



Loto Interactive Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8198)

www.lotoie.com

FIRST QUARTER REPORT 2021



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UNAUDITED CONDENSED CONSOLIDATED RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Loto Interactive Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three-month period ended 31 March 2021 (the “**Reporting Period**”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month period ended 31 March 2021

	Notes	Three-month period ended 31 March	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
REVENUE	3	74,259	72,239
Cost of sales and service rendered		(85,895)	(72,174)
Gross (loss)/profit		(11,636)	65
Other income and gains		729	557
Selling expenses		(21)	(7)
Administrative expenses		(11,819)	(16,071)
Other expenses		(1)	(2,398)
Share of profit/(loss) of associates		32	(64)
Finance costs		(79)	(158)
LOSS BEFORE TAX		(22,795)	(18,076)
Income tax credit	4	-	288
LOSS FOR THE PERIOD		(22,795)	(17,788)

	Notes	Three-month period ended 31 March	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) for the period, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income		14,397	(2,388)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,921)	(4,438)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD, NET OF TAX		12,476	(6,826)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(10,319)	(24,614)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(17,199)	(17,622)
Non-controlling interests		(5,596)	(166)
		(22,795)	(17,788)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(4,433)	(24,442)
Non-controlling interests		(5,886)	(172)
		(10,319)	(24,614)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (HK\$ cents)			
– Basic and diluted (Restated)	6	(4.52)	(5.58)

NOTES:

(1) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules and with Hong Kong Accounting Standard 34, Interim Financial Reporting.

(2) SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention. The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020, except for the adoption of all the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the unaudited consolidated financial statements.

(3) REVENUE

An analysis of the Group's revenue for the three-month period ended 31 March 2021 is as follows:

	Three-month period ended 31 March	
	2021 HK\$'000	2020 HK\$'000
Big Data Centre Services	73,260	71,976
Money Lending Business	750	–
Online Game Business	249	233
Lottery Business	–	30
	74,259	72,239

(4) INCOME TAX CREDIT

	Three-month period ended 31 March	
	2021 HK\$'000	2020 HK\$'000
Deferred tax	–	288
	–	288

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit arising from Hong Kong for the three-month period ended 31 March 2021 and its corresponding period in 2020.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

(5) DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three-month period ended 31 March 2021 (the three-month period ended 31 March 2020: Nil).

(6) LOSS PER SHARE

The calculation of basic loss per share for the three-month period ended 31 March 2021 is based on the unaudited loss attributable to owners of the Company of approximately HK\$17.2 million (three-month period ended 31 March 2020: HK\$17.6 million) and on the weighted average number of approximately 380,905,703 (three-month period ended 31 March 2020: 315,859,983) ordinary shares in issue during the period.

The computation of diluted loss per share in 2021 and 2020 did not include the Company's outstanding share options since their assumed exercise would result in the decrease in the diluted loss per share.

(7) SHARE CAPITAL AND RESERVES

	Attributable to owners of the Company									
	Issued capital HK\$'000	Share premium [†] HK\$'000	Share-based payment reserve [†] HK\$'000	Other reserve** HK\$'000	Exchange reserve [†] HK\$'000	Equity investment revaluation reserve [†] HK\$'000	Accumulated losses [†] HK\$'000	Sub-Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2021 (audited)	37,902	338,906	9,370	(5,255)	19,281	(12,653)	(68,885)	318,666	91,044	409,710
Loss for the period	-	-	-	-	-	-	(17,199)	(17,199)	(5,596)	(22,795)
Other comprehensive (loss)/income for the period	-	-	-	-	(1,631)	14,397	-	12,766	(290)	12,476
Total comprehensive (loss)/income for the period	-	-	-	-	(1,631)	14,397	(17,199)	(4,433)	(5,886)	(10,319)
Allotment and issue of the Subscription Shares	16,936	83,618	-	-	-	-	-	100,554	-	100,554
Purchase of non-controlling interests	-	-	-	-	-	-	(18,966)	(18,966)	(85,391)	(104,357)
Equity-settled share-based payment expense	-	-	823	-	-	-	-	823	-	823
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	(11,744)	11,744	-	-	-
At 31 March 2021 (unaudited)	54,838	422,524	10,193	(5,255)	17,650	(10,000)	(93,306)	396,644	(233)	396,411

	Attributable to owners of the Company									
	Issued capital HK\$'000	Share premium [†] HK\$'000	Share-based payment reserve [†] HK\$'000	Other reserve** HK\$'000	Exchange reserve [†] HK\$'000	Equity investment revaluation reserve [†] HK\$'000	Accumulated losses [†] HK\$'000	Sub-Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2020 (audited)	31,586	329,194	20,881	(5,255)	3,692	(12,570)	(37,657)	329,871	12,876	342,747
Non-controlling interests arising from establishment of a new subsidiary	-	-	-	-	-	-	-	-	5,319	5,319
Loss for the period	-	-	-	-	-	-	(17,622)	(17,622)	(166)	(17,788)
Other comprehensive loss for the period	-	-	-	-	(4,432)	(2,388)	-	(6,820)	(6)	(6,826)
Total comprehensive loss for the period	-	-	-	-	(4,432)	(2,388)	(17,622)	(24,442)	(172)	(24,614)
Equity-settled share-based payment expense	-	-	1,041	-	-	-	-	1,041	-	1,041
At 31 March 2020 (unaudited)	31,586	329,194	21,922	(5,255)	(740)	(14,958)	(55,279)	306,470	18,023	324,493

* Other reserve represents the difference between the adjustment to non-controlling interests and the consideration paid arising in equity transactions.

† These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review


The Group is principally engaged in (i) provision of data analysis and storage services (the “**Big Data Centre Services**”); (ii) distribution of mobile gaming (the “**Online Game Business**”) and (iii) money lending business in Hong Kong (the “**Money Lending Business**”).

Big Data Centre Services

The Group operates three big data centres in Sichuan, the People’s Republic of China (the “**PRC**”) to provide comprehensive services including premises, hardware support, power supply, ancillary supervision and management services to our clients.

The three big data centres of the Group, commenced business in March and June 2019 and June 2020, respectively, in aggregate have a gross area of over 18,000 square meters, with a total operation capacity of providing data analysis and storage services for up to 225,000 data processors at the same time.

The services provided by these big data centres to their customers cover a full range from monitoring the average utilisation rate and working status of data processors to supervising the overall safety and security of both physical environment and internet connection within the big data centres. Each customer is provided with a monthly report on operation results of its data processors. In the event of any unusual condition reported on the data processors, the relevant customer will receive an immediate notification and follow-up inspection and maintenance services will be provided by the Group upon request. In order to ensure full-load operation of the big data centres, the Group maintains regular communication with local utility services providers in respect of resources allocation and application for increase or decrease in supply of utility.



In addition, the Group has developed a comprehensive management software (the “**Software**”) specifically for its big data centres. With the customised hardware installed in the big data centres, the Software provides integrated solutions for operation and maintenance management, financial management and resources allocation in cloud computing in the big data centres. The Software enables the clients to remotely monitor their data processors and obtain real-time information on the average computing capacity, CPU load and utilisation and operating time and to receive notification of unusual condition of their data processors. The Software effectively solves the common problems encountered in the operation and maintenance management of big data centres such as delayed information access, inefficient operation and maintenance, inability to quantify on-site work and inability to get access to on-site information anytime and anywhere.

During the Reporting Period, the big data center services generated revenue of approximately HK\$73.3 million, representing an increase of approximately HK\$1.3 million as compared to the corresponding period, which was primarily due to the commenced operation of the third big data centre in June 2020.

Money Lending Business

In order to leverage our corporate expertise and resources to broaden income source, an indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender’s license in January 2020. On 3 April 2020, a loan in the principal amount of HK\$30 million for a term of 24 months at an interest rate of 10% per annum, was granted to an independent third party, which contributed revenue of approximately HK\$0.8 million for the Reporting Period.

Online Game Business

In line with the Group’s strategy for developing leisure and entertainment business, the Group engaged in the distribution of online mobile games and recorded revenue of approximately HK\$0.2 million for the Reporting Period, roughly the same as compared to the corresponding period in 2020.

Financial Review

The Group is engaged in three operating segments which are (1) the Big Data Centre Services, (2) the Money Lending Business, and (3) the Online Game Business. The Group recorded a total revenue of approximately HK\$74.3 million during the Reporting Period (three-month period ended 31 March 2020: approximately HK\$72.2 million), representing an increase of approximately HK\$2.1 million, which comprised the following:

(1) Big Data Centre Services

Revenue contributed by the Big Data Centre Services amounted to approximately HK\$73.3 million for the Reporting Period, representing an increase of approximately HK\$1.3 million as compared to the corresponding period in 2020 (three-month period ended 31 March 2020: approximately HK\$72.0 million).

(2) Money Lending Business

Revenue generated from Money Lending Business amounted to approximately HK\$0.8 million for the Reporting Period.

(3) Online Game Business

Revenue generated from Online Game Business amounted to approximately HK\$0.2 million for the Reporting Period.

Operating Results

The Group recorded a loss of approximately HK\$22.8 million for the Reporting Period, representing an increase of approximately HK\$5.0 million or 28% as compared to a loss of approximately HK\$17.8 million for the corresponding period in 2020, which was mainly attributable to the combined effect of:

- (i) decrease in gross profit of approximately HK\$11.7 million which was mainly due to the seasonality characteristics of the hydro power in low water season, leading to a low supply of Big Data Centre Services, but the operating costs still remained at a high level as the commencement of operation of the third big data centre;
- (ii) decrease in operating expense of approximately HK\$5.3 million which was mainly due to the decrease of rental expense, consultant expense and one-off start-up expense related to the third big data centre; and
- (iii) decrease in amortisation associated with acquired intangible assets of approximately HK\$1.2 million.

IMPORTANT EVENTS FOR THE REPORTING PERIOD

Disposal of a non-wholly owned subsidiary

Reference is made to the announcement of the Company dated 12 January 2021. On 12 January 2021, Interactive Lab Limited (a wholly-owned subsidiary of the Company) and the JV Partner (a substantial shareholder of the JV Company) entered into a repurchase agreement, pursuant to which the JV Partner shall repurchase the shares of the JV Company held by Interactive Lab Limited at the total repurchase price in the amount of US\$2 million (the **"Repurchase"**). As of the date of this report, the consideration for the Repurchase has been fully settled by the JV Partner and the JV Company has ceased to be a subsidiary of the Company.

Issuance of subscription shares to BIT Mining Limited (**"BIT Mining"**, formerly known as 500.com Limited)

Reference is made to the announcements and circular of the Company dated 28 January 2021, 11 February 2021 and 11 March 2021 (the **"Announcements and Circular"**), the Company and BIT Mining, the controlling shareholder of the Company, entered into a subscription agreement on 28 January 2021, pursuant to which BIT Mining has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 169,354,839 ordinary shares of the Company at the subscription price of HK\$0.62 per share (the **"Subscription"**). As of the date of this report, the Subscription has already been completed.

Acquisition of the equity interest of Ganzi Changhe Hydropower Consumption Service Co., Ltd. (**"Changhe Hydropower"**)

Reference is made to the Announcements and Circular. On 28 January 2021, Loto Interactive Information Technology (Shenzhen) Limited (樂透互娛信息技術(深圳)有限公司) (the **"Purchaser"**), a wholly-owned subsidiary of the Company, and Shenzhen Chengyou Technology Co., Ltd. (深圳市誠佑科技有限公司) and Mr. Guo Xiaoquan (郭筱荃) (collectively, the **"Sellers"**) entered into an acquisition agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Sellers have conditionally agreed to sell an aggregate of 49% equity interest of Changhe Hydropower for a cash consideration of RMB88.2 million (the **"Acquisition"**). Completion of the Acquisition is conditional upon the satisfaction or waiver (as the case may be) of several conditions. As of the date of this report, the Acquisition has already been completed.

Entering into of the Services Framework Agreement

Reference is made to the announcements of the Company dated 24 March 2021 and 31 March 2021. On 24 March 2021, Changhe Hydropower, an indirect non wholly-owned subsidiary of the Company, entered into a services framework agreement (the “**Services Framework Agreement**”) with Chongqing Yusheng Information Technology Co., Ltd. (重慶宇盛信息技術有限公司) (“**Chongqing Yusheng**”), an indirect wholly-owned subsidiary of BIT Mining, pursuant to which Changhe Hydropower will provide storage and comprehensive Big Data Centre Services in respect of the data processors placed by Chongqing Yusheng in the big data centre operated by Changhe Hydropower. On 31 March 2021, Changhe Hydropower, Chongqing Yusheng and BIT Mining entered into a supplemental framework agreement to the Services Framework Agreement (the “**Supplemental Framework Agreement**”), pursuant to which BIT Mining (for itself and on behalf of its subsidiaries) was added as a party to the Services Framework Agreement and shall assume the rights and obligations under the Services Framework Agreement in substitution of Chongqing Yusheng. Save for the addition of BIT Mining (for itself and on behalf of its subsidiaries) as a party to the Services Framework Agreement, all other terms of the Services Framework Agreement remain unchanged.

LOAN RECEIVABLES

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender’s license in January 2020. On 3 April 2020, the Group entered into a loan agreement (the “**Loan**”) with an independent third party, Bright Topper Limited (the “**Borrower**”), to extend a loan to the Borrower in the principal amount of HK\$30,000,000 at the interest rate of 10% per annum for a term of two years. Interests for the first 12 months shall be repaid in the first year and the principal amount and interests for remaining period shall be repaid on or before the maturity date. The repayment of the Loan was guaranteed by the director and the sole beneficial owner of the Borrower.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcements and circular of the Company dated 24 March 2021, 31 March 2021 and 19 April 2021 in relation to the entering into of the Services Framework Agreements (as defined in the circular to the shareholders of the Company dated 19 April 2021 (the “**Circular**”). Pursuant to the requirements under the GEM Listing Rules, the Company has sought the approval of Independent Shareholders (as defined in the Circular) in relation to the Services Framework Agreements, the transactions contemplated thereunder and the related proposed annual caps for the period from 4 May 2021 to 31 December 2023 at the extraordinary general meeting of the Company convened on 4 May 2021.



OUTLOOK

With our successful experiences in the operation and management of big data centres, the Group expanded into the business of proprietary cryptocurrency mining and entered into a purchase agreement, which intended to procure 4,000 data processors in February 2021. The data processors will be placed in our big data centres to mine cryptocurrencies ourselves. It is expected that the proprietary cryptocurrency mining business will generate profitable returns and contribute to our revenue in the second quarter of 2021.

The Company is committed to become the industry benchmark of Big Data Centre Services in terms of the scale, regulatory qualification, stability of power system, and environmental protection. We have entered into an agreement to acquire the remaining 49% interest in the third data centre in January 2021, following the completion of which, the third data centre will become wholly owned by the Company. The Company will further improve the efficiency of investment promotion, optimize the service content including but not limited to accelerate the development of other value-added services to attract more high-quality customers and strive to increase the capacity of the big data centres, which would bring more considerable revenue to the Group. We believe that, under the new environment, we shall actively seek changes, adhere to the spirit of innovation, and leverage our core experience and corporate resources to achieve long-term benefits for the Group and our shareholders.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (three-month period ended 31 March 2020: Nil).

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2021, the interests and short positions of each Director and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

(I) Long positions in the shares and underlying shares of the Company

(a) Ordinary shares of the Company

Name of Director	Number of ordinary shares held	Approximate percentage of total issued shares of the Company
	<i>(Note 2)</i>	<i>(Note 1)</i>
Ms. Zhang Jing	137,200	0.03%

(b) Share options granted by the Company

Name of Director	Number of underlying shares held pursuant to share options	Approximate percentage of total issued shares of the Company
	(Notes 2 & 3)	(Note 1)
Ms. Zhang Jing	3,566,800	0.65%
Mr. Yan Hao	3,300,000	0.60%
Ms. Huang Lilan	2,000,000	0.36%
Mr. Yuan Qiang	6,200,000	1.13%
Dr. Lu Haitian	400,000	0.07%
Mr. Lin Sen	400,000	0.07%
Mr. Huang Jian	200,000	0.04%

Notes:

1. As at 31 March 2021, the total number of issued shares of the Company was 548,378,822.
2. This represents interests held by the relevant Director as beneficial owner.
3. Details of share options granted to the Directors pursuant to the share option scheme of the Company are set out in the "Share Option Scheme" section of this report.

(II) Long positions in the shares and underlying shares of associated corporations of the Company

BIT Mining Limited (formerly known as 500.com Limited) ("BIT Mining") (a listed holding company of the Company)

(a) American depository shares ("ADS") of BIT Mining

Name of Director	Number of ADS held	Approximate percentage of total issued and outstanding shares of BIT Mining
	(Note 2)	(Note 1)
Ms. Zhang Jing	3,481	0.01%
Ms. Huang Lilan	5,151	0.01%
Mr. Yuan Qiang	84,266	0.15%

(b) American depository shares options (“ADS Options”) granted by BIT Mining

Name of Director	Number of underlying shares held pursuant to ADS Options	Approximate percentage of total issued and outstanding shares of BIT Mining
	<i>(Notes 2 & 3)</i>	<i>(Note 1)</i>
Ms. Zhang Jing	30,000	0.05%
Ms. Huang Lilan	15,500	0.03%

Notes:

1. As at 31 March 2021, the total number of issued and outstanding shares of BIT Mining was 55,993,415.
2. This represents interests held by the relevant Director as beneficial owner.
3. Details of the 30,000 ADS Options held by Ms. Zhang Jing are as follows:
 - 5,000 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2015 to 19 June 2021
 - 10,000 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2016 to 19 June 2021
 - 15,000 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2017 to 19 June 2021

Details of the 15,500 ADS Options held by Ms. Huang Lilan are as follows:

- 167 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2015 to 19 June 2021
- 2,000 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2016 to 19 June 2021
- 8,333 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2017 to 19 June 2021
- 5,000 ADS Options granted on 19 June 2014 at exercise price of US\$10.00 may be exercised from 19 June 2018 to 19 June 2021

Save as disclosed above, as at 31 March 2021, none of the Directors or chief executive of the Company and their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors.

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 18 May 2012, the shareholders of the Company approved the adoption of a new share option scheme (the “**2012 Share Option Scheme**”), under which the Directors may grant options to eligible persons to subscribe for the Company’s shares, subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme will expire on 17 May 2022.

Movements of share options granted under the 2012 Share Option Scheme during the Reporting Period are set out below:

Type of participants	Number of share options						As at 31 March 2021	Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2021	Granted during the period	Reclassified during the period (Note 5)	Exercised during the period	Lapsed during the period	Cancelled during the period				
Directors										
Ms. Zhang Jing	466,800	-	-	-	-	466,800	01.04.2019	1.10	2	
	3,100,000	-	-	-	-	3,100,000	10.08.2020	0.26	3	
	3,566,800	-	-	-	-	3,566,800				
Mr. Yan Hao	200,000	-	-	-	-	200,000	01.04.2019	1.10	2	
	3,100,000	-	-	-	-	3,100,000	10.08.2020	0.26	3	
	3,300,000	-	-	-	-	3,300,000				
Mr. Wang Bingzhong (Note 4)	3,100,000	-	(3,100,000)	-	-	-	01.04.2019	1.10	2	
	3,100,000	-	(3,100,000)	-	-	-	10.08.2020	0.26	3	
	6,200,000	-	(6,200,000)	-	-	-				
Ms. Huang Lilan	1,000,000	-	-	-	-	1,000,000	01.04.2019	1.10	2	
	1,000,000	-	-	-	-	1,000,000	10.08.2020	0.26	3	
	2,000,000	-	-	-	-	2,000,000				

Type of participants	Number of share options							Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2021	Granted during the period	Reclassified during the period (Note 5)	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 31 March 2021			
Mr. Yuan Qiang	3,100,000	-	-	-	-	-	3,100,000	01.04.2019	1.10	2
	3,100,000	-	-	-	-	-	3,100,000	10.08.2020	0.26	3
	6,200,000	-	-	-	-	-	6,200,000			
Dr. Lu Haitian	200,000	-	-	-	-	-	200,000	01.04.2019	1.10	2
	200,000	-	-	-	-	-	200,000	10.08.2020	0.26	3
	400,000	-	-	-	-	-	400,000			
Mr. Lin Sen	200,000	-	-	-	-	-	200,000	01.04.2019	1.10	2
	200,000	-	-	-	-	-	200,000	10.08.2020	0.26	3
	400,000	-	-	-	-	-	400,000			
Mr. Huang Jian	200,000	-	-	-	-	-	200,000	10.08.2020	0.26	3
	200,000	-	-	-	-	-	200,000			
	Sub-total:	22,266,800	-	(6,200,000)	-	-	16,066,800			
Employees	110,000	-	20,000	-	-	-	130,000	01.04.2019	1.10	2
	900,000	-	-	-	-	-	900,000	10.08.2020	0.26	3
	Sub-total:	1,010,000	-	20,000	-	-	1,030,000			
Others (Note 7)	400,000	-	-	-	-	-	400,000	05.01.2018	2.00	1
	5,266,800	-	3,080,000	-	-	-	8,346,800	01.04.2019	1.10	2
	9,960,000	-	3,100,000	-	-	-	13,060,000	10.08.2020	0.26	3
Sub-total:	15,626,800	-	6,180,000	-	-	-	21,806,800			
Total:	38,903,600	-	-	-	-	-	38,903,600			

Notes:

1. The share options granted on 5 January 2018 are divided into 3 tranches exercisable from 5 January 2018, 5 January 2019 and 5 January 2020 respectively to 4 January 2028.
2. The share options granted on 1 April 2019 are divided into 3 tranches exercisable from 1 April 2019, 1 April 2020 and 1 April 2021 respectively to 31 March 2029.
3. The share options granted on 10 August 2020 are divided into 3 tranches exercisable from 10 August 2020, 10 August 2021 and 10 August 2022 respectively to 9 August 2030.
4. Mr. Wang Bingzhong resigned as a Director with effect from 31 October 2020.
5. To better reflect certain grantee's position in relation to the Group, their respective types of participant have been reclassified from Directors to others, from employees to others or from others to employees as appropriate.
6. During the Reporting Period, no share options were granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme.
7. The category "Others" represents the consultants of the Group. Consultants are individuals who rendered consultancy services in respect of the business development to the Group without receiving any compensation. The Group granted share options to them for recognising their services similar to those rendered by employees of the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES


As at 31 March 2021, the interests and short positions of the persons (other than the Directors and chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name	Capacity	Number of shares held	Approximate percentage of total issued shares of the Company
			(Note)
BIT Mining Limited	Beneficial owner	297,226,271	54.20%

Note:

As at 31 March 2021, the total number of issued shares of the Company was 548,378,822.



Save as disclosed above, as at 31 March 2021, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

COMPETING INTEREST

During the Reporting Period, none of the Directors, the controlling shareholder of the Company and their respective close associates (as defined in the GEM Listing Rules) had interest in any business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company has an audit committee, which was established for the purposes of reviewing and providing supervision over the Company's financial reporting process and overseeing the Group's risk management and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The audit committee comprises two independent non-executive Directors, namely Mr. Lin Sen (chairman of the audit committee), Dr. Lu Haitian and one non-executive Director, namely Mr. Yuan Qiang. The financial information contained in this first quarter report for the Reporting Period has not been audited by the auditors of the Company, but has been reviewed by the audit committee of the Company.

By Order of the Board
Loto Interactive Limited
Yan Hao

Chief Executive Officer and Executive Director

Hong Kong, 7 May 2021

As at the date of this report, the Board of Directors comprises Ms. Zhang Jing (Chairman), Mr. Yan Hao# (Chief Executive Officer), Ms. Huang Lilan#, Mr. Yuan Qiang*, Dr. Lu Haitian+, Mr. Lin Sen+ and Mr. Huang Jian+.*

Executive Director

* *Non-executive Director*

+ *Independent Non-executive Director*