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MemeStrategy, Inc.
迷策略

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2440)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL HIGHLIGHTS OF THE 2025 ANNUAL RESULTS ANNOUNCEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025:

- Revenue amounted to approximately RMB58.9 million, of which the Group's cultural collectibles investment and development business, as a new revenue source, contributed approximately RMB1.8 million for the first time. The Group regards this as a significant milestone in its strategic transformation and will make continuing efforts in deeply tapping into this new business;
- Revenue decreased by approximately 40.3% as compared with 2024, primarily due to decreased customer demand in the Group's IoT business. The IoT business was operating under the former company name of "Howkingtech International Holding Limited", before completion of acquisition of shares in the Company by Home Office Development Limited, the controlling shareholder of the Company in January last year;
- Gross profit and gross profit margin were approximately RMB1.2 million and approximately 2.1% (2024: gross loss of approximately RMB0.5 million and gross loss margin of approximately 0.5%);
- Loss for the year amounted to approximately RMB157.8 million (2024: loss for the year of approximately RMB77.5 million);
- The impairment loss of trade receivables of approximately RMB108.7 million (2024: approximately RMB29.4 million), which is a non-cash item and is not expected to have an adverse impact on the Group's overall cash flow position or business operations; and
- The Group aims to explore projects with potential, accelerate business diversification, pursue new growth drivers, and enhance its business foundation.

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 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 consolidated annual results of the Group for the year ended December 31, 2025.

The financial information below is an extract of the audited consolidated financial statements of the Group for the year ended December 31, 2025:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	<i>4</i>	58,884	98,580
Cost of sales		<u>(57,665)</u>	<u>(99,036)</u>
Gross profit (loss)		1,219	(456)
Other income, gains or losses, net	<i>6</i>	(4,826)	1,904
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(108,725)	(29,432)
Selling and distribution expenses		(916)	(4,694)
Administrative expenses		(44,444)	(37,551)
Finance costs	<i>7</i>	<u>(86)</u>	<u>(197)</u>
Loss before taxation	<i>8</i>	(157,778)	(70,426)
Income tax credit (expense)	<i>9</i>	<u>14</u>	<u>(7,101)</u>
Loss for the year		<u>(157,764)</u>	<u>(77,527)</u>
Loss for the year attributable to:			
– Owners of the Company		(157,737)	(77,527)
– Non-controlling interests		<u>(27)</u>	<u>–</u>
		<u>(157,764)</u>	<u>(77,527)</u>
			(restated)
Loss per share:			
– Basic (RMB cents)	<i>11</i>	(48.55)	(29.41)
– Diluted (RMB cents)	<i>11</i>	<u>(48.55)</u>	<u>(29.41)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 RMB'000	2024 <i>RMB'000</i>
Loss for the year	(157,764)	(77,527)
Other comprehensive expense for the year:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity investments designated at fair value through other comprehensive income (“FVTOCI”)	(13,513)	–
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(403)</u>	<u>78</u>
Other comprehensive (expense) income for the year	<u>(13,916)</u>	<u>78</u>
Total comprehensive expense for the year	<u>(171,680)</u>	<u>(77,449)</u>
Total comprehensive expense for the year attributable to:		
– Owners of the Company	(171,657)	(77,449)
– Non-controlling interests	<u>(23)</u>	<u>–</u>
	<u>(171,680)</u>	<u>(77,449)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		2,013	1,344
Right-of-use assets		1,064	929
Equity investments designated at FVTOCI		–	13,513
Financial asset at fair value through profit or loss (“FVTPL”)		4,219	–
Intangible assets – digital assets		12,911	–
Intangible assets – others		2,587	73
Other tangible assets		7,584	–
Prepayments and other receivables		4,009	377
		<hr/>	<hr/>
Total non-current assets		34,387	16,236
Current assets			
Trade receivables	<i>12</i>	81,240	223,268
Contract assets		–	32
Prepayments and other receivables		7,637	8,435
Cash and cash equivalents	<i>13</i>	192,236	4,082
		<hr/>	<hr/>
Total current assets		281,113	235,817
Current liabilities			
Trade payables	<i>14</i>	27,122	34,282
Other payables and accruals		2,705	6,625
Interest-bearing bank borrowing		–	3,000
Lease liabilities		917	717
Tax payable		1,767	1,767
		<hr/>	<hr/>
Total current liabilities		32,511	46,391
Net current assets		<hr/> 248,602	<hr/> 189,426
Total assets less current liabilities		<hr/> 282,989	<hr/> 205,662
Non-current liabilities			
Lease liabilities		179	211
Deferred tax liabilities		–	14
		<hr/>	<hr/>
Total non-current liabilities		179	225
Net assets		<hr/> 282,810	<hr/> 205,437

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Capital and reserves			
Share capital		29,316	15,646
Share premium		409,173	160,329
Reserves		(155,434)	29,462
		<hr/>	<hr/>
Equity attributable to owners of the Company		283,055	205,437
Non-controlling interests		(245)	–
		<hr/>	<hr/>
Total equity		<u>282,810</u>	<u>205,437</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

1. GENERAL 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. 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. Starting from the year of 2025, the Group also commenced the business relating to popular culture exhibition and digital assets.

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. The completion of the sale and purchase of the shares in accordance with the terms and conditions of the share purchase agreements took place on January 27, 2025 and HODL became the immediate and ultimate controlling company of the Company since January 27, 2025.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("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 consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ²
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual periods beginning on or after January 1, 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing, the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

4. REVENUE

An analysis of the Group’s revenue from contracts with customers is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
IoT Business:		
Data transmission and processing services for IoT applications, recognised at a point in time	55,850	73,207
Sales of telecommunication equipment, recognised at a point in time	1,276	25,373
Cultural Collectibles Investment and Development – exhibition:		
Exhibitor and related services, recognised over time	702	–
Marketing services for exhibition sponsors, recognised over time	719	–
Transactional sales, recognised at a point in time	337	–
	<u>58,884</u>	<u>98,580</u>
Analysis of revenue:		
Recognised at a point in time	57,463	98,580
Recognised over time	1,421	–
	<u>58,884</u>	<u>98,580</u>

5. SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment for the year ended December 31, 2024. Management monitors the operating results of the Group’s operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

The executive directors of the Company (the “**Executive Directors**”) have been identified as the chief operating decision makers (the “**CODM**”). During the year, the Group commenced the business relating to popular cultural collectibles and digital assets, and they are considered as new operating and reportable segments by the CODM. The CODM reviews the business with the following reportable and operating segments:

- IoT Business – Engages in the design, development, and sale of IoT terminal devices and integrated smart solutions in the People’s Republic of China (“**PRC**”), providing hardware, software platforms, and connectivity services.
- Cultural Collectibles Investment and Development – Focuses on trading and investment in popular cultural collectibles, including organising exhibitions.
- Web3 and Blockchain Business – Conducts digital asset treasury management, blockchain including validator services, and strategic participation in decentralised ecosystems.

The Group monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment results represent the operating profit or loss from/earned by each segment without allocation of corporate income and expenses, finance costs and taxation. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

For the year ended December 31, 2025

	IoT Business RMB'000	Cultural Collectibles Investment and Development RMB'000	Web3 and Blockchain Business RMB'000	Unallocated RMB'000	Consolidated RMB'000
Segment revenue	<u>57,126</u>	<u>1,758</u>	<u>-</u>		<u>58,884</u>
Segment results	<u>(124,101)</u>	<u>(968)</u>	<u>(2,821)</u>		<u>(127,890)</u>
Unallocated other income, gains and losses					(1,810)
Unallocated corporate expenses					(27,992)
Finance costs					<u>(86)</u>
Loss before taxation					<u>(157,778)</u>
Segment assets	122,700	17,019	15,166	-	154,885
Corporate and other unallocated assets	-	-	-	160,615	<u>160,615</u>
Total assets					<u>315,500</u>
Segment liabilities	30,843	155	127	-	31,125
Corporate and other unallocated liabilities	-	-	-	1,565	<u>1,565</u>
Total liabilities					<u>32,690</u>
Other information					
Capital expenditure	145	2,398	17,560	1,501	21,604
Depreciation of property, plant and equipment	578	-	-	149	727
Depreciation of right-of-use assets	591	-	-	512	1,103
Amortisation of intangible assets	64	66	-	15	145
Fair value loss of intangible assets	-	-	2,836	-	2,836
Impairment losses on trade receivables	108,715	4	-	-	108,719
Loss on disposal of property, plant and equipment	113	-	-	-	113
Loss on early termination of leases	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

For the year ended December 31, 2024

	IoT Business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Segment revenue	98,580		98,580
Segment results	<u>(66,866)</u>		(66,866)
Unallocated other income, gains and losses			(15)
Unallocated corporate expenses			(3,348)
Finance costs			<u>(197)</u>
Loss before taxation			<u>(70,426)</u>
Segment assets	237,296	–	237,296
Corporate and other unallocated assets		14,757	<u>14,757</u>
Total assets			<u>252,053</u>
Segment liabilities	46,159	–	46,159
Corporate and other unallocated liabilities		457	<u>457</u>
Total liabilities			<u>46,616</u>
Other information			
Capital expenditure	78	–	78
Depreciation of property, plant and equipment	1,323	116	1,439
Depreciation of right-of-use assets	968	–	968
Amortisation of intangible assets	83	–	83
Impairment losses on trade receivables	28,030	–	28,030
Impairment loss of property, plant and equipment	<u>774</u>	<u>–</u>	<u>774</u>

Geographical information

Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	57,126	98,580
Hong Kong	1,758	–
	58,884	98,580

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

Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	659	2,346
Hong Kong	29,330	–
	29,989	2,346

The non-current asset information above is based on the geographical locations of the assets and excludes financial instruments.

Information about major customers

During the year ended December 31, 2025, revenue derived from three customers from IoT Business (2024: three customers from IOT Business), each of which contributed over 10% of the Group's revenue, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer 1	26,543	N/A*
Customer 2	10,203	19,811
Customer 3	8,950	N/A*
Customer 4	N/A*	30,843
Customer 5	N/A*	12,849

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

6. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income mainly comprise of:		
Interest income	642	286
Government grants*	95	2,322
Other gains or losses		
Foreign exchange (loss) gain, net	(2,361)	8
Loss on disposal of property, plant and equipment	(113)	–
Loss on early termination of leases	(5)	–
Impairment loss of property, plant and equipment	–	(774)
Fair value loss of intangible assets	(2,836)	–

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. During year ended December 31, 2024, the Group had a lease contract with governments for office premises used in its operations, which is rent-free as non-monetary grants. These non-monetary grants were recorded at a nominal amount and the fair value was RMB905,000 for year ended December 31, 2024. The lease had terminated during year ended December 31, 2024 and no non-monetary grants were recorded for the year ended December 31, 2025.

7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on:		
– bank borrowing	12	121
– lease liabilities	74	76
	<u>86</u>	<u>197</u>

8. LOSS BEFORE TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation has been arrived at after charging:		
Directors' emoluments	10,433	8,823
Employee benefit expense (excluding directors' and chief executive's remuneration):		
– Salaries and other benefits	9,281	3,493
– Pension scheme contributions	601	408
– Staff welfare expenses	48	–
– Termination benefits	1,543	1,729
– Share-based payment expense	1,025	8,418
	<u>12,498</u>	<u>14,048</u>
Total staff costs		
Auditor's remuneration	1,904	1,680
Cost of inventories sold	1,233	24,720
Cost of services provided	56,432	74,316
Depreciation of property, plant and equipment	727	1,439
Depreciation of right-of-use assets	1,103	968
Amortisation of other intangible assets	145	83
Research and development expenditure (included in administrative expenses)	602	13,538
Impairment of property, plant and equipment	–	774
Impairment loss of trade receivables under ECL model, net	108,719	28,030
Reversal of impairment loss of contract assets under ECL model, net	(1)	(71)
Impairment loss of other receivables under ECL model, net	7	1,473
	<u>7</u>	<u>1,473</u>

9. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax and total tax (credit) expense	<u>(14)</u>	<u>7,101</u>

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 year. No provision for income tax has been made as the Group did not generate any assessable profits in Hong Kong during the reporting period.

The provision for current income tax in Chinese Mainland 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 Chinese Mainland 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.

* The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

10. DIVIDEND

During the years ended December 31, 2025 and 2024, no dividend was declared or paid to the shareholders of the Company. The Board did not propose any final dividend in respect of the year ended December 31, 2025.

11. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the year attributable to owners of the Company		
for the purposes of calculating basic and diluted loss per share	<u>(157,737)</u>	<u>(77,527)</u>
	2025	2024 (restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	<u>324,895,652</u>	<u>263,563,813</u>

The calculation of the basic and diluted loss per share amounts is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the share issuance and rights issue during the year. The weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share for year ended December 31, 2024 has been restated to reflect the impact of the rights issue in August 2025.

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.

12. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	233,416	294,083
Less: Allowance for credit losses	<u>(152,176)</u>	<u>(70,815)</u>
	<u>81,240</u>	<u>223,268</u>

As at January 1, 2024, the carrying amount of trade receivables from contracts with customers was RMB279,831,000.

The following is the aged analysis of trade receivables (net of loss allowance) based on the invoice date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	31,680	29,862
1 to 2 years	7	134,784
2 to 3 years	46,661	54,348
3 to 4 years	2,892	4,005
4 to 5 years	<u>–</u>	<u>269</u>
	<u>81,240</u>	<u>223,268</u>

The credit period is generally 0 to 180 days, depending on the specific payment terms in each contract.

As at December 31, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB51,406,000 (2024: RMB218,503,000) which are past due as at the reporting date. Out of the past due balances at December 31, 2025, RMB49,560,000 (2024: RMB217,503,000) was past due 90 days or more and was not considered as in default based on historical repayment pattern from the specific debtors. The Group does not hold any collateral over these balances.

13. CASH AND CASH EQUIVALENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	102,665	4,082
Money market fund	89,571	–
	<u>192,236</u>	<u>4,082</u>
Cash and cash equivalents	<u>192,236</u>	<u>4,082</u>

Cash and cash equivalents include bank deposits and money market fund for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.001% to 3.82% (2024: 0.01% to 0.25%) per annum.

Money market funds held by the Group are held for the purpose of meeting short-term cash commitment, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

14. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>27,122</u>	<u>34,282</u>

The following is the aged analysis of trade payables based on the invoice date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	18,208	11,522
1 to 2 years	1,234	11,975
2 to 3 years	–	8,453
Over 3 years	7,680	2,332
	<u>27,122</u>	<u>34,282</u>
	<u>27,122</u>	<u>34,282</u>

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

15. EVENTS AFTER THE REPORTING PERIOD

On January 14, 2026, MemeStrategy Hong Kong Limited (“MSHK”) has entered into a series of over-the-counter SOL put option agreements with an independent licensed entity and received option premium in the form of 317 units of SOL at the consideration of approximately RMB318,000 based on prevailing market prices at the time of execution. On February 2, 2026, the Company received written notice of counterparty's exercise of the put options on January 30, 2026, whereby MSHK is required to purchase an aggregate of 43,500 units of Solana at the relevant strike prices, at an aggregate consideration of approximately RMB39.9 million. At January 30, 2026, the fair value of SOL is US\$116.8 per unit. Completion of such purchases took place on February 2, 2026.

Upon the counterparty exercising the put options, the Group recognises a derivative loss, measured at the difference between the exercise price and the prevailing market price of SOL at US\$116.8, approximately RMB800 per unit, and less the option premium. The financial impact will be reflected in the results for the year ending December 31, 2026.

Following February 2, 2026, the market price of SOL decline, resulting in a fair value loss. However, the directors of the Company consider this decline to be temporary and has no intention of disposing of the holdings in the near term.

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. It is also committed to advancing decentralized technologies, leveraging artificial intelligence (“AI”), blockchain and other cutting-edge technologies to drive digital asset and Web3 project development.

The Group has been operating in the rapidly growing IoT market in the People’s Republic of China (PRC) since 2012, 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.

As disclosed in the Company’s announcement dated June 9, 2025 and approved by the Shareholders at the extraordinary general meeting, the Group changed its name from “Howkingtech International Holding Limited” to “MemeStrategy, Inc.” to more accurately reflect the Company’s latest development direction.

The Group is operated by the team from 9GAG, a renowned Meme platform with over 200 million users worldwide. Leveraging the team’s expertise in the domains of social media and Web3, the Group’s business has been restructured into three core segments during the Year: Cultural Collectibles, Internet of Things (IoT) and Web3.

HIGHLIGHTS IN 2025

	Year Ended December 31,	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	58,884	98,580
Cost of Sales	(57,665)	(99,036)
Gross Profit/(Loss)	1,219	(456)
Loss for the year	(157,764)	(77,527)

Financial Performance

In 2025, the global operating environment remained uncertain. Despite the Group continued its IoT business, operated under the former company name Howkingtech International Holding Limited prior to the completion of its acquisition, and gradually expanded into the culture and Web3 businesses, the overall scale of operations has contracted. For the year ended December 31, 2025, the Group’s revenue decreased by approximately 40.3% from approximately RMB98.6 million in the corresponding period of 2024 to approximately RMB58.9 million. This decrease was primarily due to reduced demand from our customers for the Group’s IoT business.

As a new source of revenue, the Group’s Cultural Collectibles investment and development business contributed approximately RMB1.8 million for the first time during the year ended December 31, 2025. The Group will make continuing efforts in deeply tapping into this new business to explore projects with potential.

During the year ended December 31, 2025, the Group's gross profit/(loss) improved from approximately RMB(0.5) million for the year ended December 31, 2024 to approximately RMB1.2 million for the corresponding period of 2025. The Group recorded loss for the year of approximately RMB157.8 million for the year ended December 31, 2025, as compared to loss for the year of approximately RMB77.5 million in the corresponding period of 2024.

For the year ended December 31, 2025, due to the deterioration of the IoT business customers' aging driven by the unfavorable economic environment and the complex market competition conditions, the impairment loss under expected credit loss model increased to RMB108.7 million (2024: RMB29.4 million). The aforementioned loss allowance was a non-cash item, which was not expected to have an adverse impact on the Group's overall cash flow position or business operations.

Despite facing market challenges, the Group remains fully committed to developing its existing technology business and has initiated exploration of business opportunities related to new-generation technologies, namely artificial intelligence (AI) and blockchain, in the cultural collectibles and Web3 sectors. The Group is optimistic about its new strategic positioning 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 contracted as IoT clients delayed projects amid economic uncertainty.

Considering the volatile macro environment, as disclosed in the Company's Composite Document dated March 7, 2025, while the Group remains fully committed to developing its existing IoT business operations, it explores the integration of next-generation technologies such as artificial intelligence (AI) and blockchain with its existing operations, and identifies new business opportunities related to these domains, such as how these technologies can be applied to cultural collectibles and Web3 projects, to, among others, drive industry advancement.

In terms of new market opportunities in cultural collectibles and Web3, alternative cultural asset investments and blockchain-based tokenisation tools are both accelerating in development:

- I. **Strong momentum in alternative cultural asset investment:** The global collectibles market is projected to reach a scale of US\$628 billion in 2031¹, with particularly rapid growth momentum in the Asia-Pacific region. In particular, driven by increasing interest from the digital-native consumers and institutions in alternative assets, the trading card segment is expected to surge from US\$14.7 billion in 2025 to US\$37.42 billion in 2034². This surge also reflects the trend of younger generations shifting their investment preferences towards alternative cultural assets.
- II. **Accelerating tokenisation:** The tokenisation of traditional financial instruments is accelerating, with the market size for tokenised assets expected to reach US\$10 trillion by 2030³. Several major financial institutions have successively launched tokenised money market and treasury bond funds, marking that this trend is moving toward the mainstream.

The Group will leverage its existing technology businesses to diversify into promising alternative cultural assets and Web3 projects, creating long-term value for the Group, its Shareholders, and the relevant industries.

¹ Market Decipher: <https://www.marketdecipher.com/report/collectibles-market>

² The Straits Research, "Collectible Card Games Market Overview"; <https://straitresearch.com/report/collectible-card-games-market>

³ RWA Outlook 2025: Asset Tokenization Market to Reach \$3.5-10T by 2030 (April 2025) <https://www.binaryx.com/blog/rwa-outlook-2025-asset-tokenization-market-to-reach-3-5-10t-by-2030>

OUTLOOK FOR 2026

Looking ahead, the Group will continue to pivot towards AI, digital assets, and Web3 to complement its established IoT expertise, through investing in AI, blockchain, and cultural collectibles, bridging traditional finance with the new economy. It plans to strategically invest in innovative next-generation technologies such as AI and blockchain, as well as explore how these technologies can be applied to diversified projects in the cultural collectibles and Web3. Additionally, the Group will continue to prudently allocate resources into high-potential digital assets for long-term growth. The Group aims to accelerate business diversification, pursue new growth drivers, and continuously enhance its business foundation to deliver long-term value to shareholders and the cultural collectibles, IoT, and Web3 sectors it develops.

Following the completion of the rights issue on August 7, 2025 and the completion of the new share placement on December 19, 2025, the Group is well-funded to pursue these initiatives.

FINANCIAL REVIEW

Revenue overview

	Year Ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	58,884	98,580
Data Transmission and Processing Services	55,850	73,207
Sales of Equipment	1,276	25,373
Exhibitor and related services	702	–
Marketing services for exhibition sponsors	719	–
Transactional sales	337	–
or:		
Chinese Mainland	57,126	98,580
Hong Kong	1,758	–

IoT Business

	Year Ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Data Transmission and Processing Services	55,850	73,207
– Non-5G Network Services Revenue	55,850	64,235
– Private 5G Network Services Revenue	–	8,972
Sales of Equipment	1,276	25,373
Total	57,126	98,580

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 IoT business was operating under the former company name of “Howkingtech International Holding Limited”, before completion of acquisition of shares in the Company by Home Office Development Limited, the controlling shareholder of the Company in January last year.

Revenue from data transmission and processing services decreased by approximately 23.6% from approximately RMB73.2 million in 2024 to approximately RMB55.9 million 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 both 2025 and 2024 was mainly concentrated in non-5G businesses. The Group’s non-5G network services revenue decreased by approximately 12.9% from approximately RMB64.2 million in 2024 to approximately RMB55.9 million in 2025. In the meantime, the Group’s 5G network services revenue decreased from approximately RMB9.0 million in 2024 to nil in 2025.

Revenue from sales of telecommunication equipment decreased by approximately 94.9% from approximately RMB25.4 million in 2024 to approximately RMB1.3 million in 2025, due to the lack of customer demand.

Cultural Collectibles investment and development business

During the year ended December 31, 2025, the Group started developing exhibitor and related services and held a trading card event, “Grade 10 Festival”, in Hong Kong. A total revenue of approximately RMB1.8 million was generated from the event, including (i) exhibitor and related service fee; (ii) marketing services fee for exhibition sponsors; and (iii) transactional sales income. The Group regards this as a significant milestone in its strategic transformation and will make continuing efforts in deeply tapping into this new business.

As a result of the foregoing, the Group’s revenue decreased by approximately 40.3% from approximately RMB98.6 million in 2024 to approximately RMB58.9 million in 2025. The Group generates most of its revenue from the Chinese Mainland market and approximately 97.0% of the Group’s revenue was generated from the Chinese Mainland market in 2025, while such ratio was approximately 100% in 2024.

Costs and Expenses

	Year Ended December 31,	
	2025	2024
	RMB’000	RMB’000
Cost of Sales	57,665	99,036
Material Costs	54,321	74,032
OEM Expenses	1,233	24,748
Exhibition Costs	2,111	–
Administrative Expenses	44,444	37,551
R&D Expenses	602	13,538
Staff Costs	21,639	12,521
Professional Expenses	11,069	5,115
Selling and Distribution Expenses	916	4,694
Staff Costs	838	4,340
Impairment Losses on Financial Assets	108,725	29,432
Trade Receivables	108,719	28,030
Other Receivables	7	1,473
	—————	—————

Cost of sales includes (i) material costs, (ii) OEM expenses and (iii) exhibition costs. The Group's cost of sales decreased by approximately 41.8% from approximately RMB99.0 million in 2024 to approximately RMB57.7 million in 2025. The decrease was primarily due to a decrease in revenue of the Group.

Administrative expenses mainly 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 increased to approximately RMB44.4 million in 2025 as compared to approximately RMB37.6 million in 2024, mainly due to (i) the increase in staff costs from approximately RMB12.5 million in 2024 to approximately RMB21.6 million in 2025; and (ii) the increase in professional expenses from approximately RMB5.1 million in 2024 to approximately RMB11.1 million in 2025.

Selling and distribution expenses mainly consist of (i) staff costs, (ii) travelling expenses and (iii) entertainment expenses. The Group's selling and marketing expenses decreased by approximately 80.9% from approximately RMB4.7 million in 2024 to approximately RMB0.9 million in 2025, mainly due to a decrease in staff cost.

The Group recognizes an allowance for expected credit losses ("ECLs") for financial assets at amortised cost and contract assets. The Group's impairment losses under ECL model on financial assets increased by approximately 269.7% from approximately RMB29.4 million in 2024 to approximately RMB108.7 million in 2025 mainly due to the deterioration of the customers' aging driven by the unfavorable economic environment and the complex market competition conditions.

Gross Profit/(Loss), Loss Before Tax and Loss For The Year

	Year Ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Gross Profit/(Loss)	1,219	(456)
IoT product and service	1,572	(456)
Collectables investment and development	(353)	–
Gross Margin	2.1%	(0.5%)
IoT product and service	2.8%	(0.5%)
Collectables investment and development	(20.1%)	–
Loss Before Tax	(157,778)	(70,426)
Loss For The Year	(157,764)	(77,527)

The Group's gross profit was approximately RMB1.2 million in 2025 as compared to a gross loss of approximately RMB0.5 million in 2024 resulting from the turnaround from gross loss margin of approximately 0.5% in 2024 to a gross profit margin of approximately 2.1% in 2025.

The Group's loss for the year increased by approximately 103.6% from approximately RMB77.5 million in 2024 to approximately RMB157.8 million in 2025, resulting from the increase in impairment losses on financial assets.

Cash and Cash Equivalents

As at December 31, 2025, the Group's cash and cash equivalents were approximately RMB192.2 million, of which, investment in money market fund amounted to RMB89.6 million, and bank and cash balance amounted to approximately RMB102.7 million.

Cash and cash equivalents increased from approximately RMB4.1 million as of December 31, 2024 to approximately RMB192.2 million as of December 31, 2025, mainly due to completion of the Rights Issue and Subscriptions of New Shares during year ended December 31, 2025 and the Company had raised approximately RMB140.5 million and approximately RMB75.9 million of net proceeds from the Rights Issue and Subscriptions of New Shares respectively.

For the investment in money market fund, the Group has invested an aggregate of approximately RMB89.6 million into State Street USD Liquidity LVNAV Fund (the "**State Street Fund**"). To the best of the knowledge, information and belief of the Company, the State Street Fund has met the criteria under HKAS 7 and therefore it can be classified as cash and cash equivalents in the financial statements.

Intangible Assets – Investment in Digital Assets

For the year ended December 31, 2025, the Group has acquired an aggregate of 14,730 units of Solana (the "**SOL**") for an aggregate consideration of approximately RMB15.9 million (equivalent to approximately HK\$17.3 million). As at December 31, 2025, the Group held approximately 14,803 units of SOL, after the net gain of approximately 73 units of SOL from the Group's proprietary SOL validators.

The Group is enhancing its existing data management solution services by integrating blockchain technology. The Group is operating our proprietary SOL validators, which would be staked with the SOL acquired by the Group from time to time (where the amount staked directly correlates with extent of validators' participation in consensus and network security). The Group's proprietary SOL validators will help ensure overall security of the network, verify transactions and position the Group as a credible and scalable "IoT-meets-Blockchain" solution provider. Further, the Group's validators will provide yield generation by earning staking rewards, representing an additional revenue stream.

The investment in digital assets was classified as intangible assets in the consolidated statement of financial position as at December 31, 2025. 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. As of December 31, 2025, the fair values of the SOL held by the Company determined based on the then prevailing market prices was approximately RMB12.9 million, which represents approximately 4.1% of the Group’s total assets as at the same date. Fair value loss on SOL of approximately RMB2.8 million was recognized during the year ended December 31, 2025.

Gearing Ratio

The Group’s gearing ratio, calculated by total debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity, maintained low at approximately 0.4% as of December 31, 2025 (December 31, 2024: 1.9%).

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 is 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 shall be 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.

Subscriptions of New Shares

On November 14, 2025, the Company (as issuer) entered into five subscription agreements with five subscribers in respect of the subscriptions of an aggregate of 49,049,824 subscription shares at the subscription price of HK\$1.714 per Share (the “**Subscriptions of New Shares**”). The subscription price represents a discount of approximately 18.38% to the closing price of HK\$2.1 per Share as quoted on the Stock Exchange on November 14, 2025.

On December 19, 2025, all conditions precedent set out in the subscription agreements have been fulfilled and completion took place on the same date. The gross proceeds from the Subscription of New Shares were approximately HK\$84.07 million and the net proceeds from the Subscription of New Shares, after deducting all related expenses for the Subscription of New Shares, were approximately HK\$83.72 million. The net proceeds from the Subscription of New Shares shall be applied in accordance with the proposed use of proceeds set forth in the section headed “REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS” in the announcements of the Company dated November 14, 2025.

For details of the Subscription of New Shares, please refer to the Company’s announcements dated November 14, 2025, December 5, 2025 and December 19, 2025.

Capital Structure

As at December 31, 2025, the Company's issued share capital was approximately US\$4,170,000 and the number of its issued Shares was 417,029,093 of US\$0.01 each.

During the year ended December 31, 2025, the issued share capital of the Company increased due to (i) a total of 20,319,513 share options granted under the Share Option Scheme were exercised and 20,319,513 Shares were allotted and issued accordingly; (ii) 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 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; and (iii) the Company completed the Subscriptions of New Shares on December 19, 2025 to raise approximately HK\$84.07 million before expenses by way of the issue of 49,049,824 subscription shares at the subscription price of HK\$1.714 per subscription share.

Capital Expenditure

The Group's capital expenditure for the year ended December 31, 2025 amounted to approximately RMB21.6 million, representing an increase from nil in 2024. This expenditure primarily comprised the acquisition of intangible assets (approximately RMB18.6 million), property, plant and equipment (approximately RMB1.5 million), and right-of-use assets (approximately RMB1.5 million).

Charges on Assets

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

Contingent Liabilities

As of December 31, 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 December 31, 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 December 31, 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 December 31, 2025, the Group had a total number of 51 employees (as of December 31, 2024: 30). For the year ended December 31, 2025, the Group recognized staff costs (including share-based payment expense) of approximately RMB22.9 million, representing a slightly increase of approximately 0.2% as compared to 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 of December 31, 2025, none of each individual investment held by the Group constituted 5% or above of the total assets of the Group.

During the year ended December 31, 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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On January 14, 2026, MemeStrategy Hong Kong Limited (“**MSHK**”), a wholly-owned subsidiary of the Company, has entered into a series of over-the-counter Solana put option agreements (the “**Put Option Agreements**”) with QCP Trading Pte. Ltd. (“**QCP**”), a licensed entity in Singapore. Pursuant to the Put Option Agreements, MSHK (as option granter) has sold put options to QCP (as option holder), whereby MSHK has granted QCP the right (but not the obligation) to sell up to 43,500 units of Solana to the Group (through MSHK) at predetermined strike prices on the expiration date of 30 January 2026 (the “**Put Options**”). In return, the Group (through MSHK) has received option premiums denominated and settled in Solana, amounting to an aggregate of 317 units of Solana (equivalent to approximately HK\$358,000 based on prevailing market prices at the time of execution). The maximum aggregate amount payable by the Group if all Put Options are exercised is approximately HK\$44.9 million. On February 2, 2026, the Company (through MSHK) received written notice from QCP of its exercise of the Put Options, whereby MSHK is required to purchase from QCP an aggregate of 43,500 units of Solana at the relevant strike prices, representing an aggregate consideration of HK\$44.9 million. Completion of such purchases took place on the same date. For details of the transaction, please refer to the announcements of the Company dated January 14, 2026 and February 2, 2026. Save as disclosed above, there were no other significant events that required additional disclosure or adjustments occurred after the end of the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended December 31, 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the 2026 AGM to be held on Friday, May 22, 2026, the register of members of the Company will be closed from Tuesday, May 19, 2026 to Friday, May 22, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the 2026 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, May 18, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S 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 under the Listing Rules) during the Reporting Period. As at December 31, 2025, the Company did not hold any treasury shares as defined in the Listing Rules.

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 year ended December 31, 2025.

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 part 2 of the CG Code.

Pursuant to code provision C.2.1 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 year ended December 31, 2025.

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 audited consolidated financial statements of the Group for the year ended December 31, 2025, including the accounting principles and practices adopted by the Group and has recommended for the Board's approval thereof. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 27, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of HKEXnews (www.hkexnews.hk) and the Company (<https://memestrategy.com.hk/>). The annual report of the Company for the year ended December 31, 2025 will be published on the same websites and despatched to the Shareholders requiring printed copies in due course.

DEFINITIONS

“2026 AGM”	the forthcoming annual general meeting of the Company to be held on May 22, 2026
“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
“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, the Macau Special Administrative Region 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

“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules, and unless the context otherwise requires, refers to Mr. Chan Chin Ching and Home Office Development Limited
“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
“MemeStrategy” or “Group”	the Company and its subsidiaries
“IT”	information technology
“IoT”	internet of things
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“R&D”	research and development
“Reporting Period” or “Year”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of China
“Share Option Scheme”	the share option scheme adopted by the Company on November 11, 2022, and being terminated on September 1, 2025
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of nominal value of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$” United States dollar(s), the lawful currency of the United States of America

“%” per cent

By Order of the Board
MemeStrategy, Inc.
Chan Chin Ching
Chairman and Executive Director

Hong Kong, March 27, 2026

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.