

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2019

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-55477

Fingermotion, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

20-0077155
(I.R.S. Employer
Identification No.)

1460 Broadway
New York, New York 10036
(Address of principal executive offices, including Zip Code)

(347) 349-5339
Registrant's telephone number, including area code

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The registrant had 25,370,953 shares of common stock outstanding as of July 9, 2019.

Fingermotion, Inc.
Form 10-Q for the Quarter ended May 31, 2019

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

FingerMotion, Inc.
fka Property Management Corp of America
Condensed Consolidated Balance Sheets

	May 31, 2019 (unaudited)	February 28, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 151,622	\$ 1,337,245
Accounts receivable	606,365	493,808
Equipment (net of \$3,976 and \$2,844 depreciation)	15,662	10,606
Prepayment and deposit	4,057,549	2,570,724
Other receivables	173,268	25,309
Right-of-use asset	35,871	-
TOTAL ASSETS	\$ 5,040,337	\$ 4,437,692
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current Liabilities		
Accounts payable	\$ 1,965,081	\$ 1,239,280
Accrual and other payables	421,351	296,007
Due to related parties	1,223,606	1,880,373
Convertible notes payable	370,000	370,000
Note payable	66,000	66,000
Lease liability	36,353	-
TOTAL LIABILITIES	4,082,391	3,851,660
SHAREHOLDERS' EQUITY		
Preferred stock, par value \$.0001 per share; Authorized 1,000,000 shares; issued and outstanding -0- shares.	-	-
Common Stock, par value \$.0001 per share; Authorized 200,000,000 shares; issued and outstanding 25,370,953 shares and 24,763,753 issued and outstanding at May 31, 2019 and February 28, 2019 respectively	2,537	2,476
Additional paid-in capital	6,787,135	5,414,897
Accumulated deficit	(5,835,500)	(4,822,389)
Accumulated other comprehensive income	3,774	(8,952)
TOTAL SHAREHOLDERS' EQUITY	957,946	586,032
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,040,337	\$ 4,437,692

FingerMotion, Inc.
fka Property Management Corp of America
Condensed Consolidated Statements of Operations

	Three Months Ended May 31,	
	2019	2018
	(Unaudited)	(Unaudited)
Revenue	\$ 933,269	\$ 183,130
Cost of revenue	(851,643)	(152,507)
Gross profit	81,626	30,623
Amortization & depreciation	(11,018)	(50,087)
General & administrative expenses	(1,088,818)	(275,944)
Total operating expenses	(1,099,836)	(326,031)
Net loss from operations	(1,018,210)	(295,408)
Other income (expense):		
Interest income	427	-
Interest expense	(4,819)	(4,973)
Exchange rate gain (loss)	(372)	8,097
Written off of goodwill	(8,838)	-
Other income	19,186	-
Total other income (expense)	5,584	3,124
Net Loss	\$ (1,012,626)	\$ (292,284)
Other comprehensive income:		
Foreign currency translation adjustments	12,726	-
Comprehensive loss	\$ (999,900)	\$ (292,284)
Loss Per Share - Basic	\$ (0.04)	\$ (0.02)
Loss Per Share - Diluted	\$ (0.04)	\$ (0.02)
Wgt Ave Common Shares Outstanding - Basic	25,370,953	17,554,237
Wgt Ave Common Shares Outstanding - Diluted	25,163,910	17,554,237

FingerMotion, Inc.
fka Property Management Corp of America
Condensed Consolidated Statement of Shareholders' Equity

Condensed Consolidated Statement of Shareholders' Equity
Three Months ended May 31, 2018

	Common Stock		Capital Paid in Excess of Par Value	Shares to be Issued	Deficit Accumulated	Accumulated Other Comprehensive Income	Total
	Shares	Amount					Total
Balance at March 1, 2018	17,432,753	\$ 1,743	\$ 1,655,130	\$ 150,000	\$ (1,909,514)	\$ -	\$ (102,641)
Common stock issued for cash	275,000	28	329,973	(150,000)			180,001
Stock subscribed	-	-	-	-			-
Net Loss	-	-	-	-	(292,284)	-	(292,284)
Balance at May 31, 2018	17,707,753	\$ 1,771	\$ 1,985,103	\$ -	\$ (2,201,798)	\$ -	\$ (214,924)

Condensed Consolidated Statement of Shareholders' Equity
Three Months ended May 31, 2019

	Common Stock		Capital Paid in Excess of Par Value	Shares to be Issued	Deficit Accumulated	Accumulated Other Comprehensive Income	Total
	Shares	Amount					
Balance at March 1, 2019	24,763,753	\$ 2,476	\$ 5,414,897	\$ -	\$ (4,822,389)	\$ (8,952)	\$ 586,032
Impact of Adoption of ASU 2016-02, Leases (Topic 842)	-	-	-	-	(485)		(485)
Common stock issued for cash	607,200	61	1,137,404				1,137,465
Common stock issued for professional service	-	-	234,834				234,834
Stock subscribed	-	-	-	-			-
Accumulated other comprehensive income	-	-	-	-	-	12,726	12,726
Net (Loss)	-	-	-	-	(1,012,626)	-	(1,012,626)
Balance at May 31, 2019	25,370,953	\$ 2,537	\$ 6,787,135	\$ -	\$ (5,835,500)	\$ 3,774	\$ 957,946

FingerMotion, Inc.
fka Property Management Corp of America
Condensed Consolidated Statement of Cash Flows

	Three Months Ended May 31, 2019 (Unaudited)	Three Months Ended May 31, 2018 (Unaudited)
Net loss	\$ (1,012,626)	\$ (292,284)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Share based compensation expenses	405,744	-
Amortization and depreciation	11,018	50,087
Written off of goodwill	8,838	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(112,557)	(49,010)
(Increase) decrease in prepayment and deposit	(1,486,825)	(360,047)
(Increase) decrease in other receivable	(147,959)	(32,456)
(Increase) decrease in right-of-use asset	(35,871)	-
Increase (decrease) in accounts payable	725,801	186,666
Increase (decrease) in accrual and other payables	125,344	-
Increase (decrease) in due to related parties	(656,767)	-
Increase (decrease) in due to lease liability	36,353	-
Cash used in operating activities	(2,139,507)	(497,044)
Cash flows from investing activities		
Purchase of equipment	(6,188)	-
Net cash used in investing activities	(6,188)	-
Cash flows from financing activities		
Notes payable	-	316,000
Proceeds from issuance of shares	957,717	180,001
Net cash provided by financing activities	957,717	496,001
Effect of exchange rates on cash and cash equivalents	2,355	-
Net change in cash	(1,185,623)	(1,043)
Cash at beginning of period	1,337,245	10,551
Cash at end of period	\$ 151,622	\$ 9,508
	-	
Supplemental disclosures of cash flow information:		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 1 – Nature of Business and basis of Presentation

FingerMotion, Inc. fka Property Management Corporation of America (the “Company”) was incorporated on January 23, 2014 under the laws of the State of Delaware. The Company then offered management and consulting services to residential and commercial real estate property owners who rent or lease their property to third party tenants.

The Company changed its name to FingerMotion, Inc. on July 13, 2017 after a change in control. In July 2017 the Company acquired all of the outstanding shares of Finger Motion Company Limited (“FMCL”), a Hong Kong corporation that is an information technology company which specialize in operating and publishing mobile games.

Pursuant to the Share Exchange Agreement with FMCL, effective July 13, 2017 (the “Share Exchange Agreement”, the Company agreed to exchange the outstanding equity stock of FMCL held by the FMCL Shareholders for shares of common stock of the Company. At the Closing Date, the Company issued 12,000,000 shares of common stock to the FMCL shareholders. In addition, the Company issued 600,000 shares to other consultants in connection with the transactions contemplated by the Share Exchange Agreement.

The transaction was accounted for as a “reverse acquisition” since, immediately following completion of the transaction, the shareholders of FMCL effectuated control of the post-combination Company. For accounting purposes, FMCL was deemed to be the accounting acquirer in the transaction and, consequently, the transaction is treated as a recapitalization of FMCL (i.e., a capital transaction involving the issuance of shares by the Company for the shares of FMCL). Accordingly, the consolidated assets, liabilities and results of operations of FMCL became the historical financial statements of FingerMotion, Inc. and its subsidiaries, and the Company’s assets, liabilities and results of operations were consolidated with FMCL beginning on the acquisition date. No step-up in basis or intangible assets or goodwill were recorded in this transaction.

As a result of the Share Exchange Agreement and the other transactions contemplated thereunder, FMCL became a wholly owned subsidiary of the Company. FMCL, a Hong Kong corporation, was formed in April 6, 2016.

On October 16, 2018, the Company through its indirect wholly-owned subsidiary, Shanghai JiuGe Business Management Co., Ltd. (“JiuGe Management”), entered into a series of agreements known as variable interest agreements (the “VIE Agreements”) pursuant to which Shanghai JiuGe Information Technology Co., Ltd. (“JiuGe Technology”) became JiuGe Management’s contractually controlled affiliate. The use of VIE agreements is a common structure used to acquire PRC corporations, particularly in certain industries in which foreign investment is restricted or forbidden by the PRC government. The VIE Agreements include a Consulting Services Agreement, a Loan Agreement, a Power of Attorney Agreement, a Call Option Agreement, and a Share Pledge Agreement in order to secure the connection and commitments of the JiuGe Technology.

On March 7, 2019, JiuGe Technology also acquired Beijing XunLian (“BX”), a wholly-owned subsidiary that provides bulk distribution of SMS messages for JiuGe customers at discounted rates.

Note 2 - Summary of Principal Accounting Policies**Principles of Consolidation and Presentation**

The condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The condensed consolidated financial statements include the financial statements of the Company, and its wholly-owned subsidiaries. All intercompany accounts, transactions, and profits have been eliminated upon consolidation.

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Variable interest entity

Pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Section 810, “Consolidation” (“ASC 810”), the Company is required to include in its consolidated financial statements, the financial statements of its variable interest entities (“VIEs”). ASC 810 requires a VIE to be consolidated if that company is subject to a majority of the risk of loss for the VIE or is entitled to receive a majority of the VIE’s residual returns. VIEs are those entities in which a company, through contractual arrangements, bears the risk of, and enjoys the rewards normally associated with ownership of the entity, and therefore the company is the primary beneficiary of the entity.

Under ASC 810, a reporting entity has a controlling financial interest in a VIE, and must consolidate that VIE, if the reporting entity has both of the following characteristics: (a) the power to direct the activities of the VIE that most significantly affect the VIE’s economic performance; and (b) the obligation to absorb losses, or the right to receive benefits, that could potentially be significant to the VIE. The reporting entity’s determination of whether it has this power is not affected by the existence of kick-out rights or participating rights, unless a single enterprise, including its related parties and de - facto agents, have the unilateral ability to exercise those rights. JiuGe Technology’s actual stockholders do not hold any kick-out rights that affect the consolidation determination.

Through the VIE agreements disclosed in Note 1, the Company is deemed the primary beneficiary of JiuGe Technology. Accordingly, the results of JiuGe Technology have been included in the accompanying consolidated financial statements. JiuGe Technology has no assets that are collateral for or restricted solely to settle their obligations. The creditors of JiuGe Technology do not have recourse to the Company’s general credit.

The following assets and liabilities of the VIE are included in the accompanying consolidated financial statements of the Company as of May 31, 2019 and February 28, 2019:

Assets and liabilities of the VIE

	May 31, 2019	Feb 28, 2019
	(Unaudited)	
Current assets	\$ 3,409,165	\$ 2,674,890
Non-current assets	35,871	-
Total assets	\$ 3,445,036	\$ 2,674,890
Current liabilities	\$ 3,928,078	\$ 3,023,805
Non-current liabilities	36,353	-
Total liabilities	\$ 3,964,431	\$ 3,023,805

Operating Result of VIE

	For the Three Months Ended May 31, 2019
	(Unaudited)
Revenue	\$ 933,269
Cost of revenue	(851,643)
	81,626
Amortization and Depreciation	(10,931)
General and Administrative Expenses	(266,912)
Total operating expenses	(277,843)
Net loss from operations	(196,217)
Other income	
Interest income	415
Other income	19,186
Total other income	19,601
Net loss	(176,616)

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Recently Issued Accounting Pronouncements

The Company does not believe recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the unaudited condensed consolidated financial position, statements of operations and cash flows.

Use Of Estimates

The preparation of the Company's financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Actual results could differ from those estimates.

Certain Risks And Uncertainties

The Company relies on cloud-based hosting through a global accredited hosting provider. Management believes that alternate sources are available; however, disruption or termination of this relationship could adversely affect our operating results in the near-term.

Identifiable Intangible Assets

Identifiable intangible assets are recorded at cost and are amortized over 3-10 years. Similar to tangible property and equipment, the Company periodically evaluates identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment Of Long-Lived Assets

The Company classifies its long-lived assets into: (i) computer and office equipment; (ii) furniture and fixtures, (iii) leasehold improvements, and (iv) finite – lived intangible assets.

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be fully recoverable. It is possible that these assets could become impaired as a result of technology, economy or other industry changes. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, relief from royalty income approach, quoted market values and third-party independent appraisals, as considered necessary.

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Impairment Of Long-Lived Assets (continued)

The Company makes various assumptions and estimates regarding estimated future cash flows and other factors in determining the fair values of the respective assets. The assumptions and estimates used to determine future values and remaining useful lives of long-lived assets are complex and subjective. They can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as the Company's business strategy and its forecasts for specific market expansion.

Accounts Receivable And Concentration Of Risk

Accounts receivable, net is stated at the amount the Company expects to collect, or the net realizable value. The Company provides a provision for allowances that includes returns, allowances and doubtful accounts equal to the estimated uncollectible amounts. The Company estimates its provision for allowances based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company's estimate of the provision for allowances will change.

Cash And Cash Equivalents

Cash and cash equivalents represent cash on hand, demand deposits, and other short-term highly liquid investments placed with banks, which have original maturities of three months or less and are readily convertible to known amounts of cash.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the estimated useful lives of the assets. Estimated useful lives range from three to seven years. Land is classified as held for sale when management has the ability and intent to sell, in accordance with ASC Topic 360-45.

Earnings Per Share

Basic (loss) earnings per share is based on the weighted average number of common shares outstanding during the period while the effects of potential common shares outstanding during the period are included in diluted earnings per share.

FASB Accounting Standard Codification Topic 260 ("ASC 260"), "Earnings Per Share," requires that employee equity share options, non-vested shares and similar equity instruments granted to employees be treated as potential common shares in computing diluted earnings per share. Diluted earnings per share should be based on the actual number of options or shares granted and not yet forfeited, unless doing so would be anti-dilutive. The Company uses the "treasury stock" method for equity instruments granted in share-based payment transactions provided in ASC 260 to determine diluted earnings per share. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted earnings or loss per share as their impact was antidilutive.

Revenue Recognition

The Company adopted ASC 606, Revenue from Contracts with Customers ("ASC 606") beginning on January 1, 2018 using the modified retrospective approach. ASC 606 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The Company has assessed the impact of the guidance by reviewing its existing customer contracts and current accounting policies and practices to identify differences that will result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, the Company concluded that there was no change to the timing and pattern of revenue recognition for its current revenue streams in scope of ASC 606 and therefore there was no material changes to the Company's consolidated financial statements upon adoption of ASC 606.

Revenue Recognition (continued)

The Company recognizes revenue from providing hosting and integration services and licensing the use of its technology platform to its customers. The Company recognizes revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer (for licensing, revenue is recognized when the Company's technology is used to provide hosting and integration services); (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of fees is probable. We account for our multi-element arrangements, such as instances where we design a custom website and separately offer other services such as hosting, which are recognized over the period for when services are performed.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with Accounting Standards Codification ("ASC") 740, "Income Taxes" ("ASC 740"). Under this method, income tax expense is recognized as the amount of: (i) taxes payable or refundable for the current year and (ii) future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of available evidence it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Note 3 - Going Concern

The accompanying unaudited financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. The Company had an accumulated deficit of \$5,835,500 and \$4,822,389 as at May 31, 2019 and February 28, 2019 respectively, and had a net loss of \$1,012,626 and \$292,284 for the three months ended May 31, 2019 and 2018, respectively.

The Company's continuation as a going concern is dependent on its ability to obtain additional financing to fund operations, implement its business model, and ultimately, attain profitable operations. The Company will need to secure additional funds through various means, including equity and debt financing or any similar financing. There can be no assurance that the Company will be able to obtain additional equity or debt financing, if and when needed, on terms acceptable to the Company, or at all. Any additional equity or debt financing may involve substantial dilution to the Company's stockholders, restrictive covenants or high interest costs. The Company's long-term liquidity also depends upon its ability to generate revenues and achieve profitability.

Note 4 - Revenue

We recorded \$933,269 and \$ 183,130 in revenue, respectively, for the three months ended May 31, 2019 and 2018. The increase of \$750,139 resulted from the consolidation of the VIE entities & its subsidiary and the new business model.

	For the Three Months Ended May 31,	
	2019 (Unaudited)	2018 (Unaudited)
Gaming	\$ -	\$ 183,130
Mobile Recharge	750,942	-
SMS	182,327	-
	<u>\$ 933,269</u>	<u>\$ 183,130</u>

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 5 – Equipment

As of May 31, 2019 and February 28, 2019, the company has the following amounts related to tangible assets:

	May 31, 2019	Feb 28, 2019
	(Unaudited)	
Equipment	\$ 19,638	\$ 13,450
Less: accumulated depreciation	(3,976)	(2,844)
Net equipment	<u>\$ 15,662</u>	<u>\$ 10,606</u>

No significant residual value is estimated for the equipment. Depreciation expense for the three months ended May 31, 2019 and 2018 totaled \$1,235 and \$87, respectively.

Note 6 – Intangible Assets

As of May 31, 2019 and Feb 28, 2019 the company has the following amounts related to intangible assets:

	May 31, 2019	Feb 28, 2019
	(Unaudited)	
Licenses	\$ 200,000	\$ 200,000
Less: accumulated amortization	(200,000)	(200,000)
Net intangible assets	<u>\$ -0-</u>	<u>\$ -0-</u>

No significant residual value is estimated for these intangible assets. The remaining amortization period of the Company's amortizable intangible assets have been totally amortized as of February 28, 2019.

Note 7 – Prepaid expenses

Prepaid expenses consist of the deposit pledge to the vendor for stocks credits for resale. The significant movement was mainly due to inception of Finger Motion (CN) Limited and its China entities on October 16, 2018. Our current vendors are China Unicom JiangXi and China Unicom Online.

	May 31, 2019	Feb 28, 2019
	(Unaudited)	
Deposit Paid / Prepayment	\$ 46,369,293	\$ 44,570,540
Deposit received	(43,931,005)	(43,237,936)
Net Prepaid expenses for Mobile recharge	\$ 2,438,288	\$ 1,332,604
Other deposit	1,619,261	1,238,120
Prepayment and deposit	<u>\$ 4,057,549</u>	<u>\$ 2,570,724</u>

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 8 – Right-of-use Asset and Lease Liability

The Company has entered into lease agreements with various third parties. The terms of operating leases are one to two years. These operating leases are included in "Right-of-use Asset" on the Company's Consolidated Balance Sheet, and represent the Company's right to use the underlying asset for the lease term. The Company's obligation to make lease payments are included in "Lease liability" on the Company's Consolidated Balance Sheet. Upon adoption of ASC Topic 842, Leases (Topic 842), based on the present value of the lease payments for the remaining lease term of the Company's existing leases, the Company recorded net right-of-use assets of \$78,263 and lease liability of \$78,263 on January 1, 2019. Operating lease right-of-use assets and liabilities commencing after January 1, 2019 are recognized at commencement date based on the present value of lease payments over the lease term. As of May 31, 2019, total right-of-use assets and operating lease liabilities were \$35,871 and \$36,353, respectively.

Additionally, the Company has entered into various short-term operating leases with an initial term of twelve months or less. These leases are not recorded on the Company's balance sheet. All operating lease expense is recognized on a straight-line basis over the lease term in the three months ended May 31, 2019.

Information related to the Company's right-of-use assets and related lease liabilities were as follows:

	May 31, 2019
	(Unaudited)
Right-of-use assets in exchange for operating lease obligations	\$ 78,263
Less: accumulated depreciation	(42,392)
Right-of-use assets, net	<u>35,871</u>
Lease liability	36,353
Weighted-average remaining lease term (in years)	2
Weighted-average discount rate	2.48%

Due in 12 months period ended May 31,

	May 31, 2019
	(Unaudited)
2020	\$ 36,806
Thereafter	-
Less: imputed interest	(453)
Total lease liability	<u>\$ 36,353</u>
Current lease liability	\$ 36,353
Non-current lease liability	-
Total lease liability	<u>\$ 36,353</u>

Note 9 - Convertible notes payables

A Note Payable having a Face Value of \$50,000 at May 31, 2019 and accruing interest at 10% is due February 8, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.50 per share.

A Note Payable having a Face Value of \$50,000 at May 31, 2019 and accruing interest at 10% is due February 23, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.00 per share.

A Note Payable having a Face Value of \$100,000 at May 31, 2019 and accruing interest at 10% is due March 28, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$1.00 per share.

A Note Payable having a Face Value of \$50,000 at May 31, 2019 and accruing interest at 10% is due May 3, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.50 per share.

A Note Payable having a Face Value of \$50,000 at May 31, 2019 and accruing interest at 10% is due May 18, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.50 per share.

A Note Payable having a Face Value of \$70,000 at May 31, 2019 and accruing interest at 10% is due May 18, 2019. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.50 per share.

We estimate that the fair value of these convertible debt approximates the face value, so no value has been assigned to the beneficial conversion feature. Any gain or loss will be recognized at conversion. As of May 31, 2019, all the convertible notes were due and have not been converted. The Company is working on the extension with note holders.

Note 10 - Note payable

A Note Payable having a Face Value of \$66,000 at May 31, 2019 and accruing interest at 0% is due May 21, 2021.

Note 11 - Common Stock

On June 21, 2017, the Company filed Articles of Amendment to its Amended Articles of Incorporation with the Secretary of State of the State of Delaware effecting a 1 for 4 reverse stock split of the Company's common stock and increase in the authorized shares of common stock to 200,000,000 and a name change of the Company from Property Management Corporation of America to FingerMotion, Inc. (the "Corporate Actions"). The Corporate Actions and the Amended Articles became effective on June 21, 2017.

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 11 - Common Stock (continued)

Effective July 13, 2017 (the “Closing Date”), the Company entered into that certain Share Exchange Agreement (the “Share Exchange Agreement”) by and among the Company, Finger Motion Company Limited, a Hong Kong corporation (“FMCL”) and certain shareholders of FMCL (the “FMCL Shareholders”). Pursuant to the Share Exchange Agreement, the Company agreed to exchange the outstanding equity stock of FMCL held by the FMCL Shareholders for shares of common stock of the Company.

At the Closing Date, the Company issued approximately 12,000,000 shares of common stock to the FMCL shareholders. In addition, the Company issued 600,000 shares to consultants in connection with the transactions contemplated by the Share Exchange Agreement, and up to 2,562,500 additional shares to accredited investors.

The Company issued approximately 2,856,000 shares of common stock during the fiscal year ended February 28, 2018, of which 1,350,000 were issued to consultants at \$0.035 per share. 400,000, 470,000 and 636,000 shares were issued to investors at a per share purchase price of \$0.50, \$1.00 and \$1.50, respectively.

The Company issued approximately 7,331,000 shares of common stock during the year ended February 28, 2019 for cash of \$3,760,500.

The Company issued approximately 607,200 shares of common stock for the three months ended May 31, 2019 for cash of \$1,137,465, including 100,000 shares of common stock to consultants.

Note 12 - Common Stock Subscribed

The Company has received \$150,000 from the subscription of common stock during the year ended February 28, 2018. As of February 28, 2019, the Company issued all of the shares of the subscribed common stock to assigned investors.

Note 13 - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per common share:

	For the three months ended	
	May 31,	
	2019	2018
	(Unaudited)	(Unaudited)
Numerator - basic and diluted		
Net Loss	\$ (1,012,616)	\$ (292,284)
Denominator		
Weighted average number of common shares outstanding —basic	25,370,753	17,554,237
Weighted average number of common shares outstanding —diluted	25,163,910	17,554,237
Loss per common share — basic	\$ (0.04)	\$ (0.02)
Loss per common share — diluted	\$ (0.04)	\$ (0.02)

Note 14 - Income Taxes

The Company and its subsidiaries file separate income tax returns.

The United States of America

FingerMotion, Inc. is incorporated in the State of Delaware in the U.S., and is subject to a U.S. federal corporate income tax of 21%. The Company generated a taxable loss for the three months ended May 31, 2019 and 2018.

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 14 - Income Taxes (continued)

Hong Kong

Finger Motion Company Limited is incorporated in Hong Kong and Hong Kong's profits tax rate is 16.5%. Finger Motion Company Limited did not earn any income that was derived in Hong Kong for the three months ended May 31, 2019 and 2018.

The People's Republic of China (PRC)

JiuGe Management, JiuGe Technology and Beijing XunLian were incorporated in the People's Republic of China and subject to PRC income tax at 25%. JiuGe Management, JiuGe Technology and Beijing XunLian did not generate taxable income in the People's Republic of China for the three months ended May 31, 2019.

Income tax mainly consists of foreign income tax at statutory rates and the effects of permanent and temporary differences. The Company's effective income tax rates for the three months ended May 31, 2019 and 2018 are as follows:

	For the three months ended	
	May 31,	
	2019	2018
	(Unaudited)	(Unaudited)
U.S. statutory tax rate	21.0%	34.0%
Foreign income not registered in the U.S.	(21.0%)	(34.0%)
PRC profit tax rate	25.0%	25.0%
Changes in valuation allowance and others	(25.0%)	(25.0%)
Effective tax rate	0.0%	0.0%

As of May 31, 2019 and February 28, 2019, the Company has a deferred tax asset of \$212,649 and \$236,331, resulting from certain net operating losses in U.S., respectively. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those net operating losses are available. The Company considers projected future taxable income and tax planning strategies in making its assessment. At present, the Company concludes that it is more-likely-than-not that the Company will be able to realize all of its tax benefits in the near future and therefore a valuation allowance has been provided for the full value of the deferred tax asset. A valuation allowance will be maintained until sufficient positive evidence exists to support the reversal of any portion or all of the valuation allowance. As of May 31, 2019 and February 28, 2019, the valuation allowance was \$212,649 and \$236,331, respectively.

	May 31,	February 28,
	2019	2019
	(Unaudited)	
Deferred tax asset from operating losses carry-forwards	\$ 212,649	\$ 236,331
Valuation allowance	(212,649)	(236,331)
Deferred tax asset, net	\$ -	\$ -

FINGERMOTION, INC.
Three Months ended May 31, 2019 and 2018
Notes to the Condensed Consolidated Financial Statements

Note 15 - Related Parties Transaction

a) Related parties:

Name of related parties	Relationship with the Company
Ms. Li Li	Non-controlling Stockholder, Director of JiuGe Technology.

b) The Company had the following related party balances at May 31, 2019 and February 28, 2019:

	May 31, 2019 (Unaudited)	February 28, 2019
Due to related parties:		
Ms. Li Li	\$ (1,223,606)	\$ (1,685,428)

Note 16 - Commitments And Contingencies

Legal proceedings

The Company is not aware of any material outstanding claim and litigation against them.

Note 17 - Subsequent Events

The Company has evaluated all transactions from May 31, 2019 through the financial statement issuance date for subsequent event disclosure consideration and noted, no significant subsequent event that needs to be disclosed, other than as set forth below.

On July 7, 2019, JiuGe Technology entered into that certain Yunnan Unicom Electronic Sales Platform Construction and Operation Cooperation Agreement (the “Cooperation Agreement”) with China United Network Communications Limited Yunnan Branch (“China Unicom”). Under the Cooperation Agreement, JiuGe Technology is responsible for constructing and operating China Unicom’s electronic sales platform through which consumers can purchase various goods and services from China Unicom, including mobile telephones, mobile telephone service, broadband data services, terminals, “smart” devices and related financial insurance. The Cooperation Agreement provides that JiuGe Technology is required to construct and operate the platform’s webpage in accordance with China Unicom’s specifications and policies, and applicable law, and bear all expenses in connection therewith. As consideration for the services it provides under the Cooperation Agreement, JiuGe Technology receives a percentage of the revenue received from all sales it processes for China Unicom on the platform. The Cooperation Agreement expires three years from the date of its signature, but it may be terminated by (i) JiuGe Technology upon three months’ written notice or (ii) by China Unicom unilaterally. The Cooperation Agreement contains customary representations from each party regarding such party’s authority to enter into and perform under the Cooperation Agreement, and provides customary events of default, including for various types of failure to perform.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Forward-looking statements give our current expectations of forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding our future financial position, business strategy, new products, budgets, liquidity, cash flows, projected costs, regulatory approvals or the impact of any laws or regulations applicable to us, and plans and objectives of management for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “should,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “will,” and similar expressions, as they relate to us, are intended to identify forward-looking statements.

We have based these forward-looking statements on our current expectations about future events. While we believe these expectations are reasonable, such forward-looking statements are inherently subject to risks and uncertainties, many of which are beyond our control. Our actual future results may differ materially from those discussed or implied in our forward-looking statements for various reasons. Factors that could contribute to such differences include, but are not limited to:

- international, national and local general economic and market conditions;
- demographic changes;
- the ability of the Company to sustain, manage or forecast its growth;
- the ability of the Company to manage its VIE contracts;
- the ability of the Company to maintain its relationships and licenses in China;
- adverse publicity;
- competition and changes in the Chinese telecommunications market;
- fluctuations and difficulty in forecasting operating results;
- business disruptions, such as technological failures and/or cybersecurity breaches;
- and the other factors discussed below in Item 2. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” in Item 1A. “*Risk Factors*” in our Annual Report on Form 10-K for the year ended February 28, 2019 and in other filings we make with the Securities and Exchange Commission.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. We do not undertake any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the Condensed Consolidated Financial Statements of the Company and the Notes thereto appearing elsewhere in the Quarterly Report on Form 10-Q. Statements in this Management’s Discussion and Analysis and Results of Operation and elsewhere in this Quarterly Report on Form 10-Q that are not statements of historical or current fact constitute “forward-looking statements.” See “Cautionary Note Regarding Forward-Looking Statements.”

General

FingerMotion Inc. (the “**Company**,” “**we**,” “**us**,” “**our**” or “**FingerMotion**”) is a US fintech company incorporated in Delaware, USA, with its corporate offices in New York, NY. We operate three principal lines of business, a video game division, a mobile payment platform and a mass SMS text message service. We operate our video game platform through Finger Motion Company Limited, a Hong Kong corporation (“**FMCL**”), which became an indirect, wholly owned subsidiary of the Company on July 13, 2017 pursuant to a share exchange agreement entered into among the Company, FMCL and FMCL’s former shareholders.

The Video Game industry covers multiple sectors and is currently experiencing a move away from physical games towards digital software. Advances in technology and streaming now allow users to download games rather than visiting retailers. Video game publishers are expanding their direct-to-consumer channels, with mobile gaming current growth leader, and eSports and virtual reality gaining momentum as the next big sectors. This is the business focus for FMCL.

In June 2018, FMCL temporarily paused its publishing and operating plans for existing games other projects. The Company’s board of directors decided to re-focus the Company’s resources into the new business opportunities in China, particularly the mobile data business.

We conduct our mobile payment business through Shanghai JiuGe Technology Co., Ltd. (“**JiuGe Technology**”), which became our contractually controlled affiliate through the entry into a series of agreements known as variable interest agreements (the “**VIE Agreements**”) in October 2018. The use of VIE agreements is a common structure used to acquire corporations in China, particularly in certain industries in which foreign investment is restricted or forbidden by the government of the Peoples’ Republic of China.

In first half of 2018, JiuGe Technology secured contracts with China United Network Communications Group Co., Ltd. (“**China Unicom**”) and China Mobile Communications Corporation (“**China Mobile**”) to distribute mobile data for businesses and corporations in nine provinces/municipalities, namely Chengdu, Jiangxi, Jiangsu, Chongqing, Shanghai, Zhuhai, Zhejiang, Shaanxi and Inner Mongolia. In September 2018, JiuGe Technology launched and commercialized mobile payment and recharge services to businesses for China Unicom. The JiuGe Technology mobile payment and recharge platform enables the seamless delivery of real-time payment and recharge services to third-party channels and businesses. We earn a rebate from each telecommunications company on the funds paid by consumers to the telecommunications companies we process. To encourage consumers to utilize our portal instead of using our competitors’ platforms or paying China Unicom or China Mobile directly, we offer mobile data and talk time at a rate discounted from these companies’ stated rates, which are also the rates we must pay to them to purchase the mobile data and talk time provided to consumers through the use of our platform. Accordingly, we earn income on the rebates we receive from China Unicom and China Mobile, reduced by the amounts by which we discount the mobile data and talk time sold through our platform.

Recent Developments

On March 7, 2019, the Company acquired Beijing Xunlian, a company in the business of providing mass SMS text services to businesses looking to communicate with large numbers of their customers and prospective customers. The Company sees this business as additive to the Company’s core business of processing mobile recharge and top-up payments.

Additionally, as previously disclosed, on July 7, 2019, JiuGe Technology, our contractually controlled affiliate, entered into that certain Yunnan Unicom Electronic Sales Platform Construction and Operation Cooperation Agreement (the “**Cooperation Agreement**”) with China Unicom’s Yunnan subsidiary. Under the Cooperation Agreement, JiuGe Technology is responsible for constructing and operating China Unicom’s electronic sales platform through which consumers can purchase various goods and services from China Unicom, including mobile telephones, mobile telephone service, broadband data services, terminals, “smart” devices and related financial insurance. The Cooperation Agreement provides that JiuGe Technology is required to construct and operate the platform’s webpage in accordance with China Unicom’s specifications and policies, and applicable law, and bear all expenses in connection therewith. As consideration for the services it provides under the Cooperation Agreement, JiuGe Technology receives a percentage of the revenue received from all sales it processes for China Unicom on the platform. The Cooperation Agreement expires three years from the date of its signature, but it may be terminated by (i) JiuGe Technology upon three months’ written notice or (ii) by China Unicom unilaterally.

Critical Accounting Policies and Significant Estimates

Our critical accounting policies and significant estimates are detailed in our Annual Report on Form 10-K for the year ended February 28, 2019. Other than as set forth below, our critical accounting policies and significant estimates have not changed substantially from those previously disclosed in our Annual Report on Form 10-K for the year ended February 28, 2019.

Results of Operations***Three Months Ended May 31, 2019 Compared to Three Months Ended May 31, 2018******Revenue***

The following table sets forth the Company’s revenue from its three lines of business for the periods indicated:

	Three Months Ended		
	May 31, 2019	May 31, 2018	Change (%)
Gaming	- \$	183,130	(100%)
Mobile Recharge	\$ 750,942	-	100%
SMS*	\$ 182,326	-	100%
<i>Total Revenue</i>	<i>\$ 933,269</i>	<i>\$ 180,130</i>	<i>80%</i>

* Reflects results from March 7, 2017 through May 31, 2019.

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We recorded \$933,269 in revenue for the quarter ended May 31, 2019, an increase of \$750,139 or 80%, compared to the quarter ended May 31, 2018. This increase resulted from an increase in revenue of \$750,942 and \$182,326 from our mobile recharge business and SMS business, offset in part by a decrease of \$183,130 from our gaming business. As previously disclosed, in June 2018, we paused our publishing and operating plans for existing games other projects and decided to re-focus the Company's resources on the mobile data business, which has produced higher levels of revenue for the Company. We principally earn revenue by providing mobile payment and recharge services to customers of telecommunications companies in China. Specifically, we earn a negotiated rebate amount from the telecommunications companies for all monies paid by consumers to those companies that we process. As we continue to develop our mobile recharge business, we expect that revenues will continue to grow. We also earned revenue during the most recently completed fiscal quarter from our newly acquired SMS texting service, which business only recently became a part of the Company. The Company expects and hopes that the SMS texting service business will continue to provide solid revenue for the Company in the future.

Cost of Revenue

The following table sets forth the Company's costs of revenue for the periods indicated:

	Three Months Ended	
	May 31, 2019	May 31, 2018
Cost of Revenue – Gaming		
Royalties	- \$	45,818
Channel Costs	- \$	54,554
Internet Data Center Costs	- \$	49,143
Other	- \$	2,992
Cost of Revenue – Mobile Recharge	\$ 673,116	-
Cost of Revenue - SMS	\$ 178,527	-
<i>Total Cost of Revenue</i>	<i>\$ 851,643</i>	<i>\$ 152,507</i>

We recorded \$851,643 in costs of revenue for the quarter ended May 31, 2019, an increase of \$699,136 or 82%, compared to the quarter ended May 31, 2018. As previously mentioned, we principally earn revenue by providing mobile payment and recharge services to customers of telecommunications companies in China. To earn this revenue, we incur certain customer acquisition costs, including discounts to our customers and promotional expenses, which is reflected in our cost of revenue.

Gross profit (loss)

Our gross profit for the quarter ended May 31, 2019 was \$81,626, an increase of \$51,003 or 62%, compared to the quarter ended May 31, 2018. This increase in gross profit resulted from higher revenue for the period.

Amortization & Depreciation

We recorded \$11,018 in amortization and depreciation of which \$1,235 was for fixed assets and \$9,783 was for right-of-use assets for the quarter ended May 31, 2019, a decrease of \$39,069 or 355%, compared to the quarter ended May 31, 2018. This decrease resulted as a portion of our intangible assets have been fully amortized.

General & Administrative Expenses

The following table sets forth the Company's general and administrative expenses for the periods indicated:

	Three Months Ended	
	May 31, 2019	May 31, 2018
Accounting	\$ 85,692	\$ 8,200
Advertising	-	\$ 53,287
Contract Labor	-	\$ 122,260
Consulting	\$ 256,611	\$ 75,830
Consulting (non-cash)	\$ 405,744	-
Entertainment	\$ 52,577	\$ 256
Salaries and Wages	\$ 172,085	-
Travel	\$ 61,579	\$ 2,359
Others	\$ 54,530	\$ 13,752
<i>Total</i>	<i>\$ 1,088,818</i>	<i>\$ 275,944</i>

We recorded \$1,088,818 in general and administrative expenses for the quarter ended May 31, 2019, an increase of \$812,874 or 75%, compared to the quarter ended May 31, 2018. A significant portion of the increase, \$405,744, resulted from the current period's value of our share issuances (non-cash). We also incurred fees of \$256,611 in consultant and professional fees and \$172,085 in increased staff salaries for the period. The foregoing increases in general and administrative expenses are principally the result of the commencement and building of our mobile recharge business.

Operating Expenses

We recorded \$1,099,836 in operating expenses for the quarter ended May 31, 2019, an increase of \$773,805 or 70%, compared to the quarter ended May 31, 2018. The primary explanation for the variance is as stated in the General and Administrative expenses, noted above.

Net Loss

As a result of the foregoing, we recorded \$1,012,626 in net loss of revenue for the quarter ended May 31, 2019, an increase in net loss of 720,342 or 71%, compared to the quarter ended May 31, 2018.

Liquidity and Capital Resources

At May 31, 2019, we had cash and cash equivalents of \$151,622 as compared to cash and cash equivalents of \$1,337,245 at February 28, 2019. In order for us to continue to operate our mobile recharge business, we must deposit funds with our telecommunication company clients from time to time in order to obtain access to the mobile data and talk-time we make available to consumers on our portal. Accordingly, the amount of cash we have on hand fluctuates significantly from period to period. The significant cash reduction reflected on our balance sheet as of May 31, 2019, when compared to the period ended February 28, 2019, is the result of our making large deposits with our telecommunications company clients. The Company otherwise does not have any planned capital expenditures and has historically funded its operations from revenues and sales of securities, including convertible debt securities. We believe that our cash on hand, cash equivalents and short-term investments, along with our revenues from operations, will fund our projected operating requirements, fund our current operations and repay our outstanding indebtedness, in each case, for at least the next 12 months. However, to grow our business substantially, we will need to increase the amount of funds we have deposited with the telecommunications companies for which we process mobile recharge payments. Accordingly, we expect to seek additional capital through public or private sales of our equity or debt securities, or both. We might also enter into financing arrangements with commercial banks or nontraditional lenders.

We currently do not have any financing arrangements in place. We did, however, raise \$957,717 through the sale of shares of our common stock in private placement transactions exempt from the registration requirements of the Securities Act of 1933 during the quarter ended May 31, 2019.

The following table provides a summary of cash flows for the periods presented:

	Three Months Ended	
	May 31, 2019	May 31, 2018
Net cash used in operating activities	\$ (2,139,507)	\$ (497,044)
Net cash used in investing activities	\$ (6,188)	-
Net cash provided by financing activities	\$ 957,717	\$ 496,001
Effect of exchange rates on cash & cash equivalents	\$ 2,355	-
Net decrease in cash and cash equivalents	\$ (1,185,623)	\$ (1,043)

Operating

Cash flows provided by operating activities decreased \$1,642,463 in the three months ended May 31, 2019 compared to the three months ended May 31, 2018, primarily due to the deposit made with our telecommunication company clients in connection with our mobile recharge business, as noted above, which aggregated to \$1,486,825.

Investing

Cash flows provided by investing activities decreased \$6,188 in the three months ended May 31, 2019 compared to the three months ended May 31, 2018, primarily due to a purchase of equipment.

Financing

Cash flows provided by financing activities increased \$461,716 in the three months ended May 31, 2019 compared to the three months ended May 31, 2018, primarily due to proceeds from issuance of shares of \$957,717 during the fiscal quarter ended May 31, 2019.

Off-Balance Sheet Arrangements

The Company does not currently have and has not had during the fiscal quarter ended May 31, 2019, any off-balance sheet assets, liabilities or arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures.**Effectiveness of Disclosure**

Our management, with the participation of our Chief Executive Officer (performing the functions of the Company's principal executive officer and principal financial officer), evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of May 31, 2019. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer (performing the functions of the Company's principal executive officer and principal financial officer), as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of May 31, 2019, our Chief Executive Officer (performing the functions of the Company's principal executive officer and principal financial officer) concluded that due to the existence of material weaknesses in our internal controls over financial reporting, as discussed in more detail in our Annual Report on Form 10-K for the year ended February 28, 2019, our disclosure controls and procedures were not effective as of May 31, 2019. Management has continued to monitor the implementation of the remediation plan described below.

Material Weakness

As previously disclosed in our Annual Report on Form 10-K for the year ended February 28, 2019, management concluded that material weaknesses existed in our internal control over financial reporting. Specifically, we determined that:

- We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act, which is applicable to us as a reporting company.
- We have limited segregation of duties and oversight of work performed as well as lack of compensating controls in the Company's finance and accounting functions due to limited personnel. As a result, segregation of all conflicting duties may not always be possible and may not be economically feasible. Furthermore, we cannot provide reasonable assurance that receipts and expenditures are being made only in accordance with management and director authorization. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals.
- Certain control procedures were unable to be verified due to performance not being sufficiently documented.

In order to remediate the documented material weaknesses, management has begun implementing the following corrective measures:

- management has drafted a Corporate Governance Policy that will further align the Company's governance procedures with the requirements noted in the Sarbanes-Oxley Act; and
- management has also drafted a revised Code of Conduct, which reflects the overall corporate principles, policies and values that will also provide the overall guidance for the control procedures.

Management is committed to improving our internal control processes and believes that the measures described above should remediate the material weaknesses identified and strengthen internal control over financial reporting. As we continue to evaluate and improve internal control over financial reporting, additional measures to remediate the material weaknesses or modifications to certain of the remediation procedures described above may be necessary. The material weaknesses will not be considered remediated until the applicable remediated controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Notwithstanding the material weaknesses in our internal control over financial reporting, we believe that our consolidated financial statements contained in this Quarterly Report on Form 10-Q fairly present our financial position, results of operations and cash flows for the period covered thereby.

Changes in Internal Control over Financial Reporting

Other than the implementation of the remediation efforts set forth above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) during the fiscal quarter ended May 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the fiscal quarter ended May 31, 2019, the Company issued an aggregate of 239,000 shares of the Company's common stock to several individuals for a total purchase price of \$597,500, or \$2.50 per share. The issuance of the foregoing securities is not subject to the registration requirements of the Securities Act, pursuant to Regulation S. No directed selling efforts were made in the United States, the investors were not U.S. persons, and the investors represented that they understood that the securities would not be registered under the Securities Act.

On April 15, 2019, the Company issued 100,000 shares of the Company's common stock to consultants as compensation for services rendered. The issuance of the securities is not subject to the registration requirements of the Securities Act pursuant Section 4(a)(2) thereunder.

Item 3. Defaults Upon Senior Securities

There were no defaults on any indebtedness.

Item 6. Exhibits

		Exhibit Index	
Exhibit No.	Description		Method of Filing
3.1	Certificate of Incorporation		Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (No. 333-196503) filed May 8, 2014
3.2	Certificate of Designation of Series A Convertible Preferred Stock		Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 16, 2017
3.3	Bylaws		Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 (No. 333-196503) filed March 14, 2014
31	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		Filed herewith
32	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		Filed herewith
101	The following financial information from this Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2019, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets at May 31, 2019 and 2018; (ii) the Consolidated Statements of Operations and Comprehensive Income for the quarters ended May 31, 2019 and 2018; (iii) the Consolidated Statements of Stockholders' Equity for the quarters ended May 31, 2019 and 2018; (iv) the Consolidated Statements of Cash Flows for the quarters ended May 31, 2019 and 2018; and (v) the Notes to the Condensed Consolidated Financial Statements.		Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

FINGERMOTION, INC.

Date: July 22, 2019

By: /s/ Martin Shen
Martin Shen, Chief Executive Officer
and Chief Financial Officer
(principal financial officer)

**Certification Pursuant to Section 302
of the Sarbanes-Oxley Act of 2002**

I, Martin Shen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fingermotion, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2019

/s/ Martin Shen
Martin Shen, Chief Executive Officer
(principal executive officer and principal financial officer)

**Certification Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

I, Martin Shen, state and attest that:

1. I am the Chief Executive Officer of Fingermotion, Inc. (the registrant).
2. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
 - the Quarterly Report on Form 10-Q of the registrant for the quarter ended May 31, 2019 (the “periodic report”) containing financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
 - the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: July 22, 2019

By: /s/ Martin Shen

Martin Shen, Chief Executive Officer
(principal executive officer and principal financial officer)