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OMNICORP LIMITED

兩儀控股有限公司*

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

LETTER OF INTENT

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On 25 July 2007 after the trading hours of the Stock Exchange, the Company and the Purchaser, a wholly owned subsidiary of the Company, entered into the Letter of Intent with the Vendors in relation to a possible acquisition by the Purchaser from the Vendors of 70% of the issued share capital of Greenheart after the Capital Reorganization at a total consideration of HK\$546,000,000 to be satisfied as to HK\$27,000,000 in cash, as to HK\$231,000,000 by the issue of 77,000,000 new Shares by the Company and as to HK\$288,000,000 by the issue of Convertible Bonds in the total principal amount of HK\$288,000,000 by the Company. It is also intended that the Vendors will further grant the Call Option to the Purchaser to acquire the Option Interest. Save for the terms in relation to the Earnest Money and exclusivity, the major terms of the Letter of Intent are not legally binding.

The Greenheart Group is a natural forest concession owner and operator in Suriname, South America and currently owns approximately 146,000 hectares of natural tropical forest concessions in Suriname. Its principal business activities include log harvesting, lumber processing, marketing and sales of logs and lumber products.

Pursuant to the terms of the Letter of Intent, the Proposed Acquisition will be subject to, inter alia, the signing of the Formal Agreement, the completion of the due diligence review to be conducted by the Purchaser to its satisfaction in relation to the Proposed Acquisition and the approval by the Shareholders in relation to the transactions contemplated under the Formal Agreement. **Accordingly, the Proposed Acquisition may or may not proceed.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules. Further announcement will be made by the Company when the Formal Agreement is entered into by the parties to the Letter of Intent. The Proposed Acquisition, if materialized, may constitute a notifiable transaction under Chapter 14 of the Listing Rules and action will be taken to comply with the disclosure and approval requirements under the Listing Rules in respect thereof.

As the Proposed Acquisition may or may not proceed, Shareholders and investors of the Company should exercise caution when dealing in the Shares.

SUSPENSION 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 26 July 2007 pending the release of this announcement. Trading in the Shares on the Stock Exchange will continue to be suspended pending the release of another announcement on a possible conditional placing of the Shares by the Company which is under negotiation.

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On 25 July 2007 after the trading hours of the Stock Exchange, the Company and the Purchaser, a wholly owned subsidiary of the Company, entered into the Letter of Intent with the Vendors in relation to a possible acquisition by the Purchaser from the Vendors of 70% of the issued share capital of Greenheart after the Capital Reorganization at a total consideration of HK\$546,000,000 to be satisfied as to HK\$27,000,000 in cash, as to HK\$231,000,000 by the issue of 77,000,000 new Shares by the Company and as to HK\$288,000,000 by the issue of Convertible Bonds in the total principal amount of HK\$288,000,000 by the Company. It is also intended that the Vendors will further grant the Call Option to the Purchaser to acquire the Option Interest.

As at the date of this announcement, the issued share capital of Greenheart comprises two classes of shares, namely, the ordinary shares and Class B shares which rank pari passu with each other in terms of voting rights and rights to dividends and distribution. The Vendors are the beneficial owners of ordinary shares and/or Class B shares together representing approximately 99.61% of the entire issued share capital of Greenheart, while the remaining ordinary shares and Class B shares representing approximately 0.39% of the entire issued share capital of Greenheart are currently owned by Track Star, an indirect wholly owned subsidiary of the Company. It is a term of the Letter of Intent that the Vendors will procure the completion of the Capital Reorganization prior to Completion.

The following is a summary of the major terms of the Letter of Intent:

Date : 25 July 2007

Parties : the Purchaser
the Vendors
the Company

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors and (in respect of those Vendors which are body corporate) their ultimate beneficial owners are independent third parties of the Company who are not connected persons of the Company, and are not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Subject matter : (i) the Sale Shares, being 5,365,500,000 ordinary shares of no par value, representing 70% of the entire issued share capital of Greenheart after the Capital Reorganization; and
(ii) the Call Option, being a call option proposed to be granted by the Vendors to the Purchaser at no premium to acquire the Option Interest.

The Greenheart Group is a natural forest concession owner and operator in Suriname, South America and currently owns approximately 146,000 hectares of natural tropical forest concessions in Suriname. Its principal business activities include log harvesting, lumber processing, marketing and sales of logs and lumber products.

Consideration for the Sale Shares : The consideration for the Sale Shares will be HK\$546,000,000 (the "**Consideration**"), which will be satisfied as to HK\$27,000,000 in cash, as to HK\$231,000,000 by the issue of 77,000,000 new Shares by the Company (the "**Consideration Shares**") and as to HK\$288,000,000 by the issue of convertible bonds in the total principal amount of HK\$288,000,000 by the Company (the "**Convertible Bonds**").

Payment terms of the Consideration : The Consideration will be paid or settled as follows:
(a) a sum of HK\$15,000,000 being the Earnest Money (as defined hereinafter) will be treated as deposit of the Consideration paid by the Purchaser upon signing of the Formal Agreement;
(b) the balance of HK\$12,000,000 will be paid in cash upon Completion; and
(c) the Consideration Shares and the Convertible Bonds will be issued upon Completion.

Terms of the Convertible Bonds	Principal amount	: HK\$288,000,000.
	Maturity	: The second anniversary from the date of issue of the Convertible Bonds.
	Interest rate	: 4% per annum accrued on a day to day basis on the outstanding principal amount, payable on semi-annually in arrears.
	Form	: Registered form only.
	Transferability	: Freely transferable.
	Conversion	: Each holder of the Convertible Bonds will have the right to convert during the conversion period mentioned below only when (a) such holder and parties acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers (“ Takeovers Code ”)) with it will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code and (b) the public float of the Shares (as determined in accordance with the Listing Rules) will not fall below 25% when such holder exercises the conversion rights attaching to the Convertible Bonds.
	Conversion period	: Subject to the right of conversion above, each holder of the Convertible Bonds will have the right to convert, on any day commencing from 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, the whole or part (in an amount or integral multiple of HK\$300,000) of the principal amount of the Convertible Bonds into new Shares (the “ Conversion Shares ”) at the then prevailing conversion price, unless the outstanding balance of the principal amount of a Convertible Bond, at any time, is less than HK\$300,000, in which case the holder of the Convertible Bond will only have the right to convert the whole of the outstanding balance of the principal amount of the Convertible Bond.
	Initial Conversion	: During the conversion period, the Convertible Bonds are convertible into the Conversion Shares at an initial conversion price of HK\$3.00 per Conversion Share subject to adjustments from time to time pursuant to the terms of the Convertible Bonds, including: (i) share consolidation and share subdivision; (ii) capitalisation issue; (iii) capital distribution; (iv) rights issue; and (v) certain other issues convertible or exchangeable to new Shares or attaching the rights to subscribe for new Shares. Each adjustment to the conversion price has to be approved by the then auditors of the Company or a recognised merchant bank.
	Listing	: No application 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.

Voting : Holders of the Convertible Bonds will not be entitled to vote at any general meeting of the Company.

Security : The Convertible Bonds will be secured by a first charge over the Sale Shares. If the Company or any of its subsidiaries makes any advance to the Greenheart Group in future (the “**Relevant Advance**”), the Company will charge, or will procure the relevant subsidiary of the Company to charge, all right and interest of the Company or such subsidiary in the Relevant Advance as security for the Convertible Bonds.

Terms of the Call Option : Subject to and upon Completion, the Vendors will grant the Call Option to the Purchaser at no premium to acquire the Option Interest. The Call Option will be exercisable by the Purchaser at any time within a period of 18 months after Completion.

The consideration for the Option Interest will be HK\$230,958,000 (if the Call Option is exercised within 6 months after Completion) or HK\$254,053,800 (if the Call Option is exercised after the sixth month but before the first anniversary of Completion) or HK\$277,149,600 (if the Call 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\$3.00 per Share or convertible bonds to be issued by the Company with conversion price of HK\$3.00 per Share and other terms similar to those of the Convertible Bonds or any combination of the above as the Purchaser may elect.

Formal Agreement : The parties will proceed to negotiate and finalize the terms of the Formal Agreement with a view to entering into the Formal Agreement on or before 30 September 2007 or such other date as the parties may agree in writing (the “**Target Date**”).

Conditions of the Proposed Acquisition : The Proposed Acquisition will be conditional on, among others, the following:

- (a) the parties signing the Formal Agreement;
- (b) the completion of the Capital Reorganization;
- (c) the Purchaser being satisfied with the results of the due diligence review to be conducted in relation to the Proposed Acquisition;
- (d) the Purchaser being satisfied with a survey and valuation report by Pöyry Forestry Industry Limited, an independent international firm of forestry expert on the Greenheart Group’s forest and standing timber, with reference to the Vendors’ representation of a valuation of not less than HK\$1,560 million (US\$200 million);
- (e) the Purchaser being satisfied with legal opinions in relation to the Vendors and the Greenheart Group confirming, among others, the capacity and authority of the Vendors in entering into the Formal Agreement, the due execution by the Vendors and validity of the Formal Agreement, the title and rights of the Greenheart Group to the forest concessions;
- (f) the passing by the Shareholders of ordinary resolution(s) approving the transactions contemplated under the Formal Agreement, including the acquisition of the Sale Shares, the issue of the Consideration Shares, Convertible Bonds and Conversion Shares;
- (g) 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;
- (h) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares and the Conversion Shares;

- (i) all other necessary approvals or consents (if any) of the relevant governmental or regulatory authorities for the transactions contemplated in the Formal Agreement having been obtained; and
- (j) all the representations, undertakings, confirmation and warranties given by the Vendors under the Formal Agreement remaining true and accurate and are not misleading in any material respect.

Earnest Money : A refundable earnest money of HK\$15,000,000 (the “**Earnest Money**”) shall be paid by the Purchaser to the Vendors’ solicitors as stakeholder within 10 days after the date of the Letter of Intent, who shall hold the same in a separate interest bearing escrow account. If no Formal Agreement is entered into on or before the Target Date, the Earnest Money (together with all interest accrued thereon) shall be refunded to the Purchaser in full. Upon signing of the Formal Agreement, the Earnest Money (but not the interest accrued thereon, which shall belong to the Vendors) will be treated as deposit and part payment of the Consideration of the Purchaser under the Formal Agreement 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.

Exclusivity : The Vendors shall not for a period commencing from the date of the Letter of Intent to and including the Target Date participate in any discussions with or approach anyone other than the Purchaser relating to any investment in Greenheart or any other member of the Greenheart Group or the acquisition of shares, warrants, options or other rights to acquire shares in Greenheart or any other member of the Greenheart Group, its business or any of its major assets.

Save for the term in relation to the Earnest Money and exclusivity, the major terms of the Letter of Intent as set out above are not legally binding.

The number of Consideration Shares to be issued by the Company upon Completion represents approximately 41.93% of the existing issue share capital of the Company and approximately 29.54% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, whereas the number of Conversion Shares to be issued by the Company on the basis that the Convertible Bonds are fully exercised represents approximately 52.28% of the existing issue share capital of the Company and approximately 26.92% of the issued share capital of the Company as enlarged after the issue of the Consideration Shares and the Conversion Shares.

The issue price of HK\$3.00 per Consideration Share and the conversion price of HK\$3.00 per Conversion Share under the Convertible Bonds represent:

- (a) a discount of approximately 27% of the closing price of HK\$4.11 per Share as quoted on the Stock Exchange on 25 July 2007;
- (b) a discount of approximately 21.79% to the average closing price of HK\$3.836 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including 25 July 2007;
- (c) a discount of approximately 8.37% to the average closing price of HK\$3.274 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 25 July 2007; and
- (d) a premium of approximately 19.33% to the average closing price of HK\$2.514 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including 25 July 2007.

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 term of the Convertible Bonds that each holder of the Convertible Bonds will only have the right to convert only when such holder and parties acting in concert with it will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code, it is expected that the Proposed Acquisition will not result in a change in control of the Company.

GENERAL

Pursuant to the terms of the Letter of Intent, the Proposed Acquisition will be subject to, inter alia, the signing of the Formal Agreement, the completion of the due diligence review to be conducted by the Purchaser to its satisfaction in relation to the Proposed Acquisition and the approval by the Shareholders in relation to the transactions contemplated under the Formal Agreement. **Accordingly, the Proposed Acquisition may or may not proceed.**

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 if the Proposed Acquisition proceeds and materialized, the Group will expand into the business of log harvesting, lumber processing, marketing and sales of logs and lumber products.

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 believe that the business of the Greenheart Group will be instrumental for the Group to achieve full economic promises of natural forestry resources and its increasing market demand.

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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;
“Call Option”	a call option proposed to be granted by the Vendors to the Purchaser at no premium to acquire the Option Interest;
“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”	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;
“Completion”	completion of the Proposed Acquisition pursuant to the terms of the Formal Agreement;
“connected person”	the meaning ascribed to it in the Listing Rules;
“Formal Agreement”	a detailed sale and purchase agreement to be entered into between the Company, the Purchaser and the Vendors in relation to the Proposed Acquisition;
“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;
“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 Proposed Acquisition;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option Interest”	2,269,500,000 ordinary shares of no par value, representing the remaining approximately 29.61% of the issued share capital of Greenheart owned by the Vendors after the Capital Reorganization;
“Proposed Acquisition”	the proposed acquisition of the Sale Shares from and the grant of the Call Option by the Vendors;
“Purchaser”	Silver Mount Group Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company;
“Sale Shares”	5,365,500,000 ordinary shares of no par value, representing 70% of the issued share capital of Greenheart after the Capital Reorganization;
“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;
“substantial shareholder”	the meaning ascribed to it in the Listing Rules;
“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 (being a company incorporated in the British Virgin Islands with limited liability, the ultimate beneficial of which is Mr. Simon Murray), 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. (being a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of Sino-Forest Corporation (“ Sino Forest ”). Sino Forest is a company incorporated in Canada, the shares of which are listed on the Toronto Stock Exchange), 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; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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

Hong Kong, 27 July 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.