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OMNICORP LIMITED

兩儀控股有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock code: 94)

PLACING OF NEW SHARES UNDER SPECIAL MANDATE AND RESUMPTION OF TRADING

Placing Agent



Kingston Securities Limited

On 11 October 2007, the Company entered into the New Placing Agreement, which superseded the Previous Placing Agreement, with the Placing Agent pursuant to which the Placing Agent was appointed by the Company as placing agent to place up to a maximum of 100,000,000 new Shares to the Placees at the Placing Price of the lower of (i) HK\$3.00 and (ii) the Specified Percentage of the VWA Price for the five trading days immediately preceding the Price Determination Date per Placing Share on a best-effort basis.

The Placing Shares represent, in aggregate (i) approximately 54.45% of the existing issued share capital of the Company; (ii) approximately 35.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 29.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Consideration Shares.

The highest possible Placing Price of HK\$3.00 per Placing Share under the New Placing Agreement represents (i) a premium of approximately 72.41% of the closing price of HK\$1.74 per Share as quoted on the Stock Exchange on 10 October 2007, being the last trading day immediately before the date of the New Placing Agreement; (ii) a premium of approximately 72.02% to the average closing price of HK\$1.744 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 10 October 2007; (iii) a premium of approximately 78.25% to the average closing price of HK\$1.683 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 10 October 2007; and (iv) a premium of approximately 63.93% to the average closing price of HK\$1.83 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including 10 October 2007.

The gross proceeds of the Placing (assuming the highest possible Placing Price of HK\$3.00 per Placing Share) will amount to approximately HK\$300 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$297 million after deducting relevant expenses incurred in relation to the Placing. On the above basis, the net proceeds raised per Placing Share are estimated to be approximately HK\$2.97. It is currently intended that the net proceeds will be applied as follows:–

- (a) as to HK\$150 million: if the Proposed Acquisition proceeds to completion, this portion of the net proceeds is intended to be used for possible expansion and development of the forestry business, including expansion of downstream production facilities; expansion of sales and marketing networks particularly in China and Asia and recruitment of additional personnel; acquisition of additional storage and transport facilities and acquisition of new forest concession rights (currently not yet identified), subject to further due diligence and feasibility study, availability, pricing and commercial negotiation. If the Proposed Acquisition does not proceed to completion, this portion of the net proceeds will be used as general working capital of the Group and/or for other suitable investment opportunities which the Group may identify in the future to expand the business scope and income stream of the Group;
- (b) as to HK\$50 million: for possible expansion of the Group's trading business including recruitment of new personnel and additional marketing expenses and expansion of manufacturing and research and development facilities of the Group's electronic component business; and
- (c) as to the balance of HK\$97 million: as general working capital of the Group.

As the Placing may or may not proceed and is subject to, inter alia, the approval by the Shareholders of the New Placing Agreement and the Special Mandate, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

Trading in the Shares has been suspended from 2:30 p.m. on 11 October 2007 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 12 October 2007.

THE PLACING

Reference is made to the announcement of the Company dated 2 August 2007 in relation to the Previous Placing Agreement in respect of which no circular has been issued. In view of the recent volatile market condition and the fluctuation of the trading price in the Shares since the signing of the Previous Placing Agreement, the Company considers that it is necessary to build in additional flexibility in determining the placing price of the proposed placing. Accordingly, on 11 October 2007, the Company entered into the New Placing Agreement, which superseded the Previous Placing Agreement, with the Placing Agent pursuant to which the Placing Agent was appointed by the Company as placing agent to place up to a maximum of 100,000,000 new Shares to the Placees at the Placing Price of the lower of (i) HK\$3.00 and (ii) the Specified Percentage of the VWA Price for the five trading days immediately preceding

the Price Determination Date per Placing Share (together with such brokerage, Stock Exchange trading fee and transaction levy of the Securities and Futures Commission of Hong Kong as may be payable by the Placees) on a best-effort basis.

Date of the New Placing Agreement : 11 October 2007

Issuer : The Company

Placing Agent : Kingston Securities Limited. The Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Placees

The Placing Shares will be placed on a best-efforts basis to not less than six Placees who and whose ultimate beneficial owner(s) will be independent of and not connected with the Company and its connected persons.

Placing Shares

The Placing Shares represent, in aggregate (i) approximately 54.45% of the existing issued share capital of the Company; (ii) approximately 35.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 29.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Consideration Shares.

The Placing Shares will rank, upon issue *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The highest possible Placing Price of HK\$3.00 per Placing Share under the New Placing Agreement represents:–

- (i) a premium of approximately 72.41% of the closing price of HK\$1.74 per Share as quoted on the Stock Exchange on 10 October 2007, being the last trading day immediately before the date of the New Placing Agreement;
- (ii) a premium of approximately 72.02% to the average closing price of HK\$1.744 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 10 October 2007;
- (iii) a premium of approximately 78.25% to the average closing price of HK\$1.683 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 10 October 2007; and
- (iv) a premium of approximately 63.93% to the average closing price of HK\$1.83 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including 10 October 2007.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent to maintain flexibility in the determination of the Placing Price after considering the movements in the trading prices of the Shares.

Placing costs

A placing fee of HK\$500,000 and other costs include all reasonable costs, fees and expenses in relation to the preparation and completion of the New Placing Agreement and the allotment and issue of the Placing Shares.

Special Mandate to issue the Placing Shares

Up to the date of this announcement, the existing general mandate which has been granted by the Shareholders at the Company's annual general meeting held on 18 May 2007 has been utilized as to 30,000,000 Shares representing approximately 99.7% of the aggregate number of Shares which may be allotted and issued under the existing general mandate as a result of the placing of the Company as disclosed in the announcement dated 13 June 2007. Therefore, only a total of 87,830 new Shares may be further allotted and issued under the existing general mandate.

As the maximum number of Placing Shares exceeds the number of new Shares which may be further allotted and issued under the existing general mandate, the Placing Shares will be allotted and issued pursuant to the Special Mandate sought to be granted to the Directors by way of an ordinary resolution of the Shareholders at the SGM.

Conditions of the Placing

Completion of the Placing is conditional upon:—

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares;
- (b) the Company obtaining all necessary consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the New Placing Agreement, if applicable;
- (c) the passing by the Shareholders at a special general meeting of an ordinary resolution of the Company approving the New Placing Agreement and the Special Mandate; and
- (d) the Company and the Placing Agent entering into a price determination agreement pursuant to which the Price Determination Date and the Specified Percentage are agreed by the Company and the Placing Agent.

If any of the conditions of the Placing is not fulfilled by the Long Stop Date, the obligations and liabilities of the Company and the Placing Agent under the New Placing Agreement shall be null and void and the Company and the Placing Agent shall be released from all rights and obligations pursuant to the New Placing Agreement (save for any antecedent breach).

Completion of the Placing

Placing Completion will take place on the date falling 5 business days after the Price Determination Date or such other date as may be agreed by the Company and the Placing Agent in writing.

Further announcement will be made by the Company upon Placing Completion.

As the Placing may or may not proceed and is subject to, inter alia, the approval by the Shareholders of the New Placing Agreement and the Special Mandate, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

OTHER INFORMATION ON THE PLACING

Reasons for the Placing

The Board considers that it is in the interest of the Group to raise fund for further expansion and development of the Group's existing and new business activities and as general working capital and the Placing represents an opportunity for the Company in this connection.

The Directors (including the independent non-executive Directors) consider that the terms of the New Placing Agreement are on normal commercial terms following arm's length negotiation between the Company and the Placing Agent and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds of the Placing (assuming the highest possible Placing Price of HK\$3.00 per Placing Share) will amount to approximately HK\$300 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$297 million after deducting relevant expenses incurred in relation to the Placing. On the above basis, the net proceeds raised per Placing Share are estimated to be approximately HK\$2.97. It is currently intended that the net proceeds will be applied as follows:

- (a) as to HK\$150 million: if the Proposed Acquisition proceeds to completion, this portion of the net proceeds is intended to be used for possible expansion and development of the forestry business, including expansion of downstream production facilities; expansion of sales and marketing networks particularly in China and Asia and recruitment of additional personnel; acquisition of additional storage and transport facilities and acquisition of new forest concession rights (currently not yet identified), subject to further due diligence and feasibility study, availability, pricing and commercial negotiation. If the Proposed Acquisition does not proceed to completion, this portion of the net proceeds will be used as general working capital of the Group and/or for other suitable investment opportunities which the Group may identify in the future to expand the business scope and income stream of the Group;
- (b) as to HK\$50 million: for possible expansion of the Group's trading business including recruitment of new personnel and additional marketing expenses and expansion of manufacturing and research and development facilities of the Group's electronic component business; and

(c) as to the balance of HK\$97 million: as general working capital of the Group.

The proceeds of the Placing set out above will be subject to change depending on the number of Placing Shares successfully placed by the Placing Agent and the Placing Price determined pursuant to the New Placing Agreement. Any change in the amount of proceeds of the Placing and the intended use thereof will be announced in the announcement to be made by the Company upon Placing Completion.

Fund raising 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
13 June 2007	Placing of new Shares under general mandate	HK\$26.2 million	As general working capital of the Group

Save as disclosed above, the Company has not conducted any fund raising exercise during the past twelve months preceding the date of this announcement.

The Board considers that it is in the interest of the Company to capture the market opportunities to raise funds for the further expansion and development of the Group's existing and new business activities and as general working capital of the Group.

Effects on shareholding structure

The existing and enlarged shareholding structure of the Company immediately before and after the Placing on the basis that all the 100,000,000 Placing Shares are successfully placed (assuming that there are no other changes in the issued share capital of the Company) and taking no account of any Shares which may be issued to the Vendors in connection with the Proposed Acquisition are set out below:–

	As at the date of this announcement		Immediately after the Placing	
	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>
Hui Tung Wah, Samuel an executive Director	355,000	0.19	355,000	0.12
Placees (<i>Note</i>)	–	–	100,000,000	35.26
Other public Shareholders	<u>183,284,152</u>	<u>99.81</u>	<u>183,284,152</u>	<u>64.62</u>
Total	<u><u>183,639,152</u></u>	<u><u>100</u></u>	<u><u>283,639,152</u></u>	<u><u>100</u></u>

The following table shows the effects of the Placing on the shareholding structure of the Company on the basis that all the 100,000,000 Placing Shares are successfully placed and taking into account the 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 in connection with the Proposed Acquisition but assuming that there are no other changes in the issued share capital of the Company:–

	As at the date of this announcement		Immediately after the Placing and the issue of the Consideration Shares but assuming no conversion rights attaching to the Convertible Bonds are exercised		Immediately after the Placing and the issue of the Consideration Shares and assuming the Convertible Bonds are exercised by the Vendors to the extent permitted under the Control Restriction	
	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>	<i>No. of Shares</i>	<i>Approximate percentage (%)</i>
Hui Tung Wah, Samuel an executive Director	355,000	0.19	355,000	0.10	355,000	0.088
Placees (Note)	–	–	100,000,000	29.10	100,000,000	24.680
The Vendors	–	–	60,000,000	17.46	121,559,636	29.999
Other public Shareholders	183,284,152	99.81	183,284,152	53.34	183,284,152	45.233
Total	<u>183,639,152</u>	<u>100</u>	<u>343,639,152</u>	<u>100</u>	<u>405,198,788</u>	<u>100</u>

Note: These Shares would be allotted and issued upon Placing Completion.

As at the date of this announcement,

- (a) 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; and
- (b) there are outstanding share options granted under the share option scheme of the Company entitling the holders to subscribe for 9,684,000 Shares.

Up to the date of this announcement, the Company has been informed by the Placing Agent that the Placing Agent has not yet commenced the placing of any Placing Shares. As such, the Placing may or may not result in an introduction of a substantial shareholder of the Company.

GENERAL

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

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in the Placing Shares successfully placed by the Placing Agent.

A circular containing further details of the Placing and a notice of SGM will be despatched to the Shareholders in compliance with the Listing Rules as soon as possible.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are deemed to have a material interest in the Placing and would therefore be required to abstain from voting at the SGM.

RESUMPTION OF TRADING

Trading in the Shares has been suspended from 2:30 p.m. on 11 October 2007 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 12 October 2007.

DEFINITIONS

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

“associate”	the meaning ascribed to it in the Listing Rules;
“Board” or “Directors”	the board of directors of the Company;
“Company”	Omnicorp Limited 兩儀控股有限公司*, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
“Consideration Shares”	60,000,000 new Shares to be issued and allotted by the Company to the Vendors as part of the consideration payable for the Proposed Acquisition;
“Control Restriction”	a restriction on the exercise of conversion rights attaching to the Convertible Bonds that no holder of the Convertible Bonds can exercise such conversion rights to such extent that such holder and parties acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers (the “ Takeovers Code ”)) with it will become obliged to make a mandatory offer under Rule 26 of the Takeovers Code;
“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 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 as part of the consideration payable for the Proposed Acquisition;
“connected person”	the meaning ascribed to it in the Listing Rules;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 January 2008 or such other date as may be agreed by the Company and the Placing Agent in writing;
“New Placing Agreement”	the placing agreement dated 11 October 2007 entered into between the Company and the Placing Agent in relation to the Placing which superseded the Previous Placing Agreement;
“Placee(s)”	any individual(s), institutional or other professional investor(s) (who and whose ultimate beneficial owner(s) will be independent of and not connected with the Company and its connected persons) procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the obligations of the Placing Agent under the New Placing Agreement;
“Placing”	the placing of the Placing Shares pursuant to the terms of the New Placing Agreement;
“Placing Agent”	Kingston Securities Limited, the placing agent under the New Placing Agreement and a licensed corporation for Type 1 (Dealing in Securities) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Completion”	completion of the Placing pursuant to the terms of the New Placing Agreement;
“Placing Price”	the lower of (i) HK\$3.00 and (ii) the Specified Percentage of the VWA Price for the five trading days immediately preceding the Price Determination Date per Placing Share;

“Placing Shares”	up to a maximum of 100,000,000 new Shares to be placed through the Placing Agent pursuant to the New Placing Agreement;
“Previous Placing Agreement”	the placing agreement dated 2 August 2007 made between the Company and the Placing Agent in relation to the placing of up to 70,000,000 Shares, as announced in the announcement of the Company dated 2 August 2007;
“Price Determination Date”	such date as may be jointly determined by the Company and the Placing Agent in writing, being the date by reference to which the Placing Price shall be determined in accordance with the terms of the New Placing Agreement, which shall not be later than 7 business days prior to the Long Stop Date;
“Proposed Acquisition”	the proposed acquisition of 60% of the issued share capital of Greenheart Resources Holdings Limited (“ Greenheart ”) by the Purchaser from the Vendors and the grant of the call option to acquire the remaining approximately 39.61% of the issued share capital of Greenheart by the Vendors to the Purchaser as disclosed in the announcement of the Company dated 24 August 2007 and the circular of the Company dated 3 October 2007;
“Purchaser”	Silver Mount Group Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company;
“SGM”	a special general meeting of the Company to be convened and held to approve, inter alia, the New Placing Agreement and the grant of the Special Mandate to the Directors;
“Shareholder(s)”	the holder(s) of the Shares;
“Share(s)”	the ordinary share(s) of the Company of HK\$0.01 each;
“Special Mandate”	the special mandate to be granted by the Shareholders to the Directors at the SGM to allot and issue up to a maximum of 100,000,000 Shares by way of placing at the Placing Price to not less than 6 placees who and whose ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons under the New Placing Agreement;
“Specified Percentage”	such percentage of not higher than 100% and not lower than 80% as may be agreed between the Company and the Placing Agent in writing;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	the meaning ascribed to it in the Listing Rules;
“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;
“VWA Price”	the order book volume-weighted average price of the Share appearing on or derived from the Daily Quotation Sheet published by the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 11 October 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*