

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire purchase or subscribe for any securities.



OMNICORP LIMITED

兩儀控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 94)

MAJOR TRANSACTION IN RELATION TO PROPOSED ACQUISITION OF 60% INTEREST IN GREENHEART AND A CALL OPTION TO ACQUIRE THE REMAINING 39.61% INTEREST AND RESUMPTION OF TRADING

Financial Adviser to Omnicorp Limited



KINGSTON CORPORATE FINANCE LIMITED

MAJOR TRANSACTION

The Board is pleased to announce that on 20 August 2007, the Company and the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendors and the Guarantors, pursuant to which:-

- (a) the Purchaser agreed to acquire from the Vendors the Sale Shares, representing 60% of the issued share capital of Greenheart after the Capital Reorganization at a total consideration of HK\$375,000,000 to be satisfied partially in cash and partially by the issue of Consideration Shares and Convertible Bonds by the Company; and
- (b) the Vendors agreed to grant the Option to the Purchaser to acquire the Option Shares. The Consideration of HK\$375,000,000 will be satisfied in the following manner:-
 - (a) as to HK\$18,000,000 in cash;
 - (b) as to HK\$120,000,000 by the issue of the Consideration Shares at HK\$2.00 per Consideration Share; and
 - (c) as to HK\$237,000,000 by the issue of Convertible Bonds which are convertible into Conversion Shares at an initial conversion price of HK\$2.00 (subject to adjustment) per Conversion Share during the Conversion Period. Pursuant to the terms of the Convertible Bonds, the conversion rights under the Convertible Bonds shall only be exercisable to the extent, inter alia, that (i) at the time of conversion by any Bondholder, such Bondholder and parties acting in concert (as defined in the Takeovers Code) with it will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code and (ii) the allotment and issue of the Conversion Shares to such Bondholder will not cause the Company to be in breach of the minimum public float requirement under Rule 8.08 of the Listing Rules.

The Greenheart Group is a natural forest concession owner and operator in Suriname, South America and currently holds a forest concession for the exploitation of timber on a parcel of land in Suriname of approximately 126,825 hectares. Further, pursuant to the contracts between the Greenheart Group and the relevant concession holder or owner of the relevant concession holder, cutting rights in respect of certain parcels of land in Suriname with a total area of approximately 51,140 hectares have been granted to the Greenheart Group. Its principal business activities include (i) log harvesting, (ii) lumber processing and (iii) marketing and sales of logs and lumber products.

The Acquisition constitutes a major transaction of the Company under the Listing Rules. The Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds which will be included in the resolution in respect of the Acquisition are subject to the Shareholders' approval at the SGM. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors, (in respect of those corporate Vendors other than Sino-Capital Global Inc.) their respective ultimate beneficial owners, Sino-Forest Corporation (being the holding company of Sino-Capital Global Inc.) and the other Guarantors are independent of and not connected with the Company and its connected persons.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, pass the resolution(s) to approve the Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds.

A circular containing, amongst others, (i) further details of the Acquisition and other disclosures in connection with the Acquisition as required under the Listing Rules; (ii) the survey and valuation report on the Greenheart Group's forest and standing timber to be issued by an independent firm of forestry expert; and (iii) the notice of SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 20 August 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 27 August 2007.

MAJOR TRANSACTION

The Board is pleased to announce that since the execution of the Letter of Intent, the parties had entered into further negotiation on the terms and conditions of the transactions contemplated therein and on 20 August 2007, the Company and the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendors and the Guarantors which shall supersede the Letter of Intent. Pursuant to the Agreement:-

- (a) the Purchaser agreed to acquire from the Vendors the Sale Shares, representing 60% of the issued share capital of Greenheart after the Capital Reorganization at a total consideration of HK\$375,000,000 to be satisfied partially in cash and partially by the issue of Consideration Shares and Convertible Bonds by the Company; and
- (b) the Vendors agreed to grant the Option to the Purchaser to acquire the Option Shares.

I. The Agreement

The principal terms of the Agreement are set out below:-

Date: 20 August 2007

Parties

- (a) The Vendors
- (b) The Guarantors
- (c) The Purchaser
- (d) The Company

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors, (in respect of those corporate Vendors other than Sino-Capital Global Inc.) their respective ultimate beneficial owners, Sino-Forest Corporation (being the holding company of Sino-Capital Global Inc.) and the other Guarantors are independent of and not connected with the Company and its connected persons.

Subject matter of the Acquisition

- (a) The Sale Shares: 4,599,000,000 ordinary shares of no par value, representing 60% of the issued share capital of Greenheart after the Capital Reorganization; and

- (b) The Option: the call option exercisable by the Purchaser to require the Vendors to sell the Option Shares, being 3,036,000,000 ordinary shares of no par value, representing the remaining approximately 39.61% of the issued share capital of Greenheart owned by the Vendors after the Capital Reorganization, to the Purchaser which is granted by the Vendors at no premium.

Please refer to the paragraph headed "Information on the Greenheart Group" below for further information on the Greenheart Group.

Consideration

The Consideration of HK\$375,000,000 will be satisfied in the following manner:-

- (a) as to HK\$18,000,000 in cash;
- (b) as to HK\$120,000,000 by the issue of the Consideration Shares at HK\$2.00 per Consideration Share; and
- (c) as to HK\$237,000,000 by the issue of Convertible Bonds which are convertible into Conversion Shares at an initial conversion price of HK\$2.00 (subject to adjustment) per Conversion Share during the Conversion Period.

Pursuant to the terms of the Letter of Intent, a refundable earnest money of HK\$15,000,000 (the "Earnest Money") had been paid by the Purchaser to the Vendors' solicitors as stakeholder who had held the same in a separate interest bearing escrow account. Upon signing of the Agreement, the Earnest Money (but not the interest accrued thereon, which shall belong to the Vendors) has been treated as deposit and part payment of the Consideration (the "Deposit") and the Vendors' solicitors will hold the same as stakeholder until Completion, whereupon such deposit together with all interest accrued thereon will be released to the Vendors. The cash portion of the Consideration will be satisfied by the Group's internal resources.

The Consideration has been determined after arm's length negotiation taking into account (a) the size of the Concession and the areas where the Cutting Rights are granted and the value of the forest and standing timber contained therein owned and controlled by the Greenheart Group of not less than US\$200 million as estimated by Greenheart (which will be confirmed in a survey and valuation report by an independent firm of forestry expert, in respect of which the satisfaction of the Purchaser is a condition precedent to Completion), (b) the business prospect and growth potential of the timber market which the Directors believe will be driven by strong demand from countries such as China, and diminishing supply due to deforestation in the past and stricter environmental constraints and requirements now practiced by an increasing number of countries in the world, (c) the master sales and purchase contract dated 20 July 2007 between a member of the Greenheart Group and Sino-Forest Resources Inc., being a subsidiary of a Guarantor (namely Sino-Forest Corporation), whereby Sino-Forest Resources Inc. has agreed to purchase logs from Greenheart with a total sales revenue of approximately US\$6 million and (d) the operating expenses and capital expenditures arising from the harvesting, processing, export and administrative related activities of the Greenheart Group which may lead to the increase in the working capital requirement of the Group.

The basis in respect of the issue price of HK\$2.00 per Consideration Share and the initial conversion price of HK\$2.00 per Conversion Share under the Convertible Bonds were determined after arm's length negotiation with reference to the Company's recent share price performance after the date of the Letter of Intent and before the signing of the Agreement and represents:-

- (a) a premium of approximately 17.65% of the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on 17 August 2007, being the last trading day immediately before the date of the Agreement;
- (b) a discount of approximately 13.42% to the average closing price of HK\$2.31 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including 17 August 2007;
- (c) a discount of approximately 22.48% to the average closing price of HK\$2.58 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 17 August 2007; and
- (d) a discount of approximately 51.34% to the closing price of HK\$4.11 per Share as quoted on the Stock Exchange on 25 July 2007, being the date of the Letter of Intent.

The Consideration Shares, when issued on Completion, and the Conversion Shares, when issued upon exercise of the Convertible Bonds of the Bondholders, will rank pari passu in all respect among themselves and with all other Shares in issue on the date of such allotment and issue.

The number of Consideration Shares represents approximately 32.67% of the existing issued share capital of the Company and assuming no further Shares shall be issued, approximately 24.63% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares. In the event that the conversion rights attaching to the Convertible Bonds are fully exercised and assuming no further Shares shall be issued, the number of Conversion Shares represents approximately 64.53% of the existing issued share capital of the Company and approximately 32.72% of the then issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares.

Having considered the above factors, the Directors are of the view that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Lock-up

Each Vendor has undertaken to the Company and the Purchaser that, subject to Completion, without the prior written consent of the Company and the Purchaser, it will not dispose of or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of:-

- (a) any of its Consideration Shares at any time during the period from and including the date of Completion up to but excluding the date falling 3 months after Completion;
- (b) more than 50% of its Consideration Shares during the period from and including the date falling 3 months after Completion up to but excluding the date falling 6 months after Completion.

The lock-up provisions in relation to the Conversion Shares are set out in the paragraph headed "The Convertible Bonds" below.

Pre-emption rights and Co-sale rights

Upon and subject to Completion and unless and until the Option is exercised, if any holder of the shares in Greenheart (the "Greenheart Share(s)" and the "Greenheart Shareholder(s)") wishes to transfer any of its Greenheart Shares, the other Greenheart Shareholders shall have a first right of refusal to acquire such Greenheart Shares at the sale price at which it proposes to sell such Greenheart Shares to a third party.

In addition, any Greenheart Shareholder who is proposing to sell to a third party some or all of its Greenheart Shares shall inform all the other Greenheart Shareholders of any offer received from a third party and procure that such offer is extended to the other Greenheart Shareholders at the same price and on no less favourable terms and with the same completion date as those offered to that Greenheart Shareholder.

Conditions precedent

Completion is conditional upon all of the following conditions precedent being fulfilled (or, in respect of conditions (b), (c), (d), (i), (j) and (k) below, waived by the Purchaser):-

- (a) the completion of the Capital Reorganization;
- (b) the Purchaser being satisfied with the results of the due diligence review to be conducted in relation to the transactions contemplated under the Agreement;
- (c) the Purchaser being satisfied with a survey and valuation report by Pöyry Forestry Industry Limited, an independent international firm of forestry experts (or such other experts as may be agreed by such Vendors who together are owners of more than 50% of the Sale Shares and the Purchaser) on the Greenheart Group's forest and standing timber;
- (d) the Purchaser being satisfied with legal opinions in relation to the Vendors and the Greenheart Group, in forms satisfactory to the Purchaser, confirming, among others, the capacity and authority of the Vendors in entering into and performing the Agreement, the due execution by the Vendors and validity of the Agreement, the due incorporation and valid existence of members of the Greenheart Group and the title and rights of the Greenheart Group to the Concession and Cutting Rights;
- (e) the passing by the Shareholders (other than Shareholders who are required to abstain from voting under the Listing Rules or by the Stock Exchange) of ordinary resolution(s) approving the Agreement and the transactions contemplated thereunder, including the acquisition of the Sale Shares, the issue and allotment of the Consideration Shares, the creation and issue of the Convertible Bonds and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds;

- (f) the Company having obtained the approval granted by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares which may fall to be issued and allotted upon the exercise of the conversion rights attaching to the Convertible Bonds;
- (g) if required, the Bermuda Monetary Authority granting its consent to the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares which may fall to be issued and allotted upon the exercise of the conversion rights attaching to the Convertible Bonds;
- (h) all other necessary approvals or consents (if any) of the relevant governmental or regulatory authorities for the transactions contemplated in the Agreement having been obtained;
- (i) such member(s) of the management of the Greenheart Group as specified by the Purchaser (if any) having entered into fixed term service contracts with the relevant members of the Greenheart Group on such terms and conditions to the satisfaction of the Purchaser;
- (j) the Purchaser notifying the Vendors in writing prior to 6:00 p.m. on or before the fifth business day after 20 December 2007 (or such other date as the Vendors and the Purchaser may agree in writing) that it is satisfied with the contents of a disclosure letter to be issued by the Vendors to the Purchaser in relation to the warranties of the Vendors under the Agreement; and
- (k) all warranties of the Vendors as set out in the Agreement remaining true and accurate and are not misleading in any material respect.

If the conditions above shall not have been fulfilled (or, in respect of conditions (b), (c), (d), (i) and (j) and (k) above, waived by the Purchaser) by 31 December 2007 (or such other date as agreed between the Vendors and the Purchaser), the Agreement and everything contained therein shall, subject to the liability of either party to the other in respect of any antecedent breaches, be null and void and of no effect whereupon the Deposit together with all interest thereon and all other monies (if any) paid by the Purchaser to the Vendors or the Vendors' solicitors shall be refunded to the Purchaser.

Guarantee

Pursuant to the terms of the Agreement, each Guarantor as principal obligor guarantees full prompt and complete performance of all the obligations of the relevant Vendor of which such Guarantor is the ultimate owner or the holding company under or in connection with the Agreement on a several basis.

II. The Convertible Bonds

The terms of the Convertible Bonds have been negotiated on arm's length basis and the principal terms of which are summarized below:-

- Principal Amount** : HK\$237,000,000.
- Maturity** : The date falling two years after the date of issue of the Convertible Bonds (the "**Maturity Date**").
- Interest rate** : 4% per annum accrued on a day-to-day basis on the outstanding principal amount, payable semi-annually in arrears.
- Form** : Registered form only.
- Conversion** : Each Bondholder will have the right to convert during the conversion period mentioned below provided, inter alia, that at the time of conversion by any Bondholder, (a) such Bondholder and parties acting in concert (as defined in the Takeovers Code) with it will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code and (b) the allotment and issue of the Conversion Shares to such Bondholder will not cause the Company to be in breach of the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules. These restrictions on conversion will apply throughout the term of the Convertible Bonds.

As no Bondholder can exercise the conversion rights attached to any Convertible Bonds to such extent that such Bondholder and parties acting in concert (as defined in the Takeovers Code) with it will become obliged to make a mandatory offer under Rule 26 of the Takeovers Code (the "**Control Restriction**"), any subsequent conversion of the Convertible Bonds would not result in any Bondholder and parties acting in concert with it having 30% or more shareholding in the Company and therefore would not result

in a change in control of the Company. When a Bondholder exercises the conversion rights attached to any Convertible Bonds, such Bondholder will be required to confirm in the conversion notice that the Control Restriction is complied with and the Company will not proceed with the issue of any Conversion Shares if the Control Restriction is not complied with.

No rights to convert may be exercised by a Bondholder who is resident or national outside Hong Kong under the laws and regulations of which such exercise or the performance by the Company of the obligations expressed to be assumed by it thereunder or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

Conversion Period : Subject to the right of conversion above, each Bondholder will have the right to convert during the period commencing from the date immediately following the date of issue of the Convertible Bonds up to 4:00 p.m. of the date which is one day prior to the Maturity Date, in amounts not less than a whole multiple of HK\$300,000 on such conversion, save that if at any time the outstanding principal amount of the Convertible Bond held by a Bondholder is less than HK\$300,000, or if a Bondholder intends to exercise the conversion right attached to the entire principal amount of all the Convertible Bonds held by it, the Bondholder may convert the whole (but not part only) of such outstanding principal amount of the Convertible Bonds.

Conversion Price : During the Conversion Period, the Convertible Bonds are convertible into the Conversion Shares at an initial conversion price of HK\$2.00 per Conversion Share subject to anti-dilutive adjustments in certain events which are customary in market transactions of this type, including without limitation: (i) share consolidation, share subdivision or reclassification; (ii) capitalisation of profits or reserves; (iii) capital distribution; (iv) rights issue of shares, options, warrants, other subscription rights or other securities; (v) issue wholly for cash of shares or issue or grant of options, warrants or other rights to subscribe for or purchase Shares for a price per Share which is less than 90% of the average closing price for a Share for the 10 consecutive dealing days preceding the relevant date (the "Prevailing Market Price"); (vi) issue wholly for cash by the Company or its subsidiaries of securities carrying rights of conversion into or exchange or subscription for Shares or securities which may be redesignated as Shares for a price per Share which is less than 90% of the Prevailing Market Price; (vii) modification of rights of conversion, exchange, subscription or redesignation attaching to any securities mentioned in (vi) above resulting in a consideration per Share which is less than 90% of the Prevailing Market Price; and (viii) general offer to Shareholders whereby any securities may be acquired by them at a price per Share which is less than 90% of the Prevailing Market Price.

Nevertheless, no adjustment to the conversion price will be made in relation to the issue by the Company of any convertible bonds to satisfy all or part of the total consideration for the Option Shares pursuant to the terms of the Agreement and any issue of Shares for cash consideration at a placing price of not less than HK\$2.00 per Share pursuant to any proposed placing(s) (whether conditional or unconditional, and whether completion of such placing(s) takes place before or after any issue of the Convertible Bonds) by or on behalf of the Company which may be announced by the Company prior to the first issue of the Convertible Bonds.

Ranking : The Conversion Shares will rank pari passu in all respect among themselves and with all other Shares in issue on the date of such allotment and issue.

- Redemption by the Company** : The Convertible Bonds which remain outstanding shall be mandatorily redeemed by the Company at a redemption amount equal to the principal amount of the Convertible Bonds together with the interests accrued thereon if the same remain outstanding by 4:00 p.m. on the Maturity Date or upon the majority Bondholders giving a written notice declaring the Convertible Bonds to be immediately due and payable after the occurrence of an event of default as specified in the terms and conditions of the Convertible Bonds.
- Transferability** : The Convertible Bonds may be transferred to any person in whole multiples of HK\$300,000 (or such lesser amount as may represent the entire principal amount thereof), save that any transfer to any connected person of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.
- Lock-up** : In respect of any exercise of conversion rights within 1 year after the issue date of the Convertible Bond, no Bondholder shall, without the prior written consent of the Company, dispose of (a) any Conversion Shares issued and allotted pursuant to such exercise (the “**Relevant Conversion Shares**”) at any time during the period from and including the conversion date up to but excluding the date falling 3 months after the conversion date; or (b) more than 50% of the Relevant Conversion Shares during the period from and including the date falling 3 months after the conversion date up to but excluding the date falling 6 months after the conversion date, provided that there is no prohibition or restriction on any disposal of any Relevant Conversion Shares at any time as from the first anniversary of the issue date of the Convertible Bonds.
- Events of default** : All Convertible Bonds contain an event of default provision which provides that on the occurrence of certain events of default (e.g. payment and other default, dissolution of and disposals made by the Company or the Security Providers or any principal subsidiary (as defined in the terms and conditions of the Convertible Bonds) of the Company, enforcement action against the Company or any Security Providers, insolvency of the Company, Security Providers or any principal subsidiary of the Company, cross default of other indebtedness of the Company, trading suspension for a period of 60 consecutive trading days or the delisting of the Shares on the Stock Exchange), the majority Bondholders may give written notice to the Company that the Convertible Bonds are immediately due and repayable whereupon they will become so due and payable on the business day falling 7 business days of the date of such notice.
- Security** : The Convertible Bonds will be secured by a first mortgage over the Sale Shares incorporating an assignment of all indebtedness owing by the Greenheart Group to the Purchaser in favour of the security trustee which shall hold the benefit thereof for the Bondholders (the “**Security Trustee**”). Any advance made by any other member of the Group (other than the Greenheart Group) to the Greenheart Group from time to time will also be assigned in favour of the Security Trustee as security for the Convertible Bonds.
- Listing** : No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

In view of the dilution effect of the Convertible Bonds, the Company is required to disclose by way of announcement all relevant details of the conversion of the Convertible Bonds in the following manner:

- (i) the Company will make a monthly announcement (“**Monthly Announcement**”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - a. whether there is any conversion of the Convertible Bonds during the relevant month. If there is a conversion, details thereof including the conversion date, number of new Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - b. the amount of outstanding Convertible Bonds after the conversion, if any;
 - c. the total number of Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - d. the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be); and
- (iii) if the Company forms the view that any issue of Conversion Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosure regardless of the issue of any announcements in relation to the Convertible Bonds as mentioned in (i) and (ii) above.

III. Option

The Option is exercisable by the Purchaser to require the Vendors to sell the Option Shares to the Purchaser during the period commencing from and including the date of Completion up to but excluding the date falling 18 months after the date of Completion.

The total consideration payable by the Purchaser to the Vendors for the Option Shares will be HK\$247,562,500 (if the Option is exercised within 6 months after Completion) or HK\$272,318,750 (if the Option is exercised after the sixth month but before the first anniversary of Completion) or HK\$297,075,000 (if the Option is exercised on or after the first anniversary of Completion), which will be settled by either cash, new Shares to be issued by the Company at the price of HK\$2.00 per Share or convertible bonds to be issued by the Company with conversion price of HK\$2.00 per Share and other terms similar to those of the Convertible Bonds or any combination of the above as the Purchaser and the majority Vendors may agree. However, if there is or needs to be any adjustment to the conversion price of the Convertible Bonds prior to the completion of the sale and purchase of the Option Shares, the price of any such consideration shares and the conversion price of any such convertible bonds will be the then applicable conversion price of the Conversion Bonds instead of HK\$2.00.

The Company will comply with the relevant requirements of the Listing Rules upon any exercise of the Option.

IV. Information on the Greenheart Group

The Greenheart Group is a natural forest concession owner and operator in Suriname, South America and currently holds a forest concession for the exploitation of timber on a parcel of land in Suriname of approximately 126,825 hectares (the “**Concession**”). Further, pursuant to the contracts between the Greenheart Group and the relevant concession holder or owner of the relevant concession holder, cutting rights in respect of certain parcels of land in Suriname with a total area of approximately 51,140 hectares (the “**Cutting Rights**”) have been granted to the Greenheart Group. Its principal business activities include (i) log harvesting, (ii) lumber processing and (iii) marketing and sales of logs and lumber products.

The financial highlights of the Greenheart Group are set out below:-

	For the 7 months ended 31 July 2007 (HK\$'000)	For the financial year ended 31 December 2006 (HK\$'000)	For the financial year ended 31 December 2005 (HK\$'000)
Total assets value	123,475	36,208	26,497
Net assets/(liabilities)	91,869	21,630	(25,795)
Loss before taxation	12,207	31,567	21,404
Loss after taxation	12,207	31,567	21,404

Note: The financial figures for each of the two financial years ended 31 December 2006 and for the 7 months ended 31 July 2007 was based on the unaudited consolidated management accounts of the Greenheart Group which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong.

After Completion, Greenheart will be owned as to 60% by the Purchaser and becomes an indirect non wholly-owned subsidiary of the Company. As such, the results of the Greenheart Group will be consolidated in the financial statements of the Company after Completion.

The Concession

The Concession is situated in the district of Sipaliwini along the Road to Apoera, Suriname and is of a total area of approximately 126,825 hectares. The Concession confers the Greenheart Group a valid and legal right to exclusively carry out timber exploitation on the parcel of land under the Concession for a term of 20 years from 6 June 1997 which is renewable for another 20 years.

The Cutting Rights

(a) Pursuant to a contract between, inter alia, Octagon International N.V. ("Octagon"), a wholly-owned subsidiary of Greenheart, and a local Surinamese who is an independent third party not connected with the Company and the Greenheart Group ("the Grantor") dated 3 March 2005, Octagon was granted the exclusive right to exploit and carry out logging and timber production operations on two concessions with a total area of 19,700 hectares, of which 12,000 hectares is situated in the District of Nickerie on both banks of the Falawatra River, Suriname and the remaining 7,700 hectares is situated in the south of the Nickerie River in the District of Sipaliwini, during the duration and validity of the concessions granted by the Government of Suriname for that purpose.

These two concessions are granted by the Government of Suriname on 10 September 1996 for ten years and are renewable for another 10 years. The Grantor is currently applying for the renewal of these two concessions on behalf of Octagon after the expiry of the initial term in 2006.

(b) Pursuant to a lease with option to buy contract dated 22 June 2006 between an independent third party, and Beach Paradise N.V., a Group Company, it is agreed that Beach Paradise N.V. shall have the right to exploit two timber concessions held by a company wholly owned by the independent third party for ten years starting from 1 July 2006. The two concessions have a total area of approximately 31,440 hectares and are situated in the District of Sipaliwini, Suriname and are granted by the Government of Suriname on 29 March 2001 for ten years and are renewable for another 10 years.

The Company intends to maintain the employment of the existing management of Greenheart Group which includes professional forestry managers after Completion, and through sharing the expertise and experience of the existing management of Greenheart Group, provide training in respect of this new business to the Group's existing employees.

REASONS FOR THE ACQUISITION

The Group is currently principally engaged in manufacture and sale of electronic components and products, property holding and investment holding. The Company is indirectly holding 0.39% of the issued share capital of Greenheart as investment at present and should the Acquisition materialize, the Group will expand into the business of log harvesting, lumber processing, marketing and sales of logs and lumber products. While the Acquisition would involve diversification of the Group's business into new areas, the Company intends to continue the existing business of the Group after Completion. As such, the Acquisition would not result in a change of business of the Group. It is not a term of the Agreement, nor is it the intention of the Company, that there will be any change in the Board or management of the Company following the Acquisition.

The Directors consider that the diversification of business into new areas of high-growth potential which also promotes environmental protection and social sustainability will be in the interest of the Company and the Shareholders as a whole. The Directors also believes that the business prospects and growth potential of the timber market, which will be driven by strong demand from countries such as China, and diminishing supply due to deforestation in the past and stricter environmental constraints and requirements now practiced by an increasing number of countries in the world, will offer a very good business opportunity to the Company. Taking into account the above, the Directors consider that the Acquisition will be instrumental for the Group to tap the increasing market demand of timber and timber products and achieve full economic promises of natural forestry resources.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable to the Company and in the interests of the Company and the Shareholders as a whole.

FUND RASING ACTIVITIES IN THE PAST TWELVE MONTHS

The following fund raising activity has been carried out by the Company in the past twelve months preceding the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
13 June 2007	Placing of new Shares under general mandate	HK\$26.2 million	As general working capital of the Group	Not yet utilized (currently retained as bank deposits)

EFFECTS ON SHAREHOLDING STRUCTURE

The following tables set out (i) the existing shareholding structure of the Company and the changes thereto as a result of the allotment and issue of the Consideration Shares and the Conversion Shares upon full conversion of the Convertible Bonds but before taking into account the Control Restriction; and (ii) the existing shareholding structure of the Company and the changes thereto as a result of the allotment and issue of the Consideration Shares and the Conversion Shares assuming the Convertible Bonds are exercised by the Vendors to the extent permitted under the Control Restriction.

- (i) **Table 1 showing the existing shareholding structure of the Company and the changes thereto as a result of the allotment and issue of the Consideration Shares and the Conversion Shares upon full conversion of the Convertible Bonds but before taking into account the Control Restriction**

	As at the date of this announcement		Immediately after completion of the Acquisition and issue of Consideration Shares but assuming no Convertible Bonds are exercised and no other Shares will be issued		Immediately after completion of the Acquisition and issue of Consideration Shares and assuming the Convertible Bonds are exercised in full into Conversion Shares but no other Shares will be issued	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Hui Tung Wah, Samuel an executive Director	355,000	0.193	355,000	0.146	355,000	0.098
The Vendors (Note 1)	–	–	60,000,000	24.627	178,500,000	49.290
Mother of Tse Nga Ying, a Vendor (Note 3)	40,000	0.022	40,000	0.016	40,000	0.011
Other public Shareholders	183,244,152	99.785	183,244,152	75.211	183,244,152	50.601
Total	183,639,152	100	243,639,152	100	362,139,152	100

(ii) Table 2 showing the existing shareholding structure of the Company and the changes thereto as a result of the allotment and issue of the Consideration Shares and the Conversion Shares assuming the Convertible Bonds are exercised by the Vendors to the extent permitted under the Control Restriction

	As at the date of this announcement		Immediately after completion of the Acquisition and issue of Consideration Shares but assuming no Convertible Bonds are exercised		Immediately after completion of the Acquisition and issue of Consideration Shares and assuming the Convertible Bonds are exercised by the Vendors to the extent permitted under the Control Restriction	
	Shares	%	Shares	%	Shares	%
Hui Tung Wah, Samuel an executive Director	355,000	0.193	355,000	0.146	355,000	0.136
The Vendors (Notes 1 and 2)	–	–	60,000,000	24.627	78,645,350	29.984
Mother of Tse Nga Ying, a Vendor (Note 3)	40,000	0.022	40,000	0.016	40,000	0.015
Other public Shareholders	183,244,152	99.785	183,244,152	75.211	183,244,152	69.865
Total	183,639,152	100	243,639,152	100	262,284,502	100

Notes:

1. The number of Shares of the Vendors in the Company indicated in Table 1 is arrived at on the assumption that the Convertible Bonds are fully converted without taking into account the Control Restriction. However, pursuant to the terms of the Convertible Bonds, the conversion rights under the Convertible Bonds shall only be exercisable to the extent, inter alia, that (i) it is permitted under the Control Restriction and (ii) the allotment and issue of the Conversion Shares to such Bondholder will not cause the Company to be in breach of the minimum public float requirement under Rule 8.08 of the Listing Rules. The effect of the Control Restriction on the shareholding structure of the Company is shown in Table 2.
2. To facilitate the administration of the Control Restriction, the Company will be entitled to presume the Vendors to be parties acting in concert unless and until a ruling or confirmation from the Securities and Futures Commission of Hong Kong to the contrary (if any) is obtained by the Vendors.
3. The mother of Tse Nga Ying is presumed to be acting in concert with Tse Nga Ying under the Takeovers Code.

As at the date of this announcement, the Company has an authorized share capital of 15,000,000,000 Shares, out of which 183,639,152 Shares are issued and are fully paid up.

As at the date of this announcement, there are outstanding share options granted under the share option scheme of the Company entitling the holders to subscribe for 9,684,000 Shares.

In view of the percentage of the Consideration Shares in the share capital of the Company as enlarged by the issue of the Consideration Shares and the terms of the Convertible Bonds that each holder of the Convertible Bonds will only have the right to convert to the extent permitted under the Control Restriction, it is expected that the Acquisition will not result in a change in control of the Company.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction of the Company under the Listing Rules. The Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds which will be included in the resolution in respect of the Acquisition are subject to the Shareholders' approval at the SGM. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors, (in respect of those corporate Vendors other than Sino-Capital Global Inc.) their respective ultimate beneficial owners, Sino-Forest Corporation (being the holding company of Sino-Capital Global Inc.) and the other Guarantors are independent of and not connected with the Company and its connected persons.

To the best knowledge and belief of the Company, none of the Vendors and (in respect of the corporate Vendors other than Sino-Capital Global Inc.) their ultimate owners and Sino Forest Corporation (being the holding company of Sino-Capital Global Inc.) holds any Shares in the Company as at the date of this announcement. Accordingly, no Shareholder would be required to abstain from voting for the approval of the Agreement and the transactions contemplated thereunder.

INFORMATION OF THE GROUP AND THE VENDORS

The Group is currently principally engaged in manufacture and sale of electronic components and products, property holding and investment holding.

Sino-Capital Global Inc. is an indirect wholly owned subsidiary of Sino-Forest Corporation, a company listed in the Toronto Stock Exchange. Sino-Forest Corporation is one of the leading, foreign-owned commercial forestry operators in China. As at 30 June 2007, Sino-Forest Corporation has approximately 356,000 hectares of forestry plantation located in China.

Greenheart Foundation Limited is a company set up for the promotion of social benefits to the local community in Suriname.

Forest Operation Limited is a company incorporated in the British Virgin Islands and wholly owned by Mr. Simon Murray.

Other than Sino-Capital Global Inc. and Greenheart Foundation Limited, all corporate Vendors are special purpose vehicles set up for the investment in Greenheart.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, pass the resolution(s) to approve the Acquisition and the issue of the Consideration Shares, the Convertible Bonds and the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds.

A circular containing, amongst others, (i) further details of the Acquisition and other disclosures in connection with the Acquisition as required under the Listing Rules; (ii) the survey and valuation report on the Greenheart Group's forest and standing timber to be issued by an independent firm of forestry expert; and (iii) the notice of SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 20 August 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 27 August 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors and the grant of the Option by the Vendors to the Purchaser pursuant to the Agreement;
“Agreement”	the conditional agreement for sale and purchase dated 20 August 2007 entered into between the Company, the Purchaser, the Vendors and the Guarantors in relation to the Acquisition;
“associate”	the meaning ascribed to it in the Listing Rules;
“Board” or “Directors”	the board of directors of the Company;
“Bondholder(s)”	holder(s) of the Convertible Bond(s) whose name(s) is/are registered in the register of Bondholders;
“Capital Reorganization”	the re-classification of all Class B shares in Greenheart into ordinary shares so that the issued share capital of Greenheart prior to Completion shall consist of only ordinary shares;
“Company”	Omicorp Limited 兩儀控股有限公司*, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
“Completion”	Completion of the Acquisition pursuant to the terms of the Agreement;
“connected person”	the meaning ascribed to it in the Listing Rules;
“Consideration”	the consideration payable for the Sale Shares, being HK\$375,000,000 in total;
“Consideration Shares”	60,000,000 new Shares to be issued and allotted to the Vendors upon Completion as part of the Consideration;

“Conversion Period”	the period commencing from the date immediately following the date of issue of the Convertible Bonds up to 4:00 p.m. of the date which is one day prior to the date of maturity, being the date falling two years after the issue date;
“Conversion Shares”	the Shares to be issued and allotted to the Vendors upon exercise of the conversion rights attaching to the Convertible Bonds;
“Convertible Bonds”	the HK\$237,000,000 four (4) per cent. per annum secured convertible bonds in registered form and convertible into Conversion Shares at the initial conversion price of HK\$2.00 per Conversion Share (subject to adjustment) to be issued to the Vendors upon Completion as part of the Consideration;
“Greenheart”	Greenheart Resources Holdings Limited (formerly known as Magic Mail International Limited), a company incorporated in the British Virgin Islands, which is owned as to approximately 99.61% by the Vendors and approximately 0.39% by Track Star prior to Completion;
“Greenheart Group”	Greenheart and its subsidiaries;
“Group”	the Company and its subsidiaries and “Group Company” shall mean any of them;
“Guarantors”	Mr. Lau Tai Hang, Mr. Lei Guangyu, Mr. Chau Chi Piu, Mr. Lok Ho Ting, Mr. Ma Chun Ling, Mr. Zeng Hai Bin, Mr. Ma Ming Fai, Mr. Simon Murray, Mr. Kenneth R. James, Mr. Andy, Lai Kui Sing and Sino-Forest Corporation, who are the ultimate beneficial owners or the holding company of the corresponding corporate Vendors, being the guarantors of the corresponding Vendors in respect of their obligations under the Agreement and “ Guarantor ” shall mean any of them;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Letter of Intent”	a letter of intent dated 25 July 2007 entered into between the Company, the Purchaser and the Vendors in relation to the then proposed acquisition of 70% of the issued share capital of Greenheart from the Vendors and the grant of a call option to acquire the remaining 29.61% of the issued share capital of Greenheart as disclosed in the Company’s announcement dated 27 July 2007;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option”	the call option exercisable by the Purchaser to require the Vendors to sell the Option Shares to the Purchaser which is granted by the Vendors at no premium under the Agreement;
“Option Shares”	3,036,000,000 ordinary shares of no par value, representing the remaining approximately 39.61% of the issued share capital of Greenheart owned by the Vendors after the Capital Reorganization;
“Purchaser”	Silver Mount Group Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company;
“Sale Shares”	4,599,000,000 ordinary shares of no par value, representing 60% of the issued share capital of Greenheart after the Capital Reorganization;
“Security Providers”	the Purchaser and any Group Company (other than the Purchaser and the Greenheart Group) which has provided or granted, or is proposing to provide or grant financing of any kind to any member of the Greenheart Group;
“SGM”	the special general meeting of the Company to be held to consider the ordinary resolution(s) to be proposed to approve, amongst other things, the Acquisition, the Agreement and the issue and allotment of the Consideration Shares, the Convertible Bonds and the issue and allotment of the Conversion Shares on the exercise of the conversion rights attached to the Convertible Bonds;
“Shareholder(s)”	the holder(s) of the Shares;
“Share(s)”	the ordinary share(s) of the Company of HK\$0.01 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“Track Star”	Track Star Group Limited, an indirect wholly-owned subsidiary of the Company, being interested in approximately 0.39% of the issued share capital of Greenheart as at the date of this announcement;
“Vendors”	Rise Jet Limited, Fortune Universe Limited, Spirit Land Limited, Fame Sea Profits Limited, Broad Joy Holdings Limited, Always Bright Group Limited, Montsford Limited, PVP Resources Limited, Forest Operations Limited, Nicholas Powell, David Van Oppen, Hwang Shiua-mei, F. Worthington-Wilmer, Graham Soutar, Winston K.W. Leong, Yip Ka Kay, Tse Nga Ying, Care Free Profits Limited, Greenheart Foundation Limited, Metrolink Holdings Limited and Sino-Capital Global Inc., who collectively own approximately 99.61% of the entire issued share capital of Greenheart as at the date of this announcement and “Vendor” shall mean any of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“US\$”	United States dollars, the lawful currency of the United States of America.

By Order of the Board
Omicorp Limited
Sung Yan Wai Petrus
Executive Director

24 August 2007

As at the date hereof, the Board comprises two executive Directors, namely Messrs. Sung Yan Wai Petrus and Hui Tung Wah Samuel and three independent non-executive Directors, namely Messrs. Wong Che Keung Richard, Tong Yee Yung Joseph and Wong Kin Chi.

** For identification purposes only*

Please also refer to the published version of this announcement in The Standard.