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)

POSITIVE PROFIT ALERT

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 assessment by the Group's management and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017, 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 consolidated profit for the six months ended 30 June 2017 as compared to a consolidated loss for the same period in 2016. The expected consolidated profit for the six months ended 30 June 2017 is attributable to, among other things, the:

(i) one-off profit of approximately RMB140 million from the disposal of Chang Feng Holding (Hong Kong) Limited, details of which are set out in the announcements of the Company dated 7 April 2017 and 19 April 2017;

(ii) gain on changes in fair value of the derivative component of approximately RMB27 million (subject to finalisation) on the secured convertible bonds due 2018 issued by the Company on 3 June 2015; and

(iii) offset by impairment loss on goodwill of approximately RMB15 million (subject to finalisation) and reversal of deferred tax assets of approximately RMB17 million (subject to finalisation).

The information contained in this announcement is only based on the preliminary assessment by the Group's management and have not been audited or reviewed by the auditors of the Company. Such information is subject to the finalisation of the results of the Group for the six months ended 30 June 2017, which is expected to be announced by the end of August 2017.

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, 1 August 2017

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 Jialin and Mr. Chan Chi Keung Alan.