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O-NET COMMUNICATIONS (GROUP) LIMITED

昂納光通信（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 877)

INSIDE INFORMATION

The Board announces that the transactions contemplated under the Sale and Purchase Agreement has been completed in 30 January 2015 and the results of the Target Group has been consolidated into the financial statements of the Group since then.

The Subsidiary received the Order of the Governor in Council in Canada on 9 July 2015 that the investment by the Subsidiary through the acquisition of control in the Target Company would be injurious to national security.

The Company is in the course of discussion with the Canadian Government through our legal counsel in order to understand more about the Order and is considering taking necessary actions to either address the Canadian Government concerns or contest the judgement made in the Order.

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

This announcement is made by O-Net Communications (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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement made by the Company dated 30 January 2015 relating to the acquisition of the entire issued share capital of ITF Technologies Inc. (formerly as Avensys Inc.) and the Sale Loan (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board announces that the transactions contemplated under the Sale and Purchase Agreement has been completed in 30 January 2015 and the results of the Target Group has been consolidated into the financial statements of the Group since then.

O-Net Communications Holdings Limited, a subsidiary of the Company (the “**Subsidiary**”) received an order of the Governor in Council in Canada (the “**Order**”) on 9 July 2015 that the

investment by the Subsidiary through the acquisition of control in the Target Company would be injurious to national security. Pursuant to the Order, the Governor General in Council in Canada requires, among others:-

- (1) the Subsidiary to divest the investment by which the Subsidiary acquired control of the Target Company by not later than 180 days after the day of the Order. In the event that the Subsidiary is unable to divest itself of the investment within 180 days after the day of the Order, the Minister of Industry, upon request by the Subsidiary, may extend the divestiture period; and
- (2) the director nominated by the Subsidiary to the board of directors of the Target Company and its subsidiary to resign in that capacity.

Nothing in the Order prohibits the Target Company from continuing to sell products to the Subsidiary or any of the members of the Group in the ordinary course of business.

The management of the Company felt very surprised about the Order as the management viewed their business is normal and have been developed for years in optical networking industry and are not aware of any issue relating to national security. The Company is in the course of discussion with the Canadian Government through our legal counsel in order to understand more about the Order and is considering taking necessary actions to either address the Canadian Government concerns or contest the judgement made in the Order.

Further announcement will be made by the Company if and when required.

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

By Order of the Board
O-Net Communications (Group) Limited
Na QingLin
Co-Chairman and Chief Executive Officer

Hong Kong, 15 July 2015

As at the date of this announcement, the executive Director is Mr. Na Qinglin, the non-executive Directors are Mr. Tam Man Chi, Mr. Chen Zhujiang and Mr. Huang Bin, and the independent non-executive Directors are Mr. Deng Xinping, Mr. Ong Chor Wei and Mr. Zhao Wei.