



乐透互娱

LOTO INTERACTIVE

## Loto Interactive Limited

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 8198)

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

# INTERIM REPORT 2021



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## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Loto Interactive Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six-month period ended 30 June 2021 (the “**Reporting Period**”) as follows:

### Business Review

During the Reporting Period, the Group is principally engaged in (i) provision of data analysis and storage services (the “**Big Data Centre Services**”); (ii) proprietary cryptocurrency mining (the “**Cryptocurrency Mining Business**”); (iii) money lending business in Hong Kong (the “**Money Lending Business**”); and (iv) distribution of mobile gaming (the “**Online Game 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, 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.

On 20 June and 21 June 2021, the Company announced that two big data centres have suspended its operations according to the written notice from State Grid Sichuan Ganzhou Electric Power Co., Ltd. (國網四川甘孜州電力有限責任公司) and verbal notice from Sichuan Datang International Ganzhou Hydropower Development Co., Ltd. (四川大唐國際甘孜水電開發有限公司), which were pursuant to the letter on assisting in the clean-up and shutdown of virtual currency “mining” projects 《關於協助做好虛擬貨幣「挖礦」項目清理關停工作的函》 issued by Economic and Information Bureau (經信局). In respect of the big data centre operated by Chengdu Keying Interactive Information Technology Limited (成都科盈互動信息科技有限責任公司), as disclosed in the Group’s announcement dated 25 June 2021, it had not been operating since the start of the year due to the need for various modifications. As the date of this report, all three big data centres are currently not in operation.

To further develop the Group’s business in the Big Data Centre Services, we are in the process of constructing a new big data centre in Hong Kong. It is expected that the new big data centre will contribute to our revenue in the late third quarter of 2021.



During the Reporting Period, the Big Data Centre Services generated revenue of approximately HK\$170.0 million, representing an increase of approximately HK\$42.3 million as compared to the corresponding period in 2020, which was primarily due to the increase in operation time as compared to the same period of last year resulting from the commenced operation of the third big data centre in June 2020.

### *Cryptocurrency Mining Business*

With our extensive experiences in the operation and management of big data centres, the Group has kickstarted its expansion into the business of proprietary cryptocurrency mining and has purchased 1,807 data processors during the Reporting Period. 9 data processors have been placed in Hong Kong and the remaining data processors will be delivered to the Kazakhstan to mine cryptocurrencies. It is expected that the proprietary cryptocurrency mining business will contribute to our revenue in the third quarter this year.

### *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\$1.5 million for the Reporting Period.

### *Online Game Business*

The Group engaged in the distribution of online mobile games and recorded revenue of approximately HK\$0.3 million for the Reporting Period. In view of the relatively low revenue generated in this segment (being HK\$1.0 million for the year ended 31 December 2020 and HK\$0.3 million during the Reporting Period), keen competition and difficult business environment, the Board has decided to suspend the operations of the Online Game Business in June 2021. The Board considers that this would be in the best interests of the Company and its shareholders as a whole as it would enable the Group to better utilise its resources to the core businesses.



## Financial Review

During the Reporting Period, the Group is engaged in four operating segments which are (1) Big Data Centre Services; (2) Cryptocurrency Mining Business; (3) Money Lending Business; and (4) Online Game Business. The Group recorded a total revenue of approximately HK\$171.9 million during the Reporting Period (six-month period ended 30 June 2020: HK\$128.7 million), representing an increase of HK\$43.2 million as compared to the corresponding period in 2020, which comprised the following:

### *(1) Big Data Centre Services*

Revenue contributed by the Big Data Centre Services amounted to approximately HK\$170.0 million for the Reporting Period, representing an increase of HK\$42.3 million as compared to the corresponding period in 2020 (Six-month period ended 30 June 2020: HK\$127.7 million).

### *(2) Cryptocurrency Mining Business*

No revenue was generated from Cryptocurrency Mining Business during the Reporting Period.

### *(3) Money Lending Business*

Revenue generated from Money Lending Business amounted to approximately HK\$1.5 million for the Reporting Period, representing an increase of HK\$0.7 million as compared to the corresponding period in 2020 (six-month period ended 30 June 2020: HK\$0.8 million).

### *(4) Online Game Business*

Revenue generated from Online Game Business amounted to HK\$0.3 million for the Reporting Period, representing an increase of HK\$0.1 million as compared to the corresponding period in 2020. (six-month period ended 30 June 2020: HK\$0.2 million).



## Operating Results

The Group recorded a loss of approximately HK\$37.2 million for the Reporting Period, representing an increase of HK\$4.8 million or 15% as compared to a loss of HK\$32.4 million for the corresponding period in 2020, which was mainly attributable to the combined effect of:

- (i) decrease in gross profit of approximately HK\$13.9 million which was mainly due to the low water season which affects the availability of hydropower production and the aforementioned suspension of power to subsidiaries operating the big data centres;
- (ii) decrease in operating expense related to the Big Data Centre Services of approximately HK\$5.3 million which was mainly due to the decrease of one-off initial formation expenses related to the third big data centre; and
- (iii) decrease in amortisation associated with acquired intangible assets of approximately HK\$2.3 million.

## Outlook

With our extensive experiences in the operation and management of big data centres, the Group expanded into the business of proprietary cryptocurrency mining and purchased 1,807 data processors in 2021. It is expected that the proprietary cryptocurrency mining business will contribute to our revenue in the third quarter of this year.

The Company will actively expand into Hong Kong and overseas markets, capitalise on our accumulated experience in the big data center business to further optimise our business content and explore new directions of development. In addition, in the new environment, we will continue to pursue improvement, adhere to the spirit of innovation, closely monitor changes in policies and market conditions, leverage our core experience and corporate resources to seek new opportunities in pursuit of the long-term benefits for the Group and our shareholders as a whole.

## Dividend

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six-month period ended 30 June 2020: Nil).

## Addition to property, plant and equipment

During the Reporting Period, the Company entered into a purchase agreement to procure 1,807 data processors for the expansion into the Cryptocurrency Mining Business. The data processors will be used to mine cryptocurrencies ourselves. As of 30 June 2021, the Group is of a net asset position with property, plant and equipment of HK\$237.8 million (31 December 2020: HK\$263.3 million).

## Liquidity and Financial Resources

The Group continues to manage its balance sheet carefully and maintains conservative policies in cash and financial management. As at 30 June 2021, the Group's bank balances and cash (including bank deposits with original maturity over three months) amounted to HK\$51.1 million (31 December 2020: HK\$44.3 million). Of the cash and cash equivalents as at 30 June 2021, 64% (31 December 2020: 10%) of this amount was denominated in Hong Kong dollars, with the remaining balance in Renminbi and United States dollars. The increase in bank balance and cash was mainly due to receipt of consideration for repurchase of shares of Happy Technology Limited (the "JV Company") by Bee Computing (HK) Limited (a substantial shareholder of the JV Company) (the "JV Partner") during the Reporting Period.

## Gearing Ratio and Capital Structure

As at 30 June 2021, net current assets of the Group were HK\$102.4 million (31 December 2020: net current assets of HK\$94.1 million).

The Group did not have any bank borrowings for the six-month period ended 30 June 2021 (31 December 2020: Nil) and generally financed its operations with internal resources.

The gearing ratio of the Group (total bank borrowings divided by shareholders' funds) was nil as at 30 June 2021 (31 December 2020: Nil).

## Loan Receivable

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, has obtained a money lender's license in January 2020. As at 3 April 2020, the Group entered into a loan agreement (the "Loan") with an independent third party, Bright Topper Limited (the "Borrower"), in the principal amount of HK\$30,000,000 at the interest rate of 10% per annum for a term of 24 months. 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.

## Capital Commitment and Contingent Liabilities

	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Property, plant and equipment contracted, but not provided for	4,960	12,862
	4,960	12,862

As at 30 June 2021 and 31 December 2020, the Group did not have any significant contingent liabilities.

## Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets


### *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 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"**). The consideration for the Repurchase has now been fully settled by the JV Partner and the JV Company has ceased to be a subsidiary of the Company.

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

Reference is made to the announcement of the Company dated 28 January 2021 and circular of the Company dated 11 March 2021. 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 (equivalent to approximately HK\$105.8 million) (the **"Acquisition Consideration"**) (the **"Acquisition"**). Completion of the Acquisition is conditional upon the satisfaction or waiver (as the case may be) of several conditions. The Acquisition has been completed on 31 March 2021.





Saved as disclosed above, there were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Reporting Period. There was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

### Charges on Group Assets

None of the Group's assets were pledged as at 30 June 2021 and 31 December 2020.

### Exposure of Fluctuations in Exchange Rates

As at 30 June 2021, all assets and liabilities of the Group were denominated in HK\$, RMB and USD. During the Reporting Period, the business activities of the Group were mainly denominated in HK\$ and RMB. Since the impact of foreign exchange exposure has been insignificant, no hedging or other alternatives have been implemented.


### Staff and Remuneration Policy

As at 30 June 2021, the Group had a total of 97 employees (as at 30 June 2020: 129 employees). For the Reporting Period, the employee benefits costs amounted to HK\$13.7 million (six-month period ended 30 June 2020: HK\$14.2 million). The Group continues to provide remuneration packages to employees that are in line with market practices and past performance. The Group also provides employees with other benefits such as a mandatory provident fund, medical insurance scheme, share option schemes and staff training program.

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

Reference is made to the announcements and circular of the Company dated 28 January 2021, 11 February 2021, 11 March 2021 and 31 March 2021. On 31 March 2021, the Company has allotted and issued an aggregate of 169,354,839 ordinary shares (the "**Subscription Shares**") of the Company at the subscription price of HK\$0.62 per share (the "**Subscription**") to BIT Mining Limited (formerly known as 500.com Limited), the controlling shareholder of the Company to finance the payment of the Acquisition Consideration. Based on the nominal value of HK\$0.1 per Share, the aggregate nominal value of the Subscription Shares is HK\$16,935,483.9.

The closing market price of the Subscription Shares, as quoted on The Stock Exchange of Hong Kong Limited on 27 January 2021, being the date on which the terms of the Subscription were fixed was HK\$0.69 per Subscription Share. The gross and net issue price per Subscription Share from the Subscription was approximately HK\$0.62 and HK\$0.61, respectively.



The gross proceeds of the Subscription were approximately HK\$105.0 million. The net proceeds of the Subscription were estimated to be approximately HK\$103.4 million after deducting all related professional fees and other related expenses. The Acquisition was completed on 31 March 2021 and the Company had utilised all net proceeds from the Subscription to finance the Acquisition Consideration as intended.

### Unconditional Mandatory Cash Offers

Reference is made to (i) the joint announcements dated 28 January 2021, 11 February 2021, 18 February 2021, 26 February 2021, 29 March 2021, 31 March 2021, 16 April 2021, 14 May 2021 and 28 May 2021; and (ii) the composite document dated 28 May 2021 (the “**Composite Document**”) jointly issued by BIT Mining Limited (formerly known as 500.com Limited) (the “**Offeror**”) and the Company in relation to the unconditional mandatory cash offers (the “**Offers**”) by BOCOM International Securities Limited for and on behalf of the Offeror to acquire all the issued shares of, and cancel all outstanding options of, the Company (other than those already owned by or agreed to be acquired by the Offeror and the parties acting in concert with it). The Offers were closed at 4:00 p.m. on 18 June 2021 and were not revised or extended. The Offeror had received: (i) valid acceptances in respect of a total of 30,642,534 offer shares under the share offer, representing 5.59% of the entire issued shares as at the closing date of the Offer; and (ii) valid acceptance in respect of a total of 6,800,000 options under the option offer (of which 6,570,000 options had an exercise price of HK\$0.26 per share and 230,000 options had an exercise price of HK\$1.1 per Share), representing approximately 17.48% of the outstanding options of the Company as at the latest practicable date of the Composite Document (i.e. 25 May 2021).

### Important Events After the Reporting Period

There have been no important events significantly affecting the finances or financial prospects of the Group that have occurred since the end of the Reporting Period.

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

For the six-month period ended 30 June 2021

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>REVENUE</b>	3	<b>97,629</b>	56,495	<b>171,888</b>	128,734
Cost of sales and service rendered		<b>(95,553)</b>	(52,172)	<b>(181,448)</b>	(124,346)
<b>Gross profit</b>		<b>2,076</b>	4,323	<b>(9,560)</b>	4,388
Other income and gains		<b>26</b>	894	<b>755</b>	1,451
Selling expenses		<b>(7)</b>	–	<b>(28)</b>	(7)
Administrative expenses		<b>(17,148)</b>	(18,248)	<b>(28,967)</b>	(34,319)
Finance income/(costs)		<b>6</b>	(507)	<b>(73)</b>	(665)
Other expenses		<b>(550)</b>	(1,320)	<b>(551)</b>	(3,718)
Share profits/(losses) of associates		<b>1,193</b>	(3)	<b>1,225</b>	(67)
<b>LOSS BEFORE TAX</b>		<b>(14,404)</b>	(14,861)	<b>(37,199)</b>	(32,937)
Income tax credit	5	–	284	–	572
<b>LOSS FOR THE PERIOD</b>	7	<b>(14,404)</b>	(14,577)	<b>(37,199)</b>	(32,365)

Notes	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other comprehensive (loss)/income for the period, net of tax:</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Fair value changes of equity investments at fair value through other comprehensive income	-	(969)	14,397	(3,357)
<b>Items that may be reclassified to profit or loss:</b>				
Exchange differences on translation of foreign operations	5,955	1,637	4,034	(2,801)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>5,955</b>	<b>668</b>	<b>18,431</b>	<b>(6,158)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(8,449)</b>	<b>(13,909)</b>	<b>(18,768)</b>	<b>(38,523)</b>

Notes	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>LOSS FOR THE PERIOD</b>				
<b>ATTRIBUTABLE TO:</b>				
Owner of the Company	(14,372)	(12,494)	(31,571)	(30,116)
Non-controlling interests	(32)	(2,083)	(5,628)	(2,249)
	<b>(14,404)</b>	<b>(14,577)</b>	<b>(37,199)</b>	<b>(32,365)</b>
<b>TOTAL COMPREHENSIVE</b>				
<b>LOSS FOR THE PERIOD</b>				
<b>ATTRIBUTABLE TO:</b>				
Owners of the Company	(8,403)	(11,832)	(12,836)	(36,274)
Non-controlling interests	(46)	(2,077)	(5,932)	(2,249)
	<b>(8,449)</b>	<b>(13,909)</b>	<b>(18,768)</b>	<b>(38,523)</b>
<b>LOSS PER SHARE</b>				
<b>ATTRIBUTABLE TO</b>				
<b>ORDINARY EQUITY</b>				
<b>HOLDERS OF THE</b>				
<b>COMPANY (HK cents)</b>				
– Basic and diluted	8 (2.67)	(4.62)	(7.18)	(10.25)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

Notes	As at 30 June 2021 (Unaudited) HK\$'000	As at 31 December 2020 (Audited) HK\$'000
<b>Non-current Assets</b>		
Property, plant and equipment	237,752	263,269
Right-of-use assets	5,363	6,409
Goodwill	11,837	11,703
Intangible assets	533	–
Investment in associates	2,712	2,431
Equity investment at fair value through other comprehensive income	–	5,057
Loan receivables	30,000	30,000
<b>Total Non-current Assets</b>	<b>288,197</b>	<b>318,869</b>
<b>Current Assets</b>		
Trade receivables	9	8,400
Prepayments, deposits and other receivables	9	83,018
Cash and cash equivalent	51,060	44,252
<b>Total Current Assets</b>	<b>163,660</b>	<b>135,670</b>
<b>Current Liabilities</b>		
Trade payables	10	4,611
Accruals and other payables	10	25,734
Amount due to a related company	29	467
Lease liabilities	3,293	3,360
Tax payable	6,159	7,421
<b>Total Current Liabilities</b>	<b>61,212</b>	<b>41,593</b>
<b>Net Current Assets</b>	<b>102,448</b>	<b>94,077</b>
<b>Total Assets less Current Liabilities</b>	<b>390,645</b>	<b>412,946</b>

	<i>Notes</i>	<b>As at 30 June 2021 (Unaudited) HK\$'000</b>	<b>As at 31 December 2020 (Audited) HK\$'000</b>
<b>Non-current Liabilities</b>			
Lease liabilities		<b>2,518</b>	3,236
<b>Total Non-current Liabilities</b>		<b>2,518</b>	3,236
<b>Net Assets</b>		<b>388,127</b>	409,710
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>11</i>	<b>54,838</b>	37,902
Reserves		<b>333,568</b>	280,764
		<b>388,406</b>	318,666
<b>Non-controlling interests</b>		<b>(279)</b>	91,044
<b>TOTAL EQUITY</b>		<b>388,127</b>	409,710

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2021

	Attributable to owners of the Company									Total equity HK\$'000
	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	
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	-	-	-	-	-	-	(31,571)	(31,571)	(5,628)	(37,199)
Other comprehensive (loss)/income for the period	-	-	-	-	4,338	14,397	-	18,735	(304)	18,431
Total comprehensive (loss)/income for the period	-	-	-	-	4,338	14,397	(31,571)	(12,836)	(5,932)	(18,768)
Allotment and issue of shares on subscription	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	-	-	988	-	-	-	-	988	-	988
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	(11,744)	11,744	-	-	-
At 30 June 2021 (unaudited)	54,838	422,524	10,358	(5,255)	23,619	(10,000)	(107,678)	388,406	(279)	388,127



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	-	-	-	-	-	-	-	-	72,651	72,651
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(5,377)	(5,377)
Loss for the period	-	-	-	-	-	-	(30,116)	(30,116)	(2,249)	(32,365)
Other comprehensive loss for the period	-	-	-	-	(2,801)	(3,357)	-	(6,158)	-	(6,158)
Total comprehensive loss for the period	-	-	-	-	(2,801)	(3,357)	(30,116)	(36,274)	(2,249)	(38,523)
Equity-settled share-based payment expense	-	-	1,386	-	-	-	-	1,386	-	1,386
At 30 June 2020 (unaudited)	31,586	329,194	22,267	(5,255)	891	(15,927)	(67,773)	294,983	77,901	372,884

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2021

	Six-month period ended June 30	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(37,199)	(32,937)
Adjustments for:		
Equity-settled share-based payment expense	988	1,386
Depreciation of property, plant and equipment	31,391	13,204
Share of losses of associates	(1,226)	67
Interest income	(204)	(412)
Finance cost	73	665
Exchange differences, net	447	1,059
	(5,730)	(16,968)
Increase in trade receivables	(16,768)	(565)
Increase in prepayments, deposits and other receivables	11,969	(21,323)
Increase/ (decrease) in trade payables	2,425	(3,321)
Decrease in other payables and accruals	18,447	17,765
Cash used in operations	10,343	(24,412)
Income taxes paid	(4)	(17)
<b>Net cash flows used in operating activities</b>	<b>10,339</b>	<b>(24,429)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(3,260)	(93,607)
Prepayment for data processor	(16,384)	(22,304)
Advance of loan to an independent third party	–	(30,000)
Repayment from loan receivables	–	57,486
Interest received	204	178
Disposal of equity investments at fair value through other comprehensive income	19,505	–
Payments for acquisition of non-controlling interests in non-wholly owned subsidiaries	(105,920)	–
<b>Net cash flows generated from investing activities</b>	<b>(105,855)</b>	<b>(88,247)</b>

	Six-month period ended June 30	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares on subscription	100,554	–
(Repayment to)/advance from a related party	–	(11,380)
Contributions from non-controlling shareholders	–	72,802
<b>Net cash flows generated from financing activities</b>	<b>100,554</b>	<b>61,422</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of year	44,252	95,030
Effect of foreign exchange rate changes, net	1,770	1,937
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>51,060</b>	<b>45,713</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	51,060	45,713
<b>Cash and cash equivalents as stated in the statement of cash flows</b>	<b>51,060</b>	<b>45,713</b>

## 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.

### (3) REVENUE

An analysis of the Group's revenue for the three-month period and the six-month period ended 30 June 2021 is as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Big data centre services	96,784	55,731	170,044	127,707
Online game business	95	14	344	247
Lottery business	–	–	–	30
Money lending business	750	750	1,500	750
	<b>97,629</b>	56,495	<b>171,888</b>	128,734

### (4) SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Group's internal reporting in order to assess performance and allocate resources. The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three (2020: three) reportable segments. The segments are managed separately as each business segment offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Big data centre services ("Big data centre services")
- Money lending ("Money lending business")
- Distribution of mobile gaming ("Online game business")

The revenue derived from the provision for products and services is set out in note 3.

### Geographical information

The Group's operations are carried out in the PRC and Hong Kong and revenue from external customers based on the location of goods and services delivered is derived from the PRC and Hong Kong.

The following is an analysis of the non-current assets, analysed by the geographical area in which the assets are located:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-current assets, excluding financial assets		
The PRC (excluding Hong Kong)	254,216	273,479
Hong Kong	3,973	10,318
British Virgin Island ("BVI")	8	15
	<b>258,197</b>	<b>283,812</b>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

### Information about major customers

Revenue from individual customers contributing over 10% of the total revenue of the Group are as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Customer A	15,253	–	37,643	–
Customer B	5,170	11,088	19,600	29,329
Customer C	–	14,320	–	42,859
Customer D	–	9,248	–	16,139
	<b>20,423</b>	<b>34,656</b>	<b>57,243</b>	<b>88,327</b>

Note: Individual customers contributing over 10% of the total revenue of the Group are from the big data centre services.

## (5) INCOME TAX CREDIT

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Deferred tax	-	284	-	572
	-	284	-	572

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No Hong Kong Profits Tax was provided for since the Hong Kong subsidiaries have incurred losses from operations for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

## (6) DIVIDEND

No interim dividends had been paid or declared by the Company during the six-month period ended 30 June 2021 (2020: Nil).

## (7) LOSS FOR THE PERIOD

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss for the period has been arrived at after charging:				
Depreciation and amortisation expense	15,677	6,531	31,391	13,204
Salaries, bonus and other benefits	7,101	7,087	13,735	14,159
Share option expense	165	345	988	1,386
Rental expense	2,041	2,365	3,421	4,873

## (8) LOSS PER SHARE

The calculation of basic loss per share for the three-month period and six-month period ended 30 June 2021 is based on the loss attributable to owners of the Company of approximately HK\$14,372,000 and HK\$31,571,000 respectively (three-month period and six-month period ended 30 June 2020: HK\$12,494,000 and HK\$30,116,000) and on the weighted average number of approximately 439,513,191 and 439,513,191 respectively (three-month period and six-month period ended 30 June 2020: 315,859,983 and 315,859,983) ordinary shares in issue during the period.

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

## (9) TRADE AND OTHER RECEIVABLES

The Group allows credit periods ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period:

	As at 30 June 2021 (Unaudited) HK\$'000	As at 31 December 2020 (Audited) HK\$'000
Trade receivables:		
Within 30 days	9,364	7,250
31-90 days	15,804	1,124
91-180 days	-	4
181-365 days	-	17
Over 1 year	-	5
	25,168	8,400
Other receivables	7,419	2,436
Other receivable from a shareholder of a subsidiary	-	15,549
Other tax assets	23,042	24,264
Utility deposits	16,441	16,254
Other deposits	884	943
Prepayments	40,714	24,640
	88,500	84,086
Impairment of other receivables	(1,068)	(1,068)
	87,432	83,018

## (10) TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	As at 30 June 2021 (Unaudited) HK\$'000	As at 31 December 2020 (Audited) HK\$'000
Trade payables:		
Within 30 days	4,942	1,057
31-90 days	2,094	2,702
91-180 days	–	194
181-365 days	–	63
Over 1 year	–	595
	<b>7,036</b>	4,611
Other payables	3,605	3,697
Amount due to a shareholder of a joint venture	2,334	2,334
Deposit received from customers	33,233	12,091
Construction cost payables	4,960	5,025
Accruals	563	2,587
	<b>44,695</b>	25,734

## (11) SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each at 31 December 2020	550,000,000	55,000
Ordinary shares of HK\$0.1 each at 30 June 2021	650,000,000	65,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each at 1 January 2021	379,023,983	37,902
Ordinary shares of HK\$0.1 each at 30 June 2021	548,378,822	54,838



## (12) RELATED PARTY TRANSACTIONS

- a. During the period, the Group had the following transactions with related parties:

Class of related parties	Nature of transactions	Six-month period ended 30 June	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Ultimate holding company <sup>note 1</sup>	Expenses recharge	–	148
Ultimate holding company <sup>note 2</sup>	Storage and comprehensive Big Data Centre Services	8,266	–

Note 1: Expense recharge for financial management services provided by E-sun Sky Network Technology Co., Ltd., a wholly-owned subsidiary of our ultimate holding company, of HK\$148,000 constituted the continuing connected transactions of the Company but are exempt from shareholders' approval and disclosure and other requirements under Chapter 20 of the GEM Listing Rules.

Note 2: Ganzhi Changhe Hydropower Consumption Service Co., Ltd. ("**Changhe Hydropower**"), 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 our ultimate holding company, and BIT Mining Limited ("**BIT Mining**") entered into a services framework agreement and supplemental framework agreement to the services framework agreement, pursuant to which Changhe Hydropower will provide storage and comprehensive Big Data Centre Services in respect of the data processors placed by BIT Mining (for itself and on behalf of its subsidiaries) in the big data centre operated by Changhe Hydropower, which constituted continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules and the Company has complied with the relevant requirements in accordance with Chapter 20 of the GEM Listing Rules in respect of such transaction.

### b. Compensation of key management personnel

The remuneration of Directors and other members of key management during the period is as follows:

	Six-month period ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Short-term benefits	3,286	3,353
Post-employment benefits	–	596
Share-based payments	988	1,386
	4,274	5,335

## 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' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Reporting Period.

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

As at 30 June 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

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

(b) Share options granted by the Company

<b>Name of Director</b>	<b>Number of underlying shares held pursuant to share options</b>	<b>Approximate percentage of total issued shares of the Company</b>
	<i>(Notes 2 &amp; 5)</i>	<i>(Note 1)</i>
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. Yang Xianfeng <i>(Note 3)</i>	5,166,800	0.94%
Mr. Lin Sen	400,000	0.07%
Mr. Huang Jian	200,000	0.04%
Mr. Yuan Qiang <i>(Note 4)</i>	6,200,000	1.13%

*Notes:*

1. As at 30 June 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. Mr. Yang Xianfeng was appointed as a Director with effect from 30 June 2021.
4. Mr. Yuan Qiang resigned as a Director with effect from 30 June 2021.
5. 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)

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

<b>Name of Director</b>	<b>Number of ADS held</b>	<b>Approximate percentage of total issued and outstanding shares of BIT Mining</b>
	<i>(Note 2)</i>	<i>(Note 1)</i>
Ms. Zhang Jing	3,481	0.01%
Ms. Huang Lilan	5,151	0.01%
Mr. Yang Xianfeng <i>(Note 3)</i>	459,460	0.76%
Mr. Yuan Qiang <i>(Note 4)</i>	15,000	0.02%

*Notes:*

1. As at 30 June 2021, the total number of issued and outstanding shares of BIT Mining was 60,439,533.
2. This represents interests held by the relevant Director as beneficial owner.
3. Mr. Yang Xianfeng was appointed as a Director with effect from 30 June 2021.
4. Mr. Yuan Qiang resigned as a Director with effect from 30 June 2021.

Save as disclosed above, as at 30 June 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 30 June 2021	Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2021	Granted during the period	Reclassified during the period (Note 7)	Exercised during the period	Lapsed during the period	Cancelled during the period				
<b>Directors</b>										
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				
Mr. Yuan Qiang (Note 5)	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				
Mr. Yang Xianfeng (Note 6)	-	-	2,066,800	-	-	2,066,800	01.04.2019	1.10	2	
	-	-	3,100,000	-	-	3,100,000	10.08.2020	0.26	3	
	-	-	5,166,800	-	-	5,166,800				

Type of participants	Number of share options						As at 30 June 2021	Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2021	Granted during the period	Reclassified during the period (Note 7)	Exercised during the period	Lapsed during the period	Cancelled during the period				
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	-	(1,033,200)	-	-	(400,000)	20,833,600			
<b>Employees</b>	110,000	-	20,000	-	-	-	130,000	01.04.2019	1.10	2
	900,000	-	-	-	-	(60,000)	840,000	10.08.2020	0.26	3
Sub-total:	1,010,000	-	20,000	-	-	(60,000)	970,000			
<b>Others (Note 9)</b>	400,000	-	-	-	-	-	400,000	05.01.2018	2.00	1
	5,266,800	-	1,013,200	-	-	(30,000)	6,250,000	01.04.2019	1.10	2
	9,960,000	-	-	-	-	(6,310,000)	3,650,000	10.08.2020	0.26	3
Sub-total:	15,626,800	-	1,013,200	-	-	(6,340,000)	10,300,000			
<b>Total:</b>	38,903,600	-	-	-	-	(6,800,000)	32,103,600			

**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. Mr. Yuan Qiang resigned as a Director with effect from 30 June 2021.
6. Mr. Yang Xianfeng was appointed as a Director with effect from 30 June 2021.
7. 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 others to Directors, from employees to others or from others to employees as appropriate.
8. During the Reporting Period, no share options were granted, exercised and lapsed under the 2012 Share Option Scheme.
9. 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 30 June 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/ Nature	Number of shares held/ interested in	Approximate percentage of total issued shares of the Company
<i>(Note 1)</i>			
BIT Mining	Beneficial owner	327,868,805	59.79%
Mr. Law Man San Vincent ("Mr. Law") <i>(Note 2)</i>	Interest in controlled corporation	327,868,805	59.79%
	Beneficial owner	184,000	0.03%
Ms. Yuan Ping ("Mrs. Law") <i>(Note 3)</i>	Interest of spouse	328,052,805	59.82%



Notes:

1. As at 30 June 2021, the total number of issued shares of the Company was 548,378,822.
2. Mr. Law was deemed to be interested in 327,868,805 shares of the Company through his controlled corporation, BIT Mining and Good Luck Capital Limited. He was also interested in 184,000 shares of the Company in the capacity of beneficial owner.
3. Mrs. Law was deemed to be interested in all shares of the Company held by Mr. Law pursuant to the SFO.

Save as disclosed above, as at 30 June 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


As disclosed by the controlling shareholder of the Company, namely BIT Mining Limited, during the Reporting Period, BIT Mining Limited is engaged in, amongst other things, the cryptocurrency mining business. As such, BIT Mining Limited has interest in business which may be considered to potentially compete with the Cryptocurrency Mining Business of the Group.

Save as disclosed above, 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.

## CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to safeguard the interest of the Company's shareholders (the "**Shareholders**") and achieved these by an effective board, segregation of duties with clear accountability, sound internal controls, appropriate risk assessment procedures and transparency to all the Shareholders. So far as known to the Directors, there has been no material deviation from the Code Provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 15 to the GEM Listing Rules during the Reporting Period, except for the Code Provision C.1.2 of the CG Code as noted hereunder.





The code provision C.1.2 of the CG Code requires that management should provide all members of the board of directors with monthly updates to enable the board as a whole and each director to discharge their duties. Although the management of the Company has not provided the Board with monthly updates, the Company has based on business situation, provided the Board, from time to time, with updated business information to enable the Board as a whole and each director to discharge their duties.

The Board will continue to review and monitor the corporate governance practices of the Company to ensure compliance with the CG Code and maintain high standard of corporate governance practices.

The Company has established an audit committee, a remuneration committee and a nomination committee to ensure maintenance of a high corporate governance standard. Terms of reference of the aforesaid committees have been posted on the Company's website at [www.lotoie.com](http://www.lotoie.com) under the "Corporate Governance" section.

## SECURITIES DEALINGS BY DIRECTORS

The Company has adopted its own code for dealing in the Company's securities by Directors ("**Code of Securities Dealings**") on terms no less exacting than the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard set out in the Code of Securities Dealings throughout the Reporting Period.

## 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) and Dr. Lu Haitian, and one non-executive Director, namely Mr. Yang Xianfeng. The financial information contained in this interim 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.



## CHANGES IN DIRECTORS' INFORMATION

In accordance with Rule 17.50A(1) of the GEM Listing Rules, the changes in information of Directors which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules since the publication of the Company's 2020 Annual Report (or, where applicable, subsequent announcement relating to appointment of Directors) are set out below:

- (1) Mr. Yuan Qiang has resigned as a non-executive Director and ceased to act as a member of the audit committee of the Company and the remuneration committee of the Company with effect from 30 June 2021.
- (2) Mr. Yang Xianfeng has been appointed as a non-executive Director and a member of the audit committee of Company and the remuneration committee of the Company with effect from 30 June 2021.

By Order of the Board  
**Loto Interactive Limited**  
**Yan Hao**

*Chief Executive Officer and Executive Director*

Hong Kong, 9 August 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. Yang Xianfeng\*, Dr. Lu Haitian+, Mr. Lin Sen+ and Mr. Huang Jian+.*

# *Executive Director*

\* *Non-executive Director*

+ *Independent Non-executive Director*