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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules. The Board wishes to inform the Shareholders and potential investors of the Company that the net profit of the Group for the six months ended 30 June 2011 is expected to decrease as compared to those for the six months ended 30 June 2010.

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” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Directors”) of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the net profit of the Group for the six months ended 30 June 2011 is expected to decrease as compared to those for the six months ended 30 June 2010.

The Company considers that the decrease in the net profit of the Group for the six months ended 30 June 2011 was mainly attributable to the decrease in gross profit margin as a result of change in product mix, plus the increase in research and development expenses as a result of increasing the investments for next generation products as well as the increase in share option expenses and income tax expenses.

As the period covered by the first half of year 2011 has not ended, the interim results of the Group for the six months ended 30 June 2011 are not yet available. Please note that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts of the Group and the same has not been reviewed or discussed with the auditors of the Company and that the actual results for the Group may be different from what is disclosed in this announcement. Further details of the Group’s performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2011 which is expected to be published before the end of August 2011.

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
Kung Sze Wai
Company Secretary

Hong Kong, 20 June 2011

As at the date of this announcement, the executive Directors are Mr. Na Qinglin and Mr. Xue Yahong, 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. Bai Xiaoshu and Mr. Ong Chor Wei.