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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)

**ISSUE OF NEW SHARES UNDER GENERAL MANDATE
PURSUANT TO THE RESTRICTED SHARE AWARD SCHEME**

On 8 July 2015, the Board has resolved to allot and issue 26,000,000 new Shares to the Trustee under the General Mandate granted by the Shareholders at the AGM in order to grant awards to Selected Grantees pursuant to the Scheme.

The Company shall cause to pay the Trustee an aggregate amount of HK\$260,000 from the Company's resources to fund the Trustee to subscribe for the Awarded Shares.

The number of the Awarded Shares to be allotted and issued by the Company to the Trustee represents: (i) approximately 3.69% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.55% of the issued share capital of the Company as enlarged by the allotment of the Awarded Shares.

Reference is made to the Scheme adopted by the Company on 9 May 2014 and the announcement made by the Company dated 9 May 2014 (the "Announcement"). Unless otherwise defined, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcement

On 8 July 2015, the Board has resolved to allot and issue 26,000,000 new Shares to the Trustee under the General Mandate granted by the Shareholders at the AGM held on 28 May 2015 in order to grant awards to Selected Grantees (excluding Directors and connected persons) pursuant to the Scheme. Pursuant to the General Mandate, the maximum number of Shares that can be allotted and issued by the Directors is 140,530,448 Shares. Save for the allotment of the Awarded Shares to be disclosed in this announcement, no new Shares have been allotted or issued under the General Mandate as at the date of this announcement.

The Company shall cause to pay the Trustee an aggregate amount of HK\$260,000 from the Company's resources to fund the Trustee to subscribe for the Awarded Shares and the Trustee shall hold such Awarded Shares for the relevant Selected Grantees, which shall be transferred to those Selected Grantees, until satisfaction of all vesting conditions specified by the Board at the

time of making the Awards.

The number of the Awarded Shares to be allotted and issued by the Company to the Trustee represents: (i) approximately 3.69% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.55% of the issued share capital of the Company as enlarged by the issue and allotment of the Awarded Shares.

The Awarded Shares, when allotted and issued, shall rank *pari passu* among themselves and with the other Shares in issue. Pursuant to the Scheme, the Selected Grantee is not entitled to receive any income or distribution, such as dividend derived from the Awarded Shares allocated to him, prior to the vesting of the Awarded Shares granted to him. The Trustee however shall not exercise the voting rights in respect of any Shares held under trust.

Application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the Awarded Shares. Other than such approval to be granted by the Stock Exchange, the allotment of the Awarded Shares is not subject to any conditions or approval of the Shareholders.

Further information relating to the Awarded Shares is set out below:

Securities to be issued: 26,000,000 new Shares

Issue price(net): The Awarded Shares shall be allotted and issued at par

Funds to be raised: Nil

Note: HK\$260,000, which is the total nominal value of the Shares to be issued, shall be paid from the Company's resources to the Trustee

Reasons for the issue: to recognize the contributions by the Selected Grantees and to give incentives in order to retain them for their continuing operation and development and to attract suitable personnel for further development of the Group

Identity of the allottee: O-Net Share Award Plan Limited, being the trustee appointed by the Company for the administration of the Scheme which is wholly-owned by O-Net Holdings (BVI) Limited, a controlling Shareholder

Market price of the Awarded Shares: HK\$1.89 per Share, being the closing price of the Shares as at 8 July 2015

Fund raising activity(ies) in the last 12 months: The Company has not engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement

DEFINITIONS

“AGM” the annual general meeting of the Company held on Thursday, 28 May 2015

“Award” an award of a certain number of the Awarded Shares by the Board to a Selected Grantee

“Awarded Shares” the 26,000,000 new Shares which will be allotted and issued to the Trustee under the General Mandate pursuant to the Scheme

“connected person(s)” as defined in the Listing Rules

“General Mandate” a general unconditional mandate granted to the Directors at the AGM to allot, issue and deal with Shares in the capital of the Company of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM, i.e. 140,530,448 Shares

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

Hong Kong, 8 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.