
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Loto Interactive Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the transferee.

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PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS AND NOTICE OF THE ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Loto Interactive Limited to be held at 50th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 8 May 2018 at 11:00 a.m. is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.lotoie.com.

Hong Kong, 29 March 2018

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 50th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 8 May 2018 at 11:00 a.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM as set out on pages 13 to 17 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2017
“Articles of Association” or “Article(s)”	the articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Loto Interactive Limited (formerly known as MelcoLot Limited), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Directors”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general unconditional mandate to be granted to the Directors to exercise the power of the Company to allot, issue and/or deal with additional Shares up to 20% of the number of issued Shares as at the date of passing such resolution
“Latest Practicable Date”	20 March 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“month”	calendar month

DEFINITIONS

“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Repurchase Mandate”	a general unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares up to 10% of the number of issued Shares as at the date of passing such Ordinary Resolution
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

** The English translation of Chinese name(s) in this circular, where indicated, is included for information only, and should not be regarded as the official English name(s) of such Chinese name(s).

LETTER FROM THE BOARD



Loto Interactive Limited

(formerly known as MelcoLot Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

Directors:

Mr. Pan Zhengming* (Chairman)

Mr. Wang Bingzhong# (Chief Executive Officer)

Ms. Huang Lilan#

Mr. Yuan Qiang*

Dr. Lu Haitian⁺

Mr. Yan Hao⁺

Mr. Lin Sen⁺

Executive Director

* Non-executive Director

+ Independent Non-executive Director

Registered office:

P.O. Box 31119

Grand Pavilion, Hibiscus Way

802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 2001, 20th Floor

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

29 March 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those Ordinary Resolutions.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates granted at the annual general meeting of the Company held on 5 May 2017 will lapse at the conclusion of the AGM. In this regard, at the AGM, Ordinary Resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and/or deal with additional Shares not exceeding in aggregate 20% of the number of issued Shares as at the date of passing of such resolution to approve the Issue Mandate; (ii) to repurchase Shares which do not exceed 10% of the number of issued Shares as at the date of passing of such resolution to approve the Repurchase Mandate; and (iii) to add the aggregate amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate to the Issue Mandate provided that such additional number of Shares shall represent up to 10% of the total number of issued Shares as at the date of passing of such resolution.

As at the Latest Practicable Date, the number of Shares in issue was 3,145,935,836 Shares. On the basis that no further Shares are issued and/or repurchased by the Company following the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Issue Mandate to allot and to issue up to 629,187,167 Shares, representing 20% of the number of Shares in issue of the Company as at the date of passing the relevant resolution.

With reference to these resolutions, the Directors wish to state that they have no present intention to exercise the general mandates to repurchase any Shares or to issue any Shares.

The explanatory statement as required by the GEM Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolution.

3. RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors including two executive Directors, namely, Mr. Wang Bingzhong (chief executive officer) and Ms. Huang Lilan, two non-executive Directors, namely, Mr. Pan Zhengming (Chairman) and Mr. Yuan Qiang and three independent non-executive Directors, namely, Dr. Lu Haitian, Mr. Yan Hao and Mr. Lin Sen.

Pursuant to Article 87 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. In accordance with this provision, Mr. Wang Bingzhong and Dr. Lu Haitian shall retire by rotation at the forthcoming AGM, and being eligible, offer themselves for re-election.

Mr. Yuan Qiang was appointed as a non-executive Director on 2 January 2018 and Ms. Huang Lilan was appointed as an executive Director on 23 March 2018. In accordance with Article 86(3) of the Articles of Association, Mr. Yuan and Ms. Huang will hold office until the AGM and, being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 13 to 17 of this circular and a form of proxy for use at the AGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

According to Rule 17.47(4) of the GEM Listing Rules, any voting of the Shareholders at the AGM will be taken by way of poll and an announcement will be made after the AGM on the results of the AGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder will be required to abstain from voting on any resolutions to be approved at the AGM.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

6. RECOMMENDATION

The Board believes that the re-election of Directors, granting of Issue Mandate and Repurchase Mandate and the extension of Issue Mandate as set out in the notice of the AGM are all in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board of
Loto Interactive Limited
Wang Bingzhong
Chief Executive Officer and Executive Director

This is an explanatory statement given to all Shareholders relating to the Ordinary Resolution to be proposed at the AGM authorizing the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules and other relevant provisions of the GEM Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares comprised 3,145,935,836 Shares.

Subject to the passing of the Ordinary Resolution no. 5 in the AGM Notice and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 314,593,584 Shares, representing approximately 10% of the number of issued Shares, during the period from the date of the passing of such Ordinary Resolution until (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by Ordinary Resolution of the Shareholders in general meeting, whichever occurs first.

2. REASON FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or its earnings per Share of the Company.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM in each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest HK\$	Lowest HK\$
2017		
March	0.345	0.275
April	0.305	0.265
May	0.520	0.255
June	0.450	0.255
July	0.320	0.246
August	0.275	0.242
September	0.280	0.238
October	0.310	0.239
November	0.250	0.205
December	0.220	0.161
2018		
January	0.209	0.163
February	0.193	0.161
March (<i>up to the Latest Practicable Date</i>)	0.265	0.168

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and Articles of Association and the applicable laws of the Cayman Islands.

6. THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Set out below are the percentage interests of the Shareholders who/which are interested in more than 10% of the Shares in issue as at the Latest Practicable Date and in the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of total issued shares of the Company (Note)	Approximate percentage of total issued shares of the Company upon full exercise of the Repurchase Mandate
500.com Limited	Beneficial owner	1,278,714,329	40.65%	45.16%

Note:

As at the Latest Practicable Date, the total number of the issued Shares was 3,145,935,836.

On the basis of the current shareholdings of the above Shareholder, an exercise of the Repurchase Mandate in full may result in them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholder, or any other persons to make a general offer under the Takeovers Code. However, the Company may not repurchase Shares which would result in the number of Shares held by the public being reduced to less than 25 per cent.

The GEM Listing Rules prohibit the Company from knowingly purchasing its securities on GEM from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates.

None of the Directors nor, to the best of their knowledge having made reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) have any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the six months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The biographical details of the retiring Directors who will offer themselves for re-election at the AGM are set out below:

(1) Mr. Wang Bingzhong

Mr. Wang, aged 34, was appointed as an executive Director on 19 June 2017. He was subsequently appointed as chief executive officer, compliance officer and authorized representative of the Company on 10 July 2017. He is also a director of certain subsidiaries of the Company. Mr. Wang was a director of Dragon Investment Advisory Company Limited, a private equity fund, from September 2016 to March 2017. Mr. Wang served as an associate director of CCB International (Holdings) Limited, and a director of CCBI Overseas Holdings Limited in 2016. Prior to that, Mr. Wang was a director of A-TEST Compliance Services (Beijing) Co., Ltd. ** (奧測世紀(北京)技術股份有限公司), a company listed on the National Equities Exchange and Quotations Co. Ltd. (全國中小企業股份轉讓系統) (NEEQ stock code: 830873), from December 2013 to March 2015. Mr. Wang received a master of business administration from the Hong Kong University of Science and Technology in 2013 as well as a bachelor's degree in computer science and technology from Nanjing University in 2005.

Save as disclosed above, Mr. Wang does not hold any directorships in other listed public companies during the past three years and does not hold any other position with the Company or other members of the Group. Mr. Wang has confirmed that he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Under a letter of appointment dated 7 August 2017 and a service agreement dated 10 July 2017, Mr. Wang was appointed as an executive Director and chief executive officer of the Company respectively, for a term of three years, which term will be terminated by either party by written notice of not less than three months. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Wang's annual remuneration is HK\$2,650,000 and he may also receive a discretionary bonus. The amount of emoluments is recommended by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities as well as his qualifications, experience and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Wang has personal interests of 31,000,000 underlying Shares in respect of share options granted under the share option scheme of the Company. Save as disclosed above, Mr. Wang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wang has confirmed that there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules in respect of his re-election.

(2) Ms. Huang Lilan

Ms. Huang, aged 35, was appointed as an executive Director on 23 March 2018 and the chief financial officer of the Company on 6 June 2017. Ms. Huang has more than a decades' experience in accounting, auditing, taxation and financial management. Prior to joining the Company, Ms. Huang served as the financial director of a subsidiary of 500.com Limited since 2011. Ms. Huang also served as senior auditor at Ernst & Young from 2006 to 2011. She received a bachelor's degree in business and finance from the University of International Business and Economics in 2005 and has been professionally certified by the Institute of Management Accountants.

Save as disclosed above, Ms. Huang does not hold any directorships in other listed public companies during the past three years and does not hold any other position with the Company or other members of the Group. Ms. Huang has confirmed that she does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Under a letter of appointment dated 23 March 2018, Ms. Huang was appointed as an executive Director of the Company for a term of three years, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Ms. Huang is entitled to a director's fee of HK\$250,000 per annum and she may also receive a discretionary bonus. The amount of emoluments is recommended by the remuneration committee of the Company and determined by the Board with reference to her duties and responsibilities as well as her qualifications, experience and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Huang has (1) personal interests of 10,000,000 underlying Shares in respect of share options granted under the share option scheme of the Company; and (2) personal interests of 1,300 American Depositary Shares of 500.com Limited, the holding company of the Company, and 15,000 underlying shares in respect of ADS options granted by 500.com Limited. Save as disclosed above, Ms. Huang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Huang has confirmed that there is no other matter which needs to be brought to the attention of the Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules in respect of her re-election.

(3) Mr. Yuan Qiang

Mr. Yuan, aged 44, was appointed as a non-executive Director on 2 January 2018. He is currently the chief financial officer of 500.com Limited, a company listed on the New York Stock Exchange and the holding company of the Company. Mr. Yuan was the senior vice president of finance of 500.com Limited from July 2016 to December 2017, the vice president of finance of 500.com Limited from June 2014 to July 2016 and the financial director of 500.com Limited from March 2013 to June 2014. Mr. Yuan served as the financial manager of a subsidiary of 500.com Limited from January 2001 to March 2013. Mr. Yuan has more than 15 years of experience in accounting, financial control, corporate finance and mergers & acquisitions. Mr. Yuan obtained a bachelor's degree in Financial Management from Zhongnan University of Finance and Economics.

Save as disclosed above, Mr. Yuan does not hold any directorships in other listed public companies during the past three years and does not hold any other position with the Company or other members of the Group. Mr. Yuan has confirmed that he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Under a letter of appointment dated 2 January 2018, Mr. Yuan was appointed as a non-executive Director of the Company for a term of two years, which term will be automatically renewed for consecutive term(s) of two years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Yuan is entitled to a director's fee of HK\$250,000 per annum and he may also receive a discretionary bonus. The amount of emoluments is recommended by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities as well as his qualifications, experience and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Yuan has (1) personal interests of 31,000,000 underlying Shares in respect of share options granted under the share option scheme of the Company; and (2) personal interests of 15,000 American Depositary Shares of 500.com Limited, the holding company of the Company, and 26,667 underlying shares in respect of ADS options granted by 500.com Limited. Save as disclosed above, Mr. Yuan does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yuan has confirmed that there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules in respect of his re-election.

(4) Dr. Lu Haitian

Dr. Lu, aged 38, was appointed as an independent non-executive Director on 10 July 2017. He is also a member of both the audit committee and nomination committee of the Company. Dr. Lu is currently an associate professor in law and the associate dean of the Faculty of Business at the Hong Kong Polytechnic University. He served at the School of Accounting and Finance first as a visiting lecturer in law from September 2005 to June 2007 and later as an assistant professor in law from July 2007 to June 2012. Dr. Lu obtained a bachelor of laws from Nanjing University in 2001, a master of laws from the University of Liverpool in 2002, and a Ph.D. in law from the National University of Singapore in 2007.

Save as disclosed above, Dr. Lu does not hold any directorships in other listed public companies during the past three years and does not hold any other position with the Company or other members of the Group. Dr. Lu has confirmed that he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Under a letter of appointment dated 7 August 2017, Dr. Lu was appointed as an independent non-executive Director of the Company for a term of two years, which term will be automatically renewed for consecutive term(s) of two years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Dr. Lu is entitled to a director's fee of HK\$250,000 per annum and he may also receive a discretionary bonus. The amount of emoluments is recommended by the remuneration committee of the Company and determined by the Board with reference to his duties and responsibilities as well as his qualifications, experience and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Lu has personal interests of 2,000,000 underlying Shares in respect of share options granted under the share option scheme of the Company. Save as disclosed above, Dr. Lu does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Lu has confirmed that there is no other matter which needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules in respect of his re-election.

NOTICE OF ANNUAL GENERAL MEETING



Loto Interactive Limited

(formerly known as MelcoLot Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Loto Interactive Limited (the “**Company**”) will be held at 50th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 8 May 2018 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolutions as ordinary resolution:

1. To receive and adopt the audited financial statements and the report of the directors of the Company (the “**Directors**”) and auditor of the Company for the financial year ended 31 December 2017;
2. (I) (a) To re-elect Mr. Wang Bingzhong as an executive Director;
(b) To re-elect Ms. Huang Lilan as an executive Director;
(c) To re-elect Mr. Yuan Qiang as a non-executive Director; and
(d) To re-elect Dr. Lu Haitian as an independent non-executive Director;
(II) To authorize the board of Directors to fix the remuneration of the respective Directors;
3. To re-appoint Ernst & Young as auditor of the Company and to authorize the Directors to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

Grant of a general mandate to issue shares

4. “THAT:

- (a) subject to paragraph (b) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 (the “Share(s)”) each in the share capital of the Company or any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or convertible securities of the Company and to make or grant, whether conditionally or unconditionally, offers, agreements and options which would or might require the exercise of such powers, during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the grant or exercise of any option under any share option scheme adopted by the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to employee, director, advisor or business consultant of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options for Shares or rights to acquire Shares; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which carry rights to subscribe for or are convertible into Shares,

shall not exceed 20 per cent. of the number of issued Shares in issue on the date of the passing this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

Grant of a general mandate to repurchase shares

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares in the capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, subject to and in accordance with the rules and regulations of the Securities and Future Commission, The Stock Exchange of Hong Kong Limited, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

Extension of Resolution 4 to number of shares repurchased in Resolution 5

6. “**THAT** conditional upon the passing of resolution nos. 4 and 5 as set out in this notice convening the Meeting of which this resolution forms part, the general mandate granted to the Directors of the Company to allot, issue and deal with additional Shares pursuant to the said resolution no. 4 be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted to the Directors pursuant to the said resolution no. 5, provided that such amount shall not exceed 10% of the total number of the issued Shares as at the date of passing this resolution.”

By Order of the Board
Loto Interactive Limited
Wang Bingzhong
Chief Executive Officer and Executive Director

Hong Kong, 29 March 2018

Registered office:

P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 2001, 20th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. Where there are joint holders of any Share, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not less than 48 hours before the time appointed for holding the Meeting (or any adjournment thereof).
4. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 3 May 2018 to Tuesday, 8 May 2018 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the Meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 2 May 2018.
5. Completion and return of the form of proxy will not preclude a shareholder from attending the Meeting and voting in person at the Meeting or any adjournment thereof if he so desires. If a shareholder attends the Meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
6. With regard to ordinary resolution no. 5 of this notice, an explanatory statement containing information regarding the repurchase by the Company of its own shares are set out in Appendix I to the circular of the Company to shareholders dated 29 March 2018 together with the 2017 Annual Report of the Company.
7. Article 66 of the Company's articles of association sets out the procedure by which shareholders of the Company may demand a poll at general meetings.

According to Rule 17.47(4) of the GEM Listing Rules, any voting of the shareholders of the Company at the annual general meeting will be taken by way of a poll and an announcement of the voting results will be made after the annual general meeting. Accordingly, the resolutions will be taken by way of a poll at the annual general meeting.
8. The biographical details of Mr. Wang Bingzhong, Ms. Huang Lilan, Mr. Yuan Qiang and Dr. Lu Haitian are set out in Appendix II to the circular of the Company dated 29 March 2018.
9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.