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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)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “**Board**”) of FingerTango Inc. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the six-month period ended 30 June 2024 (the “**Reporting Period**”), which was prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and reviewed by the Company’s audit committee.

### **FINANCIAL SUMMARY**

	<b>Six months ended 30 June</b>		<b>Change %</b>
	<b>2024</b>	<b>2023</b>	
	<b>RMB million</b>	<b>RMB million</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
Revenue	<b>328.3</b>	312.6	5.0%
Gross profit	<b>206.2</b>	174.8	18.0%
Profit/(loss) for the period	<b>9.2</b>	(21.0)	143.6%

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET OVERVIEW

According to the China Gaming Industry Report for January-June 2024 (《2024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 2024, the actual sales revenue from China's gaming market was Renminbi (“RMB”) 147.27 billion, representing a year-on-year increase of 2.1%. The actual sales revenue from China's mobile games market was RMB107.52 billion, representing a year-on-year increase of 0.8%. The actual sales revenue of mobile game accounted for 73.0% of that of the whole gaming market in China, still being dominant despite a slight decrease.

In the first half of 2024, revenue of independently developed games generated from overseas markets was US\$8.55 billion, representing a year-on-year increase of approximately 4.2%, mainly due to the significant growth contributed by hit games among certain newly launched products.

In the first half of 2024, the number of gamers in China reached 670 million, representing a year-on-year increase of 0.9% and a new high. The regulatory authorities continued to take strict management measures on the protection of minors and the anti-addiction work of online games, which promoted the standardized management of the game industry, effectively improved the problem of excessive gaming among minors and made the user structure more healthy and reasonable.

In the first half of 2024, there are 688 games with publication license approved by the National Press and Publication Administration (NPPA). The number of approvals for games with publication license was gradually normalized with a steady increase.

### BUSINESS REVIEW

During the Reporting Period, the Group recorded total revenue of approximately RMB328.3 million, an increase of approximately 5.0% as compared to the corresponding period last year. Increase in revenue was mainly attributable to the combined effect of (i) successful advertising and promotion outcome of certain games, resulting in significant increase in revenue from such games during the Reporting Period; and (ii) total 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.

During the Reporting Period, the profit attributable to owners of the Company recorded approximately RMB9.2 million, as compared to a loss of approximately RMB21.0 million in the corresponding period last year. The change was primarily to the combined effect of (i) a growth in gross profit; (ii) decrease in administrative expenses resulting from reversal of provision for expected credit losses (“ECL”) of notes and other receivables; and (iii) a decrease in research and development expenses.

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 Company would be gradually unleashed in in the second half of 2024 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 5.1 million, representing a growth of 75.9% as compared to the corresponding period last year. As at 30 June 2024, the total number of accumulative registered users maintained a steady growth and reached 255.1 million, representing a growth by 18.4% 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 2024**

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 Company.

We are conducting comprehensive tests for the new titles to be launched in the second half of 2024 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, 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 Company 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 simulation games (“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 total revenue of approximately RMB328.3 million, an increase of approximately 5.0% as compared to the corresponding period last year. Increase in revenue was mainly attributable to the combined effect of (i) successful advertising and promotion outcome of certain games, resulting in significant increase in revenue from such games during the Reporting Period; and (ii) total 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.

With respect to revenue categorized by method of publication, self-publishing revenue was approximately RMB191.7 million, representing approximately 58.4% of the total revenue as compared to approximately 47.0% in the corresponding period last year. Co-publishing revenue recorded approximately RMB136.6 million, representing approximately 41.6% of the total revenue, as compared to approximately 53.0% in the corresponding period last year.

## **Cost of Revenue**

The cost of revenue in the Reporting Period was approximately RMB122.1 million and decreased by approximately 11.4% or approximately RMB15.8 million as compared to the corresponding period last year. It was mainly due to the 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 RMB206.2 million, as compared to approximately RMB174.8 million in the corresponding period last year. Gross profit margin increased from approximately 55.9% to approximately 62.8% as compared to the corresponding period last year, since the revenue increased while cost of revenue decreased.

## **Selling and Marketing Expenses**

The selling expenses in the Reporting Period were approximately RMB151.6 million, increased by approximately 4.8% or approximately RMB6.9 million as compared to the corresponding period last year. It constituted approximately 46.2% of the total revenue, comparing to approximately 46.3% in the corresponding period last year. The increase was primarily due to increase in advertising and promotion activities which in line with increase in revenue.

## **Administrative Expenses**

The administrative expenses of the Group in the Reporting Period were approximately RMB15.0 million, as compared to approximately RMB17.5 million in the corresponding period last year. The change was primarily due to reversal of provision for ECL of notes and other receivables and decrease in bad debt loss.

## **Research and Development Expenses**

The research and development expenses of the Group in the Reporting Period were approximately RMB35.6 million, decreased by approximately 10.9% or approximately RMB4.4 million as compared to the corresponding period last year. The change was primarily attributable to the decrease in employee benefit costs.

## **Other Income**

During the Reporting Period, other income was increased from approximately RMB5.9 million in the corresponding period last year to approximately RMB14.4 million for the Reporting Period. The increase of other income was contributed by the interest received of repayment of other receivables and increased bank interest income from time deposits.

## **Other (Losses)/Gains, net**

During the Reporting Period, net other losses were approximately RMB5.2 million, as compared to gains of approximately RMB1.7 million in the corresponding period last year, primarily attributable to fair value changes on investments at fair value through profit or loss during the reporting period.

## **Income Tax Expense**

The Group recorded an income tax expense of approximately RMB3.5 million for the Reporting Period as compared to approximately RMB0.6 million for the corresponding period last year. It was a consequent result of increased taxable income.

## **Profit/(Loss) for the Reporting Period**

During the Reporting Period, the profit attributable to owners of the Company recorded approximately RMB9.2 million, as compared to a loss of approximately RMB21.0 million in the corresponding period last year. The change was primarily attributable to the combined effect of (i) a growth in gross profit; (ii) decrease in administrative expenses resulting from reversal of provision for ECL of notes and other receivables; and (iii) a decrease in research and development expenses.

## **Prepayments and Deposits**

The prepayments and deposits in current assets increased from approximately RMB25.1 million for the year ended 31 December 2023 to approximately RMB43.0 million for the six months ended 30 June 2024. This increase is primarily due to deposits made for acquiring five mobile games. The Group continues to seek promising game projects to enhance its game portfolio. Following acquisition, the Group's experienced team will undertake creative adaptations and optimizations to improve game performance and commercialization potential. The Group expects these upgraded games can be marketed to generate additional revenue opportunities for the Group.

## **Liquidity and Source of Funding and Borrowing**

As at 30 June 2024, current assets of the Group amounted to approximately RMB801.5 million, including bank and cash balances of approximately RMB516.4 million and other current assets of approximately RMB285.1 million. Current liabilities of the Group amounted to approximately RMB186.0 million, including trade payables and contract liabilities of approximately RMB107.1 million and other current liabilities of approximately RMB78.9 million. As at 30 June 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 4.3, as compared with 3.9 as at 31 December 2023.



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 2024 and the resulting gearing ratio is nil. The Group intends to finance the expansion, investments and business operations with internal resources.

## FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2024, investments at fair value through profit or loss were approximately RMB243.5 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 2023 RMB million (Audited)	Increases for the 6 months ended 30 June 2024 RMB million (Unaudited)	Changes in fair value for the 6 months ended 30 June 2024 RMB million (Unaudited)	Settlements for the 6 months ended 30 June 2024 RMB million (Unaudited)	Currency translation difference for the 6 months ended 30 June 2024 RMB million (Unaudited)	Fair value as at 30 June 2024 RMB million (Unaudited)
<b>Investments at fair value through profit or loss</b>						
Listed equity securities in Hong Kong	23.1	—	(7.0)	(9.5)	0.1	6.7
Wealth management product:						
Central China Dragon Growth Fund SP7 (中州龍騰增長七號基金)	75.6	—	—	—	0.4	76.0
Private equity investment fund Boniu Yuedong (博牛悅動專享私募證券投資 基金)	40.0	—	0.8	—	—	40.8
Investments in private company A	—	—	—	—	—	—
Investments in private company B	—	—	—	—	—	—
Non-capital protected wealth management products (非保本理財產品)						
Placed on:						
Shanghai Pudong Development Bank Co., Ltd.	30.0	60.0	—	(60.0)	—	30.0
Industrial Bank Co. Ltd.	30.0	60.0	—	(60.0)	—	30.0
China Guangfa Bank Co. Ltd.	30.0	60.0	—	(60.0)	—	30.0
BOCOM Wealth Management Co., Ltd.	30.0	30.0	—	(30.0)	—	30.0
<b>Total</b>	<b>258.7</b>	<b>210.0</b>	<b>(6.2)</b>	<b>(219.5)</b>	<b>0.5</b>	<b>243.5</b>

## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		(Unaudited)	
		Six months ended 30 June	
	Notes	2024 RMB'000	2023 RMB'000
<b>Revenue</b>	4	<b>328,290</b>	312,622
Cost of revenue		<u>(122,105)</u>	<u>(137,871)</u>
<b>Gross profit</b>		<b>206,185</b>	174,751
Selling and marketing expenses		(151,571)	(144,658)
Administrative expenses		(15,039)	(17,453)
Research and development expenses		(35,641)	(40,018)
Other income		14,392	5,881
Other (losses)/gains, net	5	<u>(5,156)</u>	<u>1,682</u>
<b>Operating profit/(loss)</b>		<b>13,170</b>	(19,815)
Lease interests		<u>(476)</u>	<u>(598)</u>
<b>Profit/(loss) before income tax</b>		<b>12,694</b>	(20,413)
Income tax expense	6	<u>(3,524)</u>	<u>(634)</u>
<b>Profit/(loss) for the period attributable to owners of the Company</b>	7	<u><b>9,170</b></u>	<u>(21,047)</u>
<b>Other comprehensive (expense)/income:</b> <i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(4,705)</u>	<u>9,361</u>
<b>Other comprehensive (expense)/income for the period, net of income tax</b>		<u>(4,705)</u>	<u>9,361</u>
<b>Total comprehensive income/(expense) for the period attributable to owners of the Company</b>		<u><b>4,465</b></u>	<u>(11,686)</u>
<b>Profit/(loss) per share (RMB)</b>	9		
— Basic		<u><b>0.0048</b></u>	<u>(0.0111)</u>
— Diluted		<u><b>0.0048</b></u>	<u>(0.0111)</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2024*

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>12,955</b>	12,331
Right-of-use assets		<b>13,337</b>	16,025
Intangible assets		<b>11,947</b>	12,748
Investments at fair value through profit or loss	<i>10</i>	<b>116,714</b>	115,501
Prepayments and deposits		<b>10,450</b>	10,450
Other receivables	<i>12</i>	<b>2,427</b>	2,377
Deferred tax assets		<b>15,944</b>	17,389
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>183,774</b>	186,821
		<hr/>	<hr/>
<b>Current assets</b>			
Trade receivables	<i>11</i>	<b>68,933</b>	80,684
Contract costs		<b>20,935</b>	20,312
Prepayments and deposits		<b>43,049</b>	25,146
Other receivables	<i>12</i>	<b>25,417</b>	21,267
Investments at fair value through profit or loss	<i>10</i>	<b>126,748</b>	143,155
Bank and cash balances		<b>516,385</b>	534,516
		<hr/>	<hr/>
<b>Total current assets</b>		<b>801,467</b>	825,080
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>985,241</b>	1,011,901
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		<b>62</b>	62
Reserves		<b>790,113</b>	785,672
		<hr/>	<hr/>
<b>Total equity</b>		<b>790,175</b>	785,734
		<hr/>	<hr/>

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	13	<b>41,924</b>	44,765
Contract liabilities		<b>65,218</b>	66,769
Accruals and other payables		<b>49,902</b>	65,937
Lease liabilities		<b>7,715</b>	6,416
Current tax liabilities		<b>21,198</b>	28,498
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>185,957</b>	212,385
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Lease liabilities		<b>9,109</b>	13,782
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>195,066</b>	226,167
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>985,241</b>	1,011,901
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# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 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 (“**RMB**”), 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 2023 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 2023.

## 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 2024. 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.

#### 4. 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.

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Self-publishing	<b>191,671</b>	146,786
Co-publishing	<b>136,619</b>	165,836
Total revenue	<b><u>328,290</u></b>	<b><u>312,622</u></b>

#### **Disaggregation of revenue from contracts with customers:**

##### Timing of revenue recognition

Over time	<b><u>328,290</u></b>	<b><u>312,622</u></b>
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#### **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 2023: 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 2024:

Game developer a	<b><u>80.0%</u></b>	<b><u>68.2%</u></b>
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## 5. OTHER (LOSSES)/GAINS, NET

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Changes in fair value of investments at fair value through profit or loss	<b>(6,202)</b>	1,264
Net foreign exchange gains	<b>1,007</b>	380
Others	<b>39</b>	38
	<b><u>(5,156)</u></b>	<b><u>1,682</u></b>

## 6. INCOME TAX EXPENSE

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current tax	<b>(2,078)</b>	885
Deferred tax	<b>(1,446)</b>	(1,519)
	<b><u>(3,524)</u></b>	<b><u>(634)</u></b>

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 2023: 25%).

Shanghai Kaixi Networks Technology Limited (“**Kaixi Networks**”) and Shanghai Fenyong Networks Technology Limited (“**Shanghai Fenyong**”), subsidiaries of the Company, were 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.

Shanghai Fenyong started to enjoy the 0% preferential tax rate for two years beginning from year 2023, followed by 50% reduction in the applicable tax rates for the next three years.

Guangzhou Miyuan Networks Technology Co., Limited (“**Miyuan Networks**”) was qualified as “High and New Technology Enterprises” under the EIT Law since year 2016. Accordingly, it was entitled to a preferential tax rate of 15% for a 3-year period. Miyuan Networks was re-entitled as “High and New Technology Enterprises” under the EIT Law in year 2023. Accordingly, the applicable tax rate was 15% (2023: 15%) for the period ended 30 June 2024.

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.

## 7. PROFIT/(LOSS) FOR THE PERIOD

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

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of intangible assets	2,090	2,408
Depreciation	5,495	5,259
(Profit)/loss allowance provision for trade receivables (included in administrative expenses)	(221)	1,684
Reversal of provision for ECL of other receivables (included in administrative expenses)	(643)	(11,513)
Reversal of provision for ECL of note receivables (included in administrative expenses)	(11,000)	—
Staff costs including directors' emoluments	<u>51,106</u>	<u>55,038</u>

## 8. DIVIDEND

No dividends was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024, nor has any dividend been proposed at the end of the reporting period (six months ended 30 June 2023: nil).

## 9. PROFIT/(LOSS) PER SHARE

The calculation of the basic and diluted profit/(loss) per share is based on the following:

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit/(loss)</b>		
Profit/(loss) for the purpose of calculating basic and diluted profit/(loss) per share	<u>9,170</u>	<u>(21,047)</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted profit/(loss) per share	<u>1,918,088</u>	<u>1,899,956</u>

The effects of all potential shares are anti-dilutive for the six months ended 30 June 2024.

## 10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Listed equity securities in Hong Kong	6,748	23,155
Unlisted wealth management products	<u>236,714</u>	<u>235,501</u>
Total investments at fair value through profit or loss	<u><b>243,462</b></u>	<u><b>258,656</b></u>
Analysed as:		
Non-current assets	116,714	115,501
Current assets	<u>126,748</u>	<u>143,155</u>
	<u><b>243,462</b></u>	<u><b>258,656</b></u>

## 11. TRADE RECEIVABLES

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
0 to 1 month	25,500	26,978
1 month to 3 months	40,911	45,283
3 months to 6 months	1,550	7,469
6 months to 1 year	<u>972</u>	<u>954</u>
	<u><b>68,933</b></u>	<u><b>80,684</b></u>



## 12. OTHER RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Input value-added tax to be deducted	3,539	3,541
Interest receivables	19,798	20,311
Loans to third parties	363,686*	361,514
Receivables from game developers	5,931	5,931
Finance lease receivables	3,485	3,485
Others	14,232	10,027
	<u>410,671</u>	<u>404,809</u>
Less: provision for ECL	(382,827)	(381,165)
	<u><u>27,844</u></u>	<u><u>23,644</u></u>
Analysed as:		
Non-current assets	2,427	2,377
Current assets	25,417	21,267
	<u><u>27,844</u></u>	<u><u>23,644</u></u>

\* The increase of loans to third parties was solely due to the fluctuations of exchange rate.

## 13. TRADE PAYABLES

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
0 to 1 month	11,132	12,160
1 month to 3 months	21,148	23,143
3 months to 6 months	6,436	6,980
6 months to 1 year	599	1,187
Over 1 year	2,609	1,295
	<u>41,924</u>	<u>44,765</u>

## OTHER INFORMATION

### USE OF PROCEEDS

The net proceeds at approximately HK\$967.1 million (the “**Net Proceeds**”) received from the listing of the Company on 12 July 2018 (the “**Listing Date**”) was used and are proposed to be used in a manner consistent with that disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 June 2018. Since the Listing Date and up to 30 June 2024, the utilization of the net proceeds and remaining balance (approximately HK\$346.3 million) are set out below:

Intended use of net proceeds	Percentage of the net proceeds for each intended usage %	Amount of the net proceeds for each intended usage HK\$' Million	Amount of the remaining net proceeds as at 31 December 2023 HK\$' Million	Amount of net proceeds utilised during the six months ended 30 June 2024 HK\$' Million	Amount of the remaining net proceeds as at 30 June 2024 HK\$' Million
Develop game sourcing capabilities and ensure us to acquire high quality game content	35%	338.5	273.5	21.2	252.3
Establish in-house game development team	25%	241.8	89.4	30.0	59.4
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	38.6	4.0	34.6
Total	<u>100%</u>	<u>967.1</u>	<u>401.5</u>	<u>55.2</u>	<u>346.3</u>

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 2024.

## EMPLOYEE REMUNERATION AND RELATIONS

As at 30 June 2024, the Group had a total of 301 employees, comparing to 347 employees as at 30 June 2023. 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 provides 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.

## SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

During the Reporting Period, the Company has subscribed for the wealth management products as below:

1. On 24 January 2024, Shanghai Youmin Networks Technology Limited\* (上海遊民網絡科技有限公司) (“**Shanghai Youmin**”) subscribed for a wealth management product “SPD Wealth Management No. 87 JiJiXin Closed-end Wealth Management Product” managed by SPD Wealth Management Co., Ltd. in the amount of RMB30,000,000 for 106 days with the expected annualised rate of return range of 2.80% to 3.05% per annum. For further details, please refer to the announcement of the Company dated 24 January 2024;
2. On 6 February 2024, Shanghai Youmin subscribed for a wealth management product “Wealth Management Product WenXiangGuShou Daily-opened Selection of BOCOM Wealth Management with 180-day holding period” distributed by China Merchants Bank Co., Ltd. in the amount of RMB30,000,000 for 180 days with the expected annualised rate of return range of 2.90% to 3.50% per annum. For further details, please refer to the announcement of the Company dated 6 February 2024;
3. On 6 February 2024, 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 Co., Ltd. in the amount of RMB30,000,000 for at least three months with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 6 February 2024;
4. On 27 February 2024, Shanghai Youmin subscribed for a wealth management product “CIB Wealth Management Golden Snowball Steady Profit Net Worth Wealth Management Product No. 1, Series A” issued by CIB Wealth Management Co., Ltd.\* (興銀理財有限責任公司) in the amount of RMB30,000,000 for 90 days with the expected annualised rate of return at 2.70% to 3.56% per annum. For further details, please refer to the announcement of the Company dated 27 February 2024;

5. On 22 May 2024, Shanghai Youmin subscribed for a wealth management product “SPD Wealth Management No. 138 JiJiXin Closed-end Wealth Management Product” managed by SPD Wealth Management Co., Ltd. in the amount of RMB30,000,000 for 99 days with the expected annualised rate of return range of 2.65% to 2.90% per annum. For further details, please refer to the announcement of the Company dated 22 May 2024;
6. On 23 May 2024, 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 Co., Ltd. in the amount of RMB30,000,000 for at least three months with the expected annualised rate of return at 3.00% per annum. For further details, please refer to the announcement of the Company dated 23 May 2024;
7. On 17 June 2024, Shanghai Youmin subscribed for a wealth management product “CIB Wealth Management 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 2.30% to 2.80% per annum. For further details, please refer to the announcement of the Company dated 17 June 2024.

## **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.

## **SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

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

## **PLEDGE OF ASSETS**

As at 30 June 2024, none of the Group’s assets was pledged.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any material contingent liabilities.

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

On 6 October 2023, the Company was served with a petition (the “**Petition**”) from the Securities and Futures Commission (“**SFC**”). In the Petition, the SFC seeks, inter alia, that the Company shall appoint an external auditor (after consultation with the SFC) to review and prepare a report on its internal control procedures. The Petition was originally to be heard at the High Court of Hong Kong on 23 May 2024. The hearing for the Petition was ordered to be adjourned sine die with liberty to restore. On 29 July 2024, the Company was informed by the SFC of the restored hearing which has been fixed on 6 November 2024 at the High Court of Hong Kong. For details, please refer to the announcements of the Company dated 8 October 2023, 14 May 2024 and 30 July 2024.

## **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. For details, please refer to the announcements of the Company dated 13 December 2019, 12 December 2020 and 22 June 2021 respectively.

Until the maturity date and up to 31 December 2023, the Issuer failed to repay the principal amount of the Notes together with the accrued interests on the Notes to the Company and such sums remained outstanding. 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 recover the outstanding Notes. In August 2023, the Company engaged a Hong Kong legal firm to issue a demand letter, accompanied by a draft writ of summons to the Issuer. Thereafter the Company and the Issuer engaged in discussions for the recovery process. Following the extensive efforts and communication by the new Board, discussions were held with Issuer regarding a settlement process.

In October 2023, the Company, the Issuer, and the sole shareholder of the Issuer, entered into a deed of supplemental agreement (the “**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, the said sole shareholder of the Issuer further agrees to pledge the 10,000 shares of the Issuer (representing 100% of the shares of the Issuer) as the further collateral for the Notes and the Company shall be entitled to immediate appointment of a receiver (the “**Receiver**”) for all or any part of the collateral under the Notes. In November 2023, the Company appointed the receiver in order to better safeguard the collateral and the Company’s interest in the Issuer. In February 2024, the Issuer further created a charge over trade and other receivables in favor of the Company, which was registered under the Company Ordinance. Through the efforts of the Receiver, the Issuer repaid the principal amount of approximately RMB11,000,000 during the Reporting Period. The Receiver will continue to pursue the outstanding sums from the Issuer. The Board 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.

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

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules 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 announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the Reporting Period, the Company has complied with all the code provisions set forth in the section headed “Part 1 — Mandatory disclosure requirements” and the applicable code provisions set out in the section headed “Part 2 — Principles of good corporate governance, code provisions and recommended best practices” of Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules, except for the following deviation from the provision C.2.1 of 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 an audit committee (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 audited consolidated interim results for the Reporting Period 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.

## PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.fingertango.com](http://www.fingertango.com)). The Group’s 2024 interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

## APPRECIATION

Lastly, I would like to thank all the staff and the management team for their hard work during the Reporting Period. I would also like to express heartfelt gratitude to all of our users and business partners on behalf of the Group, and wish for their continuous support in the future. We will keep working closely with our shareholders and employees to steer the Group to a more modernized and sophisticated level of operation, through which we aspire to turn to a new chapter in the Group’s development.

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

Guangzhou, the People’s Republic of China, 28 August 2024

*As at the date of this announcement, the Board comprises Mr. LIU Jie and Dr. CHAN Man Fung as executive Directors and Mr. CHOW Wing Yiu, Mr. JIANG Huihui and Mr. SHIN Ho Chuen as independent nonexecutive Directors.*

\* *For identification purpose only*