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, 2026

FINANCIAL HIGHLIGHTS OF THE 2026 INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2026:

- Revenue increased by approximately 36.9% year-on-year to approximately RMB29.7 million as compared with the corresponding period in 2025, driven by steady revenue realization from the core IoT business and the expansion of the cultural collectibles investment and development business;
- Demonstrating strong commercial traction, the cultural collectibles investment and development business delivered approximately 143.7% sequential growth against the second half of 2025 to reach approximately RMB4.3 million, rapidly establishing itself as a key revenue-generating engine representing approximately 14.4% of the Group's total revenue;
- Gross profit and gross profit margin were approximately RMB2.1 million and approximately 7.0% (2025: gross profit of approximately RMB0.6 million and gross profit margin of approximately 3.0%), respectively;
- Net loss amounted to approximately RMB74.0 million (2025: net loss of approximately RMB34.0 million);
- The impairment loss of trade receivables of approximately RMB18.6 million (2025: approximately RMB12.6 million), which is a non-cash item. It reflects an increased assessment of credit risk and does not impact on the Group's overall cash flow position or business operations; and
- The Group aims to further accelerate business diversification, pursue new growth drivers, and enhance its business foundation.

INTERIM RESULTS FOR SIX MONTHS ENDED JUNE 30, 2026

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, 2026.

The financial information below is an extract of the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**29,673**	21,668
Cost of sales		**(27,582)**	(21,022)
Gross profit		**2,091**	646
Other income, gains and losses, net	*5*	**(18,137)**	129
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(18,561)**	(12,557)
Selling and distribution expenses		**(412)**	(787)
Administrative expenses		**(38,856)**	(21,338)
Finance costs		**(89)**	(54)
Loss before taxation	*6*	**(73,964)**	(33,961)
Income tax expense	*7*	**–**	–
Loss for the period		**(73,964)**	(33,961)
Loss for the period attributable to:			
– Owners of the Company		**(73,110)**	(33,961)
– Non-controlling interests		**(854)**	–
		(73,964)	(33,961)
Loss per share:			
– Basic and diluted (RMB cents)	*9*	**(17.53)**	(11.61)

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(73,964)**	(33,961)
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	**(1,970)**	(42)
Other comprehensive expense for the period	**(1,970)**	(452)
Total comprehensive expense for the period	**(75,934)**	(34,413)
Total comprehensive expense for the period attributable to:		
– Owners of the Company	**(75,051)**	(34,413)
– Non-controlling interests	**(883)**	–
	(75,934)	(34,413)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At June 30, 2026

	NOTES	At June 30, 2026 RMB'000 (Unaudited)	At December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*10*	**1,854**	2,013
Right-of-use assets		**511**	1,064
Financial assets at fair value through profit or loss ("**FVTPL**")		**14,019**	4,219
Intangible assets – digital assets	*10*	**30,041**	12,911
Intangible assets – others	*10*	**2,144**	2,587
Other tangible assets	*11*	**15,917**	7,584
Prepayments and other receivables		**1,404**	4,009
Total non-current assets		**65,890**	34,387
Current assets			
Inventories		**217**	–
Trade receivables	*12*	**45,094**	81,240
Prepayments and other receivables		**9,931**	7,637
Cash and cash equivalents		**128,209**	192,236
Total current assets		**183,451**	281,113
Current liabilities			
Trade payables	*13*	**25,406**	27,122
Other payables and accruals		**2,177**	2,705
Lease liabilities		**528**	917
Tax payable		**1,767**	1,767
Total current liabilities		**29,878**	32,511
Net current assets		**153,573**	248,602
Total assets less current liabilities		**219,463**	282,989

	At June 30, 2026 *RMB'000* (Unaudited)	At December 31, 2025 *RMB'000* (Audited)
Non-current liability		
Lease liabilities	**–**	179
Net assets	**219,463**	282,810
Capital and reserves		
Share capital	**29,316**	29,316
Share premium	**409,173**	409,173
Reserves	**(228,367)**	(155,434)
Equity attributable to owners of the Company	**210,122**	283,055
Non-controlling interests	**9,341**	(245)
Total equity	**219,463**	282,810

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

1. CORPORATE AND GROUP INFORMATION

MemeStrategy, Inc. (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 Internet of Things ("**IoT**") hardware and software solutions. Building on its core technological foundation, the Group has expanded into the cultural collectibles investment and development business and the Web3 and blockchain business.

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 financial assets at FVTPL, intangible assets – digital assets and other tangible assets, which are measured at fair values, as appropriate.

Other than (i) the new accounting policies resulting from application of amendments to HKFRS Accounting Standards, (ii) the application of certain accounting policies which became relevant to the Group in the current interim period, which are relating to the basis of consolidation of funds, and (iii) the changes in accounting policies regarding other tangible assets as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Basis of consolidation

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Other tangible assets

For the year ended December 31, 2025, other tangible assets were initially recognized at cost and subsequently measured at cost less impairment. An item of other tangible assets is derecognized upon disposal. Any gain or loss arising on the disposal of an item of other tangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

During the six months ended June 30, 2026, the Company launched a trading card fund (the "**Fund**") and the Fund is registered as a limited partnership fund. RWA Labs Limited, the wholly owned subsidiary of the Company, acts as the general partner of the Fund has been set up in which the Group is acting as the general partner of the Fund. After considering the terms and shareholding of the Fund, the Fund is regarded as the non-wholly owned subsidiary of the Group.

The Fund will invest exclusively in the PSA 10 "Pikachu with Grey Felt Hat" card, with the objective of achieving long-term capital appreciation and hence, the management of the Group applied a change in accounting policy by analogy to HKAS 40 "Investment Property", whereby the assets are initially recognized at cost and subsequently measured at fair value, given that the fair value of these assets provides more reliable and relevant information. This change in accounting policy has been applied retrospectively. Management concluded that the adoption of the fair value model did not result in any material adjustment to the balances relating to periods before those presented.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*

The application of the amendments to HKFRS Accounting Standards 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, specializing in IoT hardware and software solutions. Building on its core technological foundation, the Group has expanded into the cultural collectibles investment and development business and the Web3 and blockchain business.

An analysis of revenue is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**29,673**	21,668

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
IoT Business:		
Data transmission and processing services for IoT applications, recognized at a point in time	**24,580**	20,392
Sales of telecommunication equipment, recognized at a point in time	**–**	1,276
Cultural Collectibles Investment and Development Business:		
Exhibitor and related services, recognized over time	**1,206**	–
Marketing services for exhibition sponsors, recognized over time	**1,006**	–
Transactional sales, recognized at a point in time	**2,073**	–
Web3 and Blockchain Business:		
Staking reward, recognized at a point in time	**808**	–
Total revenue from contracts with customers	**29,673**	21,668

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Recognized at a point in time	**27,461**	21,668
Recognized over time	**2,212**	–
Total revenue from contracts with customers	**29,673**	21,668

The executive directors of the Company (the "**Executive Directors**") have been identified as the chief operating decision makers (the "**CODM**").

During the year ended December 31, 2025, the Group commenced the business relating to culture collectibles investment and development business and Web3 and blockchain business, and they are considered as new operating and reportable segments by the CODM. The comparative segment information for the six months ended June 30, 2025 has been represented to conform with current period presentation.

For the six months ended June 30, 2026, 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.
Culture Collectibles Investment and Development Business	–	Focuses on trading and investment in popular culture collectibles, including organising exhibitions and sales of collectibles.
Web3 and Blockchain Business	–	Conducts digital asset treasury management, blockchain business 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 other income, gains and losses and expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The CODM makes decisions according to operating results of each segment.

The following is an analysis of the Group's revenues and results by reportable segments:

For the six months ended June 30, 2026 (unaudited)

	IoT Business *RMB'000*	**Culture Collectibles Investment and Development Business** *RMB'000*	**Web3 and Blockchain Business** *RMB'000*	**Unallocated** *RMB'000*	**Consolidated** *RMB'000*
SEGMENT REVENUE AND RESULTS					
Segment revenue	**24,580**	**4,285**	**808**	**–**	**29,673**
Segment results	**(20,458)**	**4,196**	**(21,651)**	**–**	**(37,913)**
Unallocated other income, gains and losses, net					**(1,582)**
Unallocated corporate expenses					**(34,380)**
Finance costs					**(89)**
Loss before taxation					**(73,964)**

For the six months ended June 30, 2025 (unaudited)

	IoT Business *RMB'000*	Unallocated *RMB'000*	Consolidated *RMB'000*
SEGMENT REVENUE AND RESULTS			
Segment revenue	21,668	–	21,668
Segment results	(22,169)	–	(22,169)
Unallocated other income, gains and losses, net			19
Unallocated corporate expenses			(11,757)
Finance costs			(54)
Loss before taxation			(33,961)

The following is an analysis of the Group's assets and liabilities by reportable segments:

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Segment assets		
IoT Business	**87,774**	122,700
Cultural Collectibles Investment and Development Business	**41,561**	17,019
Web3 and Blockchain Business	**47,062**	15,166
Corporate and unallocated	**72,944**	160,615
	249,341	315,500
Segment liabilities		
IoT Business	**24,790**	30,843
Cultural Collectibles Investment and Development Business	**3,970**	155
Web3 and Blockchain Business	**57**	127
Corporate and unallocated	**1,061**	1,565
	29,878	32,690

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**24,580**	21,668
Hong Kong	**5,093**	–
	29,673	21,668

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

(b) Non-current assets

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Chinese Mainland	**425**	659
Hong Kong	**50,042**	29,330
	50,467	29,989

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

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,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer 1	**N/A***	10,203
Customer 2	**N/A***	10,189
Customer 3	**8,962**	N/A*
Customer 4	**5,189**	N/A*

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

5. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Interest income	**1,337**	7
Interest income from financial assets at FVTPL	**376**	–
Government grants	**91**	11
Others	**58**	–
	1,862	18
Other gains or losses		
Foreign exchange (loss) gain, net	**(2,993)**	225
Loss on disposal of property, plant and equipment	**(10)**	(113)
Loss on early termination of leases	**–**	(5)
Loss on digital asset option contracts	**(4,240)**	–
Fair value change of intangible assets – digital assets	**(18,350)**	–
Fair value change of other tangible assets	**5,625**	–
Others	**(31)**	4
	(19,999)	111
	(18,137)	129

6. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**3,511**	7,116
Employee benefit expense		
(excluding directors' and chief executive's remuneration):		
– Wages and salaries	**12,208**	3,216
– Share-based payment expense	**1,063**	656
– Pension scheme contributions	**388**	261
– Staff welfare expenses	**22**	1,542
	13,681	5,675
Cost of inventories sold	**947**	1,233
Cost of services provided	**26,635**	19,789
Depreciation of property, plant and equipment	**430**	309
Depreciation of right-of-use assets	**545**	560
Amortisation of intangible assets – others	**524**	38
Research and development costs	**–**	602
Impairment loss of trade receivables under ECL model, net	**18,561**	12,550
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.

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. and Shenzhen M2Micro Electronics Co., Ltd. were recognized 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. The High and New Technology Enterprise certificates expired in December 2025 and had not been renewed thereafter. Accordingly, the preferential tax rate of 15% was not applicable for the six months ended 30 June 2026, and these entities were subject to the standard PRC enterprise income tax rate of 25% during the period.

No provision for income tax has been made as the Group did not generate any assessable profits in Hong Kong and Chinese Mainland for both periods.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during six months ended June 30, 2026, nor has any dividend been proposed since the end of the reporting period (six months ended June 30, 2025: nil).

9. LOSS PER SHARE

The calculation of the basic 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 417,029,093 (six months ended June 30, 2025: 292,428,051) in issue during the period. The comparative weighted average number of ordinary shares for the six months ended June 30, 2025 has been adjusted to reflect the share issuance during the period and rights issue on August 8, 2025.

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

	Six months ended June 30,	
	2026	2025
	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	**(73,110)**	(33,961)

	Number of shares	
	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**417,029,093**	292,428,051

The computation of diluted loss per share for the six months ended June 30, 2026 does not assume the vesting of the Company's outstanding restricted share units since their assumed vesting would result in a decrease in loss per share.

The computation of diluted loss per share does not assume the conversion of the Company's share options outstanding during the period ended June 30, 2025, 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, 2026, the Group acquired property, plant and equipment of approximately RMB334,000 (for the six months ended June 30, 2025: RMB101,000).

During the six months ended June 30, 2026, the Group acquired intangible asset – digital assets at a cash consideration of approximately RMB39,106,000 (for the six months ended June 30, 2025: RMB5,003,000). As at June 30, 2026, such digital assets are carried at a revalued amount of approximately RMB30,041,000. The fair value of the digital assets is measured at level 1 which is based on the quoted bid prices in an active market.

During the six months ended June 30, 2026, the Group acquired intangible asset – others of approximately RMB175,000 (for the six months ended June 30, 2025: nil).

11. OTHER TANGIBLE ASSETS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value		
At 1 January (audited)	**7,584**	–
Additions	**2,708**	–
Fair value change in profit or loss	**5,625**	–
	15,917	–

The Group holds cultural collectibles for long-term capital appreciation purposes, which are classified as other tangible assets. These assets are initially recognized at cost and subsequently measured at fair value, with changes in fair value recognized in profit or loss.

The fair value of the cultural collectibles is determined by reference to observable market transaction prices obtained from established trading platform. The fair value measurement is classified as Level 2 within the fair value hierarchy as the valuation is based on observable market inputs. During the six months ended June 30, 2026, the Group recognized a fair value gain of RMB5,625,000 in profit or loss.

12. TRADE RECEIVABLES

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**215,831**	233,416
Less: allowance for credit losses	**(170,737)**	(152,176)
	45,094	81,240

The credit period is generally 0 to 180 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.

The following is an aged analysis of trade receivables, net of allowance for credit losses, based on the invoice date at the end of the reporting period:

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**41,905**	31,680
1 to 2 years	**–**	7
2 to 3 years	**2,411**	46,661
3 to 4 years	**778**	2,892
	45,094	81,240

The movements in the allowance for credit losses of trade receivables are as follows:

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At beginning of period/year	**152,176**	70,815
Impairment losses recognized, net (note 6)	**18,561**	108,719
Written-off	**–**	(27,358)
At end of period/year	**170,737**	152,176

13. TRADE PAYABLES

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

	30/6/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**16,494**	18,208
1 to 2 years	**–**	1,234
2 to 3 years	**1,233**	–
Over 3 years	**7,679**	7,680
	25,406	27,122

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

14. COMMITMENTS

As at June 30, 2026, the Group had lease commitments in relation to a new retail lease that has not yet commenced. The lease term is three years, and the aggregate lease payments amounted to approximately RMB12,133,000 (equivalent to HK$13,968,000) over the lease term. The Group will recognize the corresponding right-of-use assets and lease liabilities upon the commencement date of the lease.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has been deeply engaged in the rapidly growing Internet of Things (IoT) market in the PRC since 2012, providing critical data transmission and processing services for customers in manufacturing, municipal services and other industries. The IoT business was operated by the Company under its former name, "Howkingtech International Holding Limited", prior to the completion of the acquisition of the Company's shares by its controlling shareholder, Home Office Development Limited, in January 2025. The Group subsequently changed its name to MemeStrategy, Inc. in April of the same year.

The IoT business continues to serve as the Group's core business backbone and a vital revenue-generating engine. Building on this technological foundation, MemeStrategy is gradually pioneering a new economic model centered on the cultural industry – dedicating efforts to systematically upgrading "cultural collectibles" into "institutional-grade assets" and establishing a comprehensive ecosystem to support the continuous advancement and long-term development of the cultural industry.

The core management team of the Group originates from 9GAG, a renowned global Meme platform with over 200 million users worldwide, bringing extensive experience in operating large-scale international communities. These capabilities have built a "core moat" that is difficult for the market to replicate – we not only possess a keen insight into the development trends of global internet culture, but also deeply understand the consumer psychology and emotional needs of the younger generation, enabling us to resonate precisely with our target audience.

HIGHLIGHTS IN THE FIRST HALF OF 2026

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**29,673**	21,668
Cost of Sales	**(27,582)**	(21,022)
Gross Profit	**2,091**	646
Loss for the period	**(73,964)**	(33,961)

Financial Performance

Entering 2026, the global operating environment remained challenging. The Group maintained its core IoT business while breaking new ground to build the cultural collectibles ecosystem, achieving steady progress amid overall operations. For the six months ended June 30, 2026, the Group's revenue increased by approximately 36.9% from approximately RMB21.7 million in the corresponding period of 2025 to approximately RMB29.7 million. This increase was primarily driven by the ongoing realization within the IoT business and the expansion of cultural collectibles investment and development business.

Leveraging expertise accumulated over the years, the Group's **IoT business** continues to provide critical data transmission and processing services for various industries in the Chinese Mainland. For the six months ended June 30, 2026, revenue from the IoT business increased by 13.4% from approximately RMB21.7 million in the corresponding period of 2025 to approximately RMB24.6 million, primarily driven by sustained demand for these core solutions.

The **cultural collectibles investment and development business** also contributed to the Group's revenue. For the six months ended June 30, 2026, this segment recorded a revenue of approximately RMB4.3 million. Building upon its exhibition-related services, the Group expanded its revenue base for the first time into product manufacturing and distribution of collectibles, launching lines of trading cards, die-cast model cars, and plush pendants (no such revenue was recorded in the corresponding period of 2025). This expansion drove a 143.7% sequential growth compared to the second half of 2025.

As of the date of this announcement (being August 21, 2026), the Group has been authorized by TVB Limited ("**TVB**") to produce and distribute collectible cards for its drama and series program. Meanwhile, we have become the distributor for globally renowned brands of die-cast model cars and toy cars, namely INNO-Models, Trends Hobby and Pop Race. The Group will further improve its collectibles ecosystem, seize market opportunities, and strive to expand more professional-grade and institutional-grade products and services.

The **Web3 and blockchain business** recorded revenue contribution for the first time, primarily attributable to the recurring rewards obtained by providing validator services to the blockchain network. The Group will continue to closely monitor market dynamics to optimize its digital asset portfolio and deepen its participation in the high-potential Web3 ecosystem.

The Group's gross profit increased by approximately 223.7% from approximately RMB0.6 million for the six months ended June 30, 2025 to approximately RMB2.1 million for the corresponding period in 2026 resulting from the increase in revenue and gross margin. During the Reporting Period, the Group recorded a net loss of approximately RMB74.0 million, primarily due to the increase in the net fair value loss on assets measured at fair value during the Reporting Period (which was a non-cash item); and an increase in administrative expenses resulting from the development of certain new collectibles-related businesses during the Reporting Period.

Despite facing a volatile market environment, the Group has consistently strengthened its foundation based on solid IoT technology, thereby further advancing the sustainable development of the cultural collectibles investment and development business. The Group is fully confident in promoting the long-term development of the cultural collectibles industry through technology.

Market Dynamics and Strategic Convergence

In 2026, the IoT and telecommunications sectors continue to face a complex and volatile environment, with fierce market competition and fluctuating demand bringing challenges to existing businesses. Facing the rapidly changing market environment, we not only maintained the steady operation of our existing IoT business but also actively sought breakthroughs and transformation.

In terms of new market opportunities in cultural collectibles and Web3, alternative cultural asset investments and blockchain-based tools are both accelerating in development. According to a report by Market Decipher[1], the global collectibles market is projected to reach a scale of US$628 billion by 2031, with particularly rapid growth momentum in the Asia-Pacific region. Within this market, the trading card segment is expected to surge from US$14.7 billion in 2025 to US$37.42 billion in 2034[2]. This surge reflects the trend of younger generations shifting their investment preferences toward alternative cultural assets, creating rising demand for tech-enabled sales, custody, and financing solutions.

1 Market Decipher: https://www.marketdecipher.com/report/collectibles-market
2 The Straits Research, "Collectible Card Games Market Overview"; https://straitsresearch.com/report/collectible-card-games-market

To navigate the evolving macro environment, the Group is strategically bridging its IoT business with the expanding cultural collectibles market. By combining deep IoT expertise with artificial intelligence and blockchain technology, the Group is creating integrated solutions, such as vaulting services, to transform its operational model and capture new growth opportunities in the emerging digital economy.

Outlook

Looking ahead, the Group will accelerate its transformation into a tech-enabled cultural collectibles enterprise, integrating Web3, digital assets, and foundational IoT capabilities to capture growth in the new economy.

Leveraging our experience in social media and Web3 alongside the Group's solid IoT foundation, we will make efforts across multiple dimensions to actively participate in the development of the "collectibles economy". This includes developing online and offline direct sales channels, auction platforms, and collectibles lending solutions, all backed by our IoT and blockchain-based vaulting services. At the same time, we will enhance offline experiential interactions and explore high-end customer segments, breaking through traditional operational frameworks to forge new paths for growth to further diversify and strengthen overall performance. Meanwhile, we will also actively promote cross-industry collaborations with renowned international and local intellectual property ("**IP**") to launch a more diverse range of trading cards and merchandise.

Anchored in Hong Kong's distinct status as a global financial hub, its highly concentrated capital markets and its competitive tax regime, it is the optimal base for MemeStrategy to integrate cutting-edge technology with global capital. We will use Hong Kong as our core hub to expand our business footprint into the broader Asia-Pacific region, firmly seizing the historic opportunity emerging from the explosion of the cultural asset market amid the wave of transformation, to create long-term value for our shareholders.

FINANCIAL REVIEW

Revenue overview

	Six Months Ended June 30, 2026 RMB'000 (Unaudited)	Six Months Ended June 30, 2025 RMB'000 (Unaudited)
Revenue	**29,673**	21,668
IoT Business		
Data Transmission and Processing Services	**24,580**	20,392
Sales of Telecommunication Equipment	**–**	1,276
Cultural Collectibles Investment and Development Business		
Exhibitor and related services	**1,206**	–
Marketing services for exhibition sponsors	**1,006**	–
Transactional sales	**2,073**	–
Web3 and Blockchain Business		
Staking reward	**808**	–
or:		
Chinese Mainland	**24,580**	21,668
Hong Kong	**5,093**	–

IoT Business

	Six Months Ended June 30, 2026 RMB'000 (Unaudited)	Six Months Ended June 30, 2025 RMB'000 (Unaudited)
Data Transmission and Processing Services	**24,580**	20,392
Sales of Telecommunication Equipment	**–**	1,276
Total	**24,580**	21,668

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 in January 2025.

Revenue from data transmission and processing services increased by approximately 20.5% from approximately RMB20.4 million for the six months ended June 30, 2025 to approximately RMB24.6 million for the six months ended June 30, 2026 due to a slight improvement in the IoT market demand in 2026.

Revenue from sales of telecommunication equipment decreased from approximately RMB1.3 million for the six months ended June 30, 2025 to nil for the six months ended June 30, 2026, due to the lack of customer demand.

Cultural Collectibles Investment and Development Business

During the six months ended June 30, 2026, the Group continued to develop its exhibitor and related services and successfully organized the latest edition of its flagship trading card event, "Grade 10 Festival", in Hong Kong. A total revenue of approximately RMB2.9 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. Building on the foundation established in 2025, the Group remains committed to further penetrating this business segment as part of its strategic transformation.

On the other hand, the Group started the trading card production business during the six months ended June 30, 2026. The Group secured IP licensing rights for various TVB film and television programmes, to design, produce, and distribute collectible trading cards and related derivative merchandise. To drive sales and collector engagement, the Group actively showcases and commercializes these products across various offline platforms, such as specialized trading card expos, retail trade fairs, and shopping mall exhibitions. The Group recorded transactional sales revenue from this business of approximately RMB0.7 million for the six months ended June 30, 2026.

In parallel, the Group expanded its cultural collectibles business into toy distribution by securing distribution rights from prominent brands, including INNO-Models and Trends Hobby, for the Hong Kong and Macau markets. Alongside its retail distribution efforts, the Group engages third-party manufacturers to deliver comprehensive design and OEM/ODM solutions for various types of toys and corporate premiums tailored to major enterprise clients, further diversifying its revenue mix and driving business growth. The Group recorded transactional sales revenue from this toy business of approximately RMB0.7 million for the six months ended June 30, 2026.

Web3 and Blockchain Business

In line with its diversification strategy, the Group has enhanced its existing data management solution services by integrating blockchain technology during the Reporting Period. This involved operating the Group's proprietary Solana (the "**SOL**") validators, which was staked with SOL acquired by the Group (where the amount staked directly correlates with the extent of validators' participation in consensus and network security). The Group's proprietary SOL validators will help ensure the overall security of the network, verify transactions and position the Group as a credible and scalable "IoT-meets-Blockchain" solution provider. For the first time, this newly established segment commenced revenue contribution, generating staking reward of approximately RMB0.8 million for the six months ended June 30, 2026. This revenue mainly represents recurring rewards earned through providing validator services to the blockchain network. The Group will continue to monitor market dynamics to optimize its digital asset treasury and deepen its participation in the high-potential Web3 ecosystem.

As a result of the foregoing, the Group's revenue increased by approximately 36.9% from approximately RMB21.7 million for the six months ended June 30, 2025 to approximately RMB29.7 million for the six months ended June 30, 2026. The Group generates most of its revenue from the Chinese Mainland market and approximately 82.8% of the Group's revenue was generated from the Chinese Mainland market for the six months ended June 30, 2026, while such ratio was approximately 100% in 2025.

Costs and Expenses

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of Sales	**27,582**	21,022
Production and Procurement Costs	**24,511**	21,022
Exhibition Costs	**2,884**	–
Validation Costs	**187**	–
Administrative Expenses	**38,856**	21,338
R&D Expenses	**–**	602
Staff Costs	**17,023**	11,469
Professional Expenses	**11,114**	4,139
Selling and Distribution Expenses	**412**	787
Staff Costs	**169**	720
Royalty and Consignment Costs	**238**	–
Impairment Losses on Financial Assets	**18,561**	12,557
Trade Receivables	**18,561**	12,550
Other Receivables	**–**	7

Cost of sales includes (i) production and procurement costs, (ii) exhibition costs and (iii) validation costs. The Group's cost of sales increased by approximately 31.2% from approximately RMB21.0 million in 2025 to approximately RMB27.6 million in 2026. The increase was primarily due to an increase in revenue of the Group.

Administrative expenses mainly consist of (i) staff costs, (ii) professional expenses, (iii) depreciation and amortization, (iv) advertising and marketing expenses, and (v) office expenses. The Group's administrative expenses increased to approximately RMB38.9 million in 2026 as compared to approximately RMB21.3 million in 2025, mainly due to (i) the increase in staff costs from approximately RMB11.5 million in 2025 to approximately RMB17.0 million in 2026; and (ii) the increase in professional expenses from approximately RMB4.1 million in 2025 to approximately RMB11.1 million in 2026.

Selling and distribution expenses mainly consist of (i) staff costs and (ii) royalty and consignment costs. The Group's selling and distribution expenses decreased by approximately 47.6% from approximately RMB0.8 million in 2025 to approximately RMB0.4 million in 2026, mainly due to a decrease in staff cost.

The Group recognizes an allowance for ECL for financial assets at amortised cost and contract assets. The Group's impairment losses on financial assets under the ECL model increased by approximately 47.8% from approximately RMB12.6 million in 2025 to approximately RMB18.6 million in 2026 mainly due to the deterioration in the aging of receivables from customers driven by the unfavorable economic environment and the complex market competition conditions.

Gross Profit, Loss Before Tax and Net Loss

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gross Profit	**2,091**	646
IoT Business	**1,017**	646
Cultural Collectibles Investment and Development Business	**453**	–
Web3 and Blockchain Business	**621**	–
Gross Margin	**7.0%**	3.0%
IoT Business	**4.1%**	3.0%
Cultural Collectibles Investment and Development Business	**10.6%**	–
Web3 and Blockchain Business	**76.8%**	–
Loss Before Tax	**(73,964)**	(33,961)
Net Loss	**(73,964)**	(33,961)

The Group's gross profit increased by approximately 223.7% from approximately RMB0.6 million for the six months ended June 30, 2025 to approximately RMB2.1 million for the corresponding period in 2026 resulting from the increase in revenue and gross margin. The Group's gross margin increased from approximately 3.0% for the six months ended June 30, 2025 to approximately 7.0% for the corresponding period in 2026 due to rapid business expansion and substantial revenue contribution from the cultural collectibles business and the Web3 and blockchain business.

The Group's loss before tax and net loss for the Reporting Period both increased by approximately 117.8% from approximately RMB34.0 million for the six months ended June 30, 2025 to approximately RMB74.0 million for the corresponding period in 2026, due to the net fair value loss on assets measured at fair value during the Reporting Period (which was a non-cash item); and an increase in administrative expenses resulting from the development of certain new collectibles-related businesses during the Reporting Period.

Cash and Cash Equivalents

As at June 30, 2026, the Group's cash and cash equivalents were approximately RMB128.2 million, of which, investment in money market fund amounted to RMB57.9 million, and bank and cash balance amounted to approximately RMB70.3 million.

Cash and cash equivalents decreased from approximately RMB192.2 million as of December 31, 2025 to approximately RMB128.2 million as of June 30, 2026, mainly due to investment in digital assets.

For the investment in money market fund, the Group has invested an aggregate of approximately RMB57.9 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.

Other Tangible Assets – Cultural Collectibles

During the six months ended June 30, 2026, the Group recorded a fair value gain of approximately RMB5.6 million from cultural collectibles, which are classified as other tangible assets. The cultural collectibles are initially recognized at cost and subsequently measured at fair value, by applying the fair value model by analogy to HKAS 40 "Investment Property". As of June 30, 2026, the fair value of the cultural collectibles was approximately RMB15.9 million, which represents approximately 6.4% of the Group's total assets as at the same date.

As at June 30, 2026, the investments made in cultural collectibles and their latest fair values are set out in the table below:

Name and nature of the cultural collectibles	**Historical acquisition cost**	**Fair value as at June 30, 2026**
	RMB'000	*RMB'000*
Collectible Trading Cards – PSA 10-graded "Pikachu with Grey Felt Hat"	10,270	15,917

The PSA 10-graded "Pikachu with Grey Felt Hat" card is one of the leading Pokémon cards created through an official cross-disciplinary collaboration between The Pokémon Company and the Van Gogh Museum in Amsterdam. The card draws inspiration from Van Gogh's iconic "*Self-Portrait with Grey Felt Hat*". It represents a rare convergence of the world's highest-grossing entertainment franchise and a globally renowned fine art institution. All physical cards held by the Group are authenticated, insured, and stored in a museum-grade environment with temperature control and 24-hour surveillance, operated by "Grade10 Vault", the Company's professional card-vaulting service.

The Company adopts a long-term investment approach for the cultural collectibles, with an aim to optimize the timing of divestment in line with market cycles and long-term potential and the foreseeable asset appreciation (owing to their scarcity and their own unique cultural value and long-term appreciation potential), and thereby creating value and benefits to the Company and its Shareholders as a whole from the acquired assets' value appreciation.

Intangible Assets – Investment in Digital Assets

As at June 30, 2026, the Group held approximately 59,937 units of SOL with an average cost of approximately RMB901.4 per unit. During the six months ended June 30, 2026, the Group has (i) acquired an aggregate of 43,500 units of SOL for an aggregate consideration of RMB39.1 million; and (ii) earned an aggregate of approximately 1,634 units of SOL from the Group's proprietary SOL validators, SOL option premium and Web3 consultancy service.

The Group is enhancing its existing data management solution services by integrating blockchain technology. The Group is operating its proprietary SOL validators, which will be staked with the SOL acquired by the Group from time to time (where the amount staked directly correlates with the 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 June 30, 2026. It is initially recognized 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 June 30, 2026, the fair value of the SOL held by the Company determined based on the then prevailing market prices was approximately RMB30.0 million, which represents approximately 12.0% of the Group's total assets as at the same date. Fair value loss on SOL of approximately RMB18.4 million was recognized during the six months ended June 30, 2026.

Gearing Ratio

The Group's gearing ratio, calculated by total debt (including lease liabilities) divided by total equity, maintained low at approximately 0.2% as of June 30, 2026 (December 31, 2025: 0.4%).

Capital Structure

As at June 30, 2026, 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.

Capital Expenditure

The Group's capital expenditure for the six months ended June 30, 2026 amounted to approximately RMB39.6 million, representing an increase from approximately RMB5.1 million for the corresponding period in 2025. This expenditure primarily comprised the acquisition of intangible assets (approximately RMB39.3 million), and property, plant and equipment (approximately RMB0.3 million).

Charges on Assets

As of June 30, 2026, the Group did not have any assets or rights pledged (December 31, 2025: Nil).

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities (December 31, 2025: Nil).

Foreign Currency Risk

The Group has transactional currency exposures and is subject to foreign currency risk arising from fluctuations in exchange rates between RMB and foreign currencies. As of June 30, 2026, 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, 2026, the Group did not hedge or consider it 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, 2026, the Group had a total number of 55 employees (as of December 31, 2025: 51). For the six months ended June 30, 2026, the Group recognized staff costs (including share-based payment expense) of approximately RMB17.2 million, representing an increase of approximately 41.0% as compared to 2025.

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 headhunting firms or agencies, to satisfy its demands for different types of talents.

The Group provides training to its employees. In addition to such training, employees 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 rewards 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 June 30, 2026, except for the investments disclosed and discussed in this section "Management Discussion and Analysis", no individual investment held by the Group constituted 5% or more of the Group's total assets.

During the six months ended June 30, 2026, 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 were no future plans for material investments or capital assets.

Save as disclosed in this announcement, particularly in relation to the strategic pivot of its business model towards expanding the cultural collectibles industry and 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) for the six months ended June 30, 2026. As of June 30, 2026, 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, 2026 (six months ended June 30, 2025: nil).

USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the Rights Issue conducted by the Company as set out in its Prospectus dated July 4, 2025. The rights shares have been listed on the Main Board of the Stock Exchange since August 11, 2025. The net proceeds from the Rights Issue, after deducting the underwriting fees, commissions and related expenses, was HK$152.96 million. The Group has utilized the net proceeds from the Rights Issue as set out in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS" in the Prospectus. The intended application of the net proceeds as stated in the Prospectus and the actual utilization of the net proceeds as of June 30, 2026 is set out below:

Purpose	**Allocation of Net Proceeds** (HK$ million)	%	**Utilized Net Proceeds during the year ended December 31, 2025** (HK$ million)	**Unutilized Net Proceeds as of January 1, 2026** (HK$ million)	**Utilized Net Proceeds during the Reporting Period** (HK$ million)	**Unutilized Net Proceeds as of June 30, 2026** (HK$ million)	**Expected timeline for the use of unutilized Net Proceeds**
General working capital	68.83	45	40.10	28.73	28.73	–	N/A
Strategic expansion and development in next-generation technology and businesses based on the existing technology business							
• Technological advancement through research and development	22.95	15	3.86	19.09	9.62	9.47	December 2026
• Hiring technology specialists	30.59	20	2.08	28.51	4.33	24.18	December 2026
• Collaborating with traditional industry companies and IP owners	30.59	20	10.44	20.15	15.76	4.39	December 2026
Total	152.96	100	56.48	96.48	58.44	38.04	

As at June 30, 2026, the net proceeds of the Rights Issue under general working capital were fully applied to the purpose for which they were intended. Set out below is the breakdown of the specific usages of the utilized net proceeds under general working capital:

Use of Net Proceeds for general working capital (note)	**Amount of utilized Net Proceeds for the year ended December 31, 2025** (HK$ million)	**Amount of utilized Net Proceeds for the six months ended June 30, 2026** (HK$ million)
Staff costs	11.23	19.55
Office rental expense	0.77	1.17
Legal and professional fees	7.67	–
Other operating expenses	0.51	–
Settlement of trade and other payables	19.92	8.01
	40.10	28.73

Note: The breakdown above reflects solely the utilization of the net proceeds from the Rights Issue designated for general working capital. It does not represent (i) the total administrative expenses incurred; and (ii) total cash outflow for settlement of trade and other payables by the Group for the respective periods. Shareholders and other investors of the Company are advised to refer to this interim results announcement and the interim report, which will be published in due course, for a comprehensive understanding of the financial performance and position of the Group.

During the Reporting Period, the net proceeds of the Rights Issue had been used according to the purposes as stated in the Prospectus. However, the unutilized net proceeds of the Rights Issue under strategic expansion and development in next-generation technology and businesses based on the existing technology business have not yet been utilized as planned within the expected timeframe and the Company expects to fully utilize the net proceeds by December 2026.

USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES

The Subscription of New Shares have been completed on December 19, 2025. The net proceeds from the Subscription of New Shares, after deducting the underwriting fees, commissions and related expenses, were HK$83.72 million. The Group has utilized the net proceeds from the Subscription of New Shares as set out in the section headed "REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS" in the Subscription Announcement. The intended application of the net proceeds as stated in the Subscription Announcement and the actual utilization of the net proceeds as of June 30, 2026 is set out below:

Purpose	Allocation of Net Proceeds (HK$ million)	%	Utilized Net Proceeds during the year ended December 31, 2025 (HK$ million)	Unutilized Net Proceeds as of January 1, 2026 (HK$ million)	Utilized Net Proceeds during the Reporting Period (HK$ million)	Unutilized Net Proceeds as of June 30, 2026 (HK$ million)	Expected timeline for the use of unutilized Net Proceeds
Acquire digital assets such as Solana to stake within our own proprietary validators	41.86	50	2.37	39.49	39.49	–	N/A
Strategic expansion and development in real-world assets business							
• Foundation & System Development	10.465	12.5	–	10.465	–	10.465	December 2026
• Deployment of expanded services	31.395	37.5	–	31.395	–	31.395	December 2026
Total	83.72	100	2.37	81.35	39.49	41.86	

During the Reporting Period, the net proceeds of the Subscription of New Shares had been used according to the purposes as stated in the Subscription Announcement. However, the net proceeds have not yet been utilized as planned within the expected timeframe and the Company expects to fully utilize the net proceeds by December 2026.

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 six months ended June 30, 2026.

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 six months ended June 30, 2026.

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely, Mr. Siu Chi Wai (Chairman), Mr. Gao Kun and Ms. Peng Cheng, has reviewed the unaudited interim results of the Group for the six months ended June 30, 2026, 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.

AUDITOR

The unaudited condensed consolidated financial statements of the Company for the six months ended June 30, 2026 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 2026 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, 2026 will be published on the same websites and despatched to the Shareholders (if required) in due course.

DEFINITIONS

"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, Macau and Taiwan
"Company"	MemeStrategy, Inc., 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
"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
"Macau"	the Macau Special Administrative Region
"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 July 4, 2025
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2026
"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 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
"RMB"	Renminbi, the lawful currency of China
"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
"Subscription Announcement"	Announcement of the Company dated December 19, 2025, in connection with the Subscription of New Shares
"Subscription of New Shares"	On November 14, 2025, the Company 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.
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"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, August 21, 2026

As of the date of this announcement, the Board comprises Mr. Chan Chin Ching, Mr. Chan Chin Chun and Mr. Kwong Kevin Tak Tsing as executive Directors; and Mr. Gao Kun, Ms. Peng Cheng and Mr. Siu Chi Wai as independent non-executive Directors.