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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)**

### **EXERCISE OF OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option referred to in the Prospectus has been fully exercised by the Sole Global Coordinator on behalf of the International Underwriters on 6 May 2010 in respect of the Over-allotment Shares, comprising additional 28,990,000 Shares to be offered by the Over-allotment Grantors, representing approximately 15% of the Offer Shares initially available under the Global Offering, for the sole purpose of covering over-allocations in the International Offering.

The Over-allotment Shares will be sold by the Over-allotment Grantors at HK\$2.90 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

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Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee.

As shown in the shareholding structure of the Company set out below, immediately before the exercise of the Over-allotment Option, approximately 25% of the issued share capital of the Company was held by the public. Such shareholding percentage will be increased to approximately 28.75% immediately upon the completion of the sale of the Over-allotment Shares by the Over-allotment Grantors.

The shareholding structure of the Company immediately before and immediately after the completion of the sale of the Over-allotment Shares by the Over-allotment Grantors are as follows:

Shareholder	Immediately before the sale of the Over-allotment Shares by the Over-allotment Grantors		Immediately after the sale of the Over-allotment Shares by the Over-allotment Grantors	
	Number of Shares	Approximate % of issued share capital	Number of Shares	Approximate % of issued share capital
Hong Kong Kaifa	266,688,420 <sup>(1)</sup>	34.50%	252,929,237	32.72%
O-Net Holdings	295,234,280 <sup>(2)</sup>	38.19%	280,003,463	36.22%
Minority Shareholders <sup>(3)</sup>	17,892,540	2.31%	17,892,540	2.31%
Public Shareholders	193,280,000	25%	222,270,000	28.75%
Total	<u>773,095,240</u>	<u>100%</u>	<u>773,095,240</u>	<u>100%</u>

Notes:

- (1) This includes the 13,759,183 Shares borrowed by the Sole Global Coordinator under the Stock Borrowing Agreement.
- (2) This includes the 15,230,817 Shares borrowed by the Sole Global Coordinator under the Stock Borrowing Agreement.
- (3) The minority shareholders are Mr. Tam Man Chi, Archcom Technology, Inc., Mr. Li Yi, Mr. Liang Shaohua and Mr. Ke Danqun, which hold approximately 1.21%, 0.51%, 0.39%, 0.1% and 0.1% respectively of the Company. Mr. Li Yi, Mr. Liang Shaohua and Mr. Ke Danqun are all former employees of the Company. Approximately 11.03% preferred shares of Archcom Technology, Inc. are owned by Mandarin IT Fund I and approximately 5.62% preferred shares of Archcom Technology, Inc. are owned by Mandarin IT Fund II. Except as otherwise mentioned, all other issued share capital of Archcom Technology, Inc. is held by Independent Third Parties. Except for Mandarin VP (BVI) Limited, which owns one share of Mandarin IT Fund II, Mandarin IT Fund II is held by Independent Third Parties.

The Company continues to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

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

Hong Kong, 6 May 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 Xiping, Mr. Bai Xiaoshu and Mr. Ong Chor Wei.*