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FORTUNET E-COMMERCE GROUP LIMITED
鑫網易商集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

INSIDE INFORMATION
ANTICIPATION OF SIGNIFICANT DECREASE IN LOSS

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group expects to record a significant decrease in its net loss for the six months ended 30 June 2016 as compared to that for the six months ended 30 June 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Fortunet e-Commerce Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**").

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, the board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group expects to record a significant decrease in its net loss for the six months ended 30 June 2016 of more than 90% as compared to that for the six months ended 30 June 2015. Such expected decrease in net loss is primarily attributable to, among other things, significantly less provisions or write-down are expected to be made as at 30 June 2016 than as at 30 June 2015. As at 30 June 2015, the Group recorded (i) impairment losses of RMB51 million on property, plant and equipment,

(ii) impairment losses of RMB166 million on trade and other receivables, and (iii) the write-down of RMB121 million on inventories, whereas insignificant provision or write-down is expected to be made as at 30 June 2016.

The information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016 currently available to the Board. The actual results of the Group for the six months ended 30 June 2016 are subject to further review by the Company's auditors. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2016, which is expected to be published on 19 August 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Fortunet e-Commerce Group Limited
Mr. Cheng Jerome
Chairman

Hong Kong, 17 August 2016

As at the date of this announcement, the executive Directors are Mr. Cheng Jerome and Mr. Yuan Weitao; the non-executive Director is Mrs. Guo Yan; and the independent non-executive Directors are Mr. Wong Chi Keung, Mr. Liu Erhfei and Mr. Chan Chi Keung Alan.