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## **Loto Interactive Limited**

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

**(Stock Code: 8198)**

### **PROPOSED CHANGE OF AUDITORS**

The Board announces that Ernst & Young has resigned as the auditors of the Company with effect from 10 January 2019 and ZHONGHUI ANDA CPA Limited was proposed to be appointed as new auditors of the Company to fill the casual vacancy following the resignation of Ernst & Young as the auditors of the Company subject to the approval by the Shareholders at the EGM.

A circular containing, among other things, information relating to the Proposed Change of Auditors, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Loto Interactive Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.50(4) of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The Board announces that Ernst & Young has resigned as the auditors of the Company with effect from 10 January 2019 as the Company and Ernst & Young could not reach a consensus on the audit fee for the financial year ended 31 December 2018.

Ernst & Young has confirmed that from their perspective there are no matters that need to be brought to the attention of the shareholders (the “**Shareholders**”) or creditors of the Company. Both the Board and the audit committee of the Company (the “**Audit Committee**”) confirmed that there is no disagreement between the Company and Ernst & Young and that there are no matters or circumstances in respect of the proposed change of auditors which should be brought to the attention of the Shareholders or creditors of the Company.

The Board confirmed that Ernst & Young has not commenced any audit work on the consolidated financial statements of the Group for the financial year ended 31 December 2018. The Board believes that the change of auditors will not have any impact on the annual audit works of the Company for the financial year ended 31 December 2018.

The Board, with the recommendation from the Audit Committee, has resolved to propose the appointment of ZHONGHUI ANDA CPA Limited as new auditors of the Company to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company (the “**Proposed Change of Auditors**”). The appointment of ZHONGHUI ANDA CPA Limited as auditors of the Company in place of Ernst & Young is subject to the approval by the Shareholders by an ordinary resolution at the extraordinary general meeting (the “**EGM**”) to be convened pursuant to the articles of association of the Company (“**Article**”).

Pursuant to Article 158, if the office of auditor becomes vacant by the resignation or death of the auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy. Article 155(3) provides that Shareholders shall by ordinary resolution at that meeting appoint another auditor in stead of the resigned auditor for the remainder of his term.

A circular containing, among other things, information relating to the Proposed Change of Auditors, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for their professional services provided to the Company in the past.

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

Hong Kong, 10 January 2019

*As at the date of this announcement, the Board of Directors comprises Mr. Pan Zhengming\* (Chairman), Mr. Wang Bingzhong#(Chief Executive Officer), Ms. Huang Lilan#, Mr. Yuan Qiang\*, Dr. Lu Haitian+, Mr. Yan Hao+ and Mr. Lin Sen+.*

# *Executive Director*

\* *Non-executive Director*

+ *Independent Non-executive Director*

*This announcement, 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 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.lotoie.com).*