

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended: **February 29, 2020**

☐ Transition report under 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

(IRS Employer
Identification Number)

1460 Broadway

New York, New York 10036

(Address of principal executive offices)

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

Securities registered under Section 12(b) of the Exchange Act:

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

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.0001 par value per share

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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 checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐ Accelerated filer

☐

Non-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 any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter (\$2.58 on August 30, 2019) was approximately \$33,508,919.

The registrant had 33,892,953 common shares outstanding as of July 8, 2020.

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REFERENCES

As used in this Annual Report on Form 10-K (the “**Annual Report**”): (i) the terms the “Registrant”, “we”, “us”, “our”, “FingerMotion” and the “Company” mean FingerMotion, Inc. or as the context requires, collectively with its consolidated subsidiaries; (ii) “SEC” refers to the Securities and Exchange Commission; (iii) “Securities Act” refers to the United States Securities Act of 1933, as amended; (iv) “Exchange Act” refers to the United States Securities Exchange Act of 1934, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 Annual 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,” “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;
 - natural phenomena (including the current COVID-19 pandemic);
 - 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;
 - future decision by management in response to changing conditions;
 - our ability to execute prospective business plans;
 - misjudgments in the course of preparing forward-looking statements;
 - our ability to raise sufficient funds to carry out our proposed business plan;
 - actions by government authorities, including changes in government regulation;
 - dependency on certain key personnel and any inability to retain and attract qualified personnel;
-

- inability to reduce and adequately control operating costs;
- failure to manage future growth effectively; and
- and the other factors discussed below in Item 1A. “*Risk Factors*,” in Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and in other filings we make with the SEC.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Forward-looking statements might not prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. We wish to advise you that these cautionary remarks expressly qualify, in their entirety, all forward-looking statements attributable to our company or persons acting on our company’s behalf. We do not undertake to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as, and to the extent required by, applicable securities laws. You should carefully review the cautionary statements and risk factors contained in this Annual Report and other documents that we may file from time to time with the SEC.

PART I

ITEM 1. BUSINESS

Company Overview

FingerMotion is a US fintech company incorporated in Delaware, USA, with its corporate office located at in New York, NY. FingerMotion previously operated as a mobile video gaming platform business and as the Company attempted to increase its market share, it discovered new opportunities in the Peoples' Republic of China ("**China**" or the "**PRC**") requiring only slight modifications to the existing infrastructure.

FingerMotion ventured into the telecommunications industry by offering mobile payment and recharge services in the China market, beginning in September 2018. Chinese mobile phone consumers often utilize third-party e-marketing websites to pay their phone bills. If the consumer connected directly to the telecommunications provider to pay his or her bill, the consumer would miss out on any benefits or marketing discounts that e-marketers provide. Thus, consumers log on to these e-marketers' websites, click into their respective phone provider's store, and "top up," or pay, their telecommunications provider for additional mobile data and talk time.

To connect to the respective mobile telecommunications providers, these e-marketers must utilize a portal licensed by the applicable telecommunication company that processes the payment. We have been granted one of these licenses by China United Network Communications Group Co., Ltd. ("**China Unicom**") and China Mobile Communications Corporation ("**China Mobile**"), each of which is a major telecommunications provider in China. We principally earn revenue by providing mobile payment and recharge services to customers of China Unicom and China Mobile.

FingerMotion started and commercialized its "Business to Business" ("**B2B**") model by integrating with various e-commerce platforms to provide its mobile payment and recharge services to subscribers or end consumers. In the first quarter of 2019, FingerMotion expanded its business by commercializing its first "Business to Consumer" ("**B2C**") model, offering mobile payment and recharge services directly to subscribers or customers of the e-commerce companies, PinDuoDuo ("**PDD**") and TMall ("**TMALL**"). FingerMotion is planning to further expand its recharge platform by setting up B2C stores on several other major e-commerce platforms in China.

We believe FingerMotion's ability to offer reliable and efficient mobile payment and recharge services, while providing a high level of customer service, will help solidify the industry's reliance on the FingerMotion brand.

For scale, China's top-up market's gross transaction volume ("**GTV**") is estimated at US\$153 billion in 2019 and is expected to increase to US\$165 billion by 2024 (source: <https://telecomstechnews.com/news/2019/nov/21/total-mobile-service-revenue-china-hit-165bn-end-2024-reveals-globaldata/>). FingerMotion's GTV for the fiscal year ended February 29, 2020 was US\$483,820,491. FingerMotion's GTV for the month of February 2020 was US\$12,465,506. This translated into revenues for FingerMotion of US\$1,822,081 (for the mobile payment and recharge platform business) for the fiscal year ended February 29, 2020 and revenues of US\$130,868 for February 2020 alone.

For the Company to continue to grow, the deposit with the telecommunications companies (prepayments paid to the telecom companies for credits) needs to increase, as the GTV processed by the Company is dependent on the size of the deposit residing with each telecom. And since the telecom companies, China Unicom and China Mobile, are AAA-rated and monitored by the government, FingerMotion retains comfort in its deposits by dealing with financially strong and reputable partners.

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FingerMotion has initiated other revenue streams that are less capital-intensive but could provide greater profits albeit at lower volumes. FingerMotion's relationship with the telecom companies allows it to acquire bulk SMS bundles at reduced prices, which it can pass along to various clientele. The Company has recently secured the SMS contracts for several enterprise clients including premium car manufacturers, hotel chains and e-commerce companies.

Corporate Information

The Company was initially incorporated as Property Management Corporation of America on January 23, 2014 in the State of Delaware.

On June 21, 2017, the Company amended its certificate of incorporation to effect a 1-for-4 reverse stock split of the Company's outstanding common stock, to increase the authorized shares of common stock to 200,000,000 shares and to change the name of the Company from "Property Management Corporation of America" to "FingerMotion, Inc." (the "**Corporate Actions**"). The Corporate Actions and the amended certificate of incorporation became effective on June 21, 2017.

Effective July 13, 2017, 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. On the closing date of the Share Exchange Agreement, 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 2,562,500 additional shares to accredited investors, which was a concurrent financing but not a condition of closing the Share Exchange Agreement.

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 on April 6, 2016 and is an information technology company that specializes in operating and publishing mobile games. We operate our video game division through FMCL.

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 our 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. We operate our mobile payment platform business through JiuGe Technology.

Our principal executive offices are located at 1460 Broadway, New York, New York 10036, and our telephone number at that address is (347) 349-5339.

Intercompany Relationships

The following is a list of all of our subsidiaries and the corresponding date of jurisdiction of incorporation or organization and the ownership interest of each. All of our subsidiaries are directly or indirectly owned or controlled by us:

Name of Entity	Place of Incorporation/Formation	Ownership Interest
Finger Motion Company Limited ⁽¹⁾	Hong Kong	100%
Finger Motion (CN) Global Limited ⁽²⁾	Samoa	100%
Finger Motion (CN) Limited ⁽³⁾	Hong Kong	100%
Shanghai JiuGe Business Management Co., Ltd. ⁽⁴⁾	PRC	100%
Shanghai JiuGe Information Technology Co., Ltd. ⁽⁵⁾	PRC	Contractually controlled ⁽⁵⁾
Beijing XunLian TianXia Technology Co., Ltd. ⁽⁶⁾	PRC	99%

Notes:

(1) Finger Motion Company Limited is a wholly-owned subsidiary of FingerMotion, Inc.

(2) Finger Motion (CN) Global Limited is a wholly-owned subsidiary of FingerMotion, Inc.

(3) Finger Motion (CN) Limited is a wholly-owned subsidiary of Finger Motion (CN) Global Limited.

(4) Shanghai JiuGe Business Management Co., Ltd. is a wholly-owned subsidiary of Finger Motion (CN) Limited.

(5) Shanghai JiuGe Information Technology Co., Ltd. is a variable interest entity that is contractually controlled by Shanghai JiuGe Business Management Co., Ltd.

(6) Beijing XunLian TianXia Technology Co., Ltd. is a 99% owned subsidiary of Shanghai JiuGe Information Technology Co., Ltd.

Our Video Game Division

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, the current growth leader, and eSports and virtual reality gaining momentum as the next big sectors.

FMCL secured a strategic alliance with Games Development Studio in China to design and develop games for the Company. To date, we have three games licenses and the licenses cover worldwide distribution rights (except China). The two current game genres are action role playing games and the other is a simulated life game.

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

Our Mobile Payment Platform

As noted above, we conduct our mobile payment business through JiuGe Technology, which became our contractually controlled affiliate through the VIE Agreements in October 2018. 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 included:

- a Consulting Services Agreement through which JiuGe Management is mainly engaged in data marketing, technical services, technical consulting and business consultancy to JiuGe Technology;

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- a Loan Agreement through which JiuGe Management grants a loan to JiuGe Technology for the purpose of capital contribution;
- a Power of Attorney Agreement under which the owners of JiuGe Technology have vested their collective voting control over JiuGe Technology to JiuGe Management and will only transfer their equity interests in JiuGe Technology to JiuGe Management or its designee(s);
- a Call Option Agreement under which the owners of JiuGe Technology have granted to JiuGe Management the irrevocable and unconditional right and option to acquire all of their equity interests in JiuGe Technology or transfer these rights to a third party; and
- a Share Pledge Agreement under which the owners of JiuGe Technology have pledged all of their rights, titles and interests in JiuGe Technology to JiuGe Management to guarantee JiuGe Technology's performance of its obligations under the Consulting Services Agreement.

In the first half of 2018, JiuGe Technology secured contracts with China Unicom and China Mobile to distribute mobile data for businesses and corporations in 9 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 negotiated rebate amount from each of China Unicom and China Mobile for all monies paid by consumers to China Unicom and China Mobile that 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 the telecommunications companies, reduced by the amounts by which we discount the mobile data and talk time sold through our platform.

In October 2018, China Unicom and China Mobile awarded JiuGe Technology with contracts that established partnerships for data analysis, that could unlock potential value-added services.

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 Yunnan**"). Under the Cooperation Agreement, JiuGe Technology is responsible for constructing and operating China Unicom Yunnan's electronic sales platform through which consumers can purchase various goods and services from China Unicom Yunnan, 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 Yunnan'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 Yunnan 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 Yunnan 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. Any disputes arising between the parties under the Cooperation Agreement will be adjudicated in Chinese courts.

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This description of the Cooperation Agreement does not purport to be complete and is qualified in its entirety by reference to the terms of the Cooperation Agreement, which is attached hereto as Exhibit 10.7 and is incorporated herein by this reference.

Competition

Our industry is highly competitive, rapidly changing, highly innovative and increasingly subject to regulatory scrutiny and oversight. We compete against a wide range of businesses, including those that are larger than we are, have a dominant and secure position or offer other products and services to consumers and merchants that we do not offer. We believe we are in an advantageous position compared to many of our competitors or potential competitors because we have been granted an exclusive license to act as an authorized processor of payments in China for China Unicom and China Mobile.

Our mobile payments business competes principally against two alternatives. First, we compete directly with other holders of licenses from the major mobile telecommunications providers in China. We understand there are a limited number of these licenses, but believe that certain other license holders are large, diversified companies with deep financial resources. We also compete with payment processors that are not authorized licensees of the mobile telecommunications companies but nevertheless provide similar services. Separately, and more generally, we compete with all forms and methods of paying for additional data and minutes, including credit and debit cards, other electronic payment platforms and bank transfers.

Because we have been awarded a contract to process payments for China Unicom and China Mobile and, are therefore, able to offer services directly to market with value added services, we believe the Company is in an advantageous position as compared to its competition. We look to take advantage of the position that we have been afforded.

Intellectual Property

FingerMotion has sufficient intellectual property rights to operate its mobile payment and recharge platform system. The Company will continue to enhance the system to meet market and consumer demands and requirements.

Regulation

We operate in a rapidly evolving regulatory environment characterized by a heightened regulatory focus on all aspects of the payments industry. That focus continues to become even more heightened as regulators on a global basis focus on such important issues as countering terrorist financing, anti-money laundering, privacy, cybersecurity and consumer protection. Some of the laws and regulations to which we are subject were enacted recently, and the laws and regulations applicable to us, including those enacted prior to the advent of digital and mobile payments, are continuing to evolve through legislative and regulatory action and judicial interpretation. New or changing laws and regulations, including how such laws and regulations are interpreted and implemented, as well as increased penalties and enforcement actions related to non-compliance, could have a material adverse impact on our business, results of operations, and financial condition. Therefore, as we grow, we will need to develop the capacity to monitor these areas closely to design compliant solutions for our customers who depend on us.

Government regulation impacts key aspects of our business. We are subject to regulations that affect the payments industry in the markets in which we operate.

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Payments Regulation. Various laws and regulations govern the payments industry in China, where our mobile payment and recharge platform principally operates. Our activities in this regard are, or may be, supervised by one or more financial regulatory authorities, including the People's Bank of China. Other national or provincial regulatory agencies may have or assert jurisdiction over our activities, including agencies and authorities outside of China, if our platform is utilized by consumers in such jurisdictions. The laws and regulations applicable to the payments industry in any given jurisdiction are subject to interpretation and change.

Anti-Money Laundering and Counter-Terrorist Financing. FingerMotion is subject to anti-money laundering (“**AML**”) laws and regulations in China, the U.S. and other jurisdictions, as well as laws designed to prevent the use of the financial systems to facilitate terrorist activities. As we grow our business, we will need to develop an AML program designed to prevent our payment network from being used to facilitate money laundering, terrorist financing, and other illicit activities, or to do business in countries or with persons and entities included on designated country or person lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Controls (“**OFAC**”) and equivalent authorities in China and other countries whose jurisdiction we may become subject as a result of our operations. Any AML and sanctions compliance program we put in place will need to involve policies, procedures and internal controls designed to address these legal and regulatory requirements and assist in managing money laundering and terrorist financing risks.

Data Protection and Information Security. Aspects of our operations or business may be subject to privacy and data protection regulation in China, the U.S. and elsewhere. In the U.S., we are subject to privacy information safeguarding requirements under the Gramm-Leach-Bliley Act that require the maintenance of a written, comprehensive information security program, among other laws, which we do not currently have in place. Regulatory authorities around the world are considering numerous legislative and regulatory proposals concerning privacy and data protection that may contain additional privacy and data protection obligations than exist today. In addition, the interpretation and application of these privacy and data protection laws in China, the U.S. and elsewhere are often uncertain and in a state of flux.

Anti-Corruption. FingerMotion is subject to applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and similar anti-corruption laws in the jurisdictions in which we operate. Anti-corruption laws generally prohibit offering, promising, giving, accepting or authorizing others to provide anything of value, either directly or indirectly, to or from a government official or private party in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business.

Additional Regulatory Developments. Various regulatory agencies continue to examine a wide variety of issues, including virtual currencies, identity theft, account management guidelines, privacy, disclosure rules, cybersecurity and marketing that may impact the Company's business.

Compliance with Environmental Laws

Compliance with foreign, federal, state and local laws that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have not had a material effect on our capital expenditures, earnings or competitive position.

Employees

As of February 29, 2020, we had 53 total employees, of whom 25 were full time. We have approximately 50 employees in China, 2 employees in Malaysia and 1 employee in Canada. We believe that we enjoy good relations with our employees.

ITEM 1A. RISK FACTORS

In addition to the information contained in this Annual Report on Form 10-K, we have identified the following material risks and uncertainties which reflect our outlook and conditions known to us as of the date of this Annual Report. These material risks and uncertainties should be carefully reviewed by our stockholders and any potential investors in evaluating the Company, our business and the market value of our common stock. Furthermore, any one of these material risks and uncertainties has the potential to cause actual results, performance, achievements or events to be materially different from any future results, performance, achievements or events implied, suggested or expressed by any forward-looking statements made by us or by persons acting on our behalf. Refer to “Cautionary Note Regarding Forward-looking Statements”.

There is no assurance that we will be successful in preventing the material adverse effects that any one or more of the following material risks and uncertainties may cause on our business, prospects, financial condition and operating results, which may result in a significant decrease in the market price of our common stock. Furthermore, there is no assurance that these material risks and uncertainties represent a complete list of the material risks and uncertainties facing us. There may be additional risks and uncertainties of a material nature that, as of the date of this Annual Report, we are unaware of or that we consider immaterial that may become material in the future, any one or more of which may result in a material adverse effect on us. You could lose all or a significant portion of your investment due to any one of these material risks and uncertainties.

Risks Related to the Business

We have a limited operating history and, as a result, our past results may not be indicative of future operating performance.

We have a limited operating history, which makes it difficult to forecast our future results. You should not rely on our past results of operations as indicators of future performance. You should consider and evaluate our prospects in light of the risks and uncertainty frequently encountered by companies like ours.

If we fail to address the risks and difficulties that we face, including those described elsewhere in this “Risk Factors” section, our business, financial condition and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in an evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

We have a history of net losses and we may not be able to achieve or maintain profitability in the future.

For all annual periods of our operating history we have experienced net losses. We generated net losses of approximately \$3.0 million, \$2.9 million and \$1.8 million for the years ended February 28, 2020, 2019 and 2018, respectively. As of February 28, 2020, we had an accumulated deficit of \$7.8 million. We have not achieved profitability, and we may not realize sufficient revenue to achieve profitability in future periods. Our expenses will likely increase in the future as we develop and launch new offerings and platform features, expand in existing and new markets, increase our sales and marketing efforts and continue to invest in our platform. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or maintain profitability.

If we fail to effectively manage our growth, our business, financial condition and results of operations could be adversely affected.

We are currently experiencing growth in our business. This expansion increases the complexity of our business and has placed, and will continue to place, strain on our management, personnel, operations, systems, technical performance, financial resources and internal financial control and reporting functions. Our ability to manage our growth effectively and to integrate new employees, technologies and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to retain, attract, train, motivate and manage employees. Continued growth could strain our ability to develop and improve our operational, financial and management controls, enhance our reporting systems and procedures, recruit, train and retain highly skilled personnel and maintain user satisfaction. Additionally, if we do not effectively manage the growth of our business and operations, the quality of our offerings could suffer, which could negatively affect our reputation and brand, business, financial condition and results of operations.

The impact of the novel coronavirus (COVID-19) pandemic on the global economy, our operations and consumer demand for consumer goods and services remains uncertain, which could have a material adverse impact on our business, results of operations and financial condition and on the market price of our common shares.

In December 2019, a strain of novel coronavirus (now commonly known as COVID-19) was reported to have surfaced in Wuhan, China. COVID-19 has since spread rapidly throughout many countries, and, on March 12, 2020, the World Health Organization declared COVID-19 to be a pandemic. In an effort to contain and mitigate the spread of COVID-19, many countries, including the United States, Canada and China, have imposed unprecedented restrictions on travel, and there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19. Although our operating subsidiaries and contractually controlled entity report that its operation have not been materially affected at this point, significant uncertainty remains as to the potential impact of the COVID-19 pandemic on our operations and on the global economy as a whole. It is currently not possible to predict how long the pandemic will last or the time that it will take for economic activity to return to prior levels. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty in recent weeks. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, on the market price of our common shares, and on consumer demand for consumer services, including those offered by our Company.

We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain, motivate or integrate our personnel, our business, financial condition and results of operations could be adversely affected.

Our success depends in part on the continued service of our founders, senior management team, key technical employees and other highly skilled personnel and on our ability to identify, hire, develop, motivate, retain and integrate highly qualified personnel for all areas of our organization. We may not be successful in attracting and retaining qualified personnel to fulfill our current or future needs. Our competitors may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms or at all. If we are unable to attract and retain the necessary personnel, particularly in critical areas of our business, we may not achieve our strategic goals.

Our concentration of earnings from two telecommunications companies may have a material adverse effect on our financial condition and results of operations.

We currently derive substantially all of our revenue from the rebates we earn from China Unicom and China Mobile as a result of our processing payments for these telecommunications companies' consumers for mobile data and talk time. If we were to lose the business of one or both of these mobile telecommunications companies, if either were to fail to fulfill its obligations to us, if either were to experience difficulty in paying rebates to us on a timely basis, if either negotiated lower pricing terms, or if either increased the number of licensed payment portals it permits to process its payments, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. Additionally, we cannot guarantee that the volume of revenue we earn from China Unicom and China Mobile will remain consistent going forward. Any substantial change in our relationships with either China Unicom or China Mobile, or both, whether due to actions by our competitors, regulatory authorities, industry factors or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

Any actual or perceived security or privacy breach could interrupt our operations, harm our brand and adversely affect our reputation, brand, business, financial condition and results of operations.

Our business involves the processing and transmission of our users' personal and other sensitive data. Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched against us, we may be unable to anticipate or prevent these attacks. Unauthorized parties may in the future gain access to our systems or facilities through various means, including gaining unauthorized access into our systems or facilities or those of our service providers, partners or users on our platform, or attempting to fraudulently induce our employees, service providers, partners, users or others into disclosing names, passwords, payment information or other sensitive information, which may in turn be used to access our information technology systems, or attempting to fraudulently induce our employees, partners or others into manipulating payment information, resulting in the fraudulent transfer of funds to criminal actors. In addition, users on our platform could have vulnerabilities on their own mobile devices that are entirely unrelated to our systems and platform, but could mistakenly attribute their own vulnerabilities to us. Further, breaches experienced by other companies may also be leveraged against us. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. Certain efforts may be state-sponsored or supported by significant financial and technological resources, making them even more difficult to detect.

Although we have developed systems and processes that are designed to protect our users' data, prevent data loss and prevent other security breaches, these security measures cannot guarantee security. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches; also, employee error, malfeasance or other errors in the storage, use or transmission of personal information could result in an actual or perceived privacy or security breach or other security incident.

Any actual or perceived breach of privacy or security could interrupt our operations, result in our platform being unavailable, result in loss or improper disclosure of data, result in fraudulent transfer of funds, harm our reputation and brand, damage our relationships with third-party partners, result in significant legal, regulatory and financial exposure and lead to loss of confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial condition and results of operations. Any breach of privacy or security impacting any entities with which we share or disclose data (including, for example, our third-party providers) could have similar effects.

Additionally, defending against claims or litigation based on any security breach or incident, regardless of their merit, could be costly and divert management's attention. We cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition and results of operations.

Systems failures and resulting interruptions in the availability of our platform or offerings could adversely affect our business, financial condition and results of operations.

Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware or other events. Our systems also may be subject to break-ins, sabotage, theft and intentional acts of vandalism, including by our own employees. Some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events.

We have not experienced any system failures or other events or conditions that have interrupted the availability or reduced or affected the speed or functionality of our offerings. These events, were they to occur in the future, could adversely affect our business, reputation, results of operations and financial condition.

The successful operation of our business depends upon the performance and reliability of Internet, mobile, and other infrastructures that are not under our control.

Our business depends on the performance and reliability of Internet, mobile and other infrastructures that are not under our control. Disruptions in Internet infrastructure or the failure of telecommunications network operators to provide us with the bandwidth we need to provide our services and offerings could interfere with the speed and availability of our platform. If our platform is unavailable when platform users attempt to access it, or if our platform does not load as quickly as platform users expect, platform users may not return to our platform as often in the future, or at all, and may use our competitors' products or offerings more often. In addition, we have no control over the costs of the services provided by national telecommunications operators. If mobile Internet access fees or other charges to Internet users increase, consumer traffic may decrease, which may in turn cause our revenue to significantly decrease.

Our business depends on the efficient and uninterrupted operation of mobile communications systems. The occurrence of an unanticipated problem, such as a power outage, telecommunications delay or failure, security breach or computer virus could result in delays or interruptions to our services, offerings and platform, as well as business interruptions for us and platform users. Furthermore, foreign governments may leverage their ability to shut down directed services, and local governments may shut down our platform at the routing level. Any of these events could damage our reputation, significantly disrupt our operations, and subject us to liability, which could adversely affect our business, financial condition and operating results. We have invested significant resources to develop new products to mitigate the impact of potential interruptions to mobile communications systems, which can be used by consumers in territories where mobile communications systems are less efficient. However, these products may ultimately be unsuccessful.

We may be subject to claims, lawsuits, government investigations and other proceedings that may adversely affect our business, financial condition and results of operations.

We may be subject to claims, lawsuits, arbitration proceedings, government investigations and other legal and regulatory proceedings as our business grows and as we deploy new offerings, including proceedings related to our products or our acquisitions, securities issuances or business practices. The results of any such claims, lawsuits, arbitration proceedings, government investigations or other legal or regulatory proceedings cannot be predicted with certainty. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention and divert significant resources. Determining reserves for litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that such proceedings could result in substantial damages, settlement costs, fines and penalties that could adversely affect our business, financial condition and results of operations. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition and results of operations. Furthermore, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers.

We may require additional funding to support our business.

To grow our business, FingerMotion currently looks to take advantage of the immense mobile phone payment market, gross transaction volume (GTV) is estimated at US\$153 billion in 2019 and is expected to increase to US\$165 billion by 2024 (source: <https://telecomstechnews.com/news/2019/nov/21/total-mobile-service-revenue-china-hit-165bn-end-2024-reveals-globaldata/>). For the Company to continue to grow, the deposit with the Telecoms needs to increase, as the GTV we process is dependent on the size of the deposit we have with each Telecom. We will likely need to raise additional capital to materially increase the amounts of these deposits. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to those of our common stock, and our existing stockholders may experience dilution. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We cannot be certain that additional funding will be available to us on favorable terms, or at all. If we are unable to obtain adequate funding or funding on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, financial condition and results of operations could be adversely affected.

Claims by others that we infringed their proprietary technology or other intellectual property rights could harm our business.

Companies in the Internet and technology industries are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. In addition, certain companies and rights holders seek to enforce and monetize patents or other intellectual property rights they own, have purchased or otherwise obtained. As we gain a public profile and the number of competitors in our market increases, the possibility of intellectual property rights claims against us grows. From time to time, third parties may assert claims of infringement of intellectual property rights against us. Many potential litigants, including some of our competitors and patent-holding companies, have the ability to dedicate substantial resources to assert their intellectual property rights. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim, could distract our management from our business and could require us to cease use of such intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, we risk compromising our confidential information during this type of litigation. We may be required to pay substantial damages, royalties or other fees in connection with a claimant securing a judgment against us, we may be subject to an injunction or other restrictions that prevent us from using or distributing our intellectual property, or we may agree to a settlement that prevents us from distributing our offerings or a portion thereof, which could adversely affect our business, financial condition and results of operations.

With respect to any intellectual property rights claim, we may have to seek out a license to continue operations found to be in violation of such rights, which may not be available on favorable or commercially reasonable terms and may significantly increase our operating expenses. Some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. If a third party does not offer us a license to its intellectual property on reasonable terms, or at all, we may be required to develop alternative, non-infringing technology, which could require significant time (during which we would be unable to continue to offer our affected offerings), effort and expense and may ultimately not be successful. Any of these events could adversely affect our business, financial condition and results of operations.

Risks Related to Our Securities

Our stock has limited liquidity.

Our common stock trades on the OTCQB operated by OTC Markets Group Inc. Trading volume in our shares may be sporadic and the price could experience volatility. If adverse market conditions exist, you may have difficulty selling your shares.

The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, including the following:

- actual or anticipated fluctuations in our operating results;
- changes in financial estimates by securities analysts or our failure to perform in line with such estimates;
- changes in market valuations of other companies, particularly those that market services such as ours;
- announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- introduction of product enhancements that reduce the need for our products; and
- departure of key personnel.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price and trading volume of our common stock could decline.

The trading market for our common stock may depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competition. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our common stock to decline.

We are subject to federal legislation to protect investors against corporate fraud.

Federal legislation, such as the Sarbanes-Oxley Act of 2002 and the Dodd- Frank Act, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or the Nasdaq Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges are those that address board of directors' independence, audit committee oversight and the adoption of a code of ethics.

We have not yet adopted any of these corporate governance measures such as an audit or other independent committees of our board of directors. Additionally, since our securities are not yet listed on a national securities exchange, we are not required to do so. If we expand our board membership in future periods to include independent directors, we may seek to establish an audit and other committees of our board of directors. It is possible that if we were to adopt some or all of these corporate governance measures, stockholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees are made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should consider our current lack of corporate governance measures in making their investment decisions.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting.

Our current controls and any new controls that we develop may become inadequate because of changes in the conditions in our business. Further, weaknesses in our disclosure controls or our internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely adversely affect the market price of our common stock.

Our Common Shares are categorized as “penny stock”, which may make it more difficult for investors to buy and sell our Common Shares due to suitability requirements.

Our Common Shares are considered “penny stock”. The SEC has adopted Rule 15c-9 which generally defines “penny stock” to be any equity security that has a market price less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. The price of our Common Shares is significantly less than \$5.00 per share. This designation imposes additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors”. The penny stock rules require a broker-dealer buying securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities given the increased risks generally inherent in penny stocks. These rules may restrict the ability and/or willingness of brokers or dealers to buy or sell our Common Shares, either directly or on behalf of their clients, may discourage potential stockholders from purchasing our Common Shares, or may adversely affect the ability of stockholders to sell their shares.

Financial Industry Regulatory Authority (“FINRA”) sales practice requirements may also limit a shareholder’s ability to buy and sell our Common Shares, which could depress the price of our Common Shares.

In addition to the “penny stock” rules described above, FINRA has adopted rules that require a broker-dealer to have reasonable grounds for believing that the investment is suitable for that customer before recommending an investment to a customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Shares, which may limit your ability to buy and sell our Common Shares, have an adverse effect on the market for our Common Shares, and thereby depress our price per Common Share.

Risks Related to the VIE Agreements

The PRC government may determine that the VIE Agreements are not in compliance with applicable PRC laws, rules and regulations

JiuGe Management manages and operates the mobile data business through JiuGe Technology pursuant to the rights it holds under the VIE Agreements. Almost all economic benefits and risks arising from JiuGe Technology’s operations are transferred to JiuGe Management under these agreements.

There are risks involved with the operation of our business in reliance on the VIE Agreements, including the risk that the VIE Agreements may be determined by PRC regulators or courts to be unenforceable. Our PRC counsel has provided a legal opinion that the VIE Agreements are binding and enforceable under PRC law, but has further advised that if the VIE Agreements were for any reason determined to be in breach of any existing or future PRC laws or regulations, the relevant regulatory authorities would have broad discretion in dealing with such breach, including:

- imposing economic penalties;
- discontinuing or restricting the operations of JiuGe Technology or JiuGe Management;
- imposing conditions or requirements in respect of the VIE Agreements with which JiuGe Technology or JiuGe Management may not be able to comply;

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- requiring our company to restructure the relevant ownership structure or operations;
- taking other regulatory or enforcement actions that could adversely affect our company's business; and
- revoking the business licenses and/or the licenses or certificates of JiuGe Management, and/or voiding the VIE Agreements.

Any of these actions could adversely affect our ability to manage, operate and gain the financial benefits of JiuGe Technology, which would have a material adverse impact on our business, financial condition and results of operations.

Our ability to manage and operate JiuGe Technology under the VIE Agreements may not be as effective as direct ownership.

We conduct our mobile data business in the PRC and generate virtually all of our revenues through the VIE Agreements. Our plans for future growth are based substantially on growing the operations of JiuGe Technology. However, the VIE Agreements may not be as effective in providing us with control over JiuGe Technology as direct ownership. Under the current VIE arrangements, as a legal matter, if JiuGe Technology fails to perform its obligations under these contractual arrangements, we may have to (i) incur substantial costs and resources to enforce such arrangements, and (ii) rely on legal remedies under PRC law, which we cannot be sure would be effective. Therefore, if we are unable to effectively control JiuGe Technology, it may have an adverse effect on our ability to achieve our business objectives and grow our revenues.

As the VIE Agreements are governed by PRC law, we would be required to rely on PRC law to enforce our rights and remedies under them; PRC law may not provide us with the same rights and remedies as are available in contractual disputes governed by the law of other jurisdictions.

The VIE Agreements are governed by the PRC law and provide for the resolution of disputes through arbitral proceedings pursuant to PRC law. If JiuGe Technology or its shareholders fail to perform the obligations under the VIE Agreements, we would be required to resort to legal remedies available under PRC law, including seeking specific performance or injunctive relief, or claiming damages. We cannot be sure that such remedies would provide us with effective means of causing JiuGe Technology to meet its obligations or recovering any losses or damages as a result of non-performance. Further, the legal environment in China is not as developed as in other jurisdictions. Uncertainties in the application of various laws, rules, regulations or policies in PRC legal system could limit our liability to enforce the VIE Agreements and protect our interests.

The payment arrangement under the VIE Agreements may be challenged by the PRC tax authorities.

We generate our revenues through the payments we receive pursuant to the VIE Agreements. We could face adverse tax consequences if the PRC tax authorities determine that the VIE Agreements were not entered into based on arm's length negotiations. For example, PRC tax authorities may adjust our income and expenses for PRC tax purposes which could result in our being subject to higher tax liability or cause other adverse financial consequences.

Shareholders of JiuGe Technology have potential conflicts of interest with our company which may adversely affect our business.

Li Li is the CEO and legal representative and is also the shareholder of JiuGe Technology. There could be conflicts that arise from time to time between our interests and the interests of Ms. Li. There could also be conflicts that arise between us and JiuGe Technology that would require our shareholders and JiuGe Technology's shareholders to vote on corporate actions necessary to resolve the conflict. There can be no assurance in any such circumstances that Ms. Li will vote her shares in our best interest or otherwise act in the best interests of our company. If Ms. Li fails to act in our best interests, our operating performance and future growth could be adversely affected.

We rely on the approval certificates and business license held by JiuGe Management and any deterioration of the relationship between JiuGe Management and JiuGe Technology could materially and adversely affect our business operations.

We operate our mobile data business in China on the basis of the approval certificates, business license and other requisite licenses held by JiuGe Management and JiuGe Technology. There is no assurance that JiuGe Management and JiuGe Technology will be able to renew their licenses or certificates when their terms expire with substantially similar terms as the ones they currently hold.

Further, our relationship with JiuGe Technology is governed by the VIE Agreements that are intended to provide us with effective control over the business operations of JiuGe Technology. However, the VIE Agreements may not be effective in providing control over the application for and maintenance of the licenses required for our business operations. JiuGe Technology could violate the VIE Agreements, go bankrupt, suffer from difficulties in its business or otherwise become unable to perform its obligations under the VIE Agreements and, as a result, our operations, reputations and business could be severely harmed.

If JiuGe Management exercises the purchase option it holds over JiuGe Technology's share capital pursuant to the VIE Agreements, the payment of the purchase price could materially and adversely affect our financial position.

Under the VIE Agreements, JiuGe Technology's shareholders have granted JiuGe Management an option for the maximum period of time permitted by law to purchase all of the equity interest in JiuGe Technology at a price equal to one dollar or the lowest applicable price allowable by PRC laws and regulations. As JiuGe Technology is already our contractually controlled affiliate, JiuGe Management's exercising of the option would not bring immediate benefits to our company, and payment of the purchase prices could adversely affect our financial position.

Risks Related to Doing Business in China

Changes in China's political or economic situation could harm us and our operating results.

Economic reforms adopted by the Chinese government have had a positive effect on the economic development of the country, but the government could change these economic reforms or any of the legal systems at any time. This could either benefit or damage our operations and profitability. Some of the things that could have this effect are:

- Level of government involvement in the economy;
- Control of foreign exchange;
- Methods of allocating resources;
- Balance of payments position;
- International trade restrictions; and
- International conflict.

The Chinese economy differs from the economies of most countries belonging to the Organization for Economic Cooperation and Development, or OECD, in many ways. For example, state-owned enterprises still constitute a large portion of the Chinese economy and weak corporate governance and a lack of flexible currency exchange policy still prevail in China. As a result of these differences, we may not develop in the same way or at the same rate as might be expected if the Chinese economy was similar to those of the OECD member countries.

Uncertainties with respect to the PRC legal system could limit the legal protections available to you and us.

We conduct substantially all of our business through our operating subsidiary and affiliate in the PRC. Our principal operating subsidiary and affiliate, JiuGe Management and JiuGe Technology, are subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes, and prior court decisions may be cited for reference but have limited precedential value. Since 1979, a series of new PRC laws and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since the PRC legal system continues to evolve rapidly, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protections available to you and us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. In addition, most of our executive officers and all of our directors are not residents of the United States, and substantially all the assets of these persons are located outside the United States. As a result, it could be difficult for investors to effect service of process in the United States or to enforce a judgment obtained in the United States against our Chinese operations, subsidiary and affiliate.

You may have difficulty enforcing judgments against us.

We are a Delaware holding company, but Finger Motion (CN) Limited is a Hong Kong company, and our principal operating affiliate and subsidiary, JiuGe Technology and JiuGe Management, are located in the PRC. Most of our assets are located outside the United States and most of our current operations are conducted in the PRC. In addition, most of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons is located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts judgments predicated on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside the United States. In addition, there is uncertainty as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts. The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other arrangements that provide for the reciprocal recognition and enforcement of foreign judgments with the United States. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates basic principles of PRC law or national sovereignty, security or the public interest. Therefore, it is uncertain whether a PRC court would enforce a judgment rendered by a court in the United States.

The PRC government exerts substantial influence over the manner in which we must conduct our business activities.

The PRC government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, import and export tariffs, environmental regulations, land use rights, property and other matters. We believe that our operations in China are in material compliance with all applicable legal and regulatory requirements. However, the central or local governments of the jurisdictions in which we operate may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations.

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Accordingly, government actions in the future, including any decision not to continue to support recent economic reforms and to return to a more centrally planned economy or regional or local variations in the implementation of economic policies, could have a significant effect on economic conditions in China or particular regions thereof and could require us to divest ourselves of any interest we then hold in Chinese properties or joint ventures.

Future inflation in China may inhibit our ability to conduct business in China.

In recent years, the Chinese economy has experienced periods of rapid expansion and highly fluctuating rates of inflation. During the past ten years, the rate of inflation in China has been as high as 20.7% and as low as -2.2%. These factors have led to the adoption by the Chinese government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the Chinese government to impose controls on credit and/or prices, or to take other action, which could inhibit economic activity in China, and thereby harm the market for our products and our company.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

The majority of our revenues will be settled in Chinese Renminbi (RMB), and any future restrictions on currency exchanges may limit our ability to use revenue generated in RMB to fund any future business activities outside China or to make dividend or other payments in U.S. dollars. Although the Chinese government introduced regulations in 1996 to allow greater convertibility of the RMB for current account transactions, significant restrictions still remain, including primarily the restriction that foreign-invested enterprises may only buy, sell or remit foreign currencies after providing valid commercial documents, at those banks in China authorized to conduct foreign exchange business. In addition, conversion of RMB for capital account items, including direct investment and loans, is subject to governmental approval in China, and companies are required to open and maintain separate foreign exchange accounts for capital account items. We cannot be certain that the Chinese regulatory authorities will not impose more stringent restrictions on the convertibility of the RMB.

Fluctuations in exchange rates could adversely affect our business and the value of our securities.

The value of our common stock will be indirectly affected by the foreign exchange rate between U.S. dollars and RMB and between those currencies and other currencies in which our sales may be denominated. Appreciation or depreciation in the value of the RMB relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue that will be exchanged into U.S. dollars as well as earnings from, and the value of, any U.S. dollar-denominated investments we make in the future.

Since July 2005, the RMB is no longer pegged to the U.S. dollar. Although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

Very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions. While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure at all. In addition, our foreign currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currencies.

Restrictions under PRC law on our PRC subsidiary's ability to make dividends and other distributions could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, pay dividends to our shareholders, and otherwise fund and conduct our businesses.

Substantially all of our revenues are earned by JiuGe Management, our PRC subsidiary. PRC regulations restrict the ability of our PRC subsidiary to make dividends and other payments to its offshore parent company. PRC legal restrictions permit payments of dividends by our PRC subsidiary only out of its accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Our PRC subsidiary is also required under PRC laws and regulations to allocate at least 10% of our annual after-tax profits determined in accordance with PRC GAAP to a statutory general reserve fund until the amounts in said fund reaches 50% of our registered capital. Allocations to these statutory reserve funds can only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. Any limitations on the ability of our PRC subsidiary to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to personal liability, limit our ability to acquire PRC companies or to inject capital into our PRC subsidiary or affiliate, limit our PRC subsidiary's and affiliate's ability to distribute profits to us or otherwise materially adversely affect us.

In October 2005, the Chinese State Administration of Foreign Exchange (“SAFE”), issued the Notice on Relevant Issues in the Foreign Exchange Control over Financing and Return Investment Through Special Purpose Companies by Residents Inside China, generally referred to as Circular 75, which required PRC residents to register with the competent local SAFE branch before establishing or acquiring control over an offshore special purpose company, or SPV, for the purpose of engaging in an equity financing outside of China on the strength of domestic PRC assets originally held by those residents. Internal implementing guidelines issued by SAFE, which became public in June 2007 (known as Notice 106), expanded the reach of Circular 75 by (1) purporting to cover the establishment or acquisition of control by PRC residents of offshore entities which merely acquire “control” over domestic companies or assets, even in the absence of legal ownership; (2) adding requirements relating to the source of the PRC resident’s funds used to establish or acquire the offshore entity; covering the use of existing offshore entities for offshore financings; (3) purporting to cover situations in which an offshore SPV establishes a new subsidiary in China or acquires an unrelated company or unrelated assets in China; and (4) making the domestic affiliate of the SPV responsible for the accuracy of certain documents which must be filed in connection with any such registration, notably, the business plan which describes the overseas financing and the use of proceeds. Amendments to registrations made under Circular 75 are required in connection with any increase or decrease of capital, transfer of shares, mergers and acquisitions, equity investment or creation of any security interest in any assets located in China to guarantee offshore obligations and Notice 106 makes the offshore SPV jointly responsible for these filings. In the case of an SPV which was established, and which acquired a related domestic company or assets, before the implementation date of Circular 75, a retroactive SAFE registration was required to have been completed before March 31, 2006; this date was subsequently extended indefinitely by Notice 106, which also required that the registrant establish that all foreign exchange transactions undertaken by the SPV and its affiliates were in compliance with applicable laws and regulations. Failure to comply with the requirements of Circular 75, as applied by SAFE in accordance with Notice 106, may result in fines and other penalties under PRC laws for evasion of applicable foreign exchange restrictions. Any such failure could also result in the SPV’s affiliates being impeded or prevented from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the SPV, or from engaging in other transfers of funds into or out of China.

We have advised our shareholders who are PRC residents, as defined in Circular 75, to register with the relevant branch of SAFE, as currently required, in connection with their equity interests in us and our acquisitions of equity interests in our PRC subsidiary and affiliate. However, we cannot provide any assurances that their existing registrations have fully complied with, and they have made all necessary amendments to their registration to fully comply with, all applicable registrations or approvals required by Circular 75. Moreover, because of uncertainty over how Circular 75 will be interpreted and implemented, and how or whether SAFE will apply it to us, we cannot predict how it will affect our business operations or future strategies. For example, our present and prospective PRC subsidiary’s and affiliate’s ability to conduct foreign exchange activities, such as the remittance of dividends and foreign currency-denominated borrowings, may be subject to compliance with Circular 75 by our PRC resident beneficial holders. In addition, such PRC residents may not always be able to complete the necessary registration procedures required by Circular 75. We also have little control over either our present or prospective direct or indirect shareholders or the outcome of such registration procedures. A failure by our PRC resident beneficial holders or future PRC resident shareholders to comply with Circular 75, if SAFE requires it, could subject these PRC resident beneficial holders to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiary’s and affiliate’s ability to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

Under the New EIT Law, we may be classified as a “resident enterprise” of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the New EIT Law effective on January 1, 2008, an enterprise established outside China with “de facto management bodies” within China is considered a “resident enterprise,” meaning that it can be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the New EIT Law define de facto management as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise.

On April 22, 2009, the State Administration of Taxation issued the Notice Concerning Relevant Issues Regarding Cognizance of Chinese Investment Controlled Enterprises Incorporated Offshore as Resident Enterprises pursuant to Criteria of de facto Management Bodies, or the Notice, further interpreting the application of the New EIT Law and its implementation non-Chinese enterprise or group controlled offshore entities. Pursuant to the Notice, an enterprise incorporated in an offshore jurisdiction and controlled by a Chinese enterprise or group will be classified as a “non-domestically incorporated resident enterprise” if (i) its senior management in charge of daily operations reside or perform their duties mainly in China; (ii) its financial or personnel decisions are made or approved by bodies or persons in China; (iii) its substantial assets and properties, accounting books, corporate chops, board and shareholder minutes are kept in China; and (iv) at least half of its directors with voting rights or senior management often resident in China. A resident enterprise would be subject to an enterprise income tax rate of 25% on its worldwide income and must pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders. However, it remains unclear as to whether the Notice is applicable to an offshore enterprise incorporated by a Chinese natural person. Nor are detailed measures on imposition of tax from non-domestically incorporated resident enterprises are available. Therefore, it is unclear how tax authorities will determine tax residency based on the facts of each case.

Given the above conditions, although unlikely, we may be deemed to be a resident enterprise by Chinese tax authorities. If the PRC tax authorities determine that we are a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we may be subject to the enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income such as interest on financing proceeds and non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Second, although under the New EIT Law and its implementing rules dividends paid to us from our PRC subsidiary would qualify as “tax-exempt income,” we cannot guarantee that such dividends will not be subject to a 10% withholding tax, as the PRC foreign exchange control authorities, which enforce the withholding tax, have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes. Finally, it is possible that future guidance issued with respect to the new “resident enterprise” classification could result in a situation in which a 10% withholding tax is imposed on dividends we pay to our non-PRC shareholders and with respect to gains derived by our non-PRC shareholders from transferring our shares. We are actively monitoring the possibility of “resident enterprise” treatment.

If we were treated as a “resident enterprise” by PRC tax authorities, we would be subject to taxation in both the U.S. and China, and our PRC tax may not be creditable against our U.S. tax.

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We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption laws, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to the Foreign Corrupt Practice Act, or FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute, for the purpose of obtaining or retaining business. We have operations, agreements with third parties and we earn the majority of our revenue in China. PRC also strictly prohibits bribery of government officials. Our activities in China create the risk of unauthorized payments or offers of payments by our executive officers, employees, consultants, sales agents or other representatives of our Company, even though they may not always be subject to our control. It is our policy to implement safeguards to discourage these practices by our employees. However, our existing safeguards and any future improvements may prove to be less than effective, and the executive officers, employees, consultants, sales agents or other representatives of our Company may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the U.S. government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

Because our business is located in the PRC, we may have difficulty establishing adequate management, legal and financial controls, which we are required to do in order to comply with U.S. securities laws.

PRC companies have historically not adopted a Western style of management and financial reporting concepts and practices, which includes strong corporate governance, internal controls and, computer, financial and other control systems. Some of our staff is not educated and trained in the Western system, and we may have difficulty hiring new employees in the PRC with such training. As a result of these factors, we may experience difficulty in establishing management, legal and financial controls, collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet Western standards. Therefore, we may, in turn, experience difficulties in implementing and maintaining adequate internal controls as required under Section 404 of the Sarbanes-Oxley Act of 2002. This may result in significant deficiencies or material weaknesses in our internal controls, which could impact the reliability of our financial statements and prevent us from complying with Commission rules and regulations and the requirements of the Sarbanes-Oxley Act of 2002. Any such deficiencies, weaknesses or lack of compliance could have a materially adverse effect on our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our corporate headquarters is located at 1460 Broadway, New York, New York. We do not rent any specific square footage; we have a membership in WeWork (a co-working space) which allows us to conduct conferences and meetings and provides us a US address for receiving mail at a cost of approximately \$530 per month. We do not own any real property.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, we may from time to time become subject to legal proceedings and claims arising in connection with ongoing business activities. The results of litigation and claims cannot be predicted with certainty, and unfavorable resolutions are possible and could materially affect our results of operations, financial condition or cash flows. In addition, regardless of the outcome, litigation could have an adverse impact on us as a result of legal fees, the diversion of management's time and attention and other factors.

There are no matters as of February 29, 2020 that in the opinion of management might have a material adverse effect on our results of operations, financial condition or cash flows, or that are required to be disclosed under the rules of the SEC.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Common Stock

Our common stock is quoted on the OTCQB operated by the OTC Markets Group Inc. under the symbol "FNGR. The market for our common stock is limited, and can be volatile. The following table sets forth the high and low bid prices relating to our common stock on a quarterly basis for the periods indicated as quoted by the OTCQB. These quotations reflect inter-dealer prices without retail mark-up, mark-down, or commissions, and may not reflect actual transactions.

<u>Quarter Ended</u>	<u>High Bid</u>	<u>Low Bid</u>
February 29, 2020	\$1.40	\$0.51
November 30, 2019	\$3.60	\$1.06
August 31, 2019	\$9.45	\$2.21
May 31, 2019	\$8.25	\$4.50
February 28, 2019	\$8.50	\$2.00
November 30, 2018	\$3.48	\$1.98
August 31, 2018	\$3.48	\$2.75
May 31, 2018	\$5.70	\$2.02
February 28, 2018	\$6.00	\$3.00

On July 8, 2020, the last reported sale price of our common stock on the OTCQB was \$3.00 per share.

Transfer Agent for Common Shares

The Registrar and Transfer Agent for our shares of common stock is VStock Transfer, LLC located at 18 Lafayette Place, Woodmere, New York, U.S.A., 11598.

Holders of Common Shares

As of July 3, 2020, we had 177 shareholders of record, which does not include shareholders whose shares are held in street or nominee names, if any.

Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to use the net proceeds from any offerings of our securities and our future earnings, if any, to finance the further development and expansion of our business and do not intend or expect to pay cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, outstanding indebtedness, and plans for expansion and restrictions imposed by lenders, if any.

Recent Sales of Unregistered Securities

Year Ended February 29, 2020

On March 15, 2019 and March 21, 2019, we issued an aggregate of 133,200 shares of our common stock at a price of \$1.50 per share to two individuals for gross proceeds of \$199,800. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On March 15, 2019, we issued 25,000 shares of our common stock at a price of \$2.00 per share to one individual for gross proceeds of \$50,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On March 15, 2019, we issued an aggregate of 27,000 shares of our common stock at a price of \$2.50 per share to two individuals for gross proceeds of \$67,500. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

From April 4, 2019 to April 11, 2019, we issued an aggregate of 322,000 shares of our common stock at a price of \$2.50 to ten individuals for gross proceeds of \$805,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares to the ten individuals as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On April 10, 2019, we issued 100,000 shares of our common stock at a deemed price of \$2.50 to one entity pursuant to a consulting arrangement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the entity which was a U.S. person.

On June 25, 2019, we issued 22,000 shares of our common stock at a price of \$2.50 per share to one individual pursuant to the conversion of a promissory note in the principal amount of \$50,000 plus interest of \$5,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On June 30, 2019, we issued 22,000 shares of our common stock at a price of \$2.50 per share to one individual pursuant to the conversion of a promissory note in the principal amount of \$50,000 plus interest of \$5,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

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On June 30, 2019, we issued 242,000 shares of our common stock at a deemed price of \$1.00 per share to one individual pursuant to the conversion of promissory notes in the aggregate principal amount of \$220,000 plus interest of \$22,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On August 1, 2019, we issued 100,000 shares of our common stock at a deemed price of \$1.00 to one entity pursuant to a consulting arrangement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the entity which was a U.S. person.

On August 20, 2019, we issued 51,000 shares of our common stock at a price of \$2.50 per share to one individual for gross proceeds of \$127,500. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On September 30, 2019, we issued an aggregate of 40,000 shares of our common stock at a price of \$2.50 per share to two individuals for gross proceeds of \$100,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

Subsequent to the Year Ended February 29, 2020

On May 1, 2020, we issued an aggregate of 7,645,000 shares of our common stock at a deemed price of \$0.20 per share to 24 individuals and two entities pursuant to consulting agreements, management agreements and to employees. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals and the entities through offshore transactions which were negotiated and consummated outside of the United States.

On May 8, 2020, we issued an aggregate of 150,000 shares of our common stock at a deemed price of \$0.40 per share to three individuals pursuant to a financial advisory services agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

On May 15, 2020, we issued 250,000 shares of our common stock at a deemed price of \$0.25 per share to one entity pursuant to a management consulting agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

Issuer Repurchases of Equity Securities

We did not repurchase any of our outstanding securities during the fiscal year ended February 29, 2020.

ITEM 6. SELECTED FINANCIAL DATA

The following tables provide selected financial data for each of the past two years, and should be read in conjunction with, and are qualified in their entirety by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes for the fiscal year ended February 29, 2020, as presented under Item 8. Financial Statements and Supplementary Data. These historical results are not necessarily indicative of the results to be expected for any future period.

	Year Ended 29 February 2020	Year Ended 28 February 2019
INCOME STATEMENT DATA		
Revenue	\$ 9,131,294	\$ 1,473,037
Cost of revenue	\$ (8,165,535)	\$ (1,130,021)
Gross profit	\$ 965,759	\$ 343,016
Total operating expenses	\$ (4,031,803)	\$ (2,907,743)
Net loss attributable to the Company's shareholders	\$ (3,004,365)	\$ (2,912,875)
Comprehensive loss attributable to the Company	\$ (2,991,480)	\$ (2,921,827)
Net Loss Per Share attributable to the Company - Basic	\$ (0.12)	\$ (0.12)
Net Loss Per Share attributable to the Company - Diluted	\$ (0.12)	\$ (0.16)
Weighted Average Number of Common Shares Outstanding (basic)	25,847,953	24,763,753
Weighted Average Number of Common Shares Outstanding (diluted)	25,611,305	18,604,860
	As at 29 February 2020	As at 28 February 2019
BALANCE SHEET DATA		
Working Capital (Deficiency)	\$ (294,435)	\$ 586,032
Total Assets	\$ 5,876,778	\$ 4,437,692
Accumulated Deficit	\$ (7,826,754)	\$ (4,822,389)
Shareholders' Equity	\$ (294,435)	\$ 586,032

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management’s discussion and analysis of the Company’s financial condition and results of operations contain forward-looking statements that involve risks, uncertainties and assumptions including, among others, statements regarding our capital needs, business plans and expectations. In evaluating these statements, you should consider various factors, including the risks, uncertainties and assumptions set forth in reports and other documents we have filed with or furnished to the SEC and, including, without limitation, this Annual Report on Form 10-K filing for the fiscal year ended February 29, 2020, including the consolidated financial statements and related notes contained herein. These factors, or any one of them, may cause our actual results or actions in the future to differ materially from any forward-looking statement made in this document. Refer to “Cautionary Note Regarding Forward-looking Statements” and Item 1A. Risk Factors.

Introduction

The following discussion summarizes the results of operations for each of our fiscal years ended February 29, 2020 and February 28, 2019 and our financial condition as at February 29, 2020 and February 28, 2019, with a particular emphasis on fiscal 2020, our most recently completed fiscal year.

Overview

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 and 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 the 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 through JiuGe Technology acquired Beijing XunLian TianXia Technology Co., Ltd., 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.

Results of Operations***Year Ended February 29, 2020 Compared to Year Ended February 28, 2019***

The following table sets forth our results of operations for the fiscal years ended February 29, 2020 and February 28, 2019:

	February 29, 2020	February 28, 2019
	\$	\$
Revenue	9,131,294	1,473,037
Cost of revenue	(8,165,535)	(1,130,021)
Total operating expenses	(4,031,803)	(2,907,743)
Total other income (expenses)	65,950	(348,148)
Net Loss attributable to the Company's shareholders	(3,004,365)	(2,912,875)
Foreign currency translation adjustment	12,916	8,952
Comprehensive loss attributable to the Company	(2,991,480)	(2,921,827)
Basic Loss Per Share attributable to the Company	(0.12)	(0.12)
Diluted Loss Per Share attributable to the Company	(0.12)	(0.16)

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Revenues

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

	<u>Years Ended</u>		
	<u>February 29, 2020</u>	<u>February 28, 2019</u>	<u>Change (%)</u>
Gaming	-	\$331,233	(100%)
Mobile Recharge	\$1,822,081	\$1,141,804	60%
SMS*	\$7,309,213	-	100%
Total Revenue	\$9,131,294	\$1,473,037	520%

* Reflects results from March 7, 2019 through February 29, 2020.

We recorded \$9,131,294 in revenue for the year ended February 29, 2020, an increase of \$7,658,257 or 520%, compared to the year ended February 28, 2019. This increase resulted from an increase in revenue of \$680,277 and \$7,309,213 from our mobile recharge business and SMS business, offset in part by a decrease of \$331,233 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 cost of revenue for the periods indicated:

	<u>Years Ended</u>	
	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Cost of Revenue - Gaming		
Royalties	-	\$91,965
Channel Costs	-	\$92,586
Internet Data Center Costs	-	\$61,783
Others	-	\$10,503
Cost of Revenue - Mobile Recharge	\$1,651,855	\$873,184
Cost of Revenue - SMS	\$6,513,680	-
Total Cost of Revenue	\$8,165,535	\$1,130,021

We recorded \$8,165,535 in costs of revenue for the year ended February 29, 2020, an increase of \$7,035,514 or 623%, compared to the year ended February 28, 2019. 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.

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Gross profit (loss)

Our gross profit for the year ended February 29, 2020 was \$965,759, an increase of \$622,743 or 182%, compared to the year ended February 28, 2019. This increase in gross profit resulted from higher revenue for the period.

Amortization & Depreciation

We recorded depreciation of \$6,918 for fixed assets for the year ended February 29, 2020, a decrease of \$80,241 or 92%, compared to the year ended February 28, 2019. This decrease resulted as a portion of our intangible assets have been fully amortized.

General and Administrative Expenses

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

	<u>Years Ended</u>	
	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Accounting	\$193,299	\$43,000
Advertising	-	\$73,932
Contract Labor	-	\$201,460
Consulting	\$677,082	\$398,725
Consulting (non-cash)	-	\$1,608,853
Entertainment	\$238,343	\$62,992
Legal	-	\$145,896
Salaries and Wages	\$957,624	\$172,842
Travel	\$234,148	\$21,193
Others	\$363,113	\$91,691
Total G&A Expenses	\$2,663,609	\$2,820,584

We recorded \$2,663,609 in general and administrative expenses for the year ended February 29, 2020, a decrease of \$156,975 or 6%, compared to the year ended February 28, 2019. The increased staff salaries are principally the result of the commencement and building of our mobile recharge business and SMS business.

Research & Development

We incurred expenses of \$390,288 in research & Development for the fiscal year ended February 29, 2020 as compared to \$Nil in research & development for the fiscal year ended Feb. 28, 2019.

The Insurtech division of FingerMotion focuses on consumer behavioral insights extraction for the purpose of risk assessment. Insights are derived from various data sources with the primary sources being the telecommunication data. The initial phase of business application is to focus on insurance industry particularly in the area of underwriting risk rating, complementary claims adjudication and assessment, and risk segmentation & market penetration.

This division comprises of experienced actuaries, data scientists and computer programmers.

The expenses for research & development include associated wages and salaries, data access fees and IT infrastructure.

The 1st stage of prototyping on Phase 1 - analytical framework and business applications have been completed and target to commercialize by the middle of calendar 2021.

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Share Compensation Expenses

We incurred shares compensation expenses of \$970,988 related to the issuance of shares to consultants in consideration of the services which they have provided to us for the fiscal year ended February 29, 2020 as compared to \$Nil for the fiscal year ended February 28, 2019.

Operating Expenses

We recorded \$4,031,803 in operating expenses for the fiscal year ended February 29, 2020 as compared to \$2,907,743 in operating expenses for the fiscal year ended February 28, 2019. The increase of \$1,124,060 or 39% for the fiscal year ended February 29, 2020 is as set forth above.

Net Loss

The net loss attributable to the Company's shareholders was \$3,004,365 for the fiscal year ended February 29, 2020 and \$2,912,875 for the fiscal year ended February 28, 2019. The increase in net loss attributable to the Company's shareholders of \$91,490 or 3% resulted primarily from the increase in total operating expenses mainly with respect to research & development expenses and stock compensation expenses as discussed above.

Liquidity and Capital Resources

The following table sets out our cash and working capital as of February 29, 2020 and February 28, 2019:

	As of February 29, 2020	As of February 28, 2019
Cash reserves	\$ 102,919	\$ 1,337,245
Working capital (deficiency)	\$ (294,435)	\$ 586,032

At February 29, 2020, we had cash and cash equivalents of \$102,919 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 February 29, 2020, when compared to the year 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 non-traditional lenders. We cannot provide investors with any assurance that we will be able to raise additional funding from the sale of our equity or debt securities, or both, in order to increase our deposits with our telecommunications company clients, or if available, that such funding will be on terms acceptable to us.

We currently do not have any financing arrangements in place with financial institutions, however, we have raised \$1,830,652 through the sale of shares of our common stock in private placement transactions exempt from the registration requirements under the Securities Act during the year ended February 29, 2020.

Statement of Cashflows

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

	<u>Years Ended</u>	
	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Net cash used in operating activities	\$ (3,088,406)	\$ (718,274)
Net cash used in investing activities	\$ (17,237)	\$ (11,711)
Net cash provided by financing activities	\$ 1,830,652	\$ 2,064,674
Effect of exchange rates on cash & cash equivalents	\$ 40,665	\$ (7,995)
Net (decrease) increase in cash and cash equivalents	\$ (1,234,326)	\$ 1,326,694

Cash Flow used in Operating Activities

Net cash used in operating activities increased by \$2,370,132 in the year ended February 29, 2020 compared to the year ended February 28, 2019, primarily due to an increase in accounts receivable of \$2,168,175 (2019: \$197,559), increase in other receivable of \$575,146 (2019: \$19,815), increase in accounts payable of \$1,464,474 (2019: \$1,132,198), increase in accrual and other payables of \$747,674 (2019: (\$89,391)), offset by a decrease in due to related parties of \$529,266 (2019: increase of \$1,880,373). The main reason for the increase in net cash used in operating activities is the increase in the deposits made with our telecommunication company clients in connection with our mobile payment and recharge business and SMS business.

Cash Flow used in Investing Activities

During the year ended February 29, 2020, investing activities used cash of \$17,237 compared to \$11,711 during the year ended February 28, 2019. The increase by \$5,526 in cash used in investing activities from the year ended February 29, 2020 as compared to February 28, 2019 related primarily to the purchase of equipment.

Cash Flow provided by Financing Activities

During the year ended February 29, 2020, financing activities provided cash of \$1,830,652 compared to \$2,064,674 during the year ended February 28, 2019. The decrease of \$234,022 in the year ended February 29, 2020 was primarily due to (i) a decrease of \$848,022 in proceeds from the issuance of shares, and (ii) an increase of \$614,000 in the amount of proceeds from the issuance of promissory notes.

Off-balance sheet arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Subsequent events

On May 1, 2020, we issued an aggregate of 7,645,000 shares of our common stock at a deemed price of \$0.20 per share to 24 individuals and two entities pursuant to consulting agreements, management agreements and to employees. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals and the entities through offshore transactions which were negotiated and consummated outside of the United States.

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On May 8, 2020, we issued an aggregate of 150,000 shares of our common stock at a deemed price of \$0.40 per share to three individuals pursuant to a financial advisory services agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

On May 15, 2020, we issued 250,000 shares of our common stock at a deemed price of \$0.25 per share to one entity pursuant to a management consulting agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

The impact of Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. On March 12, 2020, the World Health Organization categorized it as a pandemic. The COVID-19 outbreak is causing lockdowns, quarantines, travel restrictions, and closures of businesses and schools. The potential impact which may be caused by the outbreak is uncertain; however the Company's financial position, operations and cash flows for fiscal year 2020 has not been materially affected by this pandemic.

Based on the Company's operations from March 1, 2020 through the date of this report, it has shown the impact of COVID-19 on the Company has been minimal. As China has been slowly reopening with more businesses and the enforcing on strict controls by the Government on the containment of the spread of this virus since March, the Company's business is expected to continually improve for the fiscal year 2021. However, there is still a possibility that the COVID-19 outbreak may worsen at a later point in time where it may impact the growth of the business, all of which are uncertain and cannot be predicted at this point.

Outstanding share data

At July 8, 2020, we had 33,892,953 issued and outstanding shares of common stock.

Critical Accounting Policies

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The 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.

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.

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Through the VIE agreements, 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.

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.

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.

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Lease

Operating and finance lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. When the rate implicit to the lease cannot be readily determined, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is derived from information available at the lease commencement date and represents the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The right-of-use asset includes any lease payments made and lease incentives received prior to the commencement date. Operating lease right-of-use assets also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The right-of-use assets and lease liabilities may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

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.

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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.

Non-controlling interest

Non-controlling interests held 1% shares of one of subsidiary is recorded as a component of our equity, separate from the Company's equity. Purchase or sales of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

Recent 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 consolidated financial position, statements of operations and cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company as defined in Rule 12b-2 under the Exchange Act, the Company is not required to provide the information required by this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FINGERMOTION, INC.
(fka Property Management Corporation of America)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended February 29, 2020

(Expressed in U.S. Dollars)

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of FingerMotion, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of FingerMotion, Inc. (the "Company") as of February 29, 2020 and February 28, 2019, and the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended February 29, 2020 and February 28, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of February 29, 2020 and February 28, 2019, and the results of its operations and its cash flows for each of the two years in the period ended February 29, 2020 and February 28, 2019 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Centurion ZD CPA & Co.

Centurion ZD CPA & Co. (as successor to Centurion ZD CPA Ltd.)

Hong Kong

July 13, 2020

We have served as the Company's auditor since 2017

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

	February 29, 2020	February 28, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 102,919	\$ 1,337,245
Accounts receivable	2,661,983	493,808
Equipment (net of \$9,618 and \$2,844 depreciation)	21,339	10,606
Licenses	—	—
Prepayment and deposit	2,483,411	2,570,724
Other receivables	600,455	25,309
Right-of-use asset	6,671	—
TOTAL ASSETS	\$ 5,876,778	\$ 4,437,692
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current Liabilities		
Accounts payable	\$ 2,703,754	\$ 1,239,280
Accrual and other payables	1,043,681	296,007
Due to related parties	1,351,107	1,880,373
Convertible notes payable	1,000,000	370,000
Note payable	66,000	66,000
Lease liability	6,671	—
TOTAL LIABILITIES	6,171,213	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 25,847,953 shares and 24,763,753 issued and outstanding at February 29, 2020 and February 28, 2019 respectively	2,585	2,476
Common stock subscribed	—	—
Additional paid-in capital	7,521,587	5,414,897
Accumulated deficit	(7,826,754)	(4,822,389)
Accumulated other comprehensive income	3,964	(8,952)
Stockholders' deficit before non-controlling interests	(298,618)	586,032
Non-controlling interests	4,183	—
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	(294,435)	586,032
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,876,778	\$ 4,437,692

The accompanying notes are an integral part of these condensed consolidated financial statements.

FingerMotion, Inc.
fka Property Management Corp of America
Consolidated Statements of Operations for the year
ended February 29, 2020 and February 28, 2019

	Year Ended February 29, 2020	Year Ended February 28, 2019
Revenue	\$ 9,131,294	\$ 1,473,037
Cost of revenue	<u>(8,165,535)</u>	<u>(1,130,021)</u>
Gross profit (loss)	965,759	343,016
Amortization & depreciation	(6,918)	(87,159)
General & administrative expenses	(2,663,609)	(2,820,584)
Research & Development	(390,288)	—
Stock compensation expenses	<u>(970,988)</u>	<u>—</u>
Total operating expenses	<u>(4,031,803)</u>	<u>(2,907,743)</u>
Net loss from operations	<u>(3,066,044)</u>	<u>(2,564,727)</u>
Other income (expense):		
Interest income	1,319	400
Interest expense	(24,260)	(32,540)
Exchange rate gain (loss)	(1,158)	6,117
Written off of goodwill	(8,749)	(322,973)
Other income	98,798	848
Total other income (expense)	<u>65,950</u>	<u>(348,148)</u>
Net Loss	<u>\$ (3,000,094)</u>	<u>\$ (2,912,875)</u>
Less: Net profit attributable to the non-controlling interest	<u>4,271</u>	<u>—</u>
Net loss attributable to the Company's shareholders	<u>\$ (3,004,365)</u>	<u>\$ (2,912,875)</u>
Other comprehensive income:		
Foreign currency translation adjustments	12,916	(8,952)
Comprehensive loss	<u>\$ (2,991,449)</u>	<u>\$ (2,921,827)</u>
Less: comprehensive income (loss) attributable to non-controlling interest	<u>31</u>	<u>—</u>
Comprehensive loss attributable to the Company	<u><u>\$ (2,991,480)</u></u>	<u><u>\$ (2,921,827)</u></u>
NET LOSS PER SHARE		
Loss Per Share - Basic	<u>\$ (0.12)</u>	<u>\$ (0.12)</u>
Loss Per Share - Diluted	<u><u>\$ (0.12)</u></u>	<u><u>\$ (0.16)</u></u>
NET LOSS PER SHARE ATTRIBUTABLE TO THE COMPANY		
Loss Per Share - Basic	<u>\$ (0.12)</u>	<u>\$ (0.12)</u>
Loss Per Share - Diluted	<u><u>\$ (0.12)</u></u>	<u><u>\$ (0.16)</u></u>
Wgt Ave Common Shares Outstanding - Basic	<u>25,847,953</u>	<u>24,763,753</u>
Wgt Ave Common Shares Outstanding - Diluted	<u><u>25,611,305</u></u>	<u><u>18,604,860</u></u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

FingerMotion, Inc.
fka Property Management Corp of America
Consolidated Statement of Shareholder's Equity for
the year ended February 29, 2020 and February 28, 2019

			Capital	Shares to be Issued	Accumulated				Total
	Common Stock		in Excess of Par Value		Deficit	Other	Stockholders	Non- controlling	
	Shares	Amount			Accumulated	Comprehensive Income	deficit	interest	
Balance at March 1, 2019	24,763,753	\$ 2,476	\$5,414,897	\$ —	\$ (4,822,389)	\$ (8,952)	\$ 586,032		586,032
Common stock issued for cash	598,200	60	1,364,895	—	—	—	1,364,955		1,364,955
Common stock issued for professional service	200,000	20	334,824	—	—	—	334,844		334,844
Execution of convertible notes	286,000	29	406,971	—	—	—	407,000		407,000
Acquisition of Xunlian	—	—	—	—	—	—	—	(88)	(88)
Stock subscribed	—	—	—	—	—	—	—		—
Accumulated other comprehensive income	—	—	—	—	—	12,916	12,916		12,916
Net (Loss)	—	—	—	—	(3,004,365)	—	(3,004,365)	4,271	(3,000,094)
Balance at February 29, 2020	25,847,953	2,585	7,521,587	—	(7,826,754)	3,964	(298,618)	4,183	(294,435)

	Common Stock		Capital Paid in Excess of Par Value	Shares to be Issued	Deficit Accumulated	Accumulated Other Comprehensive Income	Non-controlling interest	
	Shares	Amount					Total	Total
Balance at March 1, 2018	17,432,753	\$ 1,743	\$1,655,130	\$ 150,000	\$ (1,909,514)		\$ (102,641)	\$ (102,641)
Common stock issued for cash	7,331,000	733	3,759,767	(150,000)	—	—	3,610,500	3,610,500
Accumulated other comprehensive income	—	—	—	—	—	(8,952)	(8,952)	(8,952)
Net (Loss)	—	—	—	—	(2,912,875)	—	(2,912,875)	(2,912,875)

Balance									
February 28,									
2019	<u>24,763,753</u>	<u>2,476</u>	<u>5,414,897</u>	<u>—</u>	<u>(4,822,389)</u>	<u>(8,952)</u>	<u>586,032</u>	<u>—</u>	<u>586,032</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

FingerMotion, Inc.
fka Property Management Corp of America
Consolidated Statements of Cash Flows for the
year ended February 29, 2020 and February 28, 2019

	Year Ended February 29, 2020	Year Ended February 28, 2019
Net (loss)	\$ (3,000,094)	\$ (2,912,875)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Share based compensation expenses	869,147	1,608,853
Amortization and depreciation	6,918	87,159
Written off of goodwill	8,749	322,973
Forgiveness of debt	—	—
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(2,168,175)	(197,559)
(Increase) decrease in prepayment and deposit	87,313	(2,530,190)
(Increase) decrease in other receivable	(575,146)	(19,815)
(Increase) decrease in right-of-use asset	(6,671)	—
Increase (decrease) in accounts payable	1,464,474	1,132,198
Increase (decrease) in accrual and other payables	747,674	(89,391)
Increase (decrease) in due to related parties	(529,266)	1,880,373
Increase (decrease) in due to lease liability	6,671	—
Cash used in operating activities	<u>(3,088,406)</u>	<u>(718,274)</u>
Cash flows from investing activities		
Purchase of equipment	(17,507)	(11,711)
Acquisition of a subsidiary (net of cash acquired)	270	—
(Increase) in licenses	—	—
Net cash used in investing activities	<u>(17,237)</u>	<u>(11,711)</u>
Cash flows from financing activities		
Proceed of notes payable	1,000,000	386,000
Proceeds from issuance of shares	830,652	1,678,674
Common stock issued in reverse merger	—	—
Common stock issued for cash	—	—
Net cash provided by financing activities	<u>1,830,652</u>	<u>2,064,674</u>
Effect of exchange rates on cash and cash equivalents	40,665	(7,995)
Net change in cash and cash equivalents	<u>(1,234,326)</u>	<u>1,326,694</u>
Cash and cash equivalents at beginning of year	<u>1,337,245</u>	<u>10,551</u>
Cash and cash equivalents at end of year	<u>\$ 102,919</u>	<u>\$ 1,337,245</u>
	—	
Supplemental disclosures of cash flow information:		
Interest paid	\$ —	\$ —
Taxes paid	\$ —	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the 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 99% of equity interest of Beijing XunLian (“BX”), a 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 consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The 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.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 2 - Summary of Principal Accounting Policies (continued)**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 & VIE Subsidiary are included in the accompanying consolidated financial statements of the Company as of February 29, 2020 and February 28, 2019:

Assets and liabilities of the VIE

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Current assets	\$ 1,966,067	\$ 2,674,890
Non-current assets	143,362	—
Total assets	<u>\$ 2,109,439</u>	<u>\$ 2,674,890</u>
Current liabilities	\$ 3,138,721	\$ 3,023,805
Non-current liabilities	—	—
Total liabilities	<u>\$ 3,138,721</u>	<u>\$ 3,023,805</u>

Assets and liabilities of the VIE Subsidiary

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Current assets	\$ 3,068,108	\$ —
Non-current assets	—	—
Total assets	<u>\$ 3,068,108</u>	<u>\$ —</u>
Current liabilities	\$ 2,652,928	\$ —
Non-current liabilities	—	—
Total liabilities	<u>\$ 2,652,928</u>	<u>\$ —</u>

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 2 - Summary of Principal Accounting Policies (continued)**Operating Result of VIE**

	For the Year Ended February 29, 2020
Revenue	\$ 1,822,081
Cost of revenue	(1,651,855)
Gross profit (loss)	\$ 170,226
Amortization and depreciation	(5,504)
General and administrative expenses	(1,282,549)
Research & Development	(114,558)
Share compensation expenses	—
Total operating expenses	\$ (1,402,611)
Profit (loss) from operations	\$ (1,232,385)
Interest income	1,058
Interest expense	—
Other income	8,795
Total other income (expense)	\$ 9,853
Tax expense	—
Net profit (loss)	\$ (1,222,532)

Operating Result of VIE Subsidiary

results from March 7, 2019 through February 29, 2020

	For the Year Ended February 29, 2020
Revenue	\$ 7,309,213
Cost of revenue	(6,513,680)
Gross profit (loss)	\$ 795,533
Amortization and depreciation	—
General and administrative expenses	(233,072)
Research & Development	(22,193)
Share compensation expenses	—
Total operating expenses	\$ (255,265)
Profit (loss) from operations	\$ 540,268
Interest income	224
Other income	9,824
Total other income (expense)	\$ 10,048
Tax expense	(40,880)
Net profit (loss)	\$ 509,436

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 2 - Summary of Principal Accounting Policies (continued)

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.

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.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 2 - Summary of Principal Accounting Policies (continued)

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.

Lease

Operating and finance lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. When the rate implicit to the lease cannot be readily determined, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is derived from information available at the lease commencement date and represents the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The right-of-use asset includes any lease payments made and lease incentives received prior to the commencement date. Operating lease right-of-use assets also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The right-of-use assets and lease liabilities may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

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.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 2 - Summary of Principal Accounting Policies (continued)

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.

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.

Non-controlling interest

Non-controlling interests held 1% shares of one of subsidiary is recorded as a component of our equity, separate from the Company's equity. Purchase or sales of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

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 consolidated financial position, statements of operations and cash flows.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 3 - Going Concern

The accompanying consolidated 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 \$7,826,754 and \$4,822,389 as at February 29, 2020 and February 28, 2019 respectively, and had a net loss of \$3,000,094 and \$2,912,875 for the years ended February 29, 2020 and February 28, 2019, 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 \$9,131,294 and \$1,473,037 in revenue, respectively, for the years ended February 29, 2020 and February 28, 2019. The increase of \$7,658,257 resulted from the consolidation of the VIE entities & its subsidiary and the new business model.

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Gaming	\$ —	\$ 331,233
Mobile Recharge	1,822,081	1,141,804
SMS	7,309,213	—
	<u>\$ 9,131,294</u>	<u>\$ 1,473,037</u>

Note 5 – Equipment

At February 29, 2020 and February 28, 2019, the company has the following amounts related to tangible assets:

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Equipment	\$ 30,957	\$ 13,450
Less: accumulated depreciation	(9,618)	(2,844)
Net equipment	<u>\$ 21,339</u>	<u>\$ 10,606</u>

No significant residual value is estimated for the equipment. Depreciation expense for the years ended February 29, 2020 and February 28, 2019 totaled \$6,918 and \$2,844, respectively.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 6 – Intangible Assets

At February 29, 2020 and February 28, 2019, the company has the following amounts related to intangible assets:

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
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 and China Mobile for Mobile Recharge and China Mobile for SMS.

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Deposit Paid / Prepayment	\$ 997,864	\$ 44,570,540
Deposit received	(11,783)	(43,237,936)
Net Prepaid expenses for Mobile recharge	\$ 986,081	\$ 1,332,604
Other deposit	916,242	1,238,120
Prepayment and deposit	<u>\$ 1,902,323</u>	<u>\$ 2,570,724</u>

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Deposit Paid / Prepayment	\$ 581,088	\$ —
Deposit received	—	—
Net Prepaid expenses for SMS	\$ 581,088	\$ —
Other deposit	—	—
Prepayment and deposit	<u>\$ 581,088</u>	<u>\$ —</u>

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. 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 year ended February 29, 2020.

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

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 8 – Right-of-use Asset and Lease Liability (continued)

	<u>February 29, 2020</u>
Right-of-use asset	
Right-of-use asset	\$ 6,671
Lease liability	
Current lease liability	\$ 6,671
Non-current lease liability	—
Total lease liability	<u>\$ 6,671</u>
	<u>February 29, 2020</u>
Remaining lease term and discount rate	
Weighted-average remaining lease term	2 years
Weighted-average discount rate	<u>2.48%</u>

Commitments

The following table summarizes the future minimum lease payments due under the Company's operating leases as of February 29, 2020:

2020	\$ 6,692
Thereafter	-
Less: imputed interest	(21)
Present value of lease liability	<u>\$ 6,671</u>

Note 9 - Convertible notes payables

A Note Payable having a Face Value of \$1,000,000 at February 29, 2020 and accruing interest at 5% is due Oct 9, 2020. The note is convertible anytime from the date of issuance into \$0.0001 par value Common Stock at \$2.00 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.

Note 10 - Note payable

A Note Payable having a Face Value of \$66,000 at February 29, 2020 and accruing interest at 0% is due May 21, 2021.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

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.

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 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 pursuant to a concurrent financing in conjunction with the Share Exchange Agreement.

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

The Company issued 798,200 shares of common stock for the year ended February 29, 2020 for consideration of \$1,699,799, including 200,000 shares of common stock to consultants.

The Company issued 242,000 shares of common stock at a deemed price of \$1.00 per share during the fiscal year ended February 29, 2020 pursuant to the conversion of promissory notes in the aggregate amount of \$220,000 plus interest of \$22,000.

The Company issued an aggregate of 44,000 shares of common stock at a deemed price of \$2.50 per share during the fiscal year ended February 29, 2020 pursuant to the conversion of promissory notes in the aggregate amount of \$100,000 plus interest of \$4,000.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 12 - Earnings Per Share

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

	For the years ended	
	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Numerator - basic and diluted		
Net Loss	\$ (3,000,094)	\$ (2,912,875)
Denominator		
Weighted average number of common shares outstanding —basic	25,847,953	24,763,753
Weighted average number of common shares outstanding —diluted	25,611,305	18,604,860
Loss per common share — basic	\$ (0.12)	\$ (0.12)
Loss per common share — diluted	\$ (0.12)	\$ (0.16)

Note 13 - 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 years ended February 29, 2020 and February 28, 2019.

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 years ended February 29, 2020 and February 28, 2019.

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%.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 13 - Income Taxes (Continued)

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 years ended February 29, 2020 and February 28, 2019 are as follows:

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
U.S. statutory tax rate	21.0 %	21.0 %
Foreign income not registered in the U.S.	(21.0 %)	(21.0 %)
PRC profit tax rate	25.0 %	25.0 %
Changes in valuation allowance and others	(25.0 %)	(25.0 %)
Effective tax rate	<u><u>0.0 %</u></u>	<u><u>0.0 %</u></u>

At February 29, 2020 and February 28, 2019, the Company has a deferred tax asset of \$750,024 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. At February 29, 2020 and February 28, 2019, the valuation allowance was \$750,024 and \$236,331, respectively.

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Deferred tax asset from operating losses carry-forwards	\$ 750,024	\$ 236,331
Valuation allowance	(750,024)	(236,331)
Deferred tax asset, net	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

Note 14 – AcquisitionAcquisition of Beijing XunLian

On March 7, 2019, JiuGe Technology also acquired 99% of equity interest of Beijing XunLian, a subsidiary that provides bulk distribution of SMS messages for JiuGe customers at discounted rates.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 14 – Acquisition (continued)

The following table summarizes the consideration paid for Beijing XunLian and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Consideration	\$ <u>-0-</u>
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	\$ 270
Deposits, prepayments and other receivables	863
Other payables	<u>(9,882)</u>
Net liabilities	\$ <u>(8,749)</u>
Goodwill	\$ <u>8,749</u>

Goodwill arising on the acquisition was written off as expenses for the year ended February 29, 2020.

Note 15 – Related Parties Transaction

a) Related parties:

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

b) The Company had the following related party balances at February 29, 2020 and February 28, 2019:

	<u>February 29, 2020</u>	<u>February 28, 2019</u>
Due to related parties:		
Ms. Li Li	<u>\$ (1,351,107)</u>	<u>\$ (1,880,373)</u>

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

On May 1, 2020, we issued an aggregate of 7,645,000 shares of our common stock at a deemed price of \$0.20 per share to 24 individuals and two entities pursuant to consulting agreements, management agreements and to employees. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals and the entities through offshore transactions which were negotiated and consummated outside of the United States.

FINGERMOTION, INC.
Year ended February 29, 2020 and February 28, 2019
Notes to the Consolidated Financial Statements

Note 17 – Subsequent Events (Continued)

On May 8, 2020, we issued an aggregate of 150,000 shares of our common stock at a deemed price of \$0.40 per share to three individuals pursuant to a financial advisory services agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

On May 15, 2020, we issued 250,000 shares of our common stock at a deemed price of \$0.25 per share to one entity pursuant to a management consulting agreement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the individuals who are U.S. persons.

The Company has received \$305,000 from subscriptions for shares of our common stock at a price of \$0.50 per share subsequent to the year ended February 29, 2020, which shares have not been issued yet.

The impact of Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. On March 11, 2020, the World Health Organization categorized it as a pandemic. The COVID-19 outbreak is causing lockdowns, quarantines, travel restrictions, and closures of businesses and schools. The potential impact which may be caused by the outbreak is uncertain; However the Company's financial position, operations and cash flows for fiscal year 2020 has not been materially affected by this pandemic.

Based on the Company's operating results from March 1, 2020 through the date of this report, it has shown the impact have been minimal. As the Country have been slowly reopening with more businesses and the enforcing on strict controls by the Government on the containment of the spread of this virus since March, the Company business will likely be seen to be continually improves for the fiscal year 2020. However, there will be a possibility that the outbreak may worsen at a later point in time where it may impact the growth of the business, all of which are uncertain and cannot be predicted at this point.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We did not have any disagreements on accounting and financial disclosures with our present accounting firm during the reporting period.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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 such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report. 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 such evaluation of our disclosure controls and procedures as of February 29, 2020, 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 below, our disclosure controls and procedures were not completely effective as of February 29, 2020. Management has continued to monitor the implementation of the remediation plan described below.

Management's annual report on internal control over financial reporting

The Company's internal control over financial reporting ("ICFR") is designed under the supervision of our Chief Executive Officer, acting in the capacity of principal executive officer and principal financial officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles, or GAAP. The Company's ICFR includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

The management of the Company is responsible for establishing and maintaining adequate ICFR for the Company. Our management assessed the effectiveness of the Company's internal control over financial reporting as of February 29, 2020 in accordance with the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "**COSO Framework**"). As a quickly growing development-stage company with limited resources that recently completed a transition to an entirely new line of business, management is working to build the necessary infrastructure of controls, following the COSO Framework, to ensure that more stringent policies and procedures will be in place in the near future. However, based on our current review, management concluded that, during the period covered by this report, material weaknesses in ICFR existed as more fully described below:

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- We did 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 measures:

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

Notwithstanding the assessment that our ICFR was not effective as of February 29, 2020 and that there are material weaknesses as identified herein, we believe that our consolidated financial statements contained in this Annual Report fairly present our financial position, results of operations and cash flows for the period covered thereby in all material respects. We are committed to continuing to improve our internal control processes and we intend to undertake measures to remediate the material weaknesses we have identified and generally strengthen our internal control over financial reporting. We will also continue to further review, optimize, and enhance our financial reporting controls and procedures. These 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.

This Annual Report does not include an attestation report of our registered public accounting firm regarding our internal control over financial reporting. The attestation report by our registered public accounting firm was not required pursuant to rules of the SEC that permit us to provide only our management's report on internal control over financial reporting.

Changes in internal control over financial reporting

Except for the remediation procedures being implemented by the Company as described above, there have been no other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the last quarter of our fiscal year ended February 29, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On March 15, 2019 and March 21, 2019, we issued an aggregate of 133,200 shares of our common stock at a price of \$1.50 per share to two individuals for gross proceeds of \$199,800. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On March 15, 2019, we issued 25,000 shares of our common stock at a price of \$2.00 per share to one individual for gross proceeds of \$50,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On March 15, 2019, we issued an aggregate of 27,000 shares of our common stock at a price of \$2.50 per share to two individuals for gross proceeds of \$67,500. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

From April 4, 2019 to April 11, 2019, we issued an aggregate of 322,000 shares of our common stock at a price of \$2.50 to ten individuals for gross proceeds of \$805,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares to the ten individuals as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On April 10, 2019, we issued 100,000 shares of our common stock at a deemed price of \$2.50 to one entity pursuant to a consulting arrangement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the entity which was a U.S. person.

On June 25, 2019, we issued 22,000 shares of our common stock at a price of \$2.50 per share to one individual pursuant to the conversion of a promissory note in the principal amount of \$50,000 plus interest of \$5,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On June 30, 2019, we issued 22,000 shares of our common stock at a price of \$2.50 per share to one individual pursuant to the conversion of a promissory note in the principal amount of \$50,000 plus interest of \$5,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On June 30, 2019, we issued 242,000 shares of our common stock at a deemed price of \$1.00 per share to one individual pursuant to the conversion of promissory notes in the aggregate principal amount of \$220,000 plus interest of \$22,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individual through an offshore transaction which was negotiated and consummated outside of the United States.

On August 1, 2019, we issued 100,000 shares of our common stock at a deemed price of \$1.00 to one entity pursuant to a consulting arrangement. We relied on the exemption from registration under the Securities Act provided by Section 4(a)(2) for the issuance to the entity which was a U.S. person.

On August 20, 2019, we issued 51,000 shares of our common stock at a price of \$2.50 per share to one individual for gross proceeds of \$127,500. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

On September 30, 2019, we issued an aggregate of 40,000 shares of our common stock at a price of \$2.50 per share to two individuals for gross proceeds of \$100,000. We relied on the exemption from registration under the Securities Act provided by Rule 903 of Regulation S promulgated under the Securities Act for the issuance of such shares as the securities were issued to the individuals through an offshore transaction which was negotiated and consummated outside of the United States.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

All FingerMotion directors hold office until the next annual general meeting of the shareholders unless his office is earlier vacated in accordance with our Articles or he becomes disqualified to act as a director. FingerMotion officers are appointed by our board of directors and hold office until their earlier death, retirement, resignation or removal.

FingerMotion executive officers and directors and their respective ages as of the date of this report are as follows:

Name and Position(1)	Age	Principal Occupation and Positions Held During the Last Five Years
Martin J. Shen CEO and CFO	49	CEO and CFO of FingerMotion, Inc. (Dec. 1, 2018 to present); Founder of Imperial Distributors (formerly AP Martin Pharmaceutical Supplies Ltd.) (July 1, 2014 to Dec. 1, 2018); and CFO and COO of Wales and Son Industrial (later named Weir Minerals) (July 2004 to June 2014).
H'sien Loong Wong Director	45	Former CEO and CFO of FingerMotion, Inc. (April 2017 to Nov. 30, 2018); Real Estate and Logistics professional in Singapore (2008 to present); Director of property at Big Box Singapore Pte. Ltd. (Dec. 2012 to Sept. 2017).
Leong Yew Poh Director	65	Director of FingerMotion, Inc. (Dec. 1, 2018 to present); Group CEO at Radinace Hospitality Group (Jan. 2005 to Dec. 2014); and Director of Strategic Projects for Keppel T&T (Jan. 2001 to Dec. 2002).
Michael Chan Director	56	Director of FingerMotion, Inc. (April 6, 2018 to present); Managing Director of Asia Pacific, Asset Servicing at Bank of New York Mellon (2007 to Sept. 2016); currently serves on the National University of Singapore Society finance sub-committee (2016 to present); Head of Business Development, Asia Pacific, State Street Bank & Trust Co. (1994 to 2007).

The following is a brief account of the education and business experience of each director, executive officer and key employee during at least the past five years, indicating each person's principal occupation during the period, and the name and principal business of the organization by which he or she was employed, and including other directorships held in reporting companies.

Martin J. Shen Mr. Shen was appointed our Chief Executive Officer and Chief Financial Officer on December 1, 2018. He has nearly 15 years of experience in senior management roles in entrepreneurial startups as well as large multinational corporations. In those roles, he acquired wide-ranging expertise in corporate management, financial oversight and operational administration. Most recently, Mr. Shen founded Imperial Distributors (formerly AP Martin Pharmaceutical Supplies Ltd.) in 2014, establishing the company as the preferred choice for providing distributional support to regional pharmacies throughout Western Canada. His leadership duties as founder and senior vice-president included overseeing all aspects of operations, including managing legal and regulatory compliance issues. They covered ensuring compliance with Health Canada requirements as well as all relevant federal, provincial and municipal legislation. He also led the finance department, building a sound foundation for the accounting function and leveraging his extensive experience in public accounting to guide the acquisition of two companies in Alberta.

Prior to Imperial, Mr. Shen served as Chief Operating Officer and Chief Financial Officer at Wales and Son Industrial (later re-named Weir Minerals) from 2004 to 2014. The firm specializes in the global delivery of, and support for, mining slurry equipment solutions including pumps, hydrocyclones, rubber and wear resistant linings. Sectors served include mining and mineral processing, energy and general industry. As COO and CFO of Wales and Son Industrial, Mr. Shen directed all financial and internal operational activities. This included financial statement preparation and tax filings, banking arrangements, executive compensation and share purchase agreements. He was also responsible for the analysis of monthly results and financial statements and reconciliations to Group head office.

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Mr. Shen began his career at PricewaterhouseCoopers in the tax department in Singapore and the audit and advisory group in Hong Kong. As a Tax Manager, he consulted with tax departments of multinational corporations, including Raytheon and Exxon, to provide tax saving mechanisms and future tax planning strategies. Mr. Shen also conducted tax conferences and seminars for current and potential clients to provide overview of tax planning scenarios. He served at PricewaterhouseCoopers from 1994 to 2004. Mr. Shen also spent several years in PwC Vancouver, auditing major Canadian companies and in the process building his expertise in financial management, compliance and financial statement reporting. A US Certified Public Accountant, he holds a BSc from the University of British Columbia.

Mr. Shen devotes approximately 100% of his time to us.

Hsien Loong Wong Mr. Wong was appointed a Board member, Chief Executive Officer and Chief Financial Officer on April 14, 2017. On December 1, 2018, Mr. Wong resigned as the Chief Executive Officer and Chief Financial Officer, but continued to serve as a Board member of the Company. He started his career in investor relations in technology, biotechnology, mining and oil and gas. Since July 2015, Mr. Wong has served as Associate Director of Propnex, Singapore's largest listed real estate agency. From December 2012 until September 2017, Mr. Wong also served as Senior Manager of Business Development as well as its director of property at Big Box Singapore Pte Ltd, a commercial property valued at \$600 million. He also has extensive experience in running public companies. In particular, he was CEO of Nexgen Petroleum Corp, an oil and gas drilling company in Tennessee, USA from July 2007 to September 2009. He also currently serves as director to Food Bank Singapore, a registered charity, where he has served since January 2015. Mr. Wong's previous experience and knowledge of the Company provides good historical information regarding the Company, which helps management with decisions going forward. Mr. Wong received his BA (Hons) in Communications from Simon Fraser University, British Columbia and his MSc in Real Estate from the National University of Singapore.

Mr. Wong devotes approximately 10% of his time to us.

Leong Yew Poh Mr. Leong has been a Board member since December 1, 2018. He has more than 30 years of management experience in growing companies in the technology and hospitality sectors. In that time, Mr. Leong established an extensive network of business relationships in the software, banking and telecommunications sectors throughout the Asia Pacific. In his current position as CEO of Vertical Connection Pte Ltd., a position he has held since 2002, Mr. Leong leads the company's consulting and advisory services in helping other companies expand their businesses regionally through partnerships or acquisitions and implementing core operational and information initiatives. Vertical Connection focuses on fintech, telecommunications services, hospitality and software. Currently, Mr. Leong sits on the boards of several private companies. Since 2017, he has served on the board of directors of Fintrux Pte Ltd., a P2P lending company, as chair and on the boards of each of Vemotion APAC and VM Technology, both software and hardware companies that specialize in wireless video transmission over low bitrate networks.

Mr. Leong served as Group CEO of Radiance Hospitality Group from 2002 through 2016, where he led the expansion of the company's hotel management services in Malaysia, Singapore, China, Indonesia, Cambodia and Russia. Before joining Radiance, Mr. Leong served as Director of Strategic Projects for Keppel T&T, a public company that provides transportation, telecommunications and IT services, from 1999 to 2002. There, he was responsible for its e-businesses, which included establishing credit bureaus in Thailand and Malaysia, establishing and operating data centers in Singapore, Malaysia, Thailand and the Philippines, operating call centers in Singapore and Malaysia, and providing application solutions for local governments, IT infrastructure, and transportation and education organizations.

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Prior to his service at Keppel T&T, Mr. Leong was first a Regional Director and then Managing Director of Dun and Bradstreet Software (later acquired by Geac Computers), from 1988 to 2001. In those roles, he led company growth from 15 to more than 250 employees in Singapore, Malaysia, Thailand, the Philippines, Indonesia, Sri Lanka, Hong Kong, Beijing and Shanghai. The firm provided business solutions and managed services for 350 customers in the region. Prior to serving at Dun and Bradstreet, Mr. Leong was a consultant with Computer Associates, a consultant at Price Waterhouse, a management consultant at Reliance Travel and an auditor at Razak & Co. Mr. Leong's extensive corporate experience allows him to provide valuable guidance to the Company and management team as our Company progresses through its development stage. Mr. Leong received a Masters Degree in Accounting and Finance from the University of Auckland.

Mr. Leong devotes approximately 5% of his time to us.

Michael Chan Mr. Chan has been a Board member since April 6, 2018. Mr. Chan has served at The Bank of New York Mellon Corporation as Managing Director, Head of Asia Pacific for Asset Servicing since 2013. He is responsible for managing the bank's largest business line in the region. Mr. Chan joined the bank in Singapore in 2007 as regional Chief Operating Officer and progressed to Head of Sales & Relationship Management in 2010. He chaired the Asset Servicing Business Acceptance Committee and was a member of the KYC/AML regional committee. Mr. Chan was a member of BNY Mellon's Global Corporate Operating Committee, Asia Pacific Executive Committee and the Corporate Sovereign Institutions Council. He represented the firm on the board of directors of ASIFMA and BNY Mellon's Eagle Investment Systems' Asia Singapore entity. Mr. Chan has also served on the OMGEO APAC Advisory Board and has been a member of various industry and banking associations in Hong Kong and Korea. Mr. Chan is currently the president of Canadian Alumni Singapore, a not-for-profit society. He also serves on the National University of Singapore Society (NUSS) finance sub-committee and a member of the Singapore Institute of Directors (SID).

Prior to BNY Mellon, Mr. Chan was with State Street Bank & Trust Co., Canada beginning 1994. He was relocated to Hong Kong in 2000 for the bank's launch of ETF products in Asia Pacific. Until 2007, he held senior positions including head of operations (Asia), regional deal team for a key European acquisition, general manager for the South Korea bank branch and head of global relationship management in the region. His career also includes service at Ernst & Young (E&Y), Canada. Mr. Chan's management and finance experience will provide additional financial oversight for the Company, and will provide an advisory role over budgetary and projection analysis with management. Mr. Chan is a member of CPA, CMA, Canada. He holds an EMBA from the Ivey School of Business, University of Western Ontario and a B. Com from McGill University, Canada.

Mr. Chan devotes approximately 5% of his time to us.

Li Li Ms. Li Li is the CEO and legal representative of Shanghai JiuGe Information Technology Co., Ltd. Ms. Li Li graduated from Nanjing Academy of Engineering. In 2004, she founded Shanghai ChuangYe Network Technology Co., Ltd. as the Vice President. Through close cooperation with local operators, the company launched SMS and MMS services, WAP and mobile JAVA games, Hunan Satellite TV "HTV" e-magazine and other wireless Internet services to meet the rapid development of wireless internet content and extensive application requirements.

In 2007, Ms. Li Li served as Vice President of Hangzhou JiuYue Information Technology Co., Ltd. Through extensive and in-depth cooperation with operators, the company is committed to the development of SP services such as IVR (Wireless Voice Value-Added Services), voice mail, electronic data exchange, online data processing and transaction processing.

In 2009, Ms. Li Li served as Vice President of Hangzhou LingXuan Information Technology Co., Ltd. With in-depth understanding of the mobile Internet business, combined with years of experience in the operation of wireless value-added services, after an in-depth analysis of the market situation, she proposed the idea of building a wireless value-added interactive services platform and creating an online and offline O2O service model.

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Through close cooperation with operators, the company provides an integrated operation platform that covers online services such as information, music, video, and colored ring tones, as well as offline activities such as the Fans Club Meeting in campus, and thus realizes online services for products. Underneath each other, the industry chain is seamlessly connected.

In 2014, Ms. Li Li served as Vice President of Shanghai JiaPinMi Information Technology Co., Ltd. In 2014, WeChat opened the Wi-Fi interface, indicating the big leap and undercurrent of commercial Wi-Fi. However, at the time, there was no domestic Wi-Fi platform that provided blue-collar people with free Internet access, life style and added service to the community. At the beginning of her term of office, Li Li seized the opportunity and proposed to establish a "Hi-WiFi" platform through cloud-based big data marketing with in-depth cooperation with operators, providing blue-collar work force community with free access to the Internet, living, and services. It also provides enterprises with one-stop enterprise-level services based on information-based services and multiple specialized platform services, thus making "Hi-WiFi" the first domestic blue-collar work-force lifestyle platform to be developed. As a one-stop mobile marketing service provider that provides advertisers with wireless marketing solutions to achieve accurate marketing goals. Currently, any service of the platform can reach 100 million direct blue-collar user groups with nearly 300 million download speeds of up to 700 KB per second. Users no longer have to worry about data traffic usage restrictions.

In 2017, Ms. Li Li served as an Advisor to Shenzhen WuYiKa Technology Co., Ltd. WuYiKa is a comprehensive service platform based on carrier traffic and dedicated to digital online service distribution and payment. It has now become a fast and efficient provider of new media marketing solutions for mobile Internet.

Ms Li Li devotes approximately 100% of her time to Shanghai JiuGe Information Technology Co., Ltd.

Significant Employees

Other than Mr. Shen, FingerMotion does not have any employees. FingerMotion's subsidiaries and controlled companies have the following number of employees:

Name of Entity	Place of Incorporation/Formation	Employees
FingerMotion Company Limited	Hong Kong	0
FingerMotion (CN) Limited	Hong Kong	4
Shanghai JiuGe Business Management Co., Ltd.	PRC	2
Shanghai JiuGe Information Technology Co., Ltd.	PRC	37
Beijing XunLian TianXia Technology Co., Ltd.	PRC	11

Family Relationships

There are currently no family relationships between any of the members of the board of directors or the executive officers.

Involvement in Certain Legal Proceedings

Except as disclosed in this Annual Report, during the past ten years none of the following events have occurred with respect to any of our directors or executive officers:

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1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:
 - a. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
 - b. Engaging in any type of business practice; or
 - c. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3)(i) above, or to be associated with persons engaged in any such activity;
5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
 - a. Any Federal or State securities or commodities law or regulation; or
 - b. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
 - c. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

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There are currently no legal proceedings to which any of our directors or officers is a party adverse to us or in which any of our directors or officers has a material interest adverse to us.

Section 16(A) Beneficial Ownership Reporting Compliance

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our directors and officers, and the persons who beneficially own more than 10% of our common stock, to file reports of ownership and changes in ownership with the SEC. Copies of all filed reports are required to be furnished to us pursuant to Rule 16a-3 promulgated under the Exchange Act. Based solely on the reports received by us and on the representations of the reporting persons, we believe that these persons have complied with all applicable filing requirements during the fiscal year ended February 29, 2020, except as follows:

Name	Position Held	Late or Unfiled Report
Martin J. Shen	Chief Executive Officer and Chief Financial Officer	Unfiled Form 3 upon becoming an executive officer in Fiscal 2019 and unfiled Form 4 as required in Fiscal 2019
Leong Yew Poh	Director	Unfiled Form 3 upon becoming a director in Fiscal 2019 and unfiled Form 4 as required in Fiscal 2019
Michael Chan	Director	Unfiled Form 3 upon becoming a director in Fiscal 2019 and unfiled Form 4 as required in Fiscal 2019
Hsien Loong Wong	Director	Late filed Form 3 upon becoming an officer and director in Fiscal 2018 and unfiled Form 4 in Fiscal 2018
Cheong Chee Ming	Shareholder	Unfiled Form 3 upon becoming an insider in Fiscal 2018 and unfiled Form 4 as required in Fiscal 2020
Ever Sino International Limited	Shareholder	Unfiled Form 3 upon becoming an insider in Fiscal 2020.
Liew Siew Chin	Former Shareholder	Unfiled Form 3 upon becoming an insider in Fiscal 2018 and unfiled Form 4 as required in Fiscal 2020
Cheong Liong Foong	Former Shareholder	Unfiled Form 3 upon becoming an insider in Fiscal 2018 and unfiled Form 4 as required in Fiscal 2020

Director Independence

We evaluate the independence of our directors in accordance with the listing standards of the NASDAQ Stock Market, LLC (“NASDAQ”) and the regulations promulgated by the SEC. NASDAQ’s rules require that a majority of the members of a company’s board of directors must qualify as “independent,” as affirmatively determined by the board of directors. Because our securities are not listed on NASDAQ or any other national securities exchange, we are not required to have a board of directors comprised of a majority of independent directors. Nevertheless, after review of all relevant transactions and relationships between each director, or any of his family members, and us, our senior management and our independent registered public accounting firm, our board of directors has determined that the following directors, which comprise a majority of the members of our board of directors, are independent directors within the meaning of the NASDAQ listing standards: Leong Yew Poh and Michael Chan.

Committees of the Board of Directors

Our board of directors has no standing committees. Accordingly, the entire Board acts as the audit committee. The Board has determined that Mr. Chan and Mr. Leong both meet the definition of an “audit committee financial expert” under the rules of the SEC. Because our securities are not listed on a national securities exchange, like the NASDAQ or the New York Stock Exchange, we are not subject to any listing rules that require us to maintain a standing compensation committee or nominating and corporate governance committee. Accordingly, the Board has determined that the entire board should be responsible for compensation, nomination and governance matters. We believe that this is appropriate because our board of directors is relatively small, consisting of only three directors, because our board comprises a majority of independent directors and because it reduces administrative burdens on the Company and the Board.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

Our named executive officers for the fiscal year ended February 29, 2020 (“**Fiscal 2020**”) consist of (i) Martin J. Shen, our current Chief Executive Officer and Chief Financial Officer, and (ii) Li Li, the CEO and legal representative of our controlled company, JiuGe Technology. Our named executive officers for the fiscal year ended February 28, 2019 (“**Fiscal 2019**”) consist of (i) Martin J. Shen, our current Chief Executive Officer and Chief Financial Officer, who served in such capacity for a portion of Fiscal 2019, (ii) Hsien Loong Wong, our former Chief Executive Officer and Chief Financial Officer, and (iii) Li Li. We have no other executive officers. The following Summary Compensation Table sets forth the compensation earned by or paid to our named executive officers for Fiscal 2020 and Fiscal 2019 are as follows:

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Name and Principal Position	Fiscal Year	Salary (\$)	Share-based awards (\$)(3)	Non-equity incentive plan compensation (\$)		Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Martin J. Shen(1) CEO and CFO	2020	60,000	—	—	—	—	—	60,000
	2019	15,000	52,500	—	—	—	—	67,500
Hsien Loong Wong(2) Former CEO and CFO	2020	—	—	—	—	—	—	—
	2019	—	—	—	—	—	—	—
Li Li CEO and director of JiuGe Technology	2020	121,000	—	—	—	—	—	121,000
	2019	121,000	—	—	—	—	—	121,000

Notes:

- (1) Mr. Shen was appointed CEO and CFO on December 1, 2018.
- (2) Mr. Wong resigned as the CEO and CFO on November 30, 2018, so he did not receive any compensation during Fiscal 2020.
- (3) Amounts reflected under the “Share based awards” column for 2020 and 2019 represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

During our most recently completed financial years, we did not pay any other executive compensation to our named executive officers.

Executive Employment Agreements

As of February 29, 2020, we did not have any employment agreements with any of our named executive officers.

Outstanding Equity Awards Held by Named Executive Officers at Fiscal Year End

As of February 29, 2020, no named executive officer held any vested or unvested unexercised options to purchase shares of the Company's common stock, shares of unvested restricted stock or other awards under any Company equity incentive plan.

Pension Plan Benefits

We have no pension plans that provide for payments or benefits at, following or in connection with retirement.

Compensation Policies and Practices and Risk Management

One of the responsibilities of our Board, in its role in setting executive compensation and overseeing our various compensation programs, is to ensure that our compensation programs are structured so as to discourage inappropriate risk-taking. We believe that our existing compensation practices and policies for all employees, including executive officers, mitigate against this risk by, among other things, providing a meaningful portion of total compensation in the form of equity incentives. These equity incentives have historically been in the form of stock grants to promote long-term rather than short-term financial performance and to encourage employees to focus on sustained stock price appreciation. The Board as a whole is responsible for monitoring our existing compensation practices and policies and investigating applicable enhancements to align our existing practices and policies with avoidance or elimination of risk and the enhancement of long-term stockholder value.

Director Compensation

Each of our directors receives regular cash compensation of \$3,000 per month, or \$36,000 per year, for serving on the Board. In addition, the Board has from time to time granted unrestricted stock awards to each director then serving on the Board. The following table sets forth information for compensation earned in Fiscal 2020 by our non-executive directors who served during Fiscal 2020:

Name and Principal Position	Fiscal Year	Salary (\$)	Share-	Non-equity incentive plan compensation (\$)		Nonqualified deferred	All other compensation (\$)	Total compensation (\$)
			based awards (\$)(1)	Annual incentive plans	Long-term incentive plans	compensation earnings (\$)		
Leong Yew Poh	2020	48,000	—	—	—	—	—	48,000
Michael Chan	2020	24,000	—	—	—	—	—	24,000
Hsien Loong Wong	2020	24,000	—					24,000

Notes:

(1) Amounts reflected under the “Share based awards” column for 2020 represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information concerning the number of shares of our common stock owned beneficially as of July 8, 2020 by (i) each person (including any group) known to us to own more than 5% of any class of our voting securities, (ii) each of our officers and directors, and (iii) our officers and directors as a group. Unless otherwise indicated, it is our understanding and belief that the shareholders listed possess sole voting and investment power with respect to the shares shown.

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Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (1)	Percentage of Beneficial Ownership
Directors and Officers:		
Martin J. Shen, Chief Executive Officer and Chief Financial Officer c/o FingerMotion, Inc., 1460 Broadway, New York, New York 10036	250,000	*
Leong Yew Poh, Director c/o FingerMotion, Inc., 1460 Broadway, New York, New York 10036	250,000	*
Michael Chan, Director c/o FingerMotion, Inc., 1460 Broadway, New York, New York 10036	250,000	*
Hsien Loong Wong, Director c/o FingerMotion, Inc., 1460 Broadway, New York, New York 10036	350,000	1.0%
All directors and executive officers as a group (4 persons)	1,100,000	3.2%
Major Stockholders:		
Ever Sino International Limited(2) 6-11-1 V Square PJ City Centre Jalan Utara PJ Selangor 46200 Malaysia	7,200,000	21.2%
Cheong Chee Ming Unit A 19/F Times Media Centre 133 Wan Chai Road Wan Chai Hong Kong	4,520,000	13.3%

Notes:

* Less than one percent.

- (1) Under Rule 13d-3 of the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: (i) voting power, which includes the power to vote, or to direct the voting of such security; and (ii) investment power, which includes the power to dispose or direct the disposition of the security. Certain shares of common stock may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares of common stock are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares of common stock outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of common stock of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding as of the date of this Proxy Statement. As of July 8, 2020, there were 33,892,953 shares of common stock of the Company issued and outstanding.
- (2) Mr. Choe Yang Yeat has sole voting and dispositive power over the shares held by Ever Sino International Limited.

Changes in Control

We are unaware of any contract, or other arrangement or provision, the operation of which may at a subsequent date result in a change of control of our Company.

Securities Authorized for Issuance Under Equity Compensation Plans

As of February 29, 2020, we did not have any securities authorized for issuance under any equity compensation plans.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Except as described herein, none of the following parties (each a “**Related Party**”) has had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us:

- any of our directors or officers;
- any person proposed as a nominee for election as a director;
- any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock; or
- any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the above persons.

Related Party Transactions during the year ended February 29, 2020

As of February 29, 2020, the Company has a liability owing to Ms. Li Li in the amount of \$1,351,107 (2018: \$1,880,373). The funds loaned from Ms. Li Li to the Company were used for working capital purposes and such loan does not bear any interest and there are no set terms for repayment.

Our Board reviews any proposed transaction involving Related Parties and considers whether such transactions are fair and reasonable and in the Company’s best interests.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Fees and Services

The following is an aggregate of fees billed for each of the last two fiscal years for professional services rendered by our current principal accountants:

	2020	2019
Audit fees	\$ 45,000	\$ 40,000
Audit-related fees	15,000	16,000
Tax fees	Nil	Nil
All other fees	1,000	3,800
Total fees paid or accrued to our principal accountants	<u>\$ 61,000</u>	<u>\$ 59,800</u>

Audit Fees

Audit fees are the aggregate fees billed for professional services rendered by our independent auditors for the audit of our annual financial statements, the review of the financial statements included in each of our quarterly reports and services provided in connection with statutory and regulatory filings or engagements.

Audit Related Fees

Audit related fees are the aggregate fees billed by our independent auditors for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not described in the preceding category.

Tax Fees

Tax fees are billed by our independent auditors for tax compliance, tax advice and tax planning.

All Other Fees

All other fees include fees billed by our independent auditors for products or services other than as described in the immediately preceding three categories.

Pre-Approval of Services by the Independent Auditor

Our policy is to pre-approve all audit and permissible non-audit services performed by the independent accountants. These services may include audit services, audit-related services, tax services and other services. Under our Board's policy, pre-approval is generally provided for particular services or categories of services, including planned services, project based services and routine consultations. In addition, our Board may also pre-approve particular services on a case-by-case basis. We approved all services that our independent accountants provided to us in the past two fiscal years.

ITEM 15 – EXHIBITS

The following exhibits are filed as part of this Annual Report.

Exhibit No. Document

2.1⁽⁴⁾	Share Exchange Agreement among FingerMotion, Inc., Finger Motion Company Limited and the Shareholders of Finger Motion Company Limited, dated July 13, 2017
3.1⁽¹⁾	Certificate of Incorporation
3.2⁽²⁾	Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock dated May 15, 2017
3.3⁽²⁾	Certificate of Amendment of Certificate of Incorporation dated June 21, 2017
3.4⁽¹⁾	Bylaws
10.1⁽²⁾	Software License Agreement between Finger Motion Company Limited and Property Management Corporation of America dated April 28, 2017
10.2⁽²⁾	Exclusive Consulting Agreement between Shanghai JiuGe Business Management Co., Ltd. and Shanghai JiuGe Information Technology Co., Ltd. dated October 16, 2018
10.3⁽²⁾	Loan Agreement between Shanghai JiuGe Business Management Co., Ltd. and Shanghai JiuGe Information Technology Co., Ltd. dated October 16, 2018
10.4⁽²⁾	Power of Attorney Agreement between Shanghai JiuGe Business Management Co., Ltd. and Shanghai JiuGe Information Technology Co., Ltd. dated October 16, 2018
10.5⁽²⁾	Exclusive Call Option Agreement between Shanghai JiuGe Business Management Co., Ltd. and Shanghai JiuGe Information Technology Co., Ltd. dated October 16, 2018
10.6⁽²⁾	Share Pledge Agreement between Shanghai JiuGe Business Management Co., Ltd. and Shanghai JiuGe Information Technology Co., Ltd. dated October 16, 2018
10.7⁽⁶⁾	English Translation of Yunnan Unicom Electronic Sales Platform Construction and Operation Cooperation Agreement, dated as of July 7, 2019, between Shanghai JiuGe Information Technology Co., Ltd. and China United Network Communications Limited Yunnan Branch
14.1⁽¹⁾	Code of Business Conduct and Ethics
14.2⁽¹⁾	Code of Ethics for the CEO and Senior Financial Officers
21.1^(*)	Subsidiaries of FingerMotion, Inc.
31.1^(*)	Certification of Chief Executive Officer and Chief Financial Officer pursuant to the Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a).
32.1^(*)	Certifications pursuant to the Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS ^(*)	XBRL Instance Document
101.SCH ^(*)	XBRL Taxonomy Extension Schema Document
101.CAL ^(*)	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF ^(*)	XBRL Taxonomy Extension Definitions Linkbase Document
101.LAB ^(*)	XBRL Taxonomy Extension Label Linkbase Document
101.PRE ^(*)	XBRL Taxonomy Extension Presentation Linkbase Document

Notes:

(*) Filed herewith.

- (1) Previously filed as an exhibit to our Draft Registration Statement on Form S-1 filed with the SEC on March 14, 2014
- (2) Previously filed as an exhibit to our Current Report on Form 8-K filed with the SEC on May 16, 2017
- (3) Previously filed as an exhibit to our Current Report on Form 8-K filed with the SEC on July 12, 2017
- (4) Previously filed as an exhibit to our Current Report on Form 8-K filed with the SEC on July 20, 2017
- (5) Previously filed as an exhibit to our Current Report on Form 8-K filed with the SEC on December 27, 2018
- (6) Previously filed as an exhibit to our Current Report on Form 8-K filed with the SEC on August 9, 2019

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FINGERMOTION, INC.

Dated: July 13, 2020

By: /s/ Martin J. Shen
Martin J. Shen, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: July 13, 2020

By: /s/ Martin J. Shen
Martin J. Shen, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Dated: July 13, 2020

By: /s/ Leong Yew Poh
Leong Yew Poh, Director

Dated: July 13, 2020

By: /s/ Michael Chan
Michael Chan, Director

Dated: July 13, 2020

By: /s/ Hsien Loong Wong
Hsien Loong Wong, Director