乐透互娱
LOTO INTERACTIVE

Loto Interactive Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

*This announcement, for which the directors (the "**Directors**") of Loto Interactive Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 announcement 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 announcement misleading.*

The board (the "**Board**") of directors (the "**Directors**") of Loto Interactive Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2021 (the "**Year**"), together with the comparative figures for the corresponding year in 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 HK$'000	2020 HK$'000
REVENUE	*3*	**180,721**	382,955
Cost of sales and service rendered		**(194,487)**	(342,213)
Gross (loss)/profit		**(13,766)**	40,742
Interest income		**291**	444
Other income and gains		**2,717**	1,773
Selling expenses		**(28)**	(105)
Administrative expenses		**(56,714)**	(75,178)
Impairment of property, plant and equipment		**(212,361)**	–
Impairment of right-of-use assets		**(3,018)**	–
Impairment of goodwill		**(11,867)**	–
Impairment of intangible assets		**(433)**	–
Impairment of trade and other receivables		**–**	(1,905)
Other expenses		**(574)**	(4,568)
Share of profit/(loss) of associates		**1,230**	(1,112)
Finance costs		**(584)**	(448)
LOSS BEFORE TAX		**(295,107)**	(40,357)
Income tax credit/(expense)	*4*	**2,771**	(2,898)
LOSS FOR THE YEAR	*5*	**(292,336)**	(43,255)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the year, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income		**14,397**	(83)
		14,397	(83)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**7,414**	16,727
		7,414	16,727

	Notes	**2021**	2020
		HK$'000	*HK$'000*
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**21,811**	16,644
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(270,525)**	(26,611)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(286,686)**	(46,767)
Non-controlling interests		**(5,650)**	3,512
		(292,336)	(43,255)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(264,640)**	(31,261)
Non-controlling interests		**(5,885)**	4,650
		(270,525)	(26,611)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(HK cents)*	*7*		
– Basic and diluted		**(56.54)**	(14.16)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	**2021** **HK$'000**	2020 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**43,069**	263,269
Right-of-use assets		**4,185**	6,409
Goodwill		**–**	11,703
Intangible assets		**–**	–
Investments in associates		**3,698**	2,431
Investment in joint venture		**–**	–
Equity investments at fair value through other comprehensive income		**–**	5,057
Loan receivables		**–**	30,000
		50,952	318,869
CURRENT ASSETS			
Loan receivables		**30,000**	–
Trade receivables	*8*	**10,125**	8,400
Prepayments, deposits and other receivables	*9*	**38,600**	83,018
Cash and cash equivalents		**35,843**	44,252
		114,568	135,670
CURRENT LIABILITIES			
Trade payables	*10*	**1,982**	4,611
Accruals and other payables	*11*	**14,650**	25,734
Lease liabilities		**5,851**	3,360
Amount due to a related company		**–**	467
Tax payable		**3,278**	7,421
		25,761	41,593
NET CURRENT ASSETS		**88,807**	94,077
TOTAL ASSETS LESS CURRENT LIABILITIES		**139,759**	412,946

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**2,758**	3,236
		2,758	3,236
NET ASSETS		**137,001**	409,710
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**54,838**	37,902
Reserves		**82,395**	280,764
		137,233	318,666
Non-controlling interests		**(232)**	91,044
TOTAL EQUITY		**137,001**	409,710

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

		Attributable to owners of the Company								
	Issued capital	Share premium#	Share-based payment reserve#	Other reserve*#	Exchange reserve#	Equity investment revaluation reserve#	Accumulated losses#	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 2020	31,586	329,194	20,881	(5,255)	3,692	(12,570)	(37,657)	329,871	12,876	342,747
(Loss)/Profit for the year	–	–	–	–	–	–	(46,767)	(46,767)	3,512	(43,255)
Other comprehensive income/(loss) for the year	–	–	–	–	15,589	(83)	–	15,506	1,138	16,644
Total comprehensive income/(loss) for the year	–	–	–	–	15,589	(83)	(46,767)	(31,261)	4,650	(26,611)
Issue of shares on placement	6,316	9,712	–	–	–	–	–	16,028	–	16,028
Equity-settled share-based payment expense	–	–	4,028	–	–	–	–	4,028	–	4,028
Cancellation of share option scheme	–	–	(15,539)	–	–	–	15,539	–	–	–
Non-controlling interests arising from increase in paid-up capital	–	–	–	–	–	–	–	–	78,895	78,895
Loss on deregistration of subsidiaries	–	–	–	–	–	–	–	–	(5,377)	(5,377)
At 31 December 2020	37,902	338,906	9,370	(5,255)	19,281	(12,653)	(68,885)	318,666	91,044	409,710
At 1 January 2021	**37,902**	**338,906**	**9,370**	**(5,255)**	**19,281**	**(12,653)**	**(68,885)**	**318,666**	**91,044**	**409,710**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(286,686)**	**(286,686)**	**(5,650)**	**(292,336)**
Other comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**7,649**	**14,397**	**-**	**22,046**	**(235)**	**21,811**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**7,649**	**14,397**	**(286,686)**	**(264,640)**	**(5,885)**	**(270,525)**
Issuance 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	**-**	**-**	**1,619**	**-**	**-**	**-**	**-**	**1,619**	**-**	**1,619**
Disposal of equity investments at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(1,744)**	**1,744**	**-**	**-**	**-**
At 31 December 2021	**54,838**	**422,524**	**10,989**	**(5,255)**	**26,930**	**-**	**(372,793)**	**137,233**	**(232)**	**137,001**

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

Loto Interactive Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 17 May 2002. The address of the registered office of the Company is at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands, and the principal place of business in Hong Kong of the Company is at Units 813 & 815, Level 8, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) the provision of big data centre services; (ii) data processors leasing services, which for accounting purposes are also under the segment of big data centre services; and (iii) money lending business in Hong Kong.

As at 31 December 2021, the Company's immediate holding company is BIT Mining Limited (formerly known as 500.com Limited) ("**Holding Company**"), which is a company incorporated in the Cayman Islands with its shares listed on the New York Stock Exchange under the ticker symbol "BTCM".

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. 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 year and prior years.

3. REVENUE AND OPERATING SEGMENT INFORMATION

a) Reportable segments

The chief operating decision-maker has been identified as the Board. The Board 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 or services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

– Provision of PRC big data centre services ("**PRC Big Data Centre Services**")

– Provision of Non-PRC big data centre services ("**Non-PRC Big Data Centre Services**")

– Money lending business ("**Money Lending Business**")

Segment profits or losses do not include dividend income, and gains or losses from investments and derivative instruments. Segment assets do not include amounts due from related parties, investments and derivative instruments. Segment liabilities do not include convertible loans and derivative instruments. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

(i) Information about reportable segment profit or loss, assets and liabilities:

Year ended 31 December 2021	**Non-PRC Big Data Centre Services**	**PRC Big Data Centre Services**	**Money Lending Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from external customers	**5,655**	**171,721**	**3,000**	**180,376**
Segment profit/(loss)	**97**	**(267,329)**	**342**	**(266,890)**
Depreciation	**273**	**30,249**	**–**	**30,522**
Impairment of property, plant and equipment	**–**	**210,536**	**–**	**210,536**
Impairment of right-of-use assets	**–**	**263**	**–**	**263**
Impairment of goodwill	**–**	**11,867**	**–**	**11,867**
Impairment of intangible assets	**–**	**433**	**–**	**433**
Additions to segment non-current assets	**12,012**	**3,309**	**–**	**15,321**
As at 31 December 2021				
Segment assets	**14,911**	**104,383**	**32,292**	**151,586**
Segment liabilities	**(29)**	**(11,501)**	**(42)**	**(11,572)**

Year ended 31 December 2020	Big Data Centre Services	Money Lending Business	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	379,658	2,250	381,908
Segment loss	(4,766)	(203)	(4,969)
Depreciation	39,087	–	39,087
Additions to segment non-current assets	121,661	–	121,661
As at 31 December 2020			
Segment assets	350,053	32,258	382,311
Segment liabilities	(29,310)	–	(29,310)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2021	2020
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**180,376**	381,908
Other revenue	**345**	1,047
Consolidated revenue	**180,721**	382,955
Profit or loss		
Total loss of reportable segment	**(266,890)**	(4,969)
Other loss	**(1,225)**	(3,848)
Unallocated amounts:		
Share of profit/(loss) of associates	**1,230**	(1,112)
Equity-settled share option expense	**(1,619)**	(4,028)
Salaries and other benefits	**(10,844)**	(14,046)
Depreciation	**(2,336)**	(2,544)
Depreciation charge of right-of-use assets	**(3,705)**	(4,641)
Impairment of property, plant and equipment	**(1,825)**	–
Impairment of right-of-use assets	**(2,755)**	–
Legal and consultation fee	**(5,138)**	(2,264)
Impairment of trade receivables	**–**	(837)
Impairment of other receivables	**–**	(1,068)
Donation	**–**	(1,000)
Consolidated loss before tax for the year	**(295,107)**	(40,357)
Assets		
Total assets of reportable segments	**151,586**	382,311
Other assets	**6,024**	18,353
Unallocated amounts:		
Property, plant and equipment	**–**	4,837
Right-of-use assets	**–**	5,497
Investments	**3,698**	2,431
Equity investments at fair value through other comprehensive income	**–**	5,057
Cash and cash equivalents	**3,317**	19,866
Prepayments	**895**	16,187
Consolidated total assets	**165,520**	454,539
Liabilities		
Total liabilities of reportable segments	**(11,572)**	(29,310)
Other liabilities	**(2,986)**	(4,163)
Unallocated amounts:		
Amount due to a shareholder of a joint venture	**(2,334)**	(2,334)
Tax payable	**(3,278)**	(3,278)
Lease liability	**(8,349)**	(5,744)
Consolidated total liabilities	**(28,519)**	(44,829)

(b) Geographical information

The following tables provide an analysis of the Group's revenue from external customers and non-current assets excluding financial assets:

	2021	2020
	HK$'000	*HK$'000*
Revenue from external customers		
The PRC except Hong Kong	**175,066**	382,955
Hong Kong	**4,374**	–
Kazakhstan	**1,281**	–
	180,721	382,955

	2021	2020
	HK$'000	*HK$'000*
Non-current assets, excluding financial assets		
The PRC except Hong Kong	**29,965**	273,479
Hong Kong	**10,233**	10,318
Kazakhstan	**10,754**	–
British Virgin Islands ("**BVI**")	**–**	15
	50,952	283,812

(c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

	2021	2020
	HK$'000	*HK$'000*
Customer A	**37,886**	N/A#
Customer B	**19,972**	63,167
Customer C	**N/A***	73,407
Customer D	**N/A***	56,243
Customer E	**N/A***	42,455
	57,858	235,272

All the revenue are generated from Big Data Centre Services segment

Revenue from the customer was less than 10% of the Group's revenue for the year ended 31 December 2020.

* Revenue from these customers were less than 10% of the Group's revenue for the year ended 31 December 2021.

(d) Disaggregation of revenue from contracts with customers:

Segments	**Big Data Centre Services** *HK$'000*	**Online Game Business** *HK$'000*	**2021 Total** *HK$'000*
Geographical markets			
The PRC	**171,721**	**345**	**172,066**
Hong Kong	**4,374**	**–**	**4,374**
Kazakhstan	**1,281**	**–**	**1,281**
	177,376	**345**	**177,721**
Major products/service			
Provision of big data centre services	**177,376**	**–**	**177,376**
Distribution of mobile gaming	**–**	**345**	**345**
	177,376	**345**	**177,721**
Timing of revenue recognition			
At a point in time	**–**	**345**	**345**
Over time	**177,376**	**–**	**177,376**
	177,376	**345**	**177,721**

Segments	Big Data Centre Services *HK$'000*	Online Game Business *HK$'000*	Lottery Business *HK$'000*	2020 Total *HK$'000*
Geographical markets				
The PRC	379,658	1,017	30	380,705
Major products/service				
Provision of big data centre services	379,658	–	–	379,658
Distribution of mobile gaming	–	1,017	–	1,017
Provision of services and solutions for the distribution of lottery products	–	–	30	30
	379,658	1,017	30	380,705
Timing of revenue recognition				
At a point in time	–	1,017	30	1,047
Over time	379,658	–	–	379,658
	379,658	1,017	30	380,705

Big Data Centre Services

The Group operated big data centres (the "**Big Data Centres**"), providing data analysis, storage services and ancillary administrative and consulting services.

Revenue generated from the Big Data Centres consists of services fees and/or rental income charged on the users for provision of big data centre services and use of storage places.

Services income is rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the service.

Online Game Business

The Group is in cooperation with various reputable companies in the online game industry to distribute online mobile games.

Revenue is recognised when the control of the goods is transferred to a customer.

Lottery business

The Group sold lottery terminals and parts to the customers. Sales were recognised when control of the products had transferred, being when the products were delivered to a customer, there was no unfulfilled obligation that could have affected the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers were normally made with the credit terms of 60 days. For new customers, deposits or cash on delivery may have been required. Deposits received were recognised as a contract liability.

A receivable was recognised when the products were delivered to the customers as this was the point in time that the consideration became unconditional because only the passage of time was required before the payment was due.

4. INCOME TAX

No provision for Hong Kong profits tax has been made as the Hong Kong subsidiaries did not generate any assessable profits arising in Hong Kong during the year (2020: Nil).

Pursuant to the PRC Corporate Income Tax Law effective on 1 January 2008, the PRC subsidiaries are subject to corporate income tax ("**CIT**") at a statutory rate of 25% (2020: 25%) on their respective taxable income for the year ended 31 December 2021. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2021	2020
	HK$'000	*HK$'000*
Current – Mainland China		
Charge for the year	**–**	3,937
Over-provision in prior years	**(2,771)**	–
Deferred tax	**–**	(1,039)
Total tax (credit)/expense for the year	**(2,771)**	2,898

The reconciliation between the income tax (credit)/expense and the product of profit before tax multiplied by the statutory rates for the countries (or jurisdictions) is as follows:

	2021	2020
	HK$'000	*HK$'000*
Loss before tax	**(295,107)**	(40,357)
Tax at the weighted average tax rate of 16.5% to 25% (2020: 16.5% to 25%)	**(63,531)**	(6,586)
(Profit)/loss attributable to a joint venture and associates	**(308)**	278
Tax effect of income that is not taxable	**(477)**	(875)
Tax effect of expenses that are not deductible	**56,920**	2,241
Tax effect of tax losses not recognised	**7,396**	7,840
Over-provision in prior years	**(2,771)**	–
Income tax (credit)/expense	**(2,771)**	2,898

At 31 December 2021, the Group had unused tax losses of HK$409,009,000 (2020: HK$312,258,000) available to offset against future taxable profits. No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit streams.

Included in unrecognised tax losses are losses of HK$96,855,000 (2020: HK$42,586,000) that are allowed to be carried forward and utilised against the taxable income of subsequent years. The loss carry forward period cannot exceed 5 years and expires between 2022 and 2026. Other losses of HK$312,154,000 (2020: HK$269,672,000) may be carried forward indefinitely.

At 31 December 2021, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

5. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting):

	2021	2020
	HK$'000	*HK$'000*
Auditors' remuneration	**670**	720
Cost of sales and service rendered	**194,487**	342,213
Staff costs (including directors' remuneration):		
Salaries and other benefits	**22,284**	27,271
Bonus	**690**	1,851
Pension scheme contributions	**1,119**	522
Equity-settled share option expense	**1,619**	4,028
	25,712	33,672

	2021	2020
	HK$'000	*HK$'000*
Depreciation (included in cost of sales and service rendered)	**27,387**	38,513
Depreciation	**5,471**	3,167
Depreciation charge of right-of-use assets	**5,501**	5,257
Gain on disposal of items of property, plant and equipment	**(1,505)**	–
Net exchange losses	**470**	1,339
Impairment of investments in associates	**(937)**	1,047
Impairment of property, plant and equipment	**212,361**	–
Impairment of goodwill	**11,867**	–
Impairment of intangible assets	**433**	–
Impairment of trade receivables	**–**	837
Impairment of other receivables	**–**	1,068

6. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 31 December 2021 and 2020.

7. LOSS PER SHARE

The calculation of the basic earnings per share amount is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of approximately 507,084,000 (2020: 330,357,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2021 and 2020 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic and diluted earnings per share is based on the following:

	2021	2020
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of calculating basic and diluted earnings per share	**(286,686)**	(46,767)

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue during the year for the purposes of the basic and diluted loss per share	**507,084**	330,357

8. TRADE RECEIVABLES

	2021 HK$'000	2020 HK$'000
Trade receivables	**10,962**	9,237
Less: impairment of trade receivables	**(837)**	(837)
	10,125	8,400

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2021 HK$'000	2020 HK$'000
Within 30 days	**5,190**	7,250
31 days to 90 days	**1,706**	1,124
91 days to 180 days	**1,520**	4
181 days to 365 days	**1,709**	17
Over 1 year	**–**	5
	10,125	8,400

Reconciliation of loss allowance for trade receivables:

	2021 HK$'000	2020 HK$'000
At 1 January	**837**	–
Increase in loss allowance for the year	**–**	837
At 31 December	**837**	837

The Group's trading terms with its customers are usually on credit, in some instances where payment in advance is required. The credit period is generally two months for two major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	**Less than 1 month past due**	**1-3 months past due**	**3-6 months past due**	**6-12 months past due**	**Over 1 year**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2021							
Weighted average expected loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**	
Receivable amount	**5,190**	**1,706**	**1,520**	**1,709**	**–**	**837**	**10,962**
Loss allowance	**–**	**–**	**–**	**–**	**–**	**837**	**837**
At 31 December 2020							
Weighted average expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Receivable amount	8,287	87	4	17	5	837	9,237
Loss allowance	–	–	–	–	–	837	837

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Other receivables	**1,536**	2,436
Other receivable from a shareholder of a subsidiary	**–**	15,549
Other tax assets	**19,848**	24,264
Utility deposits	**10,135**	16,254
Other deposits	**2,503**	943
Prepayments	**5,646**	24,640
	39,668	84,086
Impairment of other receivables	**(1,068)**	(1,068)
	38,600	83,018

The movement in the impairment of other receivables are as follows:

	2021	2020
	HK$'000	*HK$'000*
At 1 January	**1,068**	–
Impairment losses recognised	**–**	1,068
At 31 December	**1,068**	1,068

10. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,114**	1,057
31 to 90 days	**–**	2,702
91 to 180 days	**868**	194
181 to 365 days	**–**	63
Over 1 year	**–**	595
	1,982	4,611

The average credit period on purchases of goods is 60 days.

11. ACCRUALS AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Other payables	**6,262**	3,697
Consideration payables	**–**	5,025
Amount due to a shareholder of a joint venture	**2,334**	2,334
Deposit received from customers	**5,395**	12,091
Accruals	**659**	2,587
	14,650	25,734

12. SHARE CAPITAL

	2021	2020
	HK$'000	*HK$'000*
Authorised:		
650,000,000 (2020: 550,000,000) ordinary shares of HK$0.1 (2020: HK$0.1) each	**65,000**	55,000

	2021	2020
	HK$'000	*HK$'000*
Issued and fully paid:		
548,378,822 (2020: 379,023,983) ordinary shares of HK$0.1 (2020: HK$0.1) each	**54,838**	37,902

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**
		HK$'000
At 1 January 2020	**3,158,599,836**	31,586
Share consolidation *(Note (a))*	**(2,842,739,853)**	–
Placing of new shares *(Note (b))*	**63,164,000**	6,316
At 31 December 2020 and 1 January 2021	**379,023,983**	37,902
Issuance of shares on subscription *(Note (c))*	**169,354,839**	16,936
At 31 December 2021	**548,378,822**	54,838

Note:

(a) a share consolidation has taken place on 28 May 2020 that every ten issued and unissued existing shares of HK$0.01 each in the share capital of the Company has been consolidated into one consolidated share of HK$0.1 each in the share capital of the Company.

(b) a placing has taken place on 9 October 2020. A total of 63,164,000 placing shares have been placed at the placing price of HK$0.26 per placing share. The gross proceeds and net proceeds from the placing amounted to approximately HK$16,423,000 and HK$16,028,000, respectively.

(c) a subscription has taken place on 31 March 2021. A total of 169,354,839 shares have been issued at the subscription price of HK$0.62 per subscription share. The gross proceeds and net proceeds from the subscription amounted to approximately HK$105,000,000 and HK$100,554,000, respectively.

By an ordinary resolution passed by the shareholders of the Company on 26 March 2021, the authorised share capital of the Company was increased from HK$55,000,000 to HK$65,000,000 by the creation of 100,000,000 additional shares of the Company of HK$0.1 each, such new shares rank pari passu in all respects with the existing shares of the Company.

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

The Group saw ups and downs in 2021. During the first half of the year, the Group continued to leverage on its strengths to vigorously develop its big data centres, and strived to become the industry benchmark of big data centre services in terms of scale, regulatory qualifications, stability of power systems and environmental protection. In recent years, the Group has constructed three big data centres with relevant qualifications in Sichuan, the PRC, with a gross area of over 18,000 square metres, to provide comprehensive services to our customers such as the provision of premises, hardware support, power supply, ancillary supervision and management services, which attracted a stable clientele mainly engaged in the cryptocurrency mining business. The Group has achieved excellent milestones with its future prospects well-recognised by its major shareholder, BIT Mining Limited (New York Stock Exchange under the ticker symbol "**BTCM**"), which subscribed for a total of approximately 169 million shares of our Company at a total cash consideration of HK$105 million, the subscription of which was completed on 31 March 2021, making Loto Interactive Limited as its subsidiary.

2021 Review

In order to actively comply with various national regulatory requirements, the Group ceased the operation of its three big data centres in Sichuan in mid-2021. The cessation of operations did have an adverse impact on the Group's revenue in the short term, which in turn affected the Group's operating results. Nevertheless, the Company has formulated its domestic and overseas development strategies in the second half of 2021 in a timely manner. The Group completed the construction of a new big data centre in Hong Kong with a maximum processing capacity of approximately 1,400 kilowatt hours, which officially commenced operation in October 2021.

Prospect

In view of the favourable development trend of virtual assets in the world and the clearer regulatory framework, the Board is actively exploring the development of big data centres in other regions such as North America in line with the Group's overall development strategy, in order to seize the opportunity to meet market demand and expand our big data centre business. In addition, the Group has leased the previously purchased data processors to independent third parties to generate rental income. Upon securing stable power source elsewhere for its big data centre business in the future, the Group may also diversify its business by tapping into the realm of proprietary cryptocurrency mining business.

The raging COVID-19 pandemic and international geopolitical instability have severely disrupted the global economy and reshaped the landscape of various industries. To navigate through this challenging and uncertain time, extra effort is required from each and all of us. Despite the uncertainties in the global economic and political environment, we are confident in our future development. As the old saying goes, those who carry heavy responsibility do not stop until they succeed. In order to maximise long-term value for our shareholders, the Group will continue to experiment and innovate, tackle different challenges and adversities with strengthened abilities, and promote the sustainable development of our businesses with a long-term perspective.

IN APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our shareholders, customers and business partners for their continuing support and confidence in the Company. As to my fellow Board members, management team and all staff, I wish to express my heartfelt appreciation for their hard work and valuable contributions. Looking forward, we will continue to forge ahead by constantly exploring new growth drivers with concerted efforts and strive to achieve the goal of long-term and sustainable development.

Zhang Jing
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in (i) the provision of data analysis and storage services (the "**Big Data Centre Services**"), (ii) data processors leasing services (the "**Data Processors Leasing Services**") 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 and 8 March 2022 (the "**Business Update and Profit Warning Announcement**"), the Group's three big data centre in Sichuan Province, the PRC, which were operated by Chengdu Keying Interactive Information Technology Limited (成都科盈互動信息科技有限公司) ("**Chengdu Keying**"), Ganzi Changhe Hydropower Consumption Service Co., Ltd. (甘孜州長河水電消納服務有限公司) ("**Changhe Hydropower**") and Sichuan Lecai Yuntian Network Technology Co., Ltd. (四川省樂彩雲天網絡科技有限公司) ("**Lecai Yuntian**") will be closed. The Company has made provision of impairment of fixed assets caused by the Group's plan to demolish the said machinery and equipment.

During the Year, the Company, through Brighten Express Limited, a wholly-owned subsidiary of the Company, and Capital Management LLP (the "**JV Partner**") entered into a shareholders agreement and a supplemental agreement to the shareholders agreement relating to the formation of 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 was to be beneficially owned as to approximately 51% by Brighten Express Limited and approximately 49% by Capital Management LLP. The principal business of the JV Company was to be construction and operation of the project (the "**Project**") which involves the construction of the infrastructure (including facility centres and equipment) and operation of a big data centre in Kazakhstan. Due to the political unrest and the unstable supply and price of electricity that have persisted in western Kazakhstan, Brighten Express Limited and the JV Partner have decided and agreed to terminate the Project in March 2022. The formation of the joint venture and the termination of the aforementioned Project shall hereinafter be referred to as the "Kazakhstan JV".

Notwithstanding the foregoing and 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 constructing new big data centres in Hong Kong and overseas. The new big data centre in Hong Kong, with a maximum processing capacity of approximately 1,400 kWh, has completed in November 2021. Moreover, the Group is also exploring the possibility of establishing big data centres in the region with abundant and stable supply of electricity, such as North America.

During the Year, the Big Data Centre Services generated a revenue of approximately HK$176.2 million which contributed to 97.5% of the Group's revenue, representing a significant decrease as compared to the corresponding year in 2020, which was primarily due to the suspension of power supply to the above three big data centres in Sichuan, the PRC.

Data Processors Leasing Services

The Group has purchased 1,807 data processors in 2021 and started leasing the same to independent third parties in Kazakhstan from October 2021. As disclosed in the Company's third quarter results for the nine-month period ended 30 September 2021, the Group kickstarted its expansion into the business of proprietary cryptocurrency mining at that material time. However, during the third quarter of 2021, the cryptocurrency mining business generated a revenue of approximately HK$0.1 million, the performance of which was less satisfactory as a result of the great volatility in the currency prices of cryptocurrencies. Accordingly, during the Year, the Board decided not to continue its expansion into the business of proprietary cryptocurrency mining. The Group has leased the previously purchased 1,807 data processors, which were originally purchased for the cryptocurrency mining business and had later been leased to independent third parties to generate rental income. Due to the political turmoil and power outage in Kazakhstan, our customers' businesses were adversely affected. After liaising with our customers, the Group agreed to temporarily waive their rental fees for renting the Group's data processors during the power outages and until the power supply is restored.

During the Year, Data Processors Leasing Services generated a revenue of approximately HK$1.2 million.

Money Lending Business

In order to leverage our corporate expertise and resources to broaden our income sources, 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 a revenue of approximately HK$3 million for the Year.

FINANCIAL REVIEW

During the Year, the Group is engaged in three operating segments which are (1) Big Data Centre Services; (2) Data Processors Leasing Services; and (3) Money Lending Business. The Group recorded a total revenue of approximately HK$180.7 million (2020: HK$383.0 million), representing a significant decrease of HK$202.3 million, which comprised the following:

(1) Big Data Centre Services

Revenue contributed by the Big Data Centres Services in the provision of data analysis, storage services and ancillary administrative and consulting services amounted to approximately HK$176.2 million for the Year, representing a decrease of HK$203.5 million as compared to the corresponding year in 2020 (2020: HK$379.7 million).

(2) Data Processors Leasing Services

Revenue generated from Data Processors Leasing Services amounted to approximately HK$1.2 million for the Year. (2020: Nil.)

(3) Money Lending Business

Revenue generated from the Money Lending Business amounted to approximately HK$3.0 million for the year, representing an increase of HK$0.7 million as compared to the corresponding year in 2020 (2020: HK$2.3 million).

Operating Results

The Group recorded a loss of approximately HK$292.3 million for the Year, representing an increase of HK$249.0 million or 575.1% as compared to a loss of HK$43.3 million for the corresponding year in 2020, which was mainly attributable to the combined effect of:

(i) decrease in gross profit of approximately HK$54.5 million of the Big Data Centre Services which was due to the suspension from power supply to the three big data centres from June 2021;

(ii) increase in the provision of impairment of fixed assets of approximately HK$212.4 million which was due to the Group's plan to close the three big data centres, operated by Chengdu Keying, Changhe Hydropower and Lecai Yuntian;

(iii) increase in the impairment of goodwill in respect of our big data centre businesses of approximately HK$11.9 million;

(iv) offset by the decrease in staff cost of approximately HK$5.0 million which was attributable to the decreased number of employees due to suspension of the big data centres;

(v) offset by the decrease in operating expenses 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 big data centre, which was operated by Changhe Hydropower; and

(vi) offset by the decrease in amortisation associated with acquired intangible assets of approximately HK$5.5 million.

MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS

Disposal of a non-wholly owned subsidiary

During the Year, Interactive Lab Limited (a wholly-owned subsidiary of the Company) and Bee Computing (HK) Limited ("**Bee Computing**") entered into a repurchase agreement, pursuant to which Bee Computing repurchased the shares of a joint venture company held by Interactive Lab Limited at the total repurchase price of US$2 million (the "**Repurchase**"). The consideration for the Repurchase has been fully settled by Bee Computing and the aforementioned joint venture company has ceased to be a subsidiary of the Company in April 2021.

Acquisition of the equity interest of Changhe Hydropower

During the Year, 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 conditionally agreed to purchase and the Sellers 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$104.4 million) (the "**Acquisition Consideration**") (the "**Acquisition**"). Completion of the Acquisition conditional upon the satisfaction or waiver (as the case may be) of several conditions. The Acquisition has been completed on 31 March 2021.

Save for the aforementioned Kazakhstan JV, there were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Year. Apart from those disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

ADDITION TO PROPERTY, PLANT AND EQUIPMENT

During the Year, the Company has purchased 1,807 data processor, which were originally purchased for cryptocurrency mining business and had later been leased to independent third parties to generate rental income. The data processors have been placed in Hong Kong and Kazakhstan. As at 31 December 2021, the Group is of a net asset position with property, plant and equipment of approximately HK$43.1 million (2020: HK$263.3 million).

LOAN RECEIVABLES

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license in January 2020. On 3 April 2020, the Group entered into a loan agreement (the "**Loan**") with an independent third party, Bright Topper Limited (the "**Borrower**"), 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.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continues to manage its balance sheet carefully and maintains conservative policies in cash and financial management. As at 31 December 2021, the Group's cash and bank balances (including bank deposits with original maturity over three months) amounted to HK$35.8 million (2020: HK$44.3 million), representing a decrease of HK$8.5 million as compared to that as at 31 December 2020. As at 31 December 2021, about 75.9% (2020: 45.1%) of the cash and cash equivalents was denominated in Renminbi, with the remaining balance in United States dollars and Hong Kong dollars. The decrease in cash and bank balances was mainly due to the initial construction expenses related to the big data centre in Hong Kong.

As at 31 December 2021, the Group's current assets exceeded its current liabilities by HK$88.8 million (2020: HK$94.1 million). The Group had a capital surplus of HK$137.0 million as at 31 December 2021 (2020: HK$409.7 million).

The Group had no bank borrowings in 2021 (2020: Nil) and generally finances its operations with internal resources.

During the Year, the Company and BIT Mining Limited, the controlling shareholder of the Company, entered into a subscription agreement on 28 January 2021, pursuant to which BIT Mining Limited conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue 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, to finance the payment of the Acquisition Consideration. Based on the nominal value of HK$0.1 per share of the Company, the aggregate nominal value of the Subscription Shares is HK$16,935,483.90.

The closing market price of the Subscription Shares, as quoted on the Stock Exchange 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$100.6 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.

OUTLOOK

The Company is actively exploring the development of big data centres in other regions such as North America in line with the Group's overall development strategy, in order to seize the opportunity to meet market demand and expand our big data centre business. In addition, the Group has leased the previously purchased data processors to the independent third parties to generate rental income. Upon securing stable power sources elsewhere for its big data centre business in the future, the Group may also diversify its business by tapping into the realm of proprietary cryptocurrency mining business. 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.

CHARGES ON GROUP ASSETS

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

As at 31 December 2021 and 2020, all assets and liabilities of the Group were denominated in Renminbi, Hong Kong dollars and United States dollars. Since the impact to foreign exchange exposure has been insignificant, no hedging or other alternatives have been implemented.

STAFF AND REMUNERATION POLICY

As at 31 December 2021, the Group had a total of 24 employees (2020: 98). For the year ended 31 December 2021, total Directors' emoluments were approximately HK$4.3 million (2020: HK$7.0 million), including non-cash share-based payments to the Directors of approximately HK$0.7 million in 2021 (2020: HK$2.5 million). The Group continues to provide remuneration packages to employees that are in line with market practices and past performance. The Group also provides employee benefits such as mandatory provident fund, medical insurance, staff training programs and share option schemes.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group's capital commitments at the end of the reporting period are as follows:

	2021	2020
	HK$'000	*HK$'000*
Property, plant and equipment contracted, but not provided for	**–**	33

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 (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 FINANCIAL YEAR

There have been no important events significantly affecting the Group that have occurred since the end of the financial year.

CORPORATE GOVERNANCE

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. Throughout the year ended 31 December 2021, the Company complied with all the Code Provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 15 to the GEM Listing Rules, save for the following:

Under the code provision C.1.2 (which has been re-numbered as D.1.2 since 1 January 2022) of the CG Code, management should provide all members of the Board 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.

SECURITIES DEALINGS BY DIRECTORS AND EMPLOYEES

The Company has adopted its own code for dealing in the Company's securities by Directors and employees who are likely to be in possession of inside information in relation to the securities of the Company (the "**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. The Company has received confirmation from all Directors that they have complied with the required standards set out in the Code of Securities Dealings throughout the year of 2021.

AUDIT COMMITTEE

The Company has an audit committee, which was established for the purposes of reviewing and providing supervision over the Group'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 annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2021 have been reviewed by the audit committee.

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

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, 11 May 2022. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Thursday, 5 May 2022 to Wednesday, 11 May 2022 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above annual general 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, 4 May 2022.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year ended 31 December 2021. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website at www.lotoie.com and the Stock Exchange's website at www.hkexnews.hk. The annual report 2021 will be available on the above websites and despatched to the Shareholders on or about Thursday, 31 March 2022.

By Order of the Board
Loto Interactive Limited
Yan Hao
Chief Executive Officer and Executive Director

Hong Kong, 23 March 2022

As at the date of this announcement, 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*

This announcement 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.