 (representing a CAGR of 5.5%), with trading cards specifically projected to grow from US$15.8 billion to US$23.5 billion by 2030 (representing a CAGR of 6.5%). Regional patterns reveal Asia-Pacific's dominance, representing 36.48% of global toy market value, with China's collectible market specifically expects 35% annual growth.

As such, we believe there is significant untapped market opportunity to expand beyond legacy telecom sectors and also actively target these next-generation, high-growth consumer markets. We are exploring a multitude of potential projects in this space. One current key initiative is the creation of physical vaults and storage systems integrated with IoT and blockchain applications for cultural collectibles such as trading cards (allowing for secure, authenticated tracking of the movement, condition, and inventory of underlying physical assets). Our IoT devices will be equipped with a cryptographic key pair and a unique digital identity registered on a blockchain. This digital identity allows other parties to securely verify the device when it transmits data or requests network access. This approach effectively replaces or complements centralised registries, establishing a tamper-evident trail for all device actions.

Subsequently, such verifiable and proof-of-performance data generated from our IoT devices will be leveraged to enable the tokenisation of RWAs. This represents an exciting new value proposition, by combining client-owned physical assets (and their related ownership and revenue), our IoT data tracking and management expertise, to tokenise via our RWA system. This expands us from a traditional IoT hardware provider to one that also serves as a long-term strategic partner in clients' financial and operational growth, by facilitating our clients to maximise the capitalisation and monetisation of their business.

Business plan for RWA and cultural collectibles

Our business plan for this new initiative is as follows:

Phase 1: Foundation & System Development

We will utilise a portion of the net proceeds from the Subscriptions to partner with a licensed entity to develop a RWA tokenisation system. This system will be designed to handle the process of actualising the RWA tokenisation initiatives, using our IoT devices or infrastructure as the trusted verification layer. By pursuing such partnerships, we mitigate any direct regulatory exposure by being positioned strictly as a technology and solution provider. We do not, and will not to the extent legally permissible based on laws and regulations in force from time to time, engage in any regulated activities, which will instead be the direct responsibility of our licensed partners.

Phase 2: Deployment of expanded services

We will aim to target two sectors when deploying our expanded data management services.

First, we will look for opportunities within industrial and infrastructure assets (such as telecommunication), being our current industry expertise. As mentioned above, we will transform data generated on our IoT devices from such hard assets into a financial tool for our IoT clients. This will involve: (1) targeting IoT clients with revenue-generating physical assets (including existing clients with telecom infrastructure, or potentially new clients with other appropriate physical assets, such as EV charging stations); (2) provide a trusted "proof-of-performance" layer by deploying our proprietary IoT devices to provide real-time on-chain verification of asset performance and revenue metrics; (3) tokenise physical asset's revenue streams or ownership on our RWA system, involving licensed partners distributing such tokens to professional investors; and (4) ongoing on-chain auditing and management via our IoT devices to ensure token value remains transparently tied to physical asset's performance.

Second, we will also look to expand into the high-growth and emerging cultural collectibles sector. As a start, we intend to deploy our enhanced data management services (adopting both IoT and blockchain) for cultural collectibles such as trading cards to provide an entirely new layer of authentication and provenance. This will involve: (1) building IoT-enabled physical vaults (to store physical collectibles, such as trading cards) with sensors to track movement, condition and inventory; (2) tokenise such physical asset ownership within our RWA system as mentioned above; and (3) ongoing auditing and management of assets via our IoT devices.

As disclosed in the Announcement, we propose to allocate 50% of the net proceeds (equivalent to approximately HK$41.86 million) for such RWA business plan, of which: (1) approximately HK$10.465 million (representing 25% of the net proceeds) will be allocated to Phase 1; and (2) approximately HK$31.395 million (representing 75% of the net proceeds) will be used towards the execution of Phase 2.

VIEW OF THE BOARD

The Group is uniquely positioned to execute its RWA plan due to its existing infrastructure (including IoT suite, consisting of existing hardware and software, as well as Solana validator network) and management expertise (as its executive Directors have expertise in building technology systems, new product development, Web3 and asset tokenisation). The Group will also explore the need to hire additional specialists in the RWA area to ensure successful implementation of its RWA plans.

In view of all of the matters set out in this announcement, the Directors continue to be of the view that the terms of the Subscription Agreements, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties thereto, are fair and reasonable, and the Subscriptions are in the interests of the Company and Shareholders as a whole.

On behalf of the Board
MemeStrategy, Inc.
CHAN Chin Ching
Chairman and executive Director

Hong Kong, 5 December 2025

As at 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.