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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)

EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

Reference is made to the announcement of Fortunet e-Commerce Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 7 December 2017 (the “**Announcement**”), in relation to the issue of the 13% secured convertible bonds due 2019 in the principal amount of US\$10 million by the Company to Chance Talent Management Limited, a business company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned special purpose vehicle of CCB International (Holdings) Limited (the “**Subscriber**”). Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless stated otherwise.

On 10 July 2019, the Company (i) entered into a framework deed of amendment (the “**Amendment Deed**”) with the Subscriber and the Chargor and (ii) executed an amendment deed poll in relation to the CB Instrument pursuant to the Amendment Deed (the “**Amendment Deed Poll**”, together with the Amendment Deed, the “**Amendment Documents**”). The parties to the Amendment Documents have conditionally agreed to, among other things, extend the Maturity Date of the Convertible Bonds from 3 June 2019 to 3 June 2020 in accordance with the terms and conditions of the Amendment Documents (the “**Maturity Date Extension**”). The Conversion Period will also be extended accordingly in light of the Maturity Date Extension.

Save for the Maturity Date Extension, all other principal terms of the Convertible Bonds as disclosed in the paragraph headed “**PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**” in the Announcement remain unchanged.

Conditions

The Maturity Date Extension shall only come into effect upon satisfaction of certain conditions, which include, among other conditions:

- (1) the approval of the Maturity Date Extension by the Stock Exchange having been obtained, if required; and
- (2) the Listing Committee of the Stock Exchange having granted its approval regarding the listing of, and a permission to deal in, the Conversion Shares to be issued by the Company, if required.

Reason for the Maturity Date Extension

The Maturity Date Extension will provide flexibility to the Group's deployment of its financial resources to fund its business operations and developments, as well as the management of the Group's working capital requirements. In light of the aforesaid, the Company considers that Maturity Date Extension is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Given that no adjustment of the Conversion Price has been made and that the Maturity Date Extension will not result in any adjustment of the Conversion Price, a total of 25,813,836 Conversion Shares will be allotted and issued upon the exercise in full of the Conversion Rights based on the total outstanding principal amount of the Convertible Bonds of US\$4 million and the initial Conversion Price of HK\$1.209 per Share at the exchange rate of HK\$7.802232 per US\$1.00. Such Conversion Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2019 (the "2019 General Mandate") to allot, issue and deal with up to 20% of the issued share capital of the Company as at 28 May 2019. Under the 2019 General Mandate, a maximum of 362,190,654 Shares may fall to be allotted and issued. As at the date of this announcement, the 2019 General Mandate has not been utilised. As such, the 2019 General Mandate will be sufficient to cover the allotment and issue of the Conversion Shares after the Maturity Date Extension.

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

Hong Kong, 10 July 2019

As at the date of this announcement, the executive Directors of the Company 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.