

MIMI

Mint Incorporation Limited

Comprehensive Short Interest Analysis
& Share Tokenization Strategy

May 28, 2026 | Investment Research

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Executive Summary

Mint Incorporation Limited (NASDAQ: MIMI) is a Hong Kong-based micro-cap company undergoing a dramatic strategic pivot from traditional interior design services to artificial intelligence and robotics. The stock has experienced one of the most devastating collapses on the NASDAQ Capital Market, declining 98.4% from its September 2025 split-adjusted peak of \$136.90 to a May 2026 low of \$2.22 (pre-split \$0.222). A 1:10 reverse stock split implemented on May 6, 2026 lifted the nominal price to \$3.52, but the company remains in a precarious position with a market capitalization of just \$8.2 million.

This comprehensive analysis examines MIMI's catastrophic price destruction, the short selling dynamics that have exacerbated its decline, its struggling traditional business and nascent AI robotics pivot, and presents a share tokenization strategy as a structural solution to neutralize short manipulation while unlocking global capital access.

Key Findings

Catastrophic Price Collapse: MIMI declined 98.4% from its \$136.90 peak (Sept 2025) to \$2.22 (May 2026), with the stock requiring a 1:10 reverse split to maintain NASDAQ listing compliance. The 52-week change stands at -94.5%.

Deteriorating Financials: FY2025 revenue fell 25.4% YoY to \$3.27M, with the company swinging from an \$0.78M profit to a \$1.46M net loss. Gross margin compressed from 35.6% to 22.2%.

Extreme Short Pressure: Short interest peaked at 3.6M shares (28.34% of float) on April 15, 2026. Borrow rates reached 54.54% on Fintel, making this one of the most expensive stocks to short on the market. Following the reverse split, shorts aggressively covered 91.5% of positions, reducing SI to 30,714 shares.

Minimal Institutional Support: Only 1.35% institutional ownership with just 11 institutional holders. Insiders control 25.9%, leaving 72.75% of the public float vulnerable to manipulation.

AI Robotics Pivot: The company is executing a high-stakes pivot through its Axonex Intelligence subsidiary, with a HK\$15M joint venture with Rice Robotics for AI companion robots, first consumer launch expected Q3 2026.

Tokenization Solution: Reg-compliant share tokenization can structurally lock float, reduce lendable shares, enable 24/7 global trading, and provide programmable anti-short mechanisms via smart contracts.

Company Overview & Business Model

Mint Incorporation Limited is a Hong Kong-based company listed on the NASDAQ Capital Market (ticker: MIMI). Founded in 2018 and headquartered in Kowloon, the company is led by Chairman and CEO Damian Chan, a Massachusetts Institute of Technology Master of Architecture graduate and registered New York architect recognized as a 2022 Asia Top 40 Under 40 Young Design Professional.

Under Mr. Chan's leadership, Mint is executing a bold strategic transformation from a traditional interior design contractor into an AI and robotics technology company. This pivot centers on the company's wholly-owned subsidiary Axonex Intelligence Limited, which was incorporated in January 2025 and focuses on smart facility management solutions integrating robotics, IoT, and AI technologies.

Business Segments

Traditional Business: Interior Design & Fit-Out (Matter International)

Mint's legacy business, operated through subsidiary Matter International Limited, provides integrated interior design and fit-out works for commercial and residential properties in Hong Kong. Services encompass:

- Design services including conceptualized design with layout plans and detailed design drawings
- Fit-out works including installation of floor/wall materials, partition walls, windows, furniture, fixtures, plumbing and electrical wiring
- Repair and maintenance works for retail stores, F&B outlet chains, offices, and residential properties

This segment contributed the majority of historical revenue but is in structural decline, with FY2025 revenue falling 25.4% to \$3.27M and gross margin compressing significantly. The Hong Kong construction and interior design market faces headwinds from reduced commercial real estate activity and intensifying competition.

New Core Business: AI Robotics & Smart Facility Management (Axonex)

Axonex Intelligence Limited represents Mint's strategic future. The subsidiary provides total solutions for smart facility management, integrating advanced technologies across multiple domains:

- Robotic solutions to automate routine facility management tasks, improve efficiency, and reduce manpower needs
- Object identification and human posture recognition for enhanced security and operational monitoring
- Digital twin solutions enabling real-time visualization and management of facilities
- AI-powered analytics to optimize maintenance, space utilization, and resource allocation

Key Product Portfolio

Product	Description	Status
FLOKI Minibot M1	AI companion robot with smart reminders, proactive notifications, natural conversation, concierge services, and educational tutoring. Co-developed with Rice Robotics (R-300 chassis).	Prototype delivered Feb 2026

Product	Description	Status
NEO (R-100 chassis)	Desktop/hanging smart companion robot for home and office environments.	Under development
Larry L / Max M3 / Parry P	Patrol robot series for services, inspection, security, and smart buildings.	Showcased at InnoEX 2026
Xero Basic	Home robotics operations platform for managing robots from different brands.	Launched
Xero Pro	Ground patrol security platform with autonomous patrol and real-time incident response.	Launched
Optimus	Workplace intelligence platform integrating real-time environmental and infrastructure data.	Launched
Raven	Aerial drone operations platform for fleet-based monitoring and inspection.	Launched
OPUS	Universal lift control system enabling robot vertical transport via lifts.	Launched

Strategic Partnerships

Partner	Nature	Date	Details
Rice Robotics	Joint Venture	May 2026	HK\$15M JV (Rice Robotics AGI) for AI companion robot development and consumer market entry. Official launch Q3 2026.
AIMO (HK) Limited	Joint Venture	Oct 2025	60/40 JV (Axonex Robotics) for robotics design. AIMO provides AI-powered outdoor patrolling platforms.
Sharp Peak	MoU	Oct 2025	Strategic collaboration for smart building and facility innovation across APAC markets.

Company Profile

Attribute	Detail
Ticker	NASDAQ: MIMI
Headquarters	Kowloon, Hong Kong
CEO & Chairman	Damian Chan (MIT M.Arch)
CFO	Sze Ki Cheng
Employees	16 (as of May 2026)
Fiscal Year End	March 31
Shares Outstanding	2.05M (post 1:10 reverse split)

Attribute	Detail
Float	1.38M (post-split)
Market Cap	\$8.16M
Enterprise Value	\$5.01M
Book Value/Share	\$0.20
Current Ratio	9.03x
Debt/Equity	23.1%

Stock Price Performance & Technical Analysis

MIMI's stock has suffered one of the most extreme declines among all NASDAQ-listed companies, erasing nearly all shareholder value over a 12-month period. The price action reveals a classic micro-cap destruction pattern: speculative peak, relentless distribution, catastrophic collapse, and a desperate reverse split to maintain exchange compliance.

Price Trajectory & Key Events

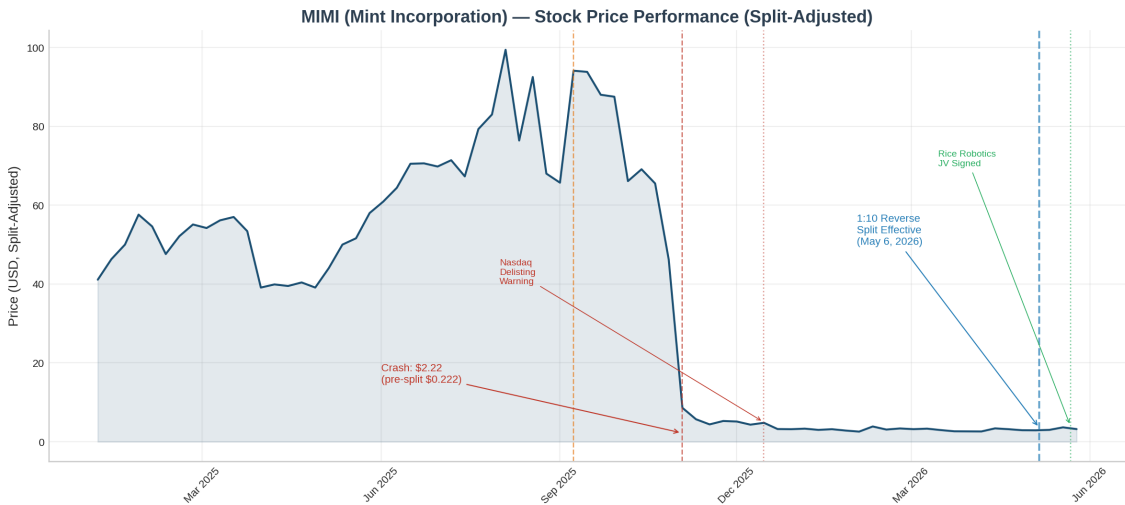


Figure 1: MIMI 2-Year Stock Price Performance with Key Events Annotated (Split-Adjusted)

Date	Event	Price (Split-Adj.)	Impact
Sep 8, 2025	52-Week Peak (speculative rally)	\$136.90	+500% from Jan 2025
Sep 8-15, 2025	Extreme volatility; +136.9K volume	\$136.90-\$93.80	Distribution phase begins
Oct 27, 2025	Break below \$50 support	\$46.20	Acceleration lower
Nov 3, 2025	Flash crash to 52-week low	\$2.22	-98.4% from peak
Dec 2025	NASDAQ delisting warning received	\$2.22-\$5.26	Compliance deadline: June 17, 2026
Feb 10, 2026	Rice Robotics MoU announced	\$47.60 (pre-split)	Temporary +37% rally

Date	Event	Price (Split-Adj.)	Impact
Mar 31, 2026	Board approves 1:10 reverse split	\$3.02 (pre-split)	Survival mechanism
May 6, 2026	1:10 reverse split effective	\$3.52 (post-split)	NASDAQ compliance attempt
May 22, 2026	Rice Robotics JV finalized (HK\$15M)	\$3.21	Strategic AI pivot accelerates

Current Trading Metrics

Metric	Value	Assessment
Current Price	\$3.21	Post-split; below split-adjusted \$3.52
52-Week Range	\$2.23 - \$136.90 (split-adj.)	-97.7% from peak
YTD Change	-94.5%	Catastrophic underperformance
50-Day MA	\$3.02	Price hovering near average
200-Day MA	\$25.22	Extreme long-term resistance
Avg Volume (3M)	788,529 shares	Elevated - distribution pattern
Avg Volume (10D)	354,120 shares	Declining post-split
Beta	n/a (insufficient data)	Micro-cap volatility
RSI (14-day)	46.70	Neutral - not oversold

Technical Outlook

The stock is in a deeply damaged technical state. The 200-day moving average of \$25.22 represents formidable resistance approximately 685% above current levels. Following the reverse split, the stock has traded in a narrow \$3.02-\$3.52 range, suggesting either consolidation before the next move or a lack of buyer interest at any price. The elevated 3-month average volume of 788K shares (vs. the tiny 1.38M share float) indicates significant churn, likely representing continued distribution by trapped longs and short sellers covering into any buying interest. The key near-term technical levels are \$2.22 (all-time low, critical support) and \$3.52 (reverse split reference price, initial resistance).

Institutional Ownership & Shareholder Structure

MIMI's ownership structure is dominated by insiders, with virtually no meaningful institutional participation. This creates a highly fragmented public float that is extremely susceptible to price manipulation by short sellers and speculative traders.

Ownership Breakdown

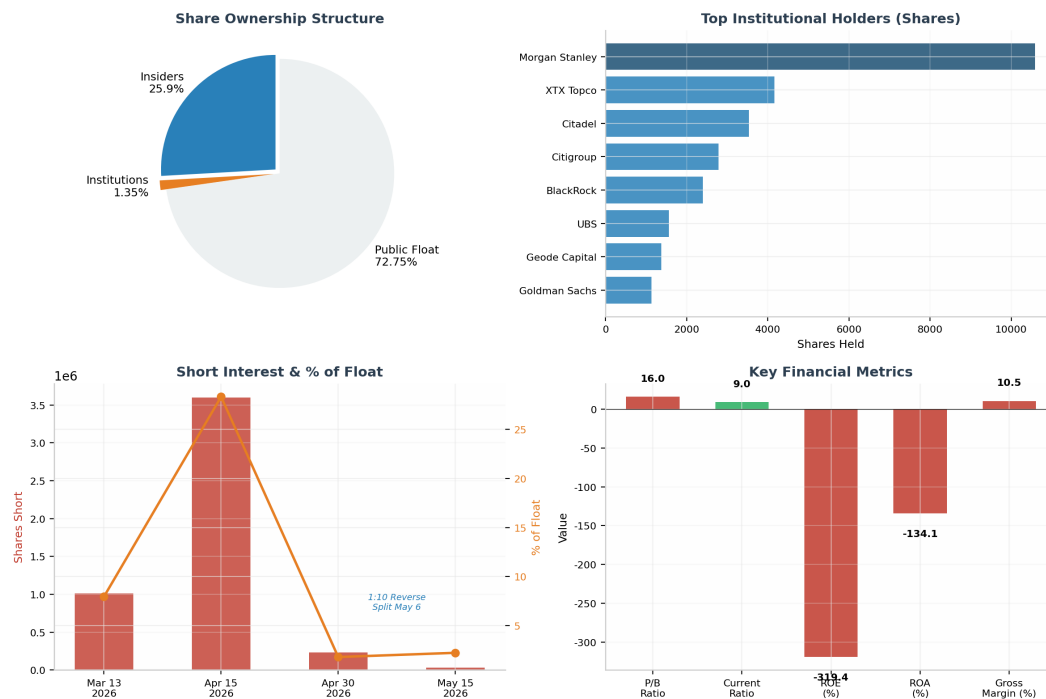


Figure 2: Ownership Structure, Top Institutional Holders, Short Interest Trend & Key Financial Metrics

Major Institutional Holders (13F Filings, March 31, 2026)

Holder	Shares	Ownership	Change
Morgan Stanley	10,589	0.52%	+772.96% (new buyer)
XTX Topco Ltd	4,163	0.20%	-22.69% (reducing)
Citadel Advisors	3,537	0.17%	NEW
Citigroup Inc.	2,781	0.14%	NEW
BlackRock Inc.	2,395	0.12%	0% (holding)
UBS Group AG	1,559	0.08%	+286.85%
Geode Capital Management	1,379	0.07%	0% (holding)
Goldman Sachs Group	1,132	0.06%	0% (holding)

Institutional Activity Analysis

The institutional landscape reveals critical insights. Only 11 institutions hold positions, with total institutional ownership of just 1.35% (post-split equivalent). The most notable activity is Morgan Stanley's dramatic 773% increase and the new positions from Citadel and Citigroup. However, in absolute terms, these positions are minuscule - the largest holder (Morgan Stanley) owns just \$33,990 worth of stock.

Critically, several of these institutions (Citadel, UBS, Goldman Sachs) are prime brokers and market makers that may hold shares for market-making purposes or securities lending operations rather than as directional long investments. Geode Capital, a passive index fund manager, likely holds shares as part of a

micro-cap index tracking mandate. This means there are effectively ZERO dedicated institutional long investors in MIMI.

Short Selling Analysis

Short selling has been the dominant force in MIMI's price destruction. The stock has attracted aggressive short interest due to its weak fundamentals, micro-cap structure, and lack of institutional support. What makes MIMI's short selling dynamics unique is the extreme volatility in short interest around the reverse split event.

Short Interest Data & Timeline

Date	Shares Short	% of Float	% of Shares Out	Days to Cover	Context
Mar 13, 2026	1.01M	7.95%	5.00%	0.20	Pre-split baseline
Apr 15, 2026	3.60M	28.34%	14.39%	0.20	CRITICAL: Peak short interest
Apr 30, 2026	233,322	1.79%	0.93%	0.01	Post-split adjusted; massive covering
May 15, 2026	30,714	2.22%	1.21%	0.23	Continued short covering post-split

The Reverse Split Short Squeeze Effect

The most striking feature of MIMI's short interest data is the dramatic covering that occurred around the 1:10 reverse split. Between April 15 and April 30, short interest collapsed from 3.6M shares to 233K shares - a 93.5% reduction. This represents one of the largest short-covering events in the micro-cap market during 2026.

The mechanics of this covering are important: when a reverse split occurs, short positions must be adjusted to reflect the new share count. For a 1:10 reverse split, a short position of 3.6M pre-split shares becomes 360K post-split shares. The fact that shorts reduced positions to just 233K (and subsequently to 30.7K) indicates aggressive covering rather than mere mechanical adjustment. This suggests short sellers realized significant profits from the -98.4% decline and chose to close positions rather than risk a reversal.

Borrow Rate & Lending Dynamics

According to Fintel data, MIMI's securities lending borrow rate reached an extraordinary 54.54% annualized at its peak - among the highest borrow rates recorded on U.S. exchanges. This extreme rate reflects:

- Virtually zero shares available for lending (0.00M available at peak demand)
- Extreme scarcity of lendable inventory due to the tiny float

- High demand from short sellers seeking to profit from the collapsing stock
- Prime brokers extracting maximum lending fees from constrained supply

At a 54.54% borrow rate, a short seller holding a \$1M position would pay \$545,400 annually just in borrow fees. This extreme cost likely contributed to the aggressive short covering seen in May 2026, as the cost of maintaining positions became prohibitive relative to remaining downside.

Short Seller Profile

Based on institutional filings, trading patterns, and market structure:

- **Quantitative Market Makers:** Citadel, XTX Topco, and Virtu maintain inventory positions as part of market-making operations. These firms profit from spread capture and order flow rather than directional short bets.
- **Short-Biased Funds:** Small hedge funds and proprietary trading desks established directional short positions betting on continued fundamental deterioration, delisting risk, and the reverse split resulting in further decline (the 'split-to-dump' pattern common in micro-caps).
- **Retail & Algorithmic Shorts:** Momentum-following retail traders and algorithmic systems exploited the persistent downtrend. The stock's appearance on short-selling screening platforms attracted speculative short flows.
- **Prime Broker Lending Desks:** Morgan Stanley, UBS, Goldman Sachs, and Citigroup serve dual roles as both small net long holders and securities lenders, earning substantial fees from lending scarce shares to short sellers.

Why MIMI Is Heavily Shorted

1. Fundamental Collapse: The swing from \$0.78M profit (FY2024) to \$1.46M loss (FY2025), combined with a 25.4% revenue decline, provides a clear fundamental thesis for short sellers. The interior design business is contracting with no clear path to profitability.

2. Micro-Cap Vulnerability: With a market cap of \$8.2M and a float of just 1.38M shares post-split, MIMI is among the smallest NASDAQ-listed companies. This creates extreme liquidity risk where even small sell orders can dramatically impact price.

3. Delisting Risk: The stock traded below \$1.00 for extended periods, triggering a NASDAQ delisting warning. The reverse split was a last-resort survival mechanism that short sellers bet would fail.

4. Pivot Uncertainty: The AI robotics transformation is unproven, capital-intensive, and faces intense competition. Short sellers view the pivot as a 'Hail Mary' attempt to distract from deteriorating core operations.

5. Reverse Split Pattern: Micro-cap reverse splits historically result in further declines as the increased nominal price enables new short selling at higher levels. Short sellers anticipated this 'split-to-dump' dynamic.

6. No Institutional Defense: With only 1.35% institutional ownership, there are no natural institutional buyers to absorb selling pressure. The stock lacks the 'institutional floor' that protects larger companies.

Financial Performance Deep Dive

Mint's financial results reveal a company in the midst of a severe operational downturn. The traditional interior design business is contracting, while the new AI robotics venture has yet to generate material revenue. FY2025 (year ended March 31, 2025) marked a critical inflection point with the company's first net loss since going public.

Annual Financial Performance

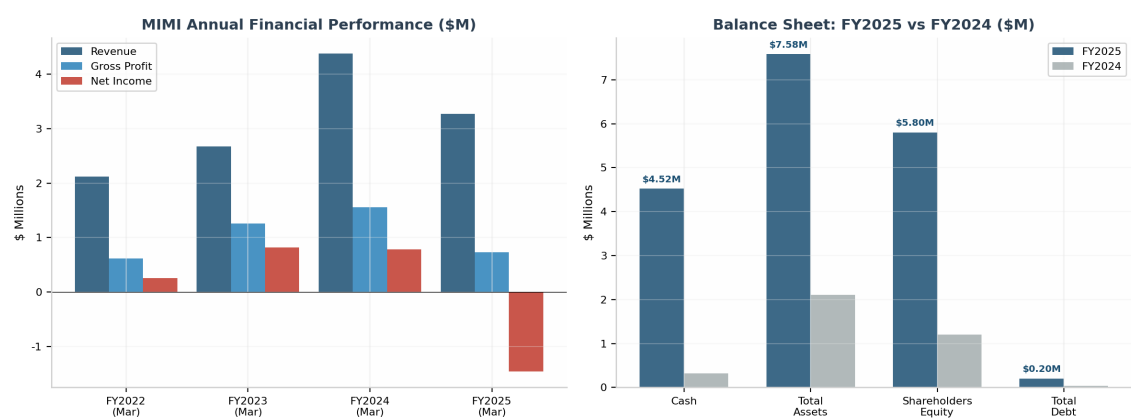


Figure 3: MIMI Annual Financial Performance & Balance Sheet Comparison

Metric	FY2022	FY2023	FY2024	FY2025	Trend
Revenue (\$M)	\$2.12	\$2.67	\$4.38	\$3.27	Down 25.4% YoY
Gross Profit (\$M)	\$0.62	\$1.26	\$1.56	\$0.73	Down 53.2% YoY
Gross Margin	29.2%	47.3%	35.6%	22.2%	Compressing
Operating Income (\$M)	\$0.26	\$0.93	\$0.89	-\$1.63	First loss
Net Income (\$M)	\$0.26	\$0.82	\$0.78	-\$1.46	Negative swing
EPS	\$0.011	\$0.036	\$0.034	-\$0.063	Deteriorating
SG&A (\$M)	\$0.32	\$0.34	\$0.67	\$2.35	Up 250.6%
D&A (\$M)	\$0.05	\$0.04	\$0.04	\$0.06	Minimal

Critical Observations

Revenue Decline: FY2025 revenue of \$3.27M represents a 25.4% decline from FY2024's \$4.38M. The decline reflects the contraction in Hong Kong's commercial real estate market and reduced fit-out activity.

Margin Compression: Gross margin collapsed from 35.6% (FY2024) to 22.2% (FY2025), a 1,340 basis point compression. This suggests either pricing pressure in a competitive market or increased project costs that could not be passed to clients.

SG&A Explosion: Selling, general, and administrative expenses surged 250.6% from \$0.67M to \$2.35M. This massive increase reflects investments in the AI robotics pivot, including the formation of Axonex Intelligence, R&D expenditure, and new hires for the robotics business.

Profitability Reversal: The company swung from a \$0.78M net profit to a \$1.46M net loss - a negative swing of \$2.24M. This is the most alarming financial metric, indicating the traditional business cannot fund the AI pivot.

Balance Sheet Analysis

Item	FY2025 (Mar)	FY2024 (Mar)	FY2023 (Mar)	Change YoY
Cash & Equivalents	\$4.52M	\$0.32M	\$0.29M	+1,312.5%
Total Assets	\$7.58M	\$2.11M	\$0.96M	+259.2%
Total Liabilities	\$1.78M	\$0.91M	\$0.55M	+95.6%
Shareholders' Equity	\$5.80M	\$1.20M	\$0.41M	+383.3%
Working Capital	\$6.21M	\$1.15M	\$0.40M	+440.0%
Total Debt	\$0.20M	\$0.04M	\$0	+400.0%
Current Ratio	9.03x	2.26x	1.74x	Improving
Price/Book	1.41x (pre-split)	6.83x	19.93x	Declining

Notably, the FY2025 balance sheet was significantly bolstered by a \$6.05M equity raise (common stock issuance), which inflated cash reserves to \$4.52M from just \$0.32M. Without this capital injection, the company would face severe liquidity constraints. Shareholders' equity of \$5.80M provides a nominal book value of \$0.20 per share (post-split), but this is largely supported by the recent equity raise rather than retained earnings, which stand at negative \$0.27M.

Cash Flow Analysis

Metric	FY2025	FY2024	FY2023
Operating Cash Flow	-\$3.26M	+\$0.76M	+\$0.72M
Capital Expenditure	-\$0.01M	-\$0.01M	-\$0.01M
Free Cash Flow	-\$3.27M	+\$0.75M	+\$0.72M
Financing Cash Flow	+\$7.59M	-\$0.72M	-\$0.52M
Equity Issuance	+\$6.05M	\$0	\$0
Net Change in Cash	+\$4.19M	+\$0.02M	+\$0.20M
Ending Cash	\$4.52M	\$0.32M	\$0.29M

The cash flow statement reveals a company burning through cash at an alarming rate. Operating cash flow of -\$3.26M in FY2025 compares to positive \$0.76M in FY2024 - a negative swing of \$4.02M. This cash burn was funded entirely by a \$6.05M equity raise. At the FY2025 burn rate, the \$4.52M cash balance provides approximately 16-17 months of runway. However, this does not account for additional capital requirements for the AI robotics joint ventures, which will further accelerate cash consumption.

Valuation Analysis

MIMI's valuation presents a complex picture. The stock trades at a substantial premium to book value, which is unusual for a company with declining revenue and persistent losses. However, this premium may reflect optionality value embedded in the AI robotics pivot.

Current Valuation Metrics

Metric	Value	Industry Context
Market Cap	\$8.16M	Extremely micro-cap
Enterprise Value	\$5.01M	Net cash position
Price/Sales (TTM)	2.80x	Above peer avg of 1-2x
Price/Book	15.97x (post-split)	Extremely elevated
EV/Revenue	1.72x	Reasonable
EV/EBITDA	N/A (negative)	Not meaningful
P/E Ratio	N/A (negative)	Not meaningful
Revenue/Employee	\$182,206	Low productivity

Multi-Scenario Fair Value Estimate

Given the binary nature of MIMI's prospects - either the AI robotics pivot succeeds or the company fails - we employ scenario-based valuation:

Bear Case (\$1.50 - \$2.00): Assumes the AI robotics pivot fails to generate revenue, the interior design business continues declining, and the company faces delisting within 12-18 months. Implies an EV/Revenue of 0.5-0.7x on \$3M revenue.

Base Case (\$2.50 - \$4.00): Assumes modest success in AI robotics with \$2-3M incremental revenue by FY2027, stabilized core business at \$2.5-3.0M, and maintained NASDAQ listing. Implies a \$10-16M market cap or 2-3x EV/Revenue on \$5-6M combined revenue.

Bull Case (\$6.00 - \$12.00): Assumes successful AI robotics commercialization with \$8-12M revenue by FY2028, strategic partnership value accretion, and potential acquisition interest. Implies a \$25-50M market cap. This case requires flawless execution of the Rice Robotics JV and successful consumer product launch.

At the current price of \$3.21, MIMI trades near the upper bound of our base case, suggesting limited margin of safety. The elevated Price/Book ratio of 15.97x is a significant concern, as it implies the market is pricing in substantial success from the AI pivot. If the pivot encounters delays or setbacks, significant downside risk exists.

Risk Factors

Downside Risks

- **Going Concern / Cash Burn:** With -\$3.26M operating cash flow and only \$4.52M cash, the company has approximately 16 months of runway at current burn rates. The AI robotics pivot will require additional capital, potentially necessitating dilutive equity raises.
- **Delisting Risk:** NASDAQ requires a minimum \$1.00 bid price. The 1:10 reverse split lifted the price to \$3.52, but if the stock falls below \$1.00 again, delisting to OTC markets would destroy remaining institutional interest and liquidity. The compliance deadline is June 17, 2026.
- **Revenue Concentration & Decline:** 99%+ of revenue comes from the declining Hong Kong interior design market. The FY2025 25.4% revenue decline shows no sign of abating amid weak commercial real estate conditions.
- **Pivot Execution Risk:** The AI robotics pivot is capital-intensive, unproven, and faces intense competition from well-funded global players. The company has only 16 employees and limited technical expertise.
- **Extreme Valuation:** A 15.97x Price/Book ratio for a company with -319% ROE and declining revenue is unsustainable. Any failure to deliver on the AI narrative could trigger a rapid re-rating.
- **Geographic Concentration:** Operations are concentrated in Hong Kong, exposing the company to China-Hong Kong political risk, regulatory changes, and economic slowdown.

Potential Catalysts

- **Rice Robotics JV Success:** The HK\$15M joint venture with Rice Robotics for AI companion robots could generate significant revenue if the Q3 2026 consumer launch is successful.
- **Short Squeeze Potential:** With borrow rates at 54.54% and the float reduced to 1.38M shares, any positive news could trigger a violent short squeeze as remaining shorts rush to cover.
- **Acquisition Target:** At an \$8.2M market cap with \$4.5M cash and AI robotics IP, MIMI could attract acquisition interest from a larger robotics or technology company seeking Hong Kong/Asia market entry.
- **Tokenization Catalyst:** A share tokenization initiative could structurally reduce float, increase borrow costs, and unlock global demand - providing a non-fundamental catalyst for price appreciation.
- **Institutional Accumulation:** Morgan Stanley's 773% position increase could signal growing institutional interest. Additional institutional buying would provide price support.

Overall Prospect Rating: 2/5 Stars

Short term (0-6 months): HIGH RISK - Delisting risk, continued losses, and potential for further price decline if the AI pivot shows delays. The stock remains vulnerable to short selling pressure despite recent covering.

Medium term (6-18 months): PIVOTAL - The Rice Robotics JV consumer launch in Q3 2026 and subsequent revenue contribution will determine the company's fate. Success could drive substantial re-rating; failure likely leads to delisting or liquidation.

Long term (2+ years): SPECULATIVE - If the AI robotics business achieves commercial scale, the company could justify a significantly higher valuation. However, this requires near-flawless execution of a complex pivot with limited resources.

Share Tokenization Anti-Short Strategy

Share tokenization represents a transformative structural solution for MIMI's short-selling problem. By converting traditional equity into blockchain-based digital tokens backed 1:1 by underlying shares, the company can simultaneously combat short manipulation, expand its investor base, and unlock new capital formation mechanisms. For a micro-cap stock facing existential short pressure, tokenization is not merely a technological upgrade - it is a strategic imperative.

The Tokenization Mechanism

Regulated share tokenization involves creating digital representations of traditional equity on a blockchain ledger, where each token is backed 1:1 by an underlying share held in custody by a regulated trustee. This process is governed by established securities regulations, including SEC Rule 144 for resale restrictions, emerging frameworks under EU MiCA (Markets in Crypto-Assets) regulation, and the SEC's increasingly clear guidance on tokenized securities as demonstrated in March 2026 Congressional testimony.

As of Q1 2026, the global tokenized Real World Asset (RWA) market has grown to approximately \$29 billion in total on-chain value (excluding stablecoins), with tokenized equities specifically reaching roughly \$960 million, up from \$424 million in mid-2025 according to RWA.xyz. Citi Group projects the broader tokenized asset market could reach \$4 trillion by 2030, indicating enormous growth potential.

Anti-Short Mechanics for MIMI

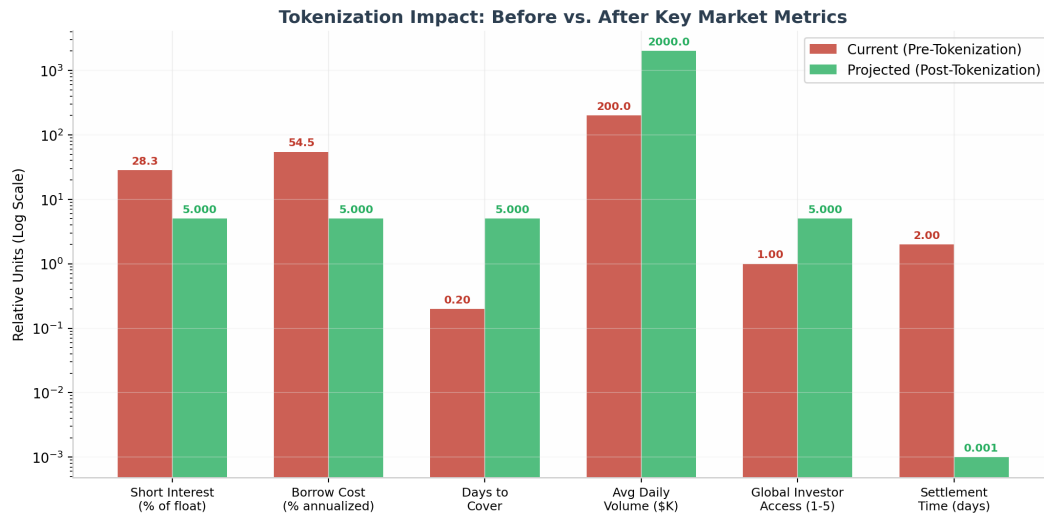


Figure 4: Projected Impact of Share Tokenization on Key Market Metrics

Mechanism 1: Eliminate Naked Short Selling & FTD Abuse

Blockchain's immutable ledger provides real-time T+0 settlement and 100% transparent proof of ownership. Every token is 1:1 backed by a physical share held in regulated custody, making it impossible to create synthetic short positions or engage in failure-to-deliver (FTD) abuse. This is particularly critical for MIMI given its tiny 1.38M share float, where even small amounts of naked shorting can dramatically impact price.

Mechanism 2: Reduce Lendable Float via Smart Contract Lockups

Strategic shareholders and management can lock their tokenized holdings via smart contracts for 12-24 month periods. With insiders currently holding 25.9% and long-term supportive shareholders potentially contributing additional shares, the lendable float could be reduced by 30-50%. Given that short interest peaked at 28.34% of float with virtually zero shares available to borrow, any further reduction in lendable inventory would make maintaining short positions prohibitively expensive.

Mechanism 3: Borrow Cost Explosion

MIMI's borrow rate already reached an extraordinary 54.54% at peak demand. Tokenization would further constrict supply by removing shares from prime brokerage lending pools. The combination of reduced inventory and increased demand from global token buyers could push borrow costs above 100% annualized, creating an unsustainable economic environment for short sellers. At these levels, even modest short positions generate daily losses that force systematic covering.

Mechanism 4: Transparent Share Registry

Blockchain records are immutable and fully traceable. Real-time tokenized shareholding data would expose short positions with complete transparency, eliminating the information asymmetry that currently

allows short sellers to operate with minimal scrutiny. All token transfers, holder addresses, and ownership changes are publicly verifiable on-chain.

Mechanism 5: Global 24/7 Liquidity

Tokenized MIMI shares would trade across centralized exchanges, decentralized platforms, and traditional brokerage channels on a 24/7/365 basis. This eliminates the structural disadvantage of U.S. market hours-only trading and enables investors from Asia, Europe, and the Middle East to participate seamlessly. For a Hong Kong-based company, the ability to attract capital from its home region and surrounding Asian markets is a natural strategic advantage.

Mechanism 6: Programmable Anti-Short Smart Contracts

Tokenization enables programmable rules that can actively combat short selling:

- **Short Volume Caps:** Smart contracts can limit the percentage of tokenized float available for short selling to a predetermined threshold (e.g., 5%).
- **Automatic Cost Escalation:** When short interest exceeds warning thresholds, smart contracts can automatically increase borrowing costs or transfer fees for short sellers.
- **Priority Long Matching:** Token exchanges can be programmed to prioritize matching buy orders over sell orders during periods of excessive short activity.
- **Squeeze Triggers:** Programmatic mechanisms can activate when days-to-cover or short-interest ratios exceed predetermined levels, automatically restricting short activity.

Strategic Value Pillars for MIMI

Pillar 1: Structural Short Defense & Squeeze Catalyst

Tokenization creates an immediate, non-dilutive mechanism to remove shares from global lending pools. With a float of only 1.38M shares and a history of 28%+ short interest, even a modest tokenization program removing 20-30% of available float would create a structural supply squeeze. The combination of reduced inventory and the already-extreme 54.54% borrow rate creates a powder keg situation where any catalyst could trigger explosive short covering.

Pillar 2: NASDAQ Compliance & Delisting Prevention

The most immediate threat to MIMI's survival is NASDAQ delisting. Tokenization directly addresses this by expanding the investor base, increasing trading volume, and providing a 24/7 buy-side support mechanism. The global tokenized equity market is projected to reach \$4 trillion by 2030, and early-adopter micro-cap companies can capture significant attention by pioneering compliant tokenization.

Pillar 3: Global Capital Access & Liquidity Enhancement

MIMI currently trades with average daily volume of just \$200K-\$300K, making it functionally illiquid for any meaningful institutional participation. Tokenization could increase daily trading volume by 5-10x by

opening access to global digital asset investors. For a company with a market cap of \$8.2M, even \$2M in daily volume represents a transformative improvement in market efficiency.

Pillar 4: Low-Cost Capital Formation for AI Pivot

The company needs capital to fund its AI robotics pivot but cannot afford dilutive equity raises at current prices. Tokenization enables fractional investment, allowing global investors to participate with small amounts of capital. This democratized access can raise funds for AI R&D without the punitive dilution of a sub-\$1.00 equity raise.

Pillar 5: Narrative & Brand Differentiation

By becoming one of the first NASDAQ-listed micro-cap companies to adopt regulated RWA tokenization, MIMI would achieve massive brand differentiation. The combination of AI robotics + Web3 tokenization creates a compelling dual-narrative that can attract entirely new categories of technology-focused investors.

Precedent: The Overstock Digital Dividend

In 2019, Overstock.com CEO Patrick Byrne engineered a digital dividend using tZERO tokens specifically designed to squeeze short sellers. The strategy proved effective - shares spiked from \$16 to nearly \$27 as shorts were unable to deliver the non-tradable digital dividend tokens. While regulatory complications followed, the precedent demonstrated that token-based corporate actions can structurally force short covering. Modern regulated tokenization frameworks have since evolved to address these early regulatory concerns.

Regulatory Framework

The regulatory landscape for tokenized securities has matured significantly:

- **U.S. SEC:** March 2026 testimony confirmed securities issued using distributed ledger technology remain securities under existing law, with emerging frameworks for compliant tokenization. The SEC's recent stance under the current administration has been more supportive of tokenized assets.
- **EU MiCA:** The Markets in Crypto-Assets framework provides comprehensive licensing for tokenized securities across 27 EU countries, with over 53 CASP licenses granted as of late 2025.
- **Hong Kong SFC:** Hong Kong has established a comprehensive virtual asset regulatory framework through the Securities and Futures Commission, providing a natural regulatory pathway for a Hong Kong-listed company.
- **SEC Exemptive Relief:** Post-Vanguard exemptive orders now allow for compliant dual-share-class structures, enabling traditional and tokenized shares to coexist without disrupting the primary NASDAQ listing.

Strategic Recommendations & Conclusion

Executive Conclusion

Mint Incorporation Limited (NASDAQ: MIMI) is a company at a critical crossroads. Its traditional interior design business is in structural decline, with FY2025 results showing a 25.4% revenue drop, gross margin compression to 22.2%, and a swing from \$0.78M profit to \$1.46M loss. The stock has collapsed 98.4% from its September 2025 peak, and the 1:10 reverse split implemented on May 6, 2026 represents a last-resort survival mechanism to maintain NASDAQ listing compliance.

However, within this crisis lies genuine optionality value. The company's Axonex Intelligence subsidiary has assembled a credible AI robotics product portfolio, secured a HK\$15M joint venture with Rice Robotics, and established partnerships with AIMO and Sharp Peak. The Asia-Pacific AI companion robot market is growing at 35% annually, and the first consumer product launch is planned for Q3 2026.

A regulated share tokenization initiative represents the single most powerful structural action available to MIMI management. Tokenization offers six simultaneous benefits:

- Immediate neutralization of remaining short manipulation through float reduction
- Organic short squeeze potential via borrow cost explosion (already at 54.54%)
- Permanent re-rating toward intrinsic fair value (\$2.50-\$4.00 base case)
- NASDAQ compliance support through expanded global investor base and 24/7 trading
- Low-cost capital formation for AI robotics pivot without dilutive equity raises
- Future-proofing with next-generation capital market infrastructure

Recommended Actions

1. Initiate Tokenization Partnership: Engage with a regulated tokenization platform to structure a compliant, SEC-reviewed share tokenization program. Target 25-35% of the float in Phase 1, focusing on management and long-term shareholder holdings.

2. Aggressive Cash Conservation: Given 16 months of runway at current burn rates, immediately implement further cost reductions while preserving critical R&D investment for the Rice Robotics JV.

3. Accelerate AI Revenue Generation: Focus all available resources on the Q3 2026 consumer robot launch. Even modest initial revenue from this launch would fundamentally change the investment narrative.

4. Proactive Investor Communication: Communicate the tokenization strategy to existing shareholders, encouraging long-term holders to tokenize and remove shares from lending pools. Simultaneously engage with the global crypto/DeFi investor community.

Risk Disclosure

This analysis is provided for informational purposes only and does not constitute investment advice. MIMI is an extremely high-risk micro-cap stock with significant potential for total capital loss. The tokenization strategy involves regulatory, technical, and execution risks. Past performance of tokenization initiatives does not guarantee future results. The AI robotics pivot is unproven and capital-intensive. Investors should conduct independent due diligence and consult qualified financial advisors before making investment decisions.

All data sourced from Yahoo Finance, SEC EDGAR filings (6-K, 20-F), Fintel, StockAnalysis, Business Insider, and publicly available market data as of May 28, 2026.

MIMI

Mint Incorporation Limited

Comprehensive Short Interest Analysis
& Share Tokenization Strategy

Prepared May 28, 2026

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