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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)

## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF PRIVATE EQUITY FUND**

The Board of FingerTango Inc. (together with its subsidiaries, the “**Group**”) announced that on 11 January 2023, Shanghai Youmin (a PRC subsidiary of the Company) subscribed for the Private Equity Fund in the aggregate amount of RMB40,000,000 managed by Guangzhou Boniu. The subscription for the Private Equity Fund was funded by the Group’s surplus cash reserves.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the subscription for the Private Equity Fund exceeds 5% but is less than 25%, the subscription for the Private Equity Fund constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

### **THE SUBSCRIPTION OF PRIVATE EQUITY FUND**

The Board of FingerTango Inc. (together with its subsidiaries, the “**Group**”) announced that on 11 January 2023, Shanghai Youmin (a PRC subsidiary of the Company) subscribed for the Private Equity Fund in the aggregate amount of RMB40,000,000 managed by Guangzhou Boniu. The subscription for the Private Equity Fund was funded by the Group’s surplus cash reserves.

On 11 January 2023, Shanghai Youmin entered into a subscription agreement with Guangzhou Boniu and Guosen Securities in relation to the subscription of Private Equity Fund in an amount of RMB40,000,000.

The principal terms of the subscription agreement are summarised below:

Date of subscription:	11 January 2023
Product Name:	Private equity investment fund Yuedong Stable Win* (悅動穩贏 私募證券投資基金)
Parties:	Guangzhou Boniu, as the manager of the Private Equity Fund  Guosen Securities, as the custodian of the Private Equity Fund  Shanghai Youmin, as the subscriber of the Private Equity Fund
Principal Amount:	RMB40,000,000. The Board believes that the consideration of the subscription of the Private Equity Fund was determined on the basis of arm's length commercial terms.
Term of Investment:	The duration of the Private Equity Fund is 60 months, starting from the date of the establishment of the fund.
Subscription Price:	The net value per unit of the Private Equity Fund was RMB1 per unit as at the announcement date. The ultimate subscription price is subject to update to the net value per unit of the Private Equity Fund on the date of payment for the subscription consideration.
Investment objective and scope of the Private Equity Fund:	The objective of the Private Equity Fund is to pursue for value appreciation for the assets of the Private Equity Fund under the premise of controlling risks.  The scope of the Private Equity Fund is as follows:  (1) Shares (including online and offline private placement, online and offline application and subscription of new shares), options, bond, repurchase of bonds, reverse repurchase of bonds and other financial products traded on Shanghai Stock Exchange and Shenzhen Stock Exchange;  (2) Transactions of shares under Shanghai — Hong Kong Stock Connect and Shenzhen — Hong Kong Stock Connect;

- (3) Futures, options products and other financial products listed for transaction on China Financial Futures Exchange, Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange and Shanghai International Energy Exchange;
- (4) Bonds issued by central banks;
- (5) Securities margin trading;
- (6) Wealth management products from banks, bank deposit, cash;
- (7) Total return swap, with securities companies as the counterparty of the transaction;
- (8) Publicly offered equity investment fund, asset management plans issued by securities companies or its asset management subsidiaries, asset management plans issued by fund houses or its subsidiaries, asset management plans issued by futures companies or its subsidiaries, private equity investment funds, trust schemes (when investing in the abovementioned financial products, no investment should be made to their second class products).

Redemption:

Subscription shares of the funds may be redeemed at the option of their holders on the last working day of each natural month (excluding the month where the expiry date occurs is a fixed opening day). However, subscription shares of the funds may not be redeemed if the period other than the opening day is a closed period.

Transfer:

During the duration of the Private Equity Fund, under the written consent of fund manager, private equity fund share holders could, in accordance with the law, transfer its all or part of shares of fund to qualified investors. However, unless otherwise required by laws and regulations, after the completion of such transfer, the net assets of Private Equity Fund held by such private equity fund share holders shall not lesser than RMB1 million.

Fees, charges and expenses:

The following expenses in relation to the Private Equity Fund are payable to Guangzhou Boniu and Guosen Securities:

- (1) The management fee of 0.5% annum of the Manager;
- (2) The custodian fee of 0.05% annum of the Custodian;
- (3) The service fees of 0.05% annum of the service institution of the private equity fund;
- (4) performance-based compensation fee payable to fund manager as agreed in the subscription agreement;
- (5) Other fees that can be charged to the assets of the Private Equity Fund in accordance with the relevant national laws and regulations.

Product type:

A non principal-guaranteed product with variable return

Risk control:

The alert and stop-loss levels of this product have been determined.

If the net value of the fund's reference shares estimated by the Manager upon the closure of market (without review by the Custodian) is equal to or lower than the alert level for 3 consecutive working days (the third working day being T day), yet reaching the stop-loss level, It is deemed that the fund has reached the alert level, and the Manager shall not open new positions from T+1 day.

If the net value of the fund's reference shares estimated by the Manager upon the closure of market (without review by the Custodian) is equal to or lower than the stop-loss level for 3 consecutive working days (the third working day being T day), It is deemed that the fund has reached the stop-loss level, and the fund shall enter the liquidation period on T+1 as the termination date, in which case, the Manager shall irreversibly realize all the assets held by the fund until the liquidation is completed. If the assets of the fund cannot be realized in time due to the holding of securities with restricted circulation, assets being seized and frozen by the judiciary and other reasons that cannot be disposed of, the time for realizing the remaining assets will be postponed, and a second liquidation will be carried out when the assets become realizable.

With reference to market practices, including the performance-based compensation fee, the management fee, the custodian fee and the service fee for private equity funds, the Directors considered that the fees as mentioned above are fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF PRIVATE EQUITY FUND**

The Directors are of the view that (i) the subscription of the Private Equity Fund provides the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the subscription of the Private Equity Fund was funded by the Group's surplus cash reserves, and thus would not affect the Group's working capital position or operation; and (iii) appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds of the Group. Accordingly, the Directors consider that the subscription of the Private Equity Fund is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is a company incorporated in the Cayman Islands with limited liability. Shanghai Youmin Networks Technology Limited is a limited company incorporated in the PRC and one of the Company's PRC subsidiaries. The Group is primarily engaged in the mobile game operation and publishing business.

### **The Private Equity Fund, the Manager and the Custodian**

The Private Equity Fund was established on 10 September 2018, and is filed with the Asset Management Association of China. Its documentation number is SEJ173.

Guangzhou Boniu is a private equity investment fund management company established in the Mainland China. It is registered with the Asset Management Association of China, and its registration number is P1067450.

Guosen Securities is a securities company established in Mainland China. It is registered with the Asset Management Association of China, and its registration number is PT0300000209.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guangzhou Boniu and Guosen Securities and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or any connected persons (as defined under the Listing Rules) of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the Board of Directors
“Company”	FingerTango Inc., a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 6860)
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Boniu” or “the Manager”	Guangzhou Boniu Private Equity Securities Investment Management Co., Ltd.* (廣州博牛私募證券投資管理有限公司), the manager of the Private Equity Fund
“Guosen Securities” or “the Custodian”	Guosen Securities Co., Ltd.* (國信證券股份有限公司), the custodian of the Private Equity Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Private Equity Fund”	Private equity investment fund Yuedong Stable Win* (悅動穩贏私募證券投資基金)
“RMB”	Renminbi Yuan, the lawful currency of the People’s Republic of China
“Shanghai Youmin”	Shanghai Youmin Networks Technology Limited* (上海遊民網絡科技有限公司), a PRC subsidiary of the Company
“Shareholder(s)”	holder(s) of the shares of the Company

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“%”    per cent

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

Guangzhou, the People’s Republic of China, 11 January 2023

*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.*

\* *for identification purpose only*