



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 of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2019 (the “**Relevant Period**”) and information currently available to the Company, it is currently anticipated that the unaudited profit attributable to the owners of the Company for the Relevant Period may decrease by the range between 70% and 80% as compared to the profit attributable to the owners of the Company for the corresponding period of 2018.

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

- 1) an increase in selling and marketing expenses as the Company has engaged in more extensive advertising and promotion activities for mobile games during the Relevant Period amongst the increasingly fierce external competition environment. Additionally, due to the lag in effect on revenue from the advertising and promotion activities, the impact of the increased sales and marketing expenses is expected to be seen over a longer period of time in the future and the unit cost of advertising and promotion activities is also rising;
- 2) certain pipeline games that had been scheduled to be launched during the Relevant Period were unable to be launched due to underperformance of game testing results and the suspension of online game publication approval due to the changes in Chinese game market and regulatory environment, resulting in write-down of prepaid license fees for the pipeline games which were unable to be launched during the Relevant Period; and
- 3) the lower anticipated revenue contribution from certain games launched during the Relevant Period.

The Company is still in the process of finalizing the annual results for the twelve months ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group and the information currently available, and is not based on any financial figures and/or information which have been audited, verified or reviewed by the auditor or the audit committee of the Company. The annual results announcement of the Company for the twelve months ended 31 December 2019 is expected to be published in late March 2020.

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

Hong Kong, 28 February 2020

As at the date of this announcement, the Board comprises Mr. LIU Jie, Mr. ZHU Yanbin, Mr. WANG Zaicheng and Mr. LIU Zhanxi as executive Directors and Mr. GUO Jingdou, Ms. YAO Minru and Dr. LIU Jianhua as independent non-executive Directors.