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 and analysis of the Group's unaudited consolidated management accounts for the six months ended 30 June 2021 (the "**Reporting Period**") and information currently available to the Board, it is currently anticipated that the unaudited profit for the Reporting Period may decrease by the range between 45% and 55% as compared to the unaudited profit for the corresponding period of 2020.

The anticipated decrease in unaudited profit was mainly attributable to the following reasons:

1) a decrease in total revenues for the Reporting period by approximately 30%–40%, mainly attributable to the combined effect of (i) natural drop of revenue from the classic games which have been in operation for years and are in their mature stage, (ii) significantly reduced approvals of new game publication and negative impact casted 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, (iii) certain pipeline games of the Group were not launched as scheduled during the Reporting Period as we made strategic adjustment and planning in the launch of our new games, and (iv) the increasing unit cost and uncertain outcome of advertising and promotion activities.

2) a decrease in gross profit for the Reporting Period by approximately 35% to 45%, which was mainly resulted from a decrease in gross margin, primarily due to the increase in the contribution ratio from co-publishing games to the total revenues of the Group, as co-publishing games generally have lower gross margin than self-publishing games; and

3) a significant increase in the Group's research and development expenses for the Reporting Period by approximately 40% to 50% as compared to the corresponding period of 2020, mainly due to the Group's strategy of establishing in-house R&D team and continuous investments to enhance the Group's game development capabilities.

The Company is still in the process of finalizing the interim results for the six months ended 30 June 2021. 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 interim results announcement of the Company for the six months ended 30 June 2021 is expected to be published in late August 2021.

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, Chief Executive Officer
and Executive Director

Guangzhou, the People's Republic of China, 20 August 2021

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