



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)

# THIRD QUARTER 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 financial results of the Company and its subsidiaries (the “**Group**”) for the nine-month period ended 30 September 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**”); and (iii) money lending business in Hong Kong (the “**Money Lending Business**”).

#### *Big Data Centre Services*

The Group operates big data centres to provide comprehensive services including premises, hardware support, power supply, ancillary supervision and management services to our clients.

As disclosed in the announcement of the Company dated 18 October 2021 (the “**Business Update and Profit Warning Announcement**”), the Group’s third big data centre in Sichuan Province, the People’s Republic of China (the “**PRC**”), which is operated by Chengdu Keying Interactive Information Technology Limited (成都科盈互動信息科技有限公司) (the “**Subsidiary C**”) will be closed. The Company has made provision of impairment of fixed assets for the said closure and demolition. The Group plan to relocate the machinery and equipment of the other two big data centres, operated by Ganzi Changhe Hydropower Consumption Service Co., Ltd. (甘孜州長河水電消納服務有限公司) and Sichuan Lecai Yuntian Network Technology Co., Ltd. (四川省樂彩雲天網絡科技有限公司), for the construction of big data centres in the other regions. The Company has also made provision of impairment of fixed assets caused by the Group’s plan to relocate the said machinery and equipment.

In order to maximize the benefit and interest for the Group and our shareholders as a whole, the Group has further developed the Group’s business in the Big Data Centre Services by of constructing new big data centres in Hong Kong and Kazakhstan. The new big data centre in Hong Kong, with a maximum processing capacity of approximately 1,400 kWh, is almost in the finalisation stage and expected to be in operation in the fourth quarter of 2021. Moreover, the Group will construct and operate a big data centre in Kazakhstan (the “**KZ Centre**”) as disclosed in the Company’s announcements dated 6 and 28 September 2021. The KZ Centre is located in Uralsk region of West Kazakhstan with a maximum processing capacity of approximately 40,000 kWh, which is expected to be completed in or about December 2021.



During the Reporting Period, the Big Data Centre Services generated revenue of approximately HK\$170.0 million, representing a decrease of approximately HK\$110.3 million as compared to the corresponding period in 2020, which was due to the suspension from power supply for the three big data centres in Sichuan, the PRC since June 2021.

### ***Cryptocurrency Mining Business***

As disclosed in the Company's interim results for the six-month period ended 30 June 2021, the Group has kickstarted its expansion into the business of proprietary cryptocurrency mining at that material time. The revenue generated by the Cryptocurrency Mining Business for the third quarter of this year was only of approximately HK\$0.1 million which reflect the performance of the Cryptocurrency Mining Business was less satisfactory than expected. Such unsatisfactory performance was due to the great fluctuation in the currency price of cryptocurrency. The Board believes that might not be to the benefit of the Company and our shareholders as whole the expected profits derived might be out of proportion to the comparative risk to be taken by the Group as a whole. The Company will focus on the business of the Big Data Centre Services. Accordingly, during the Reporting Period, the Board decided not to continue its expansion into the business of Cryptocurrency Mining Business. The Group will lease the previously purchased 1,807 data processors, which were original purchased for cryptocurrency mining business to independent third parties for rent as one of its ordinary and usual course of business. The Board believes with such strategy the Group will receive stable income without taking substantial business risk. It is expected that the rental income for the said data processors will be received in the fourth 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\$2.3 million for the Reporting Period.



## Financial Review

During the Reporting Period, the Group is engaged in three operating segments which are (1) Big Data Centre Services; (2) Cryptocurrency Mining Business; and (3) Money Lending Business. The Group recorded a total revenue of approximately HK\$172.8 million (nine-month period ended 30 September 2020: HK\$282.6 million), representing a significant decrease of HK\$109.8 million, 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 a decrease of HK\$110.3 million as compared to the corresponding period in 2020 (nine-month period ended 30 September 2020: HK\$280.3 million).

### *(2) Cryptocurrency Mining Business*

Revenue generated from Cryptocurrency Mining Business amounted to approximately HK\$0.1 million for the Reporting Period (nine-month period ended 30 September 2020: Nil).

### *(3) Money Lending Business*

Revenue generated from Money Lending Business amounted to approximately HK\$2.3 million for the Reporting Period, representing an increase of HK\$0.8 million as compared to the corresponding period in 2020 (nine-month period ended 30 September 2020: HK\$1.5 million).



## Operating Results

The Group recorded a loss of approximately HK\$180.0 million for the Reporting Period, representing an increase of HK\$154.4 million or 603% as compared to a loss of HK\$25.6 million for the corresponding period in 2020, which was mainly attributable to the combined effect of:

- (i) decrease in gross profit of approximately HK\$58.3 million of the Big Data Centre Services which was due to the suspension from power supply for the three big data centres in the third quarter; and
- (ii) increase in the provision of impairment of fixed assets of approximately HK\$4.9 million which was due to the closure and demolition of the aforementioned big data centre operated by the Subsidiary C; and
- (iii) increase in the provision of impairment of approximately HK\$110.8 million which was due to the Group's plan to relocate the machinery and equipment of the two big data centres, operated by Ganzhi Changhe Hydropower Consumption Service Co., Ltd. (甘孜州長河水電消納服務有限公司) and Sichuan Lecai Yuntian Network Technology Co., Ltd. (四川省樂彩雲天網絡科技有限公司), for the construction of big data centres in the other regions; and
- (iv) offset by decrease in staff cost of approximately HK\$4.0 million which was attributable to the decreased number of employees due to suspension of the big data centres; and
- (v) offset by 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
- (vi) offset by decrease in amortisation associated with acquired intangible assets of approximately HK\$4.0 million.



## Outlook

The Company will actively expand our business into Hong Kong, Kazakhstan and other overseas markets. The Company will 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 and changing business 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 (nine-month period ended 30 September 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 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.

## Significant Investments, Material Acquisitions and Disposals

Reference is made to the announcement of the Company dated 6 September and 28 September 2021 in relation to the formation of a joint venture. Pursuant to the Shareholders Agreement and the supplemental agreement to the Shareholders Agreement, Brighten Express Limited and Capital Management LLP shall establish a joint venture company (the "**JV Company**") with the total investment amount of not more than US\$4 million (equivalent to approximately HK\$31.09 million), which will be beneficially owned as to approximate 51% by Brighten Express Limited and approximately 49% by Capital Management LLP.



The principal business of the JV Company will be construction and operation of the project which involves the construction of the infrastructure (including facility centres and equipment) and operation of a big data centre in Kazakhstan. The JV Company was incorporated in Kazakhstan on 1 October 2021 and it is expected that it will be commence operation in December 2021.

Except for those disclosed in this report, there were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Reporting Period. Apart from those disclosed in this report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

### **Important Events After the Reporting Period**

Reference is made to the announcements of the Company dated 13 September 2021 and 13 October 2021 and circular of the Company dated 22 October 2021. As disclosed, on 13 September 2021, the Company, for itself and also as agent of its wholly-owned subsidiaries and controlling companies, conditionally entered into the service agreement (“**Service Agreement**”) with BIT Mining Limited (“**BIT Mining**”), the controlling shareholder of the Company. Pursuant to the Service Agreement, subject to the approval of the independent shareholders of the Company at the extraordinary general meeting convened on 8 November 2021, the Company, for itself and also as agent of its wholly-owned subsidiaries and the company(ies) in which a party holds any interest (the “**Controlling Companies**”), conditionally agreed to provide the Big Data Centre Services to BIT Mining, for itself and also as agent of its wholly-owned subsidiaries and Controlling Companies for a period of 36 months.

The independent shareholders of the Company have approved the Service Agreement at the extraordinary general meeting held on 8 November 2021.



## CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine-month period ended 30 September 2021

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>REVENUE</b>	3	865	153,858	172,753	282,592
Cost of sales and service rendered		(14,685)	(123,433)	(196,133)	(247,779)
<b>Gross profit</b>		<b>(13,820)</b>	30,425	<b>(23,380)</b>	34,813
Other income and (losses)/gains		(115,688)	991	(114,932)	2,442
Selling expenses		–	(77)	(28)	(84)
Administrative expenses		(14,320)	(22,597)	(43,287)	(56,916)
Other expenses		2	(1,054)	(549)	(4,772)
Share of (losses)/gains: Associates		1,096	(6)	2,321	(73)
Finance costs		(519)	(1,240)	(592)	(1,905)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(143,249)</b>	6,442	<b>(180,447)</b>	(26,495)
Income tax credit	4	–	281	–	853
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(143,249)</b>	6,723	<b>(180,447)</b>	(25,642)
<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		–	(25)	14,397	(3,382)

	Three-month period ended 30 September		Nine-month period ended 30 September		
	Notes	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
<b>Items that may be reclassified to profit or loss:</b>					
Exchange differences on translation of foreign operations		1,860	9,181	5,894	6,380
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		1,860	9,156	20,291	2,998
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		(141,389)	15,879	(160,156)	(22,644)
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owner of the Company		(143,249)	(1,937)	(174,819)	(32,053)
Non-controlling interests		-	8,660	(5,628)	6,411
		(143,249)	6,723	(180,447)	(25,642)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		(141,389)	6,987	(154,224)	(29,287)
Non-controlling interests		-	8,892	(5,932)	6,643
		(141,389)	15,879	(160,156)	(22,644)
<b>EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (HK cents)</b>					
- Basic and diluted	6	(27.91)	2.13	(35.10)	(8.12)

## 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 and the nine-month period ended 30 September 2021 is as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Big Data Centre Services	–	152,575	170,044	280,282
Money Lending Business	750	750	2,250	1,500
Cryptocurrency Mining Business	115	–	115	–
Online game business	–	533	344	780
Lottery business	–	–	–	30
	865	153,858	172,753	282,592

#### (4) INCOME TAX CREDIT

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Deferred tax	–	281	–	853

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.

#### (5) DIVIDEND

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

#### (6) LOSS PER SHARE

The calculation of basic loss per share for the three-month and the nine-month period ended 30 September 2021 is based on the unaudited loss attributable to owners of the Company of approximately HK\$143,249,000 and HK\$174,819,000 (three-month and nine-month period ended 30 September 2020: HK\$1,937,000 and HK\$32,053,000) and on the weighted average number of approximately 498,120,679 and 498,120,679 respectively (three-month period and nine-month period ended 30 September 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 did not include the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

## (7) SHARE CAPITAL AND RESERVES

	Attributable to owners of the Company									
	Issued capital	Share premium	Share-based payment reserve	Other reserve	Exchange reserve	Equity investment revaluation reserve	Accumulated losses	Sub-Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	-	-	-	-	-	-	(174,819)	(174,819)	(5,628)	(180,447)
Other comprehensive (loss)/income for the period	-	-	-	-	6,198	14,397	-	20,595	(304)	20,291
Total comprehensive loss for the period	-	-	-	-	6,198	14,397	(174,819)	(154,224)	(5,932)	(160,156)
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 September 2021 (unaudited)	54,838	422,524	10,358	(5,255)	25,479	(10,000)	(250,926)	247,018	(279)	246,739

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)/ retained earnings 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	-	-	-	-	-	-	-	-	75,830	75,830
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(5,377)	(5,377)
Profit/(Loss) for the period	-	-	-	-	-	-	(32,053)	(32,053)	6,411	(25,642)
Other comprehensive income/(loss) for the period	-	-	-	-	6,148	(3,382)	-	2,766	232	2,998
Total comprehensive income/(loss) for the period	-	-	-	-	6,148	(3,382)	(32,053)	(29,287)	6,643	(22,644)
Equity-settled share-based payment expense	-	-	3,259	-	-	-	-	3,259	-	3,259
Transfer of share-based payment reserve upon share options cancellation	-	-	(15,539)	-	-	-	15,539	-	-	-
At 30 September 2020 (unaudited)	31,586	329,194	8,601	(5,255)	9,840	(15,952)	(54,171)	303,843	89,972	393,815

## 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 30 September 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

<u>Name of Director</u>	<u>Number of ordinary shares held</u>	<u>Approximate percentage of total issued shares of the Company</u>
	<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; 3)</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	5,166,800	0.94%
Mr. Lin Sen	400,000	0.07%
Mr. Huang Jian	200,000	0.04%

*Notes:*

1. As at 30 September 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)

### *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	0.005%
Mr. Yang Xianfeng	459,460	0.650%

#### *Notes:*

1. As at 30 September 2021, the total number of issued and outstanding shares of BIT Mining was 70,639,533.
2. This represents interests held by the relevant Director as beneficial owner.

Save as disclosed above, as at 30 September 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 September 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				

Type of participants	Number of share options						As at 30 September 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				
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			
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	-	(7,233,200)	-	-	(400,000)	14,633,600			

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 7)	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 September 2021			
Employees	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			
Others (Note 9)	400,000	-	-	-	-	-	400,000	05.01.2018	2.00	1
	5,266,800	-	4,113,200	-	-	(30,000)	9,350,000	01.04.2019	1.10	2
	9,960,000	-	3,100,000	-	-	(6,310,000)	6,750,000	10.08.2020	0.26	3
Sub-total:	15,626,800	-	7,213,200	-	-	(6,340,000)	16,500,000			
<b>Total:</b>	<b>38,903,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,800,000)</b>	<b>32,103,600</b>			

**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 September 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 corporations	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:

- As at 30 September 2021, the total number of issued shares of the Company was 548,378,822.
- Mr. Law was deemed to be interested in 327,868,805 shares of the Company held by BIT Mining through his controlled corporations, Good Luck Capital Limited and Delite Limited. He was also interested in 184,000 shares of the Company in the capacity of beneficial owner.
- 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 September 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 BIT Mining (being the controlling shareholder of the Company), during the Reporting Period, BIT Mining is engaged in, amongst other things, the provision of data centre services and cryptocurrency mining business. As such, BIT Mining has interest in business which may be considered to potentially compete with the (i) provision of data analysis and storage services; and (ii) proprietary 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.

## 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. Yang Xianfeng. The financial information contained in this third 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, 8 November 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*