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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)

GRANT OF OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The board of directors (the "Board") of O-Net Communications (Group) Limited (the "Company") announces that the Company has offered to grant share options (the "Options") under the share option scheme adopted by the Company on 9 April 2010 ("Scheme") with details as follows: -

- Date of grant ("Date of Grant") : 2 June 2010
- Exercise price of Options granted : HK\$3.128 per ordinary share of HK\$0.01 each of the Company (each, a "Share") (being no less than higher of (i) the closing price of HK\$3.10 per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of HK\$3.128 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of HK\$0.01 per Share)
- Number of Options granted : 30,648,000 Options (each Option shall entitle the holder of the Option to subscribe for one Share). Of the Options granted, 24,318,000, 1,390,000 and 4,940,000 Options are classified as Tranche 1, 2 & 3 respectively.
- Closing price of the Share on the date of grant : HK\$3.10 per Share
- Validity period of Options : The Options shall be exercisable in the following manners:-
- Tranche 1:
- For Mr. Na Qinglin, Mr. Deng Xinping, Mr. Bai Xiaoshu, Mr. Ong Chor Wei and certain employees of the Company: -

- (i) no more than 20% of the Options shall be exercisable after 2 June 2011;
- (ii) no more than 20% of the Options shall be exercisable after 2 June 2012;
- (iii) no more than 20% of the Options shall be exercisable after 2 June 2013;
- (iv) no more than 20% of the Options shall be exercisable after 2 June 2014; and
- (v) the remaining 20% of the Options shall be exercisable after 2 June 2015.

Tranche 2:

For certain employees of the Company: -

- (i) no more than 25% of the Options shall be exercisable after 2 June 2012;
- (ii) no more than 25% of the Options shall be exercisable after 2 June 2013;
- (iii) no more than 25% of the Options shall be exercisable after 2 June 2014; and
- (iv) the remaining 25% of the Options shall be exercisable after 2 June 2015.

Tranche 3:

For Mr. Xue Yahong and certain employees of the Company:-

- (i) no more than 1/3 of the Options shall be exercisable after 2 June 2013;
- (ii) no more than 1/3 of the Options shall be exercisable after 2 June 2014; and
- (iii) the remaining 1/3 of the Options shall be exercisable after 2 June 2015.

All Options shall lapse until 8 April 2020.

Of the above total number of Options granted, 8,000,000 Options are granted to the directors of the Company ("Directors"). Details of the Options granted to the Directors are as follows:

Name of Director	Capacity	Number of Options granted	Approximate percentage of the issued share capital of the Company as at the date of this announcement
Mr. Na Qinglin	Executive Director, Co-Chairman and Chief Executive Officer	6,000,000	0.776%

Mr. Xue Yahong	Executive Director	500,000	0.065%
Mr. Deng Xinping	Independent non-executive Directors	500,000	0.065%
Mr. Bai Xiaoshu	Independent non-executive Directors	500,000	0.065%
Mr. Ong Chor Wei	Independent non-executive Directors	500,000	0.065%

The grant of such Options to the above Directors has been approved by all independent non-executive Directors of the Company in accordance with the Listing Rules and the rules governing the Scheme.

Save as disclosed above, none of the grantees is a director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them.

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

Hong Kong, 3 June 2010

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.