

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**FingerTango Inc.**

指尖悅動控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6860)**

**DISCLOSEABLE TRANSACTIONS  
PROVISION OF FINANCIAL ASSISTANCE  
AND  
SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO  
THE 2021 ANNUAL REPORT**

**THE PROVISION OF FINANCIAL ASSISTANCE TO BORROWER A**

On 7 July 2020, the Company, as lender, entered into the Loan Agreement A1 with Borrower A, pursuant to which the Company agreed to provide the Loan A1 in the principal amount of HK\$25 million to Borrower A for a term of 12 months.

On 18 September 2020, FT Entertainment (a direct wholly-owned subsidiary of the Company), as lender, entered into the Loan Agreement A2 with Borrower A, pursuant to which FT Entertainment agreed to provide the Loan A2 in the principal amount of HK\$15 million to Borrower A for a term of 12 months.

On 4 March 2021, FT Entertainment, Borrower A and RuiFu Development, as payment agent, entered into the Supplemental Agreement A, pursuant to which, an early partial repayment of the principal amount of the Loan A2 in the sum of HK\$7,500,000 was made by RuiFu Development for and on behalf of Borrower A to FT Entertainment. Save as aforesaid, all other terms of the Loan Agreement A2 shall remain unchanged and continue to be in full force and effect.

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan A1 amounted to HK\$15,880,962, being the sum of the outstanding principal amount of HK\$12,500,000 and all the interest and default interest accrued on Loan A1 up to the date of this announcement of HK\$3,380,962. The Company received a request from Borrower A in relation to the settlement of the outstanding amount under Loan A1. After further negotiations, on 29 July 2022, the Company and Borrower A entered into the Settlement Agreement A1 for the settlement of the payment obligations and liabilities of Borrower A under the Loan Agreement A1.

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan A2 amounted to HK\$9,184,374, being the sum of the outstanding principal amount of HK\$7,500,000 and all the interest and default interest accrued on Loan A2 up to the date of this announcement of HK\$1,684,374. FT Entertainment received a request from Borrower A in relation to the settlement of the outstanding amount under Loan A2. After further negotiations, on 29 July 2022, FT Entertainment and Borrower A entered into the Settlement Agreement A2 for the settlement of the payment obligations and liabilities of Borrower A under the Loan Agreement A2.

## **THE PROVISION OF FINANCIAL ASSISTANCE TO BORROWER B**

On 18 May 2020, the Company, as lender, entered into the Loan Agreement B with Borrower B, pursuant to which the Company agreed to provide the Loan B in the principal amount of HK\$27 million to Borrower B for a term of 6 months.

On 18 November 2020, the Company and Borrower B entered into the Supplemental Agreement B, pursuant to which, the maturity date of the Loan Agreement B was extended to a date falling 12 months from the drawdown date of Loan B, i.e. 18 May 2021. Save as aforesaid, all other terms of the Loan Agreement B shall remain unchanged and continue to be in full force and effect.

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan B amounted to HK\$27,168,979, being the sum of the outstanding principal amount of HK\$18,900,000 and all the interest and default interest accrued on Loan B up to the date of this announcement of HK\$8,268,979. Following the default in repayment of Loan B, actions have been taken by the Company to recover the Aggregate Outstanding Amounts under Loan B, including but not limited to legal actions and negotiations with Borrower B in relation to the repayment schedule.

## **LISTING RULES IMPLICATIONS**

### **Loan Agreement A1**

At the material time when the Loan Agreement A1 was entered into, given that the applicable percentage ratios for the transactions contemplated thereunder were less than 5%, the Loan Agreement A1 was exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

### **Loan Agreement A2**

As the Loan Agreement A1 and the Loan Agreement A2 were both entered into by the Group with Borrower A, the transactions contemplated under the Loan Agreement A2 were aggregated with the transactions contemplated under the Loan Agreement A1. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Loan Agreement A2, when

calculated on an aggregated basis with the transactions contemplated under the Loan Agreement A1 is more than 5% but less than 25%, the entering into of the Loan Agreement A2 constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the aggregated amount of financial assistance granted to Borrower A did not exceed 8% under the asset ratio as defined under Rule 14.07 of the Listing Rules, the transactions contemplated under the Loan Agreement A2 (on an aggregated basis with the transactions contemplated under the Loan Agreement A1) are not subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

However, due to the inadvertent mistake of the Management in the computation of size tests, the entering into of Loan Agreement A2 had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules which constituted breaches of Chapter 14 of the Listing Rules at the material time.

### **Settlement Agreement A1 and Settlement Agreement A2**

As the Settlement Agreement A1 and the Settlement Agreement A2 were both entered into by the Group with Borrower A, the transactions contemplated under each of the Settlement Agreement A1 and Settlement Agreement A2 shall be aggregated. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Settlement Agreement A1, when calculated on an aggregated basis with the transactions contemplated under the Settlement Agreement A2 is more than 5% but less than 25%, the entering into of such transactions constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Loan Agreement B**

At the material time when the Loan Agreement B was entered into, given that the applicable percentage ratios for the transactions contemplated thereunder were less than 5%, the Loan Agreement B was exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

### **Supplemental Agreement B**

As the Loan Agreement B and the Supplemental Agreement B were both entered into by the Company with Borrower B, the transactions contemplated under the Supplemental Agreement B were aggregated with the transactions contemplated under the Loan Agreement B. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Supplemental Agreement B, when calculated on an aggregated basis with the transactions contemplated under the Loan Agreement B is more than 5% but less than 25%, the entering into of the Supplemental Agreement B constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the aggregated amount of financial assistance granted to Borrower B did not exceed 8% under the asset ratio as defined under Rule 14.07 of the Listing Rules, the transactions contemplated under the Supplemental Agreement B (on an aggregated basis with the transactions contemplated under the Loan Agreement B) are not subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

However, due to the inadvertent mistake of the Management in the computation of size tests, the entering into of the Supplemental Agreement B had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules which constituted breaches of Chapter 14 of the Listing Rules at the material time.

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2021 ANNUAL REPORT**

In addition to the information provided in the 2021 Annual Report, the Board would like to provide further information in relation to the 2021 Annual Report.

### **THE PROVISION OF FINANCIAL ASSISTANCE TO BORROWER A**

#### **Loan Agreement A1**

On 7 July 2020, the Company, as lender, entered into the Loan Agreement A1 with Borrower A, pursuant to which, the Company agreed to provide the Loan A1 in the principal amount of HK\$25 million to Borrower A for a term of 12 months.

The principal terms of the Loan Agreement A1 are set out below:

Date	:	7 July 2020
Lender	:	The Company
Borrower	:	Brick Heads Limited
Principal Loan Amount	:	HK\$25 million
Interest Rate	:	7% per annum
Interest Periods	:	The Loan A1 has successive interest periods. Each interest period for the Loan A1 will be 6 months. The first interest period shall start on the drawdown date and end on and including the last day of the 6-month period. Each subsequent interest period shall start on the day following the preceding interest period and end on and include the last day of the 6-month period.
Default Interest Rate	:	20% per annum
Drawdown Date	:	10 July 2020
Maturity Date	:	12 months from the drawdown date, or such later date to be agreed by the Company in writing, and subject to such terms and conditions to be agreed between the Company and Borrower A.

- Repayment : Borrower A shall repay the principal loan amount together with accrued interest thereon on the maturity date, or at any time on demand.
- Prepayment : Borrower A may repay, in full or in part, the Loan A1 and the interest accrued to the outstanding balance of the Loan A1 before the maturity date. Any prepayment is subject to a minimum multiple of HK\$500,000 by giving not less than 30 days written notice to the Company.
- Purpose of the Loan : The proceeds of the Loan A1 shall be used exclusively by Borrower A for its general working capital purpose.
- Security : The Loan A1 is unsecured.

## **Loan Agreement A2**

On 18 September 2020, FT Entertainment (a direct wholly-owned subsidiary of the Company), as lender, entered into the Loan Agreement A2 with Borrower A, pursuant to which FT Entertainment agreed to provide the Loan A2 in the principal amount of HK\$15 million to Borrower A for a term of 12 months.

The principal terms of the Loan Agreement A2 are set out below:

- Date : 18 September 2020
- Lender : FT Entertainment
- Borrower : Brick Heads Limited
- Principal Loan Amount : HK\$15 million
- Interest Rate : 5% per annum
- Interest Periods : The Loan A2 has successive interest periods. Each interest period for the Loan A2 will be 6 months. The first interest period shall start on the drawdown date and end on and including the last day of the 6-month period. Each subsequent interest period shall start on the day following the preceding interest period and end on and include the last day of the 6-month period.
- Default Interest Rate : 20% per annum
- Drawdown Date : 25 September 2020

- Maturity Date : 12 months from the drawdown date, or such later date to be agreed by FT Entertainment in writing, and subject to such terms and conditions to be agreed between FT Entertainment and Borrower A.
- Repayment : Borrower A shall repay the principal loan amount together with accrued interest thereon on the maturity date, or at any time on demand.
- Prepayment : Borrower A may repay, in full or in part, the Loan A2 and the interest accrued to the outstanding balance of the Loan A2 before the maturity date. Any prepayment is subject to a minimum multiple of HK\$500,000 by giving not less than 30 days written notice to FT Entertainment.
- Purpose of the Loan : The proceeds of the Loan A2 shall be used exclusively by Borrower A for its general working capital purpose.
- Security : The Loan A2 is unsecured.

### **Supplemental Agreement A**

On 4 March 2021, FT Entertainment, Borrower A and RuiFu Development, as payment agent, entered into the Supplemental Agreement A, pursuant to which, an early partial repayment of the principal amount of the Loan A2 in the sum of HK\$7,500,000 was made by the RuiFu Development for and on behalf of Borrower A to FT Entertainment. Save as aforesaid, all other terms of the Loan Agreement A2 shall remain unchanged and continue to be in full force and effect.

### **Settlement Agreement A1**

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan A1 amounted to HK\$15,880,962, being the sum of the outstanding principal amount of HK\$12,500,000 and all the interest and default interest accrued on Loan A1 up to the date of this announcement of HK\$3,380,962. The Company received a request from Borrower A in relation to the settlement of the outstanding amount under Loan A1. After further negotiations, on 29 July 2022, the Company and Borrower A entered into the Settlement Agreement A1 for the settlement of the payment obligations and liabilities of Borrower A under the Loan Agreement A1.

The principal terms of the Settlement Agreement A1 are set out below:

- Date : 29 July 2022
- Parties : (1) The Company  
(2) Borrower A

Repayment : Borrower A irrevocably and unconditionally undertakes to repay HK\$13,936,046, being the sum of the outstanding principal amount of HK\$12,500,000 and all the interest and default interest (calculated based on the amended default interest rate of 6% per annum) accrued on Loan A1 up to the date of this announcement of HK\$1,436,046, to the Company in three instalments in the following manner for the full and final settlement of the Aggregate Outstanding Amounts under Loan A1:

(i) the first instalment of HK\$3,000,000 shall be paid on or before 31 December 2022;

(ii) the second instalment of HK\$4,000,000 shall be paid on or before 30 June 2023; and

(iii) the remaining balance of HK\$6,936,046 shall be paid on or before 31 December 2023.

Default of Repayment by Instalment(s) : If Borrower A fails to pay any of the instalments in accordance with the stipulated repayment date(s) as set out above, the Settlement Agreement A1 shall cease and determine and Borrower A is obliged to forthwith make repayment of the outstanding principal amount of Loan A1, and the interest and default interest accrued thereon in accordance with the terms of the Loan Agreement A1.

### **Settlement Agreement A2**

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan A2 amounted to HK\$9,184,374, being the sum of the outstanding principal amount of HK\$7,500,000 and all the interest and default interest accrued on Loan A2 up to the date of this announcement of HK\$1,684,374. FT Entertainment received a request from Borrower A in relation to the settlement of the outstanding amount under Loan A2. After further negotiations, on 29 July 2022, FT Entertainment and Borrower A entered into the Settlement Agreement A2 for the settlement of the payment obligations and liabilities of Borrower A under the Loan Agreement A2.

The principal terms of the Settlement Agreement A2 are set out below:

Date : 29 July 2022

Parties : (1) FT Entertainment  
(2) Borrower A

Repayment : Borrower A irrevocably and unconditionally undertakes to repay HK\$8,240,603, being the sum of the outstanding principal amount of HK\$7,500,000 and all the interest and default interest (calculated based on the amended default interest rate of 6% per annum) accrued on Loan A2 up to the date of this announcement of HK\$740,603, to FT Entertainment in three instalments in the following manner for the full and final settlement of the Aggregate Outstanding Amounts under Loan A2:

(i) the first instalment of HK\$1,500,000 shall be paid on or before 31 December 2022;

(ii) the second instalment of HK\$2,500,000 shall be paid on or before 30 June 2023; and

(iii) the remaining balance of HK\$4,240,603 shall be paid on or before 31 December 2023.

Default of Repayment by Instalment(s) : If Borrower A fails to pay any of the instalments in accordance with the stipulated repayment date(s) as set out above, the Settlement Agreement A2 shall cease and determine and Borrower A is obliged to forthwith make repayment of the outstanding principal amount of Loan A2, and the interest and default interest accrued thereon in accordance with the terms of the Loan Agreement A2.

## **THE PROVISION OF FINANCIAL ASSISTANCE TO BORROWER B**

### **Loan Agreement B**

On 18 May 2020, the Company, as lender, entered into the Loan Agreement B with Borrower B, pursuant to which the Company agreed to provide the Loan B in the principal amount of HK\$27 million to Borrower B for a term of 6 months.

The principal terms of the Loan Agreement B are set out below:

Date : 18 May 2020

Lender : The Company

Borrower : Sze Ka Ho

Principal Loan Amount : HK\$27 million

Interest Rate : 12% per annum



- Interest Periods : The Loan B has successive interest periods. Each interest period for the Loan B will be 1 month. The first interest period shall start on the drawdown date and end on and including the last day of the 1-month period. Each subsequent interest period shall start on the day following the preceding interest period and end on and include the last day of each 1-month period.
- Default Interest Rate : 20% per annum
- Drawdown Date : 19 May 2020
- Maturity Date : 6 months from the drawdown date, or such later date to be agreed by the Company in writing, and subject to such terms and conditions to be agreed between the Company and Borrower B.
- Repayment : Borrower B shall repay the principal loan amount together with accrued interest thereon on the maturity date, or at any time on demand.
- Prepayment : Borrower B may repay, in full or in part, the Loan B and the interest accrued to the outstanding balance of the Loan B before the maturity date. Any prepayment is subject to a minimum multiple of HK\$500,000 by giving not less than 30 days written notice to the Company.
- Purpose of the Loan : The proceeds of the Loan B shall be used exclusively by Borrower B for his personal use.
- Security : The Loan B is unsecured.

### **Supplemental Agreement B**

On 18 November 2020, the Company and Borrower B entered into the Supplemental Agreement B, pursuant to which, the maturity date of the Loan Agreement B was extended to a date falling 12 months from the drawdown date of Loan B, i.e. 18 May 2021. Save as aforesaid, all other terms of the Loan Agreement B shall remain unchanged and continue to be in full force and effect.

As at the date of this announcement, the Aggregate Outstanding Amounts under Loan B amounted to HK\$27,168,979, being the sum of the outstanding principal amount of HK\$18,900,000 and all the interest and default interest accrued on Loan B up to the date of this announcement of HK\$8,268,979. Following the default in repayment of Loan B, actions have been taken by the Company to recover the Aggregate Outstanding Amounts under Loan B, including but not limited to legal actions and negotiations with Borrower B in relation to the repayment schedule. Further announcement will be published to keep the shareholders and potential investors of the Company informed of the latest progress of the recovery actions as and when appropriate.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is a company incorporated in the Cayman Islands with limited liability. FT Entertainment is a limited company incorporated in British Virgin Islands and a direct wholly-owned subsidiary of the Company. The Group is primarily engaged in the mobile game operation and publishing business.

### **Borrower A**

Borrower A is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding.

### **Borrower B**

Borrower B is a merchant.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties and not connected with the Group.

## **REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE**

The provision of the financial assistance to Borrower A and Borrower B was funded by the Company's idle capital. The terms of the Loan Agreement A1, Loan Agreement A2 (as amended and supplemented by Supplemental Agreement A) and Loan Agreement B (as amended and supplemented by Supplemental Agreement B) were arrived at by the Group and the Borrowers after arm's length negotiations and are on normal commercial terms. Having considered the interests income to be received by the Group, the Directors consider that the terms of the respective Loan Agreements (as amended and supplemented by Supplemental Agreement A and Supplemental Agreement B, respectively) are fair and reasonable and the provision of financial assistance to the Borrowers is in the interest of the Company and its shareholders as a whole.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SETTLEMENT AGREEMENT A1 AND SETTLEMENT AGREEMENT A2**

The terms of the Settlement Agreement A1 were negotiated on an arm's length basis between the Company and Borrower A and the terms of the Settlement Agreement A2 were negotiated on an arm's length basis between FT Entertainment and Borrower A. The Directors are of the view that taking into account (i) the current financial situation of Borrower A, in particular, its business and hence, its ability to repay the Loan A1 and Loan A2 and the interests accrued thereon, have been adversely affected by the outbreak of the Coronavirus Disease 2019 and the current economic condition worldwide; (ii) it may not be in the Group's best interest to commence lengthy and costly legal proceedings or winding-up proceedings against Borrower A as it may be detrimental to the possibility of recovery of the outstanding amounts; and (iii) the entering into of the Settlement

Agreement A1 and Settlement Agreement A2 will allow the Group to recover at least the principal amount of Loan A1 and Loan A2 and part of the interests accrued thereon in accordance with the timetables agreed between the Group and Borrower A, the transactions contemplated under each of the Settlement Agreement A1 and the Settlement Agreement A2 are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **Loan Agreement A1**

At the material time when the Loan Agreement A1 was entered into, given that the applicable percentage ratios for the transactions contemplated thereunder were less than 5%, the Loan Agreement A1 was exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

### **Loan Agreement A2**

As the Loan Agreement A1 and the Loan Agreement A2 were both entered into by the Group with Borrower A, the transactions contemplated under the Loan Agreement A2 were aggregated with the transactions contemplated under the Loan Agreement A1. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Loan Agreement A2, when calculated on an aggregated basis with the transactions contemplated under the Loan Agreement A1, is more than 5% but less than 25%, the entering into of the Loan Agreement A2 constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the aggregated amount of financial assistance granted to Borrower A did not exceed 8% under the asset ratio as defined under Rule 14.07 of the Listing Rules, the transactions contemplated under the Loan Agreement A2 (on an aggregated basis with the transactions contemplated under the Loan Agreement A1) are not subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

However, due to the inadvertent mistake of the Management in the computation of size tests, the entering into of the Loan Agreement A2 had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules which constituted breaches of Chapter 14 of the Listing Rules at the material time.

### **Settlement Agreement A1 and Settlement Agreement A2**

As the Settlement Agreement A1 and the Settlement Agreement A2 were both entered into by the Group with Borrower A, the transactions contemplated under each of the Settlement Agreement A1 and Settlement Agreement A2 shall be aggregated. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Settlement Agreement A1, when calculated on an aggregated basis with the transactions contemplated under the Settlement Agreement A2, is more than 5% but less than 25%, the entering into of such transactions constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **Loan Agreement B**

At the material time when the Loan Agreement B was entered into, given that the applicable percentage ratios for the transactions contemplated thereunder were less than 5%, the Loan Agreement B was exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

## **Supplemental Agreement B**

As the Loan Agreement B and the Supplemental Agreement B were both entered into by the Company with Borrower B, the transactions contemplated under the Supplemental Agreement B were aggregated with the transactions contemplated under the Loan Agreement B. As the highest applicable percentage ratio (as defined under the Listing Rules) under the Supplemental Agreement B, when calculated on an aggregated basis with the transactions contemplated under the Loan Agreement B, is more than 5% but less than 25%, the entering into of the Loan Agreement B constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the aggregated amount of financial assistance granted to Borrower B did not exceed 8% under the asset ratio as defined under Rule 14.07 of the Listing Rules, the transactions contemplated under the Supplemental Agreement B (on an aggregated basis with the transactions contemplated under the Loan Agreement B) are not subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

However, due to the inadvertent mistake of the Management in the computation of size tests, the entering into of the Supplemental Agreement B had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules which constituted breaches of Chapter 14 of the Listing Rules at the material time.

## **REMEDIAL ACTIONS**

The Company regrets the omission of such disclosure and in order to avoid the occurrence of similar non-compliance with the Listing Rules in the future, the Company has/will implement(ed) the following measures and procedures:

1. the Directors have instructed the Management to take all necessary measures to examine all the loans of the Group and ensure they are in full compliance with the Listing Rules;
2. the Company will arrange to (i) hold regular departmental meetings to regularly monitor notifiable transactions, (ii) strengthen the reporting system between departments and Directors, and (iii) provide more guidance materials and trainings on compliance matters to the Directors, senior management and the financial staff of the Group on a regular basis to increase their awareness and knowledge of the Listing Rules; and
3. the Company will work more closely with its legal advisors on compliance issues.

It is always the intention of the Company to fully comply with the Listing Rules. The Board and senior management of the Group are now fully aware of the relevant requirements under the Listing Rules and will ensure that the Company will comply with the relevant Listing Rules and to avoid the recurrence of similar events in the future.

## FURTHER INFORMATION IN RELATION TO THE 2021 ANNUAL REPORT

Reference is made to the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”). Unless otherwise defined, capitalised terms used herein shall bear the same meanings as defined in the 2021 Annual Report.

In addition to the information provided in the 2021 Annual Report, the Board would like to provide further information in relation to the 2021 Annual Report as follows.

### **Loss allowance provision for note receivables and other receivables**

As disclosed in note 9 to the consolidated financial statements of the Group (as set out in the 2021 Annual Report), the Group recorded loss allowance provision for note receivables of approximately RMB202 million and loss allowance provision for other receivables of approximately RMB328 million (the “**Impairment Loss**”), the latter of which mainly consists of loan and interest receivables provided to various Independent Third Parties and an employee of the Group.

The recognition of the Impairment Loss was due to (i) the default of the subscription agreement (the “**Subscription Agreement**”) entered into between the Company and Orbitronic Global Development Co., Limited (the “**Note Issuer**”) dated 13 December 2019 (as amended and supplemented on 12 December 2020) for the subscription of loan notes (the “**Notes**”) and (ii) the defaults of the loans (the “**Loans**”) made to various borrowers (the “**Debtors**”) who are Independent Third Parties and an employee of the Group ((i) and (ii) collectively, the “**Defaults**”). The reasons for the Defaults are that the Note Issuer has failed and/or refused to redeem the Notes in accordance with the Subscription Agreement and the Debtors have failed and/or refused to repay the respective Loans.

Subsequent to the occurrence of the Defaults, the Group has initiated negotiation with the Note Issuer and the Debtors to recover the outstanding debts and had issued demand letters against the Note Issuer and various Debtors. As disclosed in the section headed “Additional Information Relating to the Qualified Opinion” under Management Discussion and Analysis of the 2021 Annual Report, the Group will continue negotiations with the relevant parties and may take further legal actions if necessary.

As at 31 March 2022, despite the abovementioned recovery actions taken by the Group, given that the recoverability of the notes receivables and the other receivables was uncertain, full impairments were made to such notes receivables and other receivables, hence leading to the Impairment Loss.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Aggregate Outstanding Amounts under Loan A1”	HK\$15,880,962, representing the outstanding principal loan amount of HK\$12,500,000 and all the interest and default interest accrued on Loan A1 up to the date of this announcement of HK\$3,380,962 under the Loan Agreement A1
“Aggregate Outstanding Amounts under Loan A2”	HK\$9,184,374, representing the outstanding principal loan amount of HK\$7,500,000 and all the interest and default interest accrued on Loan A2 up to the date of this announcement of HK\$1,684,374 under the Loan Agreement A2
“Aggregate Outstanding Amounts under Loan B”	HK\$27,168,979, representing the outstanding principal loan amount of HK\$18,900,000 and all the interest and default interest accrued on Loan B up to the date of this announcement of HK\$8,268,979 under the Loan Agreement B
“Board”	the board of Directors
“Borrowers”	including Borrower A and Borrower B
“Borrower A”	Brick Heads Limited, a company incorporated in British Virgin Islands with limited liability
“Borrower B”	Sze Ka Ho, an individual and Independent Third Party
“Company”	FingerTango Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“FT Entertainment”	FT Entertainment Limited, a company incorporated in British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A1”	the loan with a principal amount of HK\$25 million granted by the Company to Borrower A pursuant to the Loan Agreement A1
“Loan Agreements”	including Loan Agreement A1, Loan Agreement A2 and Loan Agreement B
“Loan Agreement A1”	the unsecured loan agreement dated 7 July 2020 entered into between the Company, as lender, and Borrower A, as borrower, in respect of Loan A1
“Loan Agreement A2”	the unsecured loan agreement dated 18 September 2020 entered into between FT Entertainment, as lender, and Borrower A, as borrower, in respect of Loan A2
“Loan Agreement B”	the unsecured loan agreement dated 18 May 2020 entered into between the Company, as lender, and Borrower B, as borrower, in respect of Loan B
“Loan A2”	the loan with a principal amount of HK\$15 million granted by FT Entertainment to Borrower A pursuant to the Loan Agreement A2
“Loan B”	the loan with a principal amount of HK\$27 million granted by the Company to Borrower B pursuant to the Loan Agreement B
“Management”	the management of the Group
“RuiFu Development”	RuiFu Development Co., Limited, a company incorporated in Hong Kong with limited liability
“Settlement Agreement A1”	the settlement agreement dated 29 July 2022 entered into between the Company and Borrower A in relation to the settlement of the outstanding amounts under the Loan Agreement A1
“Settlement Agreement A2”	the settlement agreement dated 29 July 2022 entered into between FT Entertainment and Borrower A in relation to the settlement of the outstanding amounts under the Loan Agreement A2

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement A”	the supplemental agreement dated 4 March 2021 entered into between FT Entertainment, Borrower A and RuiFu Development to amend and supplement the Loan Agreement A2
“Supplemental Agreement B”	the supplemental agreement dated 18 November 2021 entered into between the Company and Borrower B to amend and supplement the Loan Agreement B
“%”	per cent

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

Guangzhou, the People’s Republic of China, 29 July 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.*