



# 2023

## INTERIM REPORT



**FINGER  
TANGO**

**FingerTango Inc.**  
**指尖悅動控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6860



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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. LIU Jie (劉傑) (*Chairman and Chief Executive Officer*)  
Dr. CHAN Man Fung (陳文鋒) (appointed on 29 June 2023)  
Mr. ZHU Yanbin (朱炎彬) (resigned on 23 June 2023)

### Independent Non-executive Directors

Mr. CHOW Wing Yiu (周永堯) (appointed on 29 August 2023)  
Mr. JIANG Huihui (江輝輝) (appointed on 29 June 2023)  
Mr. SHIN Ho Chuen (單浩銓) (appointed on 29 August 2023)  
Mr. SUI Pengda (隋鵬達) (resigned on 29 June 2023)  
Dr. LIU Jianhua (柳建華) (resigned on 29 August 2023)  
Mr. GUO Jingdou (郭靜斗) (resigned on 29 August 2023)

## AUDIT COMMITTEE

Mr. CHOW Wing Yiu (周永堯) (*Chairperson*)  
(appointed on 29 August 2023)  
Mr. JIANG Huihui (江輝輝) (appointed on 29 June 2023)  
Mr. SHIN Ho Chuen (單浩銓) (appointed on 29 August 2023)  
Mr. SUI Pengda (隋鵬達) (resigned on 29 June 2023)  
Dr. LIU Jianhua (柳建華) (resigned on 29 August 2023)  
Mr. GUO Jingdou (郭靜斗) (resigned on 29 August 2023)

## REMUNERATION COMMITTEE

Mr. JIANG Huihui (江輝輝) (*Chairperson*)  
(appointed as member on 29 June 2023 and  
re-designated as chairperson on 29 August 2023)  
Dr. CHAN Man Fung (陳文鋒) (appointed on 29 June 2023)  
Mr. SHIN Ho Chuen (單浩銓) (appointed on 29 August 2023)  
Mr. ZHU Yanbin (朱炎彬) (resigned on 23 June 2023)  
Mr. SUI Pengda (隋鵬達) (resigned on 29 June 2023)  
Mr. GUO Jingdou (郭靜斗) (resigned on 29 August 2023)

## NOMINATION COMMITTEE

Mr. LIU Jie (劉傑) (*Chairperson*)  
Mr. JIANG Huihui (江輝輝) (appointed on 29 June 2023)  
Mr. SHIN Ho Chuen (單浩銓) (appointed on 29 August 2023)  
Mr. SUI Pengda (隋鵬達) (resigned on 29 June 2023)  
Mr. GUO Jingdou (郭靜斗) (resigned on 29 August 2023)

## AUTHORIZED REPRESENTATIVES

Dr. CHAN Man Fung (陳文鋒) (appointed on 29 June 2023)  
Ms. CHIK Wai Chun (戚偉珍) (appointed on 21 July 2023)  
Mr. LIU Jie (劉傑) (resigned on 29 June 2023)  
Ms. YU Anne (余安妮) (resigned on 21 July 2023)

## COMPANY SECRETARY

Ms. CHIK Wai Chun (戚偉珍) (appointed on 21 July 2023)  
Ms. YU Anne (余安妮) (resigned on 21 July 2023)

## LEGAL ADVISERS

*As to Hong Kong law:*

### O'Melveny & Myers

31st Floor, AIA Central  
1 Connaught Road Central  
Hong Kong

*As to Cayman Islands law:*

### Conyers Dill & Pearman (Cayman) Limited

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## AUDITOR

### ZHONGHUI ANDA CPA Limited

23/F, Tower 2, Enterprise Square Five  
38 Wang Chiu Road  
Kowloon Bay, Kowloon  
Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEADQUARTERS

Building 5, Zone A,  
Huaxin Kechuang Island,  
No. 248 Qiaotou Street,  
Haizhu District  
Guangzhou  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1602, 16/F., Park Commercial Centre  
180 Tung Lo Wan Road  
Causeway Bay  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

**Conyers Trust Company (Cayman) Limited**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG SHARE REGISTRAR

**Computershare Hong Kong Investor Services Limited**

Shops 1712–1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## PRINCIPAL BANK

**China Merchants Bank Co. Ltd.**

Guangzhou Gaoxin Branch  
1 Huajing Road, Zhongshan Avenue  
Guangzhou  
PRC

## COMPANY WEBSITE

[www.fingertango.com](http://www.fingertango.com)

## STOCK CODE

6860

## LISTING DATE

12 July 2018

# Management Discussion and Analysis

## MARKET OVERVIEW

According to the China Gaming Industry Report for January-June 2023 (《2023年1-6月中 國遊 戲產 業報 告》) issued by the Game Publishers Association Publications Committee (GPC) of the China Audio-video and Digital Publishing Association (中國音數協遊 戲工 委) and China Game Industry Research Institute (中 國遊 戲產 業研 究院), China's game industry saw a rebound from pressure, with a remarkable upward trend for market revenue amid the sluggish global game industry. In the first half of 2023, the actual sales revenue from China's gaming market was RMB144.263 billion, representing a decrease of 2.39% as compared to the corresponding period last year. Among them, the actual sales revenue from the mobile games market was RMB106.705 billion in the first half of 2023, representing a decrease of 3.41% as compared to the corresponding period last year. The year-on-year decrease in revenue was mainly attributable to the drop in users' online hours and the insignificant recovery in consumption willingness and spending power at the early stage of economic recovery, which resulted in a short-term negative impact on the revenue from the game industry.

In the first half of 2023, revenue from China's independently developed games in overseas market was US\$8.206 billion, representing a decrease of 8.72% as compared to the corresponding period last year. Users' consumption willingness and spending power were also affected by the economic downturn in the major overseas markets. International conflicts, exchange rate fluctuations and intensifying market competition have significantly increased overseas marketing costs. SLG came out top in terms of revenue from China's independently developed games in overseas markets, accounting for 33.5%.

In the first half of 2023, the number of gamers in China reached 668.0 million, representing an increase of 0.35% year-on-year. The regulatory authorities further strengthened measures to protect the minors from online games, which promoted the standardized management of the game industry and made the user structure more healthy and reasonable, but the user scale encountered a bottleneck. Along with the dwindling demographic dividend, the growth of China's game users continued to slow down and the competition in the game market became more intense.

In the first half of 2023, there are 549 games with publication license approved by the National Press and Publication Administration (NPPA), exceeding 512 approved in 2022. The number of approvals for games with publication license has begun to stabilize.

In addition, it has been an industry consensus that the unit cost of game advertising and promotion activities is increasing year by year, and the way to reduce waste of resources caused by ineffective exposure and invalid clicks has become one of the market challenges that major game publishers should pay attention to.

## BUSINESS REVIEW

During the Reporting Period, the Group recorded revenue of approximately RMB312.6 million, a decrease of approximately 20.4% as compared to the corresponding period last year. Decrease in revenue was mainly attributable to the combined effect of (i) revenue during the Reporting Period was partially offset by a natural drop of revenue from the classic games which have been in operation for years and are in their mature stage; (ii) 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; (iii) the recovery of consumption willingness and spending power of game players was in significant at the early stage of economic recovery; and (iv) uncertain outcome of advertising and promotion activities.

During the Reporting Period, the loss attributable to owners of the Company recorded approximately RMB21.0 million, as compared to approximately RMB63.7 million in the corresponding period last year. The decrease in loss was primarily due to (i) decrease in selling and marketing expenses as we engaged in less advertising and promotion activities during the Reporting Period; and (ii) decrease in administrative expenses resulting from reversal of provision for expected credit losses (“ECL”) of other receivables.

In view of the market conditions, we have made strategic adjustment and planning in the launch of our new games, and have been conducting comprehensive tests for the new titles launched during the Reporting Period. Deep optimization customizing to the players' evolving preferences was also conducted to ensure their sound performance upon official launch. On the other hand, new titles launched during the Reporting Period are still in the promotion period and the stage of incubation of player base. It is expected the growth momentum of the new games and their contribution to the revenue of the Group would be gradually unleashed in the second half of 2023 and after.

In response to the increasing unit cost and uncertain outcome of advertising and promotion activities, we have adapted and re-positioned to refine our game operations, and sought out innovative promotion channels.

During the Reporting Period, we have seen increased user stickiness as the monthly active users (MAUs) reached 2.9 million, representing a growth of 19.5% as compared to the corresponding period last year. As at 30 June 2023, the total number of accumulative registered users maintained a steady growth and reached 215.4 million, representing a 10.9% growth as compared to the corresponding period last year. The enormous user base enables us to better understand player preferences and market changes through strong data analytics ability, so as to launch new games with higher popularity in the market, and to conduct targeted marketing with more cost-effective strategies.

### OUTLOOK FOR THE SECOND HALF OF 2023

The current approval policy of online game publication and increasingly strict license censorship for games launched in China will result in a more regulated game industry. Specifically, the limitation on approval has driven game developers and operators to be more innovative, producing more premium products. Due to the lagging effect of the new policy, it will take a certain time for the industry to adjust their strategies and operations before the growth impetus is in full play in future.

Adherence to and focus on long lifecycle products, the concept of continuous operation with long-term flow, and constant offer of new gameplay to extend product lifecycle — these are our initial intention and our advantage and development strategy. In the face of a complex and changing market environment, we will always insist on developing products with the first-class technology, optimizing game in full dimension, and extending the lifecycle of our games with the continuous enriched and enhanced player experience, thereby improving the ability to monetization and continuing to generate stable revenue for the Group.

We are conducting comprehensive tests for the new titles to be launched in the second half of 2023 while optimizing product launch strategies and plans. Over the years, we have accumulated an immense user database. We will continue to leverage our big data analytics ability with our proprietary multi-dimensional data analysis engine which collates and structures our data in a variety of ways for ad-hoc analysis and real-time on-line analysis. Moreover, we will enhance gameplay strategies, characters, scenes, technical depth, and other parameters and improve cross-promotion efficacy by analyzing player demographic, gameplay preference, gaming time, level-up, in-game purchase amount and user turnover rate, etc. These initiatives are being performed to ensure sound performance after the official launch.

In the past six months, the Group was striving for the sustainable development of business and actively laying a foundation for healthy growth in the future despite the challenges. Looking ahead, we will continue to extend our existing game portfolio and broaden our game category while focusing on the SLG game segment. We will implement the concept of “Premium Game” and strive to create high-quality games. While adhering to the original aspirations with commitment, ambition and perseverance, we will also continue to stride forward against adversity, be so deeply versed and accumulated as to be able to present it with ease, and through which we aspire to turn to a new chapter in the Group’s development.

## FINANCIAL PERFORMANCE

### Revenue

During the Reporting Period, the Group recorded revenue of approximately RMB312.6 million, a decrease of approximately 20.4% as compared to the corresponding period last year. Decrease in revenue was mainly attributable to the combined effect of (i) revenue during the Reporting Period was partially offset by a natural drop of revenue from the classic games which have been in operation for years and are in their mature stage; (ii) 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; (iii) the recovery of consumption willingness and spending power of game players was in significant at the early stage of economic recovery; and (iv) uncertain outcome of advertising and promotion activities.

With respect to revenue categorized by method of publication, self-publishing revenue was approximately RMB146.8 million, representing approximately 47.0% of the total revenue as compared to approximately 48.0% in the corresponding period last year. Co-publishing revenue surpassed self-publishing revenue and recorded approximately RMB165.8 million, representing approximately 53.0% of the total revenue, as compared to approximately 52.0% in the corresponding period last year.

### Cost of Revenue

Cost of revenue in the Reporting Period was approximately RMB137.9 million and decreased by approximately 4.8% or approximately RMB7.0 million as compared to the corresponding period last year. It was mainly due to decrease in platform sharing charges and commissions charged by game developers.

### Gross Profit and Gross Profit Margin

During the Reporting Period, gross profit was approximately RMB174.8 million as compared to approximately RMB248.0 million in the corresponding period last year. Gross profit margin decreased from approximately 63.1% to approximately 55.9% as compared to the corresponding period last year, since the magnitude of the decrease in cost is smaller than that of the decrease in revenue.



# Management Discussion and Analysis

## Other Income

During the Reporting Period, other income was approximately RMB2.0 million as compared to approximately RMB4.3 million in the corresponding period last year. The decrease was mainly due to the decrease in government grant and deduction of value-added tax recognized during the Reporting Period.

## Other Gains/(Losses), net

During the Reporting Period, net other gains were approximately RMB1.7 million as compared to net other losses of approximately RMB0.09 million in the corresponding period last year, primarily attributable to changes in fair value of investments at fair value through profit or loss.

## Interest revenue

During the Reporting Period, interest revenue was approximately RMB3.9 million as compared to approximately RMB4.6 million in the corresponding last year. The decrease was mainly due to the decrease in interest revenue from bank balances and loans to third parties.

## Selling and Marketing Expenses

Selling and marketing expenses in the Reporting Period were approximately RMB144.7 million, decreased by approximately 43.3% or approximately RMB110.4 million as compared to the corresponding period last year. It constituted approximately 46.3% of the total revenue, comparing to approximately 64.9% in the corresponding period last year. The decrease was primarily due to reduction in advertising and promotion activities as we made strategic adjustment and planning in the launch of our new games.

## Administrative Expenses

Administrative expenses of the Group in the Reporting Period were approximately RMB17.5 million as compared to approximately RMB35.1 million in the corresponding period last year. The decrease was primarily due to increase in reversal of provision for ECL of other receivables.

## Research and Development Expenses

Research and development expenses of the Group in the Reporting Period were approximately RMB40.0 million, increased by approximately 13.3% or approximately RMB4.7 million as compared to the corresponding period last year. The increase was primarily attributable to increase in employee benefits of research and development staff of the Group which was partially offset by decrease in depreciation of property and equipment and right-of-use asset, and amortisation of certain intangible assets.

## Income Tax (Expense)/Credit

The Group recorded an income tax expense of approximately RMB0.6 million for the Reporting Period as compared to an income tax credit of approximately RMB5.8 million for the corresponding period last year. It was mainly due to decrease in contract liabilities.

## Loss for the Reporting Period

During the Reporting Period, the loss attributable to owners of the Company recorded approximately RMB21.0 million as compared to approximately RMB63.7 million in the corresponding period last year. The decrease in loss was primarily due to (i) decrease in selling and marketing expenses as we engaged in less advertising and promotion activities during the Reporting Period; and (ii) decrease in administrative expenses resulting from reversal of provision for ECL of other receivables.

## Liquidity and source of funding and borrowing

As at 30 June 2023, current assets of the Group amounted to approximately RMB810.2 million, including bank and cash balances of approximately RMB512.5 million and other current assets of approximately RMB297.7 million. Current liabilities of the Group amounted to approximately RMB216.1 million, including trade payables and contract liabilities of approximately RMB117.2 million and other current liabilities of approximately RMB98.9 million. As at 30 June 2023, the current ratio (current assets to current liabilities ratio) of the Group was 3.8, as compared with 3.5 as at 31 December 2022.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations as at 30 June 2023 and the resulting gearing ratio is nil. The Group intends to finance the expansion, investments and business operations with internal resources.

# Management Discussion and Analysis

## Investments at Fair Value through Profit or Loss

As at 30 June 2023, investments at fair value through profit or loss were approximately RMB250.2 million. Details of investments at fair value through profit or loss for the Reporting Period are shown as below:

	Fair value as at 31 December 2022 RMB million (Audited)	Increases for the 6 months ended 30 June 2023 RMB million (Unaudited)	Changes in fair value for the 6 months ended 30 June 2023 RMB million (Unaudited)	Settlements for the 6 months ended 30 June 2023 RMB million (Unaudited)	Currency translation differences for the 6 months ended 30 June 2023 RMB million (Unaudited)	Fair value as at 30 June 2023 RMB million (Unaudited)
Listed equity securities in Hong Kong	15.6	—	(2.1)	—	0.4	13.9
Wealth management products:						
Central China Dragon Growth Fund SP7 [中州龍騰增長七號基金]	63.4	—	1.6	—	2.1	67.1
Private equity investment fund Boniu Yuedong (previously named Private equity investment fund Yuedong Stable Win)[博牛悅動 私募證券投資基金](原名「悅動 穩贏私募證券投資基金」)	—	40.0	0.8	—	—	40.8
Non-capital protected wealth management products (非保本理 財產品)						
Placed on:						
China Merchants Bank Co., Ltd.* ("CMB")	—	60.0	0.3	(30.2)	—	30.1
CIB Wealth Management Co., Ltd.* ("CIB Wealth Management")	—	60.0	0.2	(30.1)	—	30.1
SPD Wealth Management Co., Ltd.* ("SPD Wealth Management")	—	30.0	0.1	—	—	30.1
CGB Wealth Management Co., Ltd.* ("CGB Wealth Management")	—	60.0	0.3	(30.3)	—	30.0
CMB Financial Management Co., Ltd.*	30.2	—	(0.2)	(30.0)	—	—
Shanghai Pudong Development Bank Co., Ltd.* ("SPD Bank")	30.0	90.0	0.3	(120.3)	—	—
Investments in private company A	8.0	—	—	—	—	8.0
Investments in private company B	0.1	—	—	—	—	0.1
<b>Total</b>	<b>147.3</b>	<b>340.0</b>	<b>1.3</b>	<b>(240.9)</b>	<b>2.5</b>	<b>250.2</b>

\* for identification purpose only.

## Management Discussion and Analysis

Listed securities in Hong Kong primarily included 16,962,000 shares of China Gas Industry Investment Holdings Co. Ltd. (Stock code: 1940) (“**CGII Shares**”) acquired on the open market during the period from 10 March 2021 to 15 March 2021 (both dates inclusive) and other listed securities acquired on the open market during the year ended 31 December 2021. The highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules in relation to acquisitions of other listed securities) is less than 5% at the time of acquisitions. For further details of the acquisitions of CGII Shares, please refer to the announcement of the Company dated 15 March 2021.

The terms of investments in wealth management products of various commercial banks varies among different banks with maturity of less than 99 days. As at 30 June 2023, carrying amount of the investments in wealth management products of various commercial banks was approximately RMB120.3 million. For further details of certain wealth management products invested through commercial banks during the Reporting Period, please refer to the announcements of the Company dated 7 February 2023, 8 February 2023, 15 March 2023, 23 March 2023, 24 March 2023, 27 April 2023, 19 May 2023, 7 June 2023 and 28 June 2023.

### EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2023, the Group had a total of 347 employees, comparing to 358 employees as at 30 June 2022. The Group provides employees with competitive remuneration and benefits, and the Group’s remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provide training programs to employees, including new hire training for new employees and continuing technical training primarily for our research and development team and game operation team to enhance their skill and knowledge.

### SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group has no significant investment, acquisition and disposal of subsidiaries, associates and joint ventures during the Reporting Period.

### PLEDGE OF ASSETS

As at 30 June 2023, none of the Group’s assets was pledged.

### CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any material contingent liabilities.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	(Unaudited) Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	5	<b>312,622</b>	392,795
Cost of revenue		<b>(137,871)</b>	(144,824)
<b>Gross profit</b>		<b>174,751</b>	247,971
Selling and marketing expenses		<b>(144,658)</b>	(255,057)
Administrative expenses		<b>(17,453)</b>	(35,148)
Research and development expenses		<b>(40,018)</b>	(35,315)
Other income		<b>1,966</b>	4,296
Other gains/(losses), net	6	<b>1,682</b>	(90)
<b>Operating loss</b>		<b>(23,730)</b>	(73,343)
Interest revenue		<b>3,915</b>	4,590
Lease interests		<b>(598)</b>	(742)
<b>Loss before income tax</b>		<b>(20,413)</b>	(69,495)
Income tax (expense)/credit	7	<b>(634)</b>	5,800
<b>Loss for the period attributable to owners of the Company</b>	8	<b>(21,047)</b>	(63,695)
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>9,361</b>	14,258
<b>Other comprehensive income for the period, net of income tax</b>		<b>9,361</b>	14,258
<b>Total comprehensive expense for the period attributable to owners of the Company</b>		<b>(11,686)</b>	(49,437)
<b>Loss per share (RMB)</b>	10		
— Basic		<b>(0.0111)</b>	(0.0335)
— Diluted		<b>(0.0111)</b>	(0.0335)

# Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	13,552	12,998
Right-of-use assets		19,314	22,242
Intangible assets		14,709	15,970
Investments at fair value through profit or loss	12	115,941	71,457
Prepayments and deposits		4,919	4,923
Other receivables	14	2,395	2,841
Deferred tax assets		17,162	18,681
<b>Total non-current assets</b>		<b>187,992</b>	149,112
<b>Current assets</b>			
Trade receivables	13	89,747	67,238
Contract costs		22,593	24,646
Prepayments and deposits		24,303	24,811
Other receivables	14	24,459	29,594
Investments at fair value through profit or loss	12	134,298	75,846
Restricted bank deposits		2,374	2,213
Bank and cash balances		512,474	682,799
<b>Total current assets</b>		<b>810,248</b>	907,147
<b>TOTAL ASSETS</b>		<b>998,240</b>	1,056,259
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		62	62
Reserves		766,062	777,748
<b>Total equity</b>		<b>766,124</b>	777,810

# Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	15	52,221	61,408
Contract liabilities		64,967	69,642
Accruals and other payables		72,010	89,480
Lease liabilities		7,237	7,486
Current tax liabilities		19,624	31,353
<b>Total current liabilities</b>		<b>216,059</b>	259,369
<b>Non-current liabilities</b>			
Lease liabilities		16,057	19,080
<b>Total liabilities</b>		<b>232,116</b>	278,449
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>998,240</b>	1,056,259

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	(Unaudited)					
	Attributable to owners of the Company					
	Share capital	Share premium	Shares held for RSU Scheme	Reserves	Retained profits/ losses (accumulated)	Total
	RMB'000	RMB'000	RMB'000	RMB'000 (Note 16)	RMB'000	RMB'000
<b>At 1 January 2022</b>	62	712,720	(2)	133,812	47,707	894,299
Total comprehensive income/ (expense) for the period	—	—	—	14,258	(63,695)	(49,437)
<b>At 30 June 2022</b>	62	712,720	(2)	148,070	(15,988)	844,862
<b>At 1 January 2023</b>	62	712,720	(2)	156,677	(91,647)	777,810
Total comprehensive income/ (expense) for the period	—	—	—	9,361	(21,047)	(11,686)
<b>At 30 June 2023</b>	62	712,720	(2)	166,038	(112,694)	766,124



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Cash used in operating activities	(63,727)	(15,099)
Income tax paid	(10,844)	(5,464)
Interest received	4,763	6,292
Lease interests paid	(598)	(742)
<b>Net cash used in operating activities</b>	<b>(70,406)</b>	<b>(15,013)</b>
<b>Cash flows from investing activities</b>		
Release of time deposits	—	20,000
Purchases of property and equipment	(2,885)	(5,252)
Proceeds from disposals of property and equipment	—	35
Purchases of intangible assets	(1,215)	(5,565)
Purchases of investments at fair value through profit or loss	(340,000)	(90,000)
Settlement of investments at fair value through profit or loss	240,859	86,072
Prepayments for purchases of intangible assets	—	(2,830)
Other investing cash flows	(161)	86
<b>Net cash (used in)/generated from investing activities</b>	<b>(103,402)</b>	<b>2,546</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(3,272)	(3,159)
<b>Net cash used in financing activities</b>	<b>(3,272)</b>	<b>(3,159)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(177,080)</b>	<b>(15,626)</b>
Effect of foreign exchange rate changes	6,755	8,351
<b>Cash and cash equivalents at the beginning of the period</b>	<b>682,799</b>	<b>608,041</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>512,474</b>	<b>600,766</b>
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	512,474	600,766

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 1. General Information

FingerTango Inc. (the “**Company**”) was incorporated in the Cayman Islands on 9 January 2018 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Room 1602, 16/F., Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong. The address of its headquarters is Building 5, Zone A, Huaxin Kechuang Island, No. 248 Qiaotou Street, Haizhu District, Guangzhou, the People’s Republic of China (the “**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated financial statements are presented in Renminbi, which is the Company’s presentation currency and the functional currency of the principal operating subsidiaries of the Company.

The Company is an investment holding company. The principal activities of the principal operating subsidiaries of the Company are development, operation and publishing of mobile game business in the PRC.

## 2. Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2022.

## 3. Adoption of New and Revised International Financial Reporting Standards

In the current period, the Company and its subsidiaries (collectively referred to as the “**Group**”) has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 4. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### (a) Disclosures of level in fair value hierarchy

Fair value measurements using: Description	(Unaudited)		Total
	Level 1 RMB'000	Level 3 RMB'000	30 June 2023 RMB'000
<i>Recurring fair value measurements:</i>			
Investments at fair value through profit or loss			
– Listed equity securities in Hong Kong	13,964	–	13,964
– Unlisted wealth management products	–	228,242	228,242
– Private equity investments	–	8,033	8,033
Total recurring fair value measurements	13,964	236,275	250,239

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 4. Fair Value Measurements (continued)

### (a) Disclosures of level in fair value hierarchy (continued)

Fair value measurements using: Description	(Audited)		Total 31 December 2022
	Level 1 RMB'000	Level 3 RMB'000	RMB'000
<i>Recurring fair value measurements:</i>			
Investments at fair value through profit or loss			
— Listed equity securities in Hong Kong	15,632	—	15,632
— Unlisted wealth management products	—	123,638	123,638
— Private equity investments	—	8,033	8,033
<b>Total recurring fair value measurements</b>	<b>15,632</b>	<b>131,671</b>	<b>147,303</b>

### (b) Reconciliation of assets measured at fair value based on level 3

Description	(Unaudited) Investments at fair value through profit or loss	
	2023 RMB'000	2022 RMB'000
<b>At 1 January</b>	<b>131,671</b>	159,547
Total gains or losses recognised in profit or loss (#)	<b>3,400</b>	2,412
Additions	<b>340,000</b>	90,000
Settlements	<b>(240,859)</b>	(86,072)
Currency translation differences	<b>2,063</b>	2,712
<b>At 30 June</b>	<b>236,275</b>	168,599
(#): Include gains or losses for assets held at the end of the reporting period	<b>2,756</b>	1,642

The total gains or losses recognised in profit or loss including those for assets held at the end of the reporting period are presented in other gains/(losses), net in the condensed consolidated statement of profit or loss and other comprehensive income.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 4. Fair Value Measurements (continued)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period

The Group's chief financial officer is responsible for the fair value measurements of assets required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors of the Company (the "Board") for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group has a team that manages the valuation exercise of level 3 financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least twice every year, the team would use valuation techniques to determine the fair value of the Group's level 3 financial instruments. External valuation expert will be involved when necessary.

#### Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 30 June 2023 RMB'000 (Unaudited)
<b>Investments at fair value through profit or loss</b>					
– Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	228,242
	Discounted cash flow	Estimated return	3.0%-3.5%	Increase	
– Private equity investments	Discounted cash flow	Weighted average cost of capital	40.0%	Decrease	8,033
		Long-term revenue growth rate	31.9%-38.3%	Increase	
		Discount for lack of marketability	20.0%	Decrease	

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 4. Fair Value Measurements (continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period (continued)

### Level 3 fair value measurements (continued)

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 31 December 2022 RMB'000 (Audited)
<i>Investments at fair value through profit or loss</i>					
– Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	123,638
	Discounted cash flow	Estimated return	3.2%-3.3%	Increase	
– Private equity investments	Discounted cash flow	Weighted average cost of capital	40.0%	Decrease	8,033
		Long-term revenue growth rate	38.2%-38.5%	Increase	
		Discount for lack of marketability	20.0%	Decrease	

There were no changes in the valuation techniques used.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 5. Revenue and Segment Information

The Group's chief operating decision maker has been identified as its executive directors, who review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Therefore, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially located in the PRC and substantially all of the Group's revenues are derived from the PRC. Therefore, no geographical segments are presented.

	(Unaudited) Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Self-publishing	146,786	188,428
Co-publishing	165,836	204,367
Total revenue	312,622	392,795
<b>Disaggregation of revenue from contracts with customers:</b>		
Timing of revenue recognition		
Over time	312,622	392,795

Revenue from major customers:

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (six months ended 30 June 2022: nil).

The following table summarises the percentage of revenue from games licensed by a single game developer exceeding individually 10% of the Group's revenue during the six months ended 30 June 2023 and 2022:

	(Unaudited) Six months ended 30 June	
	2023	2022
Game developer a	68.2%	49.8%
Game developer b	#	21.1%
Game developer c	#	10.8%
Game developer d	#	10.7%

# The amount of revenue from corresponding game developer was less than 10% of the total revenue for the relevant period.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 6. Other Gains/(Losses), Net

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Changes in fair value of investments at fair value through profit or loss	1,264	(5,278)
Gain on disposals of property and equipment	—	9
Net foreign exchange gains	380	5,568
Others	38	(389)
	1,682	(90)

## 7. Income Tax (Expense)/Credit

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Current tax	885	(441)
Deferred tax	(1,519)	6,241
	(634)	5,800

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries of the Company in the PRC is 25% (six months ended 30 June 2022: 25%).

Shanghai Kaixi Networks Technology Limited (“Kaixi Networks”), a subsidiary of the Company, was accredited as “software enterprise” under the relevant PRC laws and regulations. It is exempt from EIT for two years, followed by 50% reduction in the applicable tax rates for the next three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years.

Kaixi Networks started to enjoy the 0% preferential tax rate for two years beginning from year 2021, followed by 50% reduction in the applicable tax rates for the next three years, since it has made profit in year 2021.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 8. Loss for the Period

The Group's loss for the period is stated after charging/(crediting) the following:

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Amortisation of intangible assets	2,408	3,291
Depreciation	5,259	7,954
Loss allowance provision for trade receivables (included in administrative expenses)	1,684	747
Reversal of provision for expected credit losses ("ECL") of other receivables (included in administrative expenses)	(11,513)	(237)
Staff costs including directors' emoluments	55,038	62,614

## 9. Dividend

No dividends was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2023, nor has any dividend been proposed at the end of the reporting period (six months ended 30 June 2022: nil).

## 10. Loss per Share

The calculation of the basic and diluted loss per share is based on the following:

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Loss</b>		
Loss for the purpose of calculating basic and diluted loss per share	(21,047)	(63,695)
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,899,956	1,899,956

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary share during the six months ended 30 June 2023 and 2022.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 11. Property and Equipment

During the six months ended 30 June 2023, the Group acquired property and equipment of RMB2,885,000 (six months ended 30 June 2022: RMB7,245,000).

## 12. Investments at Fair Value through Profit or Loss

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Listed equity securities in Hong Kong	13,964	15,632
Unlisted wealth management products	228,242	123,638
Private equity investments	8,033	8,033
<b>Total investments at fair value through profit or loss</b>	<b>250,239</b>	<b>147,303</b>
Analysed as:		
Non-current assets	115,941	71,457
Current assets	134,298	75,846
	<b>250,239</b>	<b>147,303</b>

## 13. Trade Receivables

The ageing analysis of trade receivables, based on recognition date of trade receivables, and net of allowance, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0 to 1 month	25,955	25,995
1 month to 3 months	45,346	35,240
3 months to 6 months	16,466	5,292
6 months to 1 year	1,980	711
	<b>89,747</b>	<b>67,238</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 14. Other Receivables

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Input value-added tax to be deducted	3,955	3,163
Interest receivables	24,011	23,264
Loans to third parties	397,120	397,894
Receivables from game developers	5,931	5,931
Finance lease receivables	3,276	3,702
Others	13,692	19,639
	<b>447,985</b>	453,593
Less: provision for ECL	<b>(421,131)</b>	(421,158)
	<b>26,854</b>	32,435
Analysed as:		
Non-current assets	2,395	2,841
Current assets	24,459	29,594
	<b>26,854</b>	32,435

## 15. Trade Payables

The ageing analysis of trade payables, based on recognition date of trade payables, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0 to 1 month	13,534	10,582
1 month to 3 months	25,687	23,962
3 months to 6 months	11,167	15,952
6 months to 1 year	1,341	6,443
Over 1 year	492	4,469
	<b>52,221</b>	61,408

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 16. Reserves

	Share-based payments reserve RMB'000	Statutory reserve RMB'000	(Unaudited) Foreign currency translation reserve RMB'000	Equity investments revaluation reserve RMB'000	Total RMB'000
<b>At 1 January 2022</b>	148,518	16,903	(23,209)	(8,400)	133,812
Currency translation differences	—	—	14,258	—	14,258
<b>At 30 June 2022</b>	148,518	16,903	(8,951)	(8,400)	148,070
<b>At 1 January 2023</b>	148,518	16,903	(344)	(8,400)	156,677
Currency translation differences	—	—	9,361	—	9,361
<b>At 30 June 2023</b>	148,518	16,903	9,017	(8,400)	166,038

## 17. Contingent Liabilities

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: nil).

## 18. Capital Commitments

The Group's capital commitments at the end of the reporting period are as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Intangible assets — Contracted but not provided for	15,020	8,020

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

## 19. Related Party Transactions

### Key management personnel compensations

The compensations paid or payable to key management personnel (including the Board, chief executive officer and other senior executives) for employee services are as follows:

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Wages, salaries and bonuses	2,495	2,595
Pension costs — defined contribution plans	25	27
Social security costs, housing benefits and other employee benefits	39	37
	2,559	2,659

## 20. Litigation

### Event of Default of Notes of the Issuer

The Company subscribed secured notes in the principal amount of HK\$250,000,000 (the “**Notes**”) issued by Orbitronic Global Development Co., Limited (the “**Issuer**”) on 13 December 2019, the maturity date of the Notes was extended from 12 December 2020 to 12 June 2021 (the “**Extended Maturity Date**”). The Issuer failed to repay the principal amount of the Notes together with the accrued interests on the Notes, which amounted to HK\$8,750,000 as at the Extended Maturity Date to the Company and such sums remained outstanding as at the date of this report, in such case the Issuer constituted an event of default. For further details, please refer to the announcements of the Company dated 12 December 2020 and 22 June 2021.

In August 2023, the Company engaged a Hong Kong legal firm to issue a demand letter, accompanied by a draft writ of summons, in order to apply pressure and expedite the above settlement process.

## 21. Events after the Reporting Period

As at the date of this report, the Group has subscribed for the wealth management products after the end of the reporting period as below:

1. On 26 July 2023, Shanghai Youmin Networks Technology Limited (“**Shanghai Youmin**”) subscribed for a wealth management product “Wealth Management Product WenXiangLingDongHuiLi No. 2 Version Anxin of BOCOM Wealth Management with 90-day holding period” distributed by CMB in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return range of 2.60% to 4.00% per annum (“**p.a.**”). For further details, please refer to the announcement of the Company dated 26 July 2023.
2. On 4 August 2023, Shanghai Youmin subscribed for a wealth management product “Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 3.00% p.a.. For further details, please refer to the announcement of the Company dated 4 August 2023.

## 22. Approval of the Condensed Consolidated Financial Statements

The condensed consolidated financial statements were approved and authorised for issue by the Board on 31 August 2023.

# Other Information

## USE OF PROCEEDS

Upon the listing of the Company on 12 July 2018, the Company raised net proceeds (the “**Net Proceeds**”) of HK\$967.1 million. Summary of the usages and amounts of the Net Proceeds utilised and the remaining Net Proceeds as at 30 June 2023 is set out as follows:

Intended use of Net Proceeds	Percentage of the Net	Amount	Amount of the	Amount of Net	Amount of the
	Proceeds for each	of the Net Proceeds	remaining Net	Proceeds utilised	remaining Net
	intended usage	for each intended	Proceeds as at 31	during the six	Proceeds as at 30
	%	usage	December 2022	months ended 30	June 2023
		HK\$' Million	HK\$' Million	June 2023	June 2023
				HK\$' Million	HK\$' Million
Develop game sourcing capabilities and ensure us to acquire high quality game content	35%	338.5	279.6	(1.1)	278.5
Establish in-house game development team	25%	241.8	139.9	(20.1)	119.8
Fund marketing and promotional activities	20%	193.4	—	—	—
Expand into overseas markets and develop overseas operation	10%	96.7	—	—	—
Working capital and general corporate purposes	10%	96.7	52.7	(7.2)	45.5
<b>Total</b>	<b>100%</b>	<b>967.1</b>	<b>472.2</b>	<b>(28.4)</b>	<b>443.8</b>

The expected timeline for fully utilizing the remaining proceeds is by 2024 and it was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions.

## INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six-month period ended 30 June 2023 (six months ended 30 June 2022: nil).

## SUBSCRIPTION OF PRIVATE EQUITY FUND AND WEALTH MANAGEMENT PRODUCTS

During the Reporting Period, the Group has subscribed for the private equity fund and the wealth management products as below:

1. On 11 January 2023, Shanghai Youmin, a PRC subsidiary of the Company, subscribed for a private equity fund “Private equity investment fund Boniu Yuedong” (previously named “**Private equity investment fund Yuedong Stable Win\***”), managed by Guangzhou Boniu Private Equity Securities Investment Management Co., Ltd. in the amount of RMB40,000,000. For further details, please refer to the announcements of the Company uploaded on the website of the Stock Exchange on 12 January 2023 and 16 January 2023.
2. On 7 February 2023, Shanghai Youmin subscribed for a wealth management product “No. 3 Caifu Banche Jinqu” issued by SPD Bank in the amount of RMB30,000,000 for 30 days with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 7 February 2023.
3. On 8 February 2023, Shanghai Youmin subscribed for a wealth management product “Class B, WenXiangLingDongHuiLi No. 1 of BOCOM Wealth Management with 90-day holding period” distributed by CMB in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return range of 2.60% to 4.00% per annum. For further details, please refer to the announcement of the Company dated 8 February 2023.
4. On 15 March 2023, Shanghai Youmin subscribed for a wealth management product “XingFuLiCai-XingFuTianLi (3 Months) Periodic Open-ended RMB Wealth Management Scheme of CGB Wealth Management (Issue 1)”, managed by CGB Wealth Management in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return range of 3.30% to 3.80% per annum. For further details, please refer to the announcement of the Company dated 15 March 2023.
5. On 23 March 2023, Shanghai Youmin subscribed for a wealth management product “Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series C by CIB Wealth Management” issued by CIB Wealth Management in the amount of RMB30,000,000 for 30 days with the expected annualised rate of return range of 2.70% to 3.30% per annum. For further details, please refer to the announcement of the Company dated 23 March 2023.
6. On 24 March 2023, Shanghai Youmin subscribed for a wealth management product “No. 3 Caifu Banche Jinqu” issued by SPD Bank in the amount of RMB30,000,000 for 30 days with the expected annualised rate of return at 3.35% per annum. For further details, please refer to the announcement of the Company dated 24 March 2023.



## Other Information

7. On 27 April 2023, Shanghai Youmin subscribed for a wealth management product “No. 3 Caifu Banche Jinqu” issued by SPD Bank in the amount of RMB30,000,000 for 30 days with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 27 April 2023.
8. On 27 April 2023, Shanghai Youmin subscribed for a wealth management product “Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 27 April 2023.
9. On 19 May 2023, Shanghai Youmin subscribed for a wealth management product “WenXiangLingDongHuiLi of BOCOM Wealth Management with 60-day holding period (ZhaoXiang)” distributed by CMB in the amount of RMB30,000,000 for 60 days with the expected annualised rate of return range of 2.70% to 3.70% per annum. For further details, please refer to the announcement of the Company dated 19 May 2023.
10. On 7 June 2023, Shanghai Youmin subscribed for a wealth management product “SPD Wealth Management No. 26 JiXiXin Closed-end Wealth Management Product” issued by SPD Wealth Management in the amount of RMB30,000,000 for 99 days with the expected annualised rate of return range of 2.90% to 3.15% per annum. For further details, please refer to the announcement of the Company dated 7 June 2023.
11. On 28 June 2023, Shanghai Youmin subscribed for a wealth management product “XingFuTianLi (3 Months) Guaranteed Fixed Return Wealth Investment Product No. 1 of CGB Wealth Management”, managed by CGB Wealth Management in the amount of RMB30,000,000 for at least 90 days with the expected annualised rate of return at 3.50% per annum. For further details, please refer to the announcement of the Company dated 28 June 2023.

## EVENT OF DEFAULT OF NOTES OF THE ISSUER

The Company subscribed secured notes in the principal amount of HK\$250,000,000 (the “**Notes**”) issued by Orbitronic Global Development Co., Limited (the “**Issuer**”) on 13 December 2019, the maturity date of the Notes was extended from 12 December 2020 to 12 June 2021 (the “**Extended Maturity Date**”). The Issuer failed to repay the principal amount of the Notes together with the accrued interests on the Notes, which amounted to HK\$8,750,000 as at the Extended Maturity Date to the Company and such sums remained outstanding as at the date of this report, in such case the Issuer constituted an event of default. For further details, please refer to the announcements of the Company dated 12 December 2020 and 22 June 2021 respectively.

The Company underwent significant changes in the composition of its Board members between June to August 2023. The new Board is determined and committed to recovering the outstanding Notes. In August 2023, the Company engaged a Hong Kong legal firm to issue the demand letter, accompanied by a draft writ of summons, in order to apply pressure and expedite the settlement process.

The new Board is actively involved in negotiating a settlement arrangement and is confident in achieving a positive outcome in the ongoing recovery process.

The Company will make further announcement(s) as necessary to keep Shareholders informed of any material developments regarding the matters mentioned above.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Reporting Period.

### INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to herein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### Interests in the Shares or Underlying Shares of our Company

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
Mr. LIU Jie <sup>(2)</sup>	Interest in a controlled corporation	1,007,837,500 <sup>(1)</sup>	52.18%

Notes:

- (1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in our Shares.
- (2) LJ Technology Holding Limited, a beneficial owner of 1,007,837,500 Shares, is wholly-owned by Mr. LIU Jie. Thus, Mr. LIU Jie is deemed to be interested in the same number of Shares in which LJ Technology Holding Limited is interested by virtue of the SFO.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the following persons (other than the interest of the Directors or chief executives of the Company disclosed above) who had an interest or short positions in the Shares and underlying Shares which fall to be disclosed to the Company and Stock Exchange under the provisions of Division 2 or 3 or Part XV of the SFO or, which were recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
LJ Technology Holding Limited <sup>(2)</sup>	Beneficial owner	1,007,837,500 <sup>(1)</sup>	52.18%
ZYB Holding Limited <sup>(3)</sup>	Beneficial owner	148,488,000 <sup>(1)</sup>	7.68%
Mr. ZHU Yanbin <sup>(3)</sup>	Interest in a controlled corporation	148,488,000 <sup>(1)</sup>	7.68%
ACERY Holding LIMITED <sup>(4)</sup>	Beneficial owner	103,545,000 <sup>(1)</sup>	5.36%
Mr. WU Junjie <sup>(4)</sup>	Interest in a controlled corporation	103,545,000 <sup>(1)</sup>	5.36%

Notes:

- (1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in our Shares.
- (2) LJ Technology Holding Limited is wholly-owned by Mr. LIU Jie. Thus, Mr. LIU Jie is deemed to be interested in the same number of Shares in which LJ Technology Holding Limited is interested by virtue of the SFO.
- (3) ZYB Holding Limited is wholly-owned by Mr. ZHU Yanbin, who has been resigned as executive Director on 23 June 2023. Thus, Mr. ZHU Yanbin is deemed to be interested in the same number of Shares in which ZYB Holding Limited is interested by virtue of the SFO.
- (4) ACERY Holding LIMITED is wholly-owned by Mr. WU Junjie. Thus, Mr. WU Junjie is deemed to be interested in the same number of Shares in which ACERY Holding LIMITED is interested by virtue of the SFO.

Save as disclosed herein, our Directors are not aware of any other person who, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept under section 336 of the SFO.

## RESTRICTED SHARE UNIT RSU SCHEME

We have adopted the RSU Scheme with a view to formalize our grant and our proposal to grant share incentives to eligible management and employees of our Group. The RSU Scheme was approved and adopted by the Board on 16 March 2018, the principal terms of which are set out in “Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RSU Scheme” in Appendix IV of the Prospectus.

We have appointed The Core Trust Company Limited as the trustee (the “**Trustee**”) to assist with the administration and vesting of the RSUs granted pursuant to the RSU Scheme. A total of 75,000,000 Shares (as adjusted after share sub-division conducted on 22 March 2018) were issued to Super Fleets Limited (the “**RSU Nominee**”), who hold the shares for the benefit of eligible participants pursuant to the RSU Scheme. No further Shares will be allotted and issued to the RSU Nominee or the Trustee for the purpose of the RSU Scheme (other than pursuant to sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company in accordance with the RSU Scheme). As the RSU Scheme does not involve the grant of options to subscribe for any new Shares of the Company, it is not required to be subject to the provisions under Chapter 17 of the Listing Rules.

## SHARE OPTION SCHEME

The Company has adopted a Share Option Scheme on 19 June 2018. The principal terms of the Share Option Scheme are prepared in accordance with the provisions of Chapter 17 of the Listing Rules and other rules and regulations. Further details of the Share Option Scheme are set forth in the section headed “Statutory and General Information — D. RSU Scheme and Share Option Scheme” in Appendix IV to the Prospectus.

For the six months ended 30 June 2023, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

### CHANGE IN DIRECTORS' INFORMATION

Pursuant to rules 13.51B(1) of the Listing Rules, the changes in the information of Directors of the Company during the period ended 30 June 2023 and up to the date of this report are set out below:

Name of Directors	Changes in information
Mr. ZHU Yanbin	<ul style="list-style-type: none"><li>Resigned as an executive Director and a member of remuneration committee of the Company (the "<b>Remuneration Committee</b>") with effect from 23 June 2023.</li></ul>
Mr. SUI Pengda	<ul style="list-style-type: none"><li>Resigned as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and nomination committee of the Company (the "<b>Nomination Committee</b>") with effect from 29 June 2023.</li></ul>
Dr. CHAN Man Fung	<ul style="list-style-type: none"><li>Appointed as an executive Director and a member of the Remuneration Committee with effect from 29 June 2023.</li></ul>
Mr. JIANG Huihui	<ul style="list-style-type: none"><li>Appointed as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 29 June 2023.</li><li>Re-designated as the chairperson of Remuneration Committee with effect from 29 August 2023.</li></ul>
Dr. LIU Jianhua	<ul style="list-style-type: none"><li>Resigned as an independent non-executive Director and the chairman of the Audit Committee with effect from 29 August 2023.</li></ul>
Mr. GUO Jingdou	<ul style="list-style-type: none"><li>Resigned as an independent non-executive Director and the chairman of the Remuneration Committee, a member of each of the Audit Committee and Nomination Committee with effect from 29 August 2023.</li></ul>
Mr. CHOW Wing Yiu	<ul style="list-style-type: none"><li>Appointed as an independent non-executive Director and the chairman of the Audit Committee with effect from 29 August 2023.</li></ul>
Mr. SHIN Ho Chuen	<ul style="list-style-type: none"><li>Appointed as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 29 August 2023.</li></ul>

Save as disclosed above, the Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the period ended 30 June 2023 and up to the date of this report.

## MATERIAL EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, the Group has subscribed for the wealth management products after the Reporting Period as below:

1. On 26 July 2023, Shanghai Youmin subscribed for a wealth management product “Wealth Management Product WenXiangLingDongHuiLi No. 2 Version Anxin of BOCOM Wealth Management with 90-day holding period” distributed by CMB in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return range of 2.60% to 4.00% per annum. For further details, please refer to the announcement of the Company dated 26 July 2023.
2. On 4 August 2023, Shanghai Youmin subscribed for a wealth management product “Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 4 August 2023.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for Directors’ securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period and up to the date of this report.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period and up to the date of this report, the Company has complied with all the code provisions set forth in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules, except for the following deviation from the CG Code which is explained below:

According to provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LIU Jie (“Mr. Liu”) is our chairman and chief executive officer with extensive experience in the mobile internet industry and mobile game publishing industry. Mr. Liu is responsible for the strategic development, overall operation and management and major decision-making of our Group and is instrumental to our growth and business expansion since our establishment in 2013.

Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and visionary individuals. Our Board currently comprises two executive Directors (including Mr. Liu) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group’s business strategies and maximizes effectiveness of its operation.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three members, namely, Mr. CHOW Wing Yiu (the Chairman), Mr. JIANG Huihui and Mr. SHIN Ho Chuen, all being independent non-executive Directors of the Company with appropriate professional qualification under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the Company's unaudited condensed consolidated results for the Reporting Period and this report and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters of the Company.

# Glossary

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Binyou Networks”	Shanghai Binyou Networks Technology Limited (上海繽遊科技有限公司), a wholly foreign-owned enterprise incorporated under the laws of the PRC on 16 March 2018 and a wholly-owned subsidiary of our Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Chairman”	Chairman of the Board
“Company”, “our Company”, “we” or “us”	FingerTango Inc. (指尖悅動控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2018
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others, Binyou Networks, the Registered Shareholders and Shanghai Youmin, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Group” or “our Group”	our Company, its subsidiaries and the PRC Operating Entities
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong dollar(s)”, “HK dollar(s)” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS(s)”	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standard Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	The date which dealings in Shares first commence on the Stock Exchange, i.e. 12 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules



## Glossary

“PRC Operating Entities”	the entities we control through the Contractual Arrangements
“Prospectus”	the prospectus dated 26 June 2018 issued by the Company
“Registered Shareholders”	direct shareholders of Shanghai Youmin, being Mr. Liu Jie, Mr. Zhu Yanbin, Mr. Wu Junjie, Zhuhai Sangu Limited Partnership* (珠海三穀投資合夥企業(有限合夥)) and Zhuhai Jugu Limited Partnership* (珠海聚穀投資合夥企業(有限合夥))
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	The six months period ended 30 June 2023
“RSU(s)”	restricted share units or any one of them
“RSU Scheme”	The RSU scheme approved and conditionally adopted by the Shareholders on 28 February 2018, the principal terms of which are set out in “Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RUS Scheme” in Appendix IV to the Prospectus
“Shanghai Youmin”	Shanghai Youmin Networks Technology Limited* (上海遊民網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 3 December 2013 and one of our PRC Operating Entities
“SFO”	the Securities and Futures Ordinance of Hong Kong (chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.000005 each
“Shareholder(s)”	holder(s) of our Share(s)
“Share Option Scheme”	the share option scheme adopted by our Company on 19 June 2018 which complies with the provisions of Chapter 17 of the Listing Rules
“SLG”	simulation games, which are generally designed to closely simulate aspects of a real or fictional reality
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America

\* for identification purpose only