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FingerTango Inc.

指尖悅動控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6860)

Profit Warning

This announcement is made by FingerTango Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors, that based on preliminary assessment and analysis of the Group’s unaudited consolidated management accounts of the Company for the year ended 31 December 2021 (the “**Reporting Period**” (the “**2021 Management Accounts**”))), which have not been audited by the auditors of the Company nor reviewed by the audit committee of the Company, as well as the information currently available to the Company immediately preceding the publication of this announcement, the Board considers that the unaudited profit attributable to the owners of the Company for the Reporting Period may decrease by the range between 85% and 95% as compared to the profit attributable to the owners of the Company of approximately RMB127.6 million for the corresponding period of 2020.

Based on the information currently available to the Company, the expected decrease in unaudited profit attributable to the owners of the Company for the Reporting Period was mainly attributable to:

- 1) a decrease in revenue for the Reporting Period, primarily due to the natural drop of revenue from classic games which have been in operation for years, and games launched during the Reporting Period are still in promotion phase and yet to generate sizable income;
- 2) a decrease in profit margin primarily due to the increase in the contribution ratio to the total revenue of the Group from the revenue of co-publishing games, which generally have lower gross margin than self-publishing games;
- 3) significant increase in the Group’s expense in research and development for the Reporting Period due to the Group’s strategy of establishing in-house R&D team and continuous investments to enhance the Group’s game development capabilities; and

- 4) significantly reduced approvals of new game publication and hence the negative impact cast on growth momentum of the game industry by the prolonged suspension of approval of online game publication and changes in regulatory environment of the Chinese gaming market, leaving less access to quality games by the Company.

The Company is still in the process of finalizing the audited annual results for the year ended 31 December 2021. The information contained in this announcement is only based on the preliminary assessment by the Board of the Company with reference to the 2021 Management Accounts and the information currently available to the Company, and is not based on any financial figures and/or information which have been audited by the external auditor of the Company. The audited annual results announcement of the Company for the year ended 31 December 2021 is expected to be published in late March 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
FingerTango Inc.
LIU Jie
Chairman and Chief Executive Officer

Guangzhou, the People's Republic of China, 25 March 2022

As at the date of this announcement, the Board comprises Mr. LIU Jie and Mr. ZHU Yanbin as executive Directors, and Dr. LIU Jianhua, Mr. GUO Jingdou and Mr. Sui Pengda as independent non-executive Directors.