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OMNICORP LIMITED

兩儀控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

ANNOUNCEMENT

1. CONNECTED TRANSACTION – ISSUE OF SUBSCRIPTION SHARES TO A CONNECTED PERSON

2. ISSUE OF NEW CONVERTIBLE NOTES

AND

3. APPLICATION FOR WHITEWASH WAIVER

Share Subscription Agreement

The Company entered into the Share Subscription Agreement on 22 June 2010 with the Share Subscriber whereby the Company agreed to allot and issue and the Share Subscriber agreed to subscribe for a total of 230,000,000 Subscription Shares at the Subscription Price of HK\$1.82 per Share for a total consideration of HK\$418.6 million, representing approximately 72.83% of the existing issued share capital of the Company and approximately 42.14% of the entire issued share capital of the Company as enlarged by the Subscription Shares as at the date of this announcement. Completion is subject to the satisfaction or waiver (where applicable) of the conditions precedent to the Share Subscription Agreement.

The Share Subscriber is a wholly-owned subsidiary of Sino-Forest which is in turn a substantial shareholder of the Company. They together hold approximately 19.91% of the existing issued share capital of the Company and 89.59% of the Existing Convertible Bonds as at the date of this announcement. Assuming full conversion of the Existing Convertible Bonds, Sino-Forest and the Share Subscriber would own in aggregate approximately 40.06% of the issued share capital of the Company as at the date of this announcement. Therefore the Share Subscriber is a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Share Subscription constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5%, the Share Subscription is subject to the reporting, announcement as well as Independent Shareholders' approval requirements under the Listing Rules.

CN Subscription Agreement

The Company entered into the CN Subscription Agreement on 22 June 2010 with the CN Subscriber whereby the Company agreed to issue and the CN Subscriber agreed to subscribe for the New Convertible Notes with an aggregate principal amount of US\$25 million (equivalent to approximately HK\$195 million).

Pursuant to the terms of the CN Subscription Agreement, the CN Subscriber will be entitled to convert the whole or any part of the New Convertible Notes into Conversion Shares at the Conversion Price of HK\$2.002 (subject to adjustments) during the Conversion Period. Assuming the conversion rights attaching to all the New Convertible Notes are exercised in full at the initial Conversion Price, a maximum of 97,077,922 Conversion Shares will be allotted and issued, representing approximately 30.74% of the existing issued capital of the Company as at the date of this announcement and approximately 15.10% of the entire issued share capital of the Company as enlarged by the Subscription Shares and the Conversion Shares.

CN Completion is subject to completion of the issue of Subscription Shares pursuant to the Share Subscription Agreement and the satisfaction or waiver (where applicable) of the conditions precedent of the CN Subscription Agreement.

Application for the Whitewash Waiver

Assuming no further Shares will be issued by the Company prior to Completion, the interests held by the Share Subscriber and persons acting in concert with it (including Sino-Forest) will increase from 19.91% to 53.66% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares upon Completion.

Accordingly, the Share Subscriber and persons acting in concert with it would, unless a waiver from strict compliance with Rule 26.1 of the Code has been obtained from the Executive, be obliged to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Code as a result of Completion.

The Share Subscriber has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Code, the granting of which will be conditional upon, among other things, the approval of the Independent Shareholders taken by way of poll at the SGM.

SGM

Resolutions will be proposed to the Shareholders and, where applicable, to the Independent Shareholders only, at the SGM to approve, among other things, (a) the execution, delivery and performance of the Share Subscription Agreement and the CN Subscription Agreement; (b) the issue and allotment of the Subscription Shares; (c) the issue of the New Convertible Notes and the issue and allotment of the Conversion Shares upon conversion of the New Convertible Notes; and (d) the Whitewash Waiver.

The Share Subscriber and persons acting in concert with it and those Shareholders who are involved in, or interested in the Share Subscription and the Whitewash Waiver shall abstain from voting in respect of the Share Subscription and the Whitewash Waiver at the SGM.

A circular containing, among other things, detailed information about (i) the Share Subscription Agreement; (ii) the CN Subscription Agreement; (iii) the Whitewash Waiver; and (iv) the letter from the Independent Board Committee and the recommendation from the Independent Financial Adviser on the terms of the Share Subscription Agreement and the Whitewash Waiver, together with a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 13 July 2010 in accordance with the Code and the Listing Rules.

Warning: There is no assurance that any transaction mentioned in this announcement will materialize or eventually be consummated. Shareholders and prospective investors should be aware that the transactions mentioned in this announcement will only be made upon the fulfillment or waiver (where applicable) of the conditions precedent to the Completion and the CN Completion, respectively, and therefore such transactions may or may not be implemented. Shareholders and prospective investors are advised to exercise caution when dealing in the Shares. If they are in doubt about their position, they should consult their professional advisers.

INTRODUCTION

On 22 June 2010, the Company entered into: (i) the Share Subscription Agreement with the Share Subscriber, pursuant to which the Share Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to the Share Subscriber, an aggregate of 230,000,000 Subscription Shares at the Subscription Price of HK\$1.82 per Share for a total consideration of HK\$418.6 million; and (ii) the CN Subscription Agreement with the CN Subscriber, pursuant to which the Company agreed to issue, and the CN Subscriber agreed to subscribe for, the New Convertible Notes with an aggregate principal amount of US\$25 million (equivalent to approximately HK\$195 million).

Key terms of the Share Subscription Agreement and CN Subscription Agreement are summarized in this announcement.

THE SHARE SUBSCRIPTION AGREEMENT

Date: 22 June 2010

Issuer: The Company

Share Subscriber: Sino-Capital

Total Consideration: HK\$418.6 million

Subscription Shares: 230,000,000 Subscription Shares, representing approximately 72.83% of the existing issued share capital of the Company as at the date of this announcement and approximately 42.14% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Listing: An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. All necessary arrangement will be made for the Subscription Shares to be admitted into CCASS.

Subscription Price: HK\$1.82 per Subscription Share, which represents:

- (i) a premium of approximately 1.68% over the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on 21 June 2010, being the last trading day prior to the date of the Share Subscription Agreement;
- (ii) a premium of approximately 1.11% over the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Share Subscription Agreement;
- (iii) a discount of approximately 0.55% over the average closing price of HK\$1.83 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the Share Subscription Agreement; and
- (iv) a premium of approximately 143% over the Group's audited consolidated net asset value per Share as at 31 December 2009.

Ranking: The Subscription Shares, when issued, shall rank *pari passu* in all respects among themselves and with all existing Shares in issue on the date of issue and allotment of the Subscription Shares, including the right to receive all dividends, bonuses and distributions declared, made or paid by the Company on or after the date of the issue and allotment of the Subscription Shares.

Conditions precedent to the Completion

Completion is subject to the satisfaction of the following conditions precedent:

- (a) the passing of the necessary resolutions by the Independent Shareholders at the SGM approving, the Share Subscription Agreement, the Whitewash Waiver and the issue and allotment of the Subscription Shares to the Share Subscriber pursuant to the terms and conditions of the Share Subscription Agreement;
- (b) the Executive having granted the Whitewash Waiver;
- (c) the Stock Exchange having granted the listing of, and permission to deal in, all of the Subscription Shares (either unconditionally or subject to conditions) and such listing and permission not subsequently being revoked prior to the issue of the Subscription Shares; and
- (d) obtaining any other waivers, consents, authorizations and approvals which are required from the relevant governmental, statutory or regulatory authorities in Hong Kong and Bermuda to effect the execution, completion and performance of the obligations and other terms under the Share Subscription Agreement.

If any of the above conditions precedent cannot be fulfilled (or, in respect of condition precedent (c) only, is not otherwise waived by the Share Subscriber in accordance with the terms of the Share Subscription Agreement) by 30 September 2010 (or such later date as the Company and the Share Subscriber may agree in writing), the Share Subscription Agreement will terminate, lapse and become null and void, and the Company and the Share Subscriber will be released from all obligations thereunder, save for the liabilities of any antecedent breaches thereof.

Termination

If a Material Adverse Change occurs prior to Completion of the Share Subscription, the Share Subscriber may, without liability to the Company, elect not to complete the Share Subscription by giving notice in writing to the Company before 12:00 p.m. (Hong Kong time) on the date of Completion of the Share Subscription. Upon service of such notice, the Share Subscription Agreement shall terminate.

Completion

Completion is scheduled to take place on the third Business Day following the date on which all the conditions precedent as described above have been fulfilled or waived (in respect of condition precedent (c), as described above, only) in accordance with the Share Subscription Agreement (or such other date as the Company and the Share Subscriber may agree).

BASIS FOR DETERMINING THE SUBSCRIPTION PRICE

The Subscription Price was arrived at after arm's length negotiation between the Company and the Share Subscriber with reference to the prevailing market price, the recent trading volume of the Shares and the business prospects of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT

The principal activities of the Group comprise log harvesting, lumber processing, marketing and sales of logs and lumber products.

As disclosed in the Company's annual report of 2009, the Company has budgeted further capital investments, including but not limited to, further investment in logging and transportation equipment, together with the planned new sawmill and better infrastructure of the Group's camp site and other operating locations to meet the strong demand of its forestry and timber products. In addition to organic growth, the Group is also actively exploring investment opportunities with a vision to build the Group into a world leading hardwood supplier.

In view of the Company's existing capital structure, the Directors consider that the Share Subscription will enable the Company to strengthen its capital base and raise long term equity funds for further expansion and development of the Group's existing and new business activities and as general working capital.

Sino-Forest has been a long-term strategic shareholder in the Company. The interests held by the Share Subscriber and persons acting in concert with it (including Sino-Forest), will increase further to 53.66% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares upon Completion. The Share Subscriber also holds 39.61% of the issued share capital of Greenheart Resources Holdings Limited, an operating arm of the Company, holding and operating approximately 178,000 hectares of forest concessions in Suriname. The Directors consider that the increased shareholding by Sino-Capital in the Company will strengthen the relationship between the Company and Sino-Forest, accelerate the Company's expansion plan in tropical hardwood business, enable the company to leverage Sino-Forest's international distribution channels, experienced financial and operating management, research and development knowledge and its two decades of successful and sustainable harvesting expertise to accelerate the Company's development. Moreover, the Share Subscription will also reflect the long-term commitment and support of Sino-Forest to the Company.

The Directors (excluding the independent non-executive Directors whose views will be disclosed in the circular to be dispatched to Shareholders) of the Company are of the view that the terms of the Share Subscription Agreement are normal commercial terms following arm's length negotiation between the Company and the Share Subscriber and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Share Subscriber is a wholly-owned subsidiary of Sino-Forest which is in turn a substantial shareholder of the Company. They together hold approximately 19.91% of the existing issued share capital of the Company and 89.59% of the Existing Convertible Bonds as at the date of this announcement. Assuming full conversion of the Existing Convertible Bonds, Sino-Forest and the Share Subscriber would own in aggregate approximately 40.06% of the issued share capital of the Company as at the date of this announcement. Therefore the Share Subscriber is a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Share Subscription constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5%, the Share Subscription is subject to the reporting, announcement as well as Independent Shareholders' approval requirements under the Listing Rules.

APPLICATION FOR THE WHITEWASH WAIVER

As at the date of this announcement, the Share Subscriber and persons acting in concert with it (including Sino-Forest) hold an aggregate of 62,860,000 Shares, representing approximately 19.91% of the entire issued share capital of the Company. Assuming no further Shares will be issued by the Company prior to Completion, the interests held by the Share Subscriber and persons acting in concert with it (including Sino-Forest) will increase from approximately 19.91% to 53.66% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares upon Completion.

Accordingly, the Share Subscriber and persons acting in concert with it would, unless a waiver from strict compliance with Rule 26.1 of the Code has been obtained from the Executive, be obliged to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Code as a result of Completion.

The Share Subscriber has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Code, the granting of which will be conditional upon, among other things, the approval of the Independent Shareholders taken by way of poll at the SGM.

Save as disclosed in the section headed “Shareholding Structure of the Company” below, neither the Share Subscriber nor any person acting in concert with it owns, controls or directs any Shares, convertible securities, warrants or options as at the date of this announcement, and there is no outstanding derivative in respect of securities in the Company which has been entered into by the Share Subscriber or any person acting in concert with it as at the date of this announcement.

Save for the entering into of the Share Subscription Agreement by the Share Subscriber, neither the Share Subscriber nor any person acting in concert with it (including Sino-Forest) has entered into any dealings in the securities of the Company in the six month period prior to and including the date of this announcement.

Save for the transactions contemplated under the Share Subscription Agreement, as at the date of this announcement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Share Subscriber which might be material to the Share Subscription or the Whitewash Waiver.

As at the date of this announcement, neither the Share Subscriber nor any person acting in concert with it has received any irrevocable commitment to vote in favour of the Share Subscription Agreement and/or the Whitewash Waiver at the SGM.

As at the date of this announcement, save for the Share Subscription Agreement, there is no agreement or arrangement to which the Share Subscriber is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Subscription.

As at the date of this announcement, neither the Share Subscriber nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Code) of the Company.

THE CN SUBSCRIPTION AGREEMENT AND PRINCIPAL TERMS OF THE NEW CONVERTIBLE NOTES

Date:	22 June 2010
Issuer:	The Company
CN Subscriber:	Greater Sino Holdings Limited
Total Principal Amount:	US\$25 million
Total Consideration:	US\$24.75 million
Issue price:	US\$99,000 per New Convertible Note

Form of New Convertible Notes and denomination:	The New Convertible Notes will be in registered form and in denomination of US\$100,000 each and integral multiples thereof.
Status:	The New Convertible Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the New Convertible Notes shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and subject to applicable terms and conditions of the New Convertible Notes, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Interest:	5% per annum payable semi-annually in arrear
Maturity Date:	5 years from the CN Completion Date
Conversion Rights:	<p>The holders of the New Convertible Notes will have the right to convert the principal amount of the New Convertible Notes in minimum amounts of US\$100,000 into Conversion Shares at the then applicable Conversion Price at any time during the Conversion Period.</p> <p>However, no conversion will take place if, among other things, and to the extent that, immediately following the conversion, the Company will be unable to meet the public float requirement under the Listing Rules.</p>
Conversion Shares:	Assuming the conversion rights attaching to all New Convertible Notes are exercised in full at the Conversion Price of HK\$2.002 per Conversion Share, a maximum of 97,077,922 Conversion Shares will be allotted and issued, representing approximately 30.74% of the entire issued share capital of the Company as at the date of this announcement and approximately 15.10% of the entire issued share capital of the Company as enlarged by the Subscription Shares and the Conversion Shares.

Conversion Price:

HK\$2.002 per Conversion Share, subject to adjustments for the anti-dilution provisions mentioned below. The terms and conditions of the New Convertible Notes contain provisions concerning adjustment to the Conversion Price in respect of events which have a diluting effect on the issued share capital of the Company above specified thresholds. These anti-dilution events include consolidation, reclassification or sub-division of Shares, capitalisation of profits or reserves, capital distribution, rights issue of shares or warrants or options over shares, issue of exchangeable or convertible securities, issue wholly for cash of any Shares, modification of rights attached to convertible or exchangeable securities, offers to shareholders for acquisition of shares.

The Conversion Price represents:

- i. a premium of approximately 11.84% over the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on 21 June 2010, being the last trading day prior to the date of the CN Subscription Agreement;
- ii. a premium of approximately 11.22% over the average closing price of HK\$1.80 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the CN Subscription Agreement;
- iii. a premium of approximately 9.40% over the average closing price of HK\$1.83 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the CN Subscription Agreement; and
- iv. a premium of approximately 166.93% over the Group's audited consolidated net asset value per Share as at 31 December 2009.

Conversion Period:

Commencing 6 months following the CN Completion Date and up to the Maturity Date (both days inclusive).

Redemption at Maturity: Unless previously converted, or redeemed and cancelled, the Company shall repay the then outstanding New Convertible Notes in full on the Maturity Date at the redemption amount equal to (a) the principal amount and (b) a further sum that will result in a compounded return of 10 per cent. per annum accrued from the CN Completion Date up to but not including the Maturity Date on the principal amount, inclusive of any interest received.

Redemption at the option of the Noteholders: Each noteholder may at its option require the Company to redeem all or some of the New Convertible Notes held by it on each of the dates falling on the third (3rd) anniversary and on the fourth (4th) anniversary of the CN Completion Date (each such date, a “Optional Redemption Date”), at the redemption amount equal to (a) the principal amount and (b) a further sum that will result in a compounded return of 10 per cent. per annum accrued from the CN Completion Date up to but not including the Optional Redemption Date on its principal amount, inclusive of any interest received, by giving not more than 90 days and not less than 60 days notice to the Company prior to the relevant Optional Redemption Date.

Redemption upon a Change of Control: Each noteholder may at its option require the Company to redeem in whole or in part the New Convertible Notes held by it if:

- i. Sino-Forest and its subsidiaries as a group disposes, directly or indirectly, any beneficial interest in shareholding in the Company to the effect that such group ceases to be the single largest Shareholder which owns more than 30% of the then issued share capital of the Company for more than a consecutive of 30 days; or
- ii. the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in any person or persons, acting together acquiring control over the Company or the successor entity.

The redemption amount for each New Convertible Note will be the higher of:

- (a) the aggregate amount of (a) the principal amount and (b) a further sum that will result in a compounded return of 10 per cent. per annum accrued from the CN Completion Date up to but not including the date falling on the third (3rd) anniversary of such date on the principal amount, inclusive of any Interest received; and
- (b) the aggregate amount of (a) the principal amount and (b) a further sum that will result in a compounded return of 10 per cent. per annum accrued from the CN Completion Date up to but not including the date of redemption on its principal amount, inclusive of any interest received.

**Mandatory Conversion
at the option of
the Company:**

On or at any time prior to the Maturity Date, the Company may mandatorily convert the New Conversion Notes in part (subject to a minimum mandatory conversion amount of US\$1,000,000 in principal amount of New Conversion Notes and integral multiples thereof per conversion, up to an aggregate US\$12,500,000 in principal amount of New Conversion Notes) into Shares at the prevailing Conversion Price, provided that no such conversion may be made unless (i) both the volume weighted average price of the Shares traded on the Stock Exchange for the 60 Trading Days preceding the date of such notice and the seven Trading Days preceding the date of such notice are more than (2) times the amount of the Conversion Price then in effect and (ii) the monthly average volume of the Shares traded on the Stock Exchange over the two months prior to the date of such notice exceeds the number of Shares to be issued on such conversion of such New Convertible Notes the subject of the notice at the Conversion Price then in effect. Once the Company has exercised a mandatory conversion, the Company shall not be entitled to exercise the mandatory conversion right again until three (3) months after the Conversion Date of the last mandatory conversion.

Transferability:

Other than during closed periods and subject to applicable laws and regulations, the noteholders are entitled to transfer the New Convertible Notes in whole multiples of US\$100,000 to a subsidiary of the CN Subscriber, the holding company of the CN Subscriber as at the date of the CN Subscription Agreement, a subsidiary of such holding company or a subsidiary of such subsidiary.

The CN Subscriber has undertaken in the CN Subscription Agreement that, subject to CN Completion, it shall not, directly or indirectly, assign or transfer, in whole or in part, the New Convertible Notes to any third parties without the prior written consent of the Company, except it shall be permitted to assign or transfer any of the New Convertible Notes to any of its subsidiaries, its holding company as at the date of the CN Subsidiary Agreement or subsidiaries of its holding company or any subsidiary of such subsidiaries.

Voting:

Holders of the New Convertible Notes will not be entitled to attend or vote at any meetings of the Company by reason only of its being a noteholder.

Listing:

No application will be made for the listing of the New Convertible Notes. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon conversion of the New Convertible Notes.

Ranking:

The Conversion Shares will be fully paid and will rank pari passu in all respects among themselves and the fully-paid Shares in issue at the date on which the holder(s) of the Conversion Shares is/are registered as such in the Company's register of members.

General Covenants:

So long as any New Convertible Note remains outstanding:

- (i) the Company shall not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its assets or revenues, to secure any indebtedness or to secure any guarantee or indemnity in respect of any indebtedness, unless (i) its consolidated total debt does not exceed 1.0 times of its consolidated tangible net worth, as determined by reference to the latest consolidated financial statements of the Company published from time to time in respect of each relevant period, or (ii) with prior written approval of the noteholders;
- (ii) the Company shall ensure that its consolidated total debt shall not at any time exceed 1.2 times of its consolidated tangible net worth, as determined by reference to the latest consolidated financial statements of the Company published from time to time in respect of each relevant period;
- (iii) the Company shall not sell, transfer or dispose, whether through one or more transactions within one financial year, all or any substantial assets of the Group which accounts for more than 33.33% of the total value of the assets of the Group as shown in the latest published consolidated financial statements of the Group;
- (iv) the Company shall not authorise, declare or pay any capital distribution if in the case of a relevant cash dividend or a distribution in specie, it, when taken together with the aggregate of the fair market value of any other dividend or distribution previously made or paid in the either current or immediate prior financial year, exceeds 15 per cent. of the Company's consolidated net profit for the relevant financial year in relation to which the cash dividend or distribution is made; and

- (v) the Company shall continue to engage in forestry, plantation, timber, wood products and related business.

Conditions precedent to the CN Completion

CN Completion is subject to completion of the issue of Subscription Shares pursuant to the Share Subscription Agreement and the satisfaction of the following conditions precedent:

- (a) the passing of the necessary resolutions by the Shareholders at the SGM approving, among others, the CN Subscription Agreement, the issue and allotment of the New Convertible Notes to the CN Subscriber pursuant to the terms and conditions of the CN Subscription Agreement and the issue and allotment of Conversion Shares upon conversion of the New Convertible Notes;
- (b) none of the Company's warranties in the CN Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (c) no written notice having been received by the Company on or before the earlier of the date the resolutions referred to in (a) are passed and the date of which issue of the Subscription Shares pursuant to the Share Subscription Agreement is completed, from the CN Subscriber stating that they are not satisfied (together with reasonable particulars of such dissatisfaction) with the results of their due diligence review of the affairs of the Company;
- (d) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and save for any temporary suspension of not more than ten consecutive trading days or any suspension pending clearance of any announcement in connection with any announcement required to be made under the Listing Rules (in each case, excluding any suspension in the trading of the Shares on the Stock Exchange pending the clearance or release of any announcement or circular relating to the transactions contemplated under the CN Subscription Agreement), the Stock Exchange and the Executive not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange or the Executive could reasonably be expected to raise such objection or that will adversely affect the listing status of the Shares;
- (e) the approval from the board of directors of the CN Subscriber in relation to the transactions contemplated under the CN Subscription Agreement;
- (f) listing of and permission to deal in all of the Conversion Shares upon conversion of the New Conversion Notes having been granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions);

- (g) if required, the Bermuda Monetary Authority granting its consent to the issue of the New Conversion Notes and the Conversion Shares upon conversion of the New Conversion Notes;
- (h) on or before the CN Completion Date, there having been delivered to the CN Subscriber a legal opinion, in form and substance satisfactory to the CN Subscriber, dated the CN Completion Date, of the Company's Bermudian counsel addressed to the CN Subscriber as to the Bermudian law on the capacity of the Company entering into the CN Subscription Agreement and the performance of its rights and obligations under the CN Subscription Agreement and the transactions contemplated thereunder and other matters customary for transactions of such nature; and
- (i) any other waivers, consents, authorizations, clearances and approvals which are required from the relevant courts, governmental or regulatory authorities in Hong Kong and Bermuda, and any confirmations, declarations and certificates of any kind, for the CN Subscription Agreement and the transactions contemplated therein having been granted, fulfilled or given (as applicable).

If any of the above conditions precedent cannot be fulfilled (or is not otherwise waived by the CN Subscriber in accordance with the terms of the CN Subscription Agreement) by 15 October 2010 (or such later date as the Company and the CN Subscriber may agree in writing), the CN Subscription Agreement will lapse and become null and void, and the Company and the CN Subscriber will be released from all obligations thereunder, save for the liabilities of any antecedent breaches thereof.

Termination

If a CN Material Adverse Change occurs prior to the CN Completion, the CN Subscriber may, without liability to the Company, elect not to proceed to the CN Completion by giving notice in writing to the Company at any time prior to 5.00 p.m. (Hong Kong time) on the date of CN Completion. Upon service of such notice, the CN Subscription Agreement shall terminate.

CN Completion

CN Completion is scheduled to take place on the fourteenth (14th) day (being a Business Day) following the date on which all the conditions precedent (except for matters referred to in paragraph (b) above and the delivery of the opinion referred to in paragraph (h) above) as described above have been fulfilled or waived in accordance with the CN Subscription Agreement (or such other date as the Company and the CN Subscriber may agree).

Nomination of Director

Subject to CN Completion having taken place, the Company shall use its best endeavours to procure that one person nominated by the CN Subscriber shall be appointed as a Director with effect from such earliest date as permitted under the Code and the Listing Rules, provided that the Board considers that the nominated person is suitable to be a Director. The initial person to be nominated by the CN Subscriber is Mr. Simon Murray. As the date of this announcement, Simon Murray is a director of GEMS and is an independent non-executive director of Sino-Forest.

BASIS FOR DETERMINING THE CONVERSION PRICE

The initial Conversion Price of HK\$2.002 was arrived at after arm's length negotiation between the Company and the CN Subscriber with reference to the prevailing market price, the recent trading volume of the Shares and the business prospects of the Group. The Board considers that the initial Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CN SUBSCRIPTION AGREEMENT

Taking into account the recent market conditions and the nature of the Group's forestry and timber business, the Directors consider that the terms of the CN Subscription Agreement (including the annual interest rate at 5%, the redemption period of up to 5 years, the Conversion Price and other terms and conditions of the New Convertible Notes) represent a good opportunity for the Company to obtain further funding so as to accelerate its expansion plan. In addition, as the issuance of the New Convertible Notes will not have an immediate diluting effect of the shareholding of the existing Shareholders, the Directors consider that it is an appropriate means of raising additional capital of the Company under the prevailing market conditions.

USE OF PROCEEDS FROM THE ISSUE OF SUBSCRIPTION SHARES AND NEW CONVERTIBLE NOTES

The aggregate net proceeds from the issue of Subscription Shares and New Convertible Notes, after deduction of all related expenses, will be approximately HK\$609 million. The Company intends to apply these net proceeds for the following purposes:

1. approximately HK\$215 million to enhance the Company's existing forestry and timber business in Suriname, which includes but is not limited to:
 - a. approximately HK\$95 million to acquire further logging and transportation equipments;
 - b. approximately HK\$110 million for the construction of a new sawmill to process logs into lumber; and

- c. approximately HK\$10 million to enhance the existing infrastructure and acquire lands to enhance the logistic and storage capacity; and
2. approximately HK\$394 million for investment and general working capital purposes. The Company has not determined the percentage of proceeds to be used as general working capital and for investment purposes.

As at the date of this announcement, the Existing Convertible Bonds with an aggregate principal amount of HK\$237,000,000 remained outstanding. The maturity date of the Existing Convertible Bonds is 8 November 2010. The Company is now in negotiation with the Share Subscriber and Sino-Forest, which together hold approximately 89.59% of the Existing Convertible Bonds, to extend the maturity date from 8 November 2010 to a date not earlier than 9 November 2011 (the “**Proposed Extension**”). Although the Company, the Share Subscriber and Sino-Forest are negotiating in good faith for a binding agreement with respect to the extension of the maturity date of the Existing Convertible Bonds, the Proposed Extension is not yet binding. It is expected that any such extension may constitute a connected transaction and approval from the independent shareholders of the Company would be required. There can be no assurance that the Company will be able to agree on the terms for the Proposed Extension and that it can obtain approvals from all relevant parties. The Company will issue a further announcement in relation to the Proposed Extension as and when necessary so as to comply with the relevant requirements of the Listing Rules. If the maturity date of the Existing Convertible Bonds cannot be extended as intended, and the Existing Convertible Bonds are not otherwise converted in accordance with their terms, a portion of the net proceeds which are originally intended to be used for investment and general working capital purpose will be used to repay the Existing Convertible Bonds upon their maturity.

INTENTIONS REGARDING THE COMPANY

The current business carried on by the Company is investment holding and the principal activities of its subsidiaries comprise log harvesting, lumber processing, marketing and sales of logs and lumber products. It is the intention of the Company, Sino-Forest and the Share Subscriber that the Company will continue to carry on this business following Completion. The strengthening of the existing relationship by entering into the Share Subscription Agreement demonstrates both the Company’s and Sino-Forest’s commitment to improving the Company’s capital structure and to delivering shareholder value through greater synergies in operations, management, financial standing and sustainable development.

As disclosed in the Company's announcement dated 8 May 2010, Silver Mount Group Limited, a wholly-owned subsidiary of the Company did not exercise its option to acquire 35.10% of the share capital of Greenheart and as further disclosed in the Company's announcement dated 1 June 2010, the Share Subscriber completed the acquisition of such shares in Greenheart. Accordingly, as at the date of this announcement, the ownership of Greenheart is 39.61% held by the Share Subscriber and the remaining 60.39% is held by Silver Mount Group Limited. The Share Subscriber and the Company may explore the possibility of transferring the 39.61% shares of Greenheart to the Company in the future, subject to the development, business plans and financial resources of the Company as well as the satisfaction of the applicable requirements under the Listing Rules, including the obtaining of any necessary Shareholder approvals related thereto, but no agreement has been entered into for this purpose as at the date of this announcement.

PROPOSED APPOINTMENT OF DIRECTORS

Subject to Completion having taken place, the Company proposes to appoint Mr. Allen Chan as chairman and as a non-executive director of the Company and Mr. Judson Martin as president, chief executive officer and director of the Company with effect from such earliest date as permitted under the Code and the Listing Rules with the view to increasing the expertise of the Board and strengthening the corporate governance of the Company.

Mr. Chan is the chairman and chief executive officer of Sino-Forest. Mr. Chan has been a director of Sino-Forest since 1994 and co-founded Sino-Forest in 1992. Mr. Martin is a non-executive director of Sino-Forest and has been a director of Sino-Forest since 2006.

As disclosed in the section headed "The CN Subscription Agreement and Principal Terms of the New Convertible Notes – Nomination of Director" above, subject to CN Completion having taken place, the Company shall use its best endeavours to procure that one person nominated by the CN Subscriber shall be appointed as a Director with effect from such earliest date as permitted under the Code and the Listing Rules, provided that the Board considers that the nominated person is suitable to be a Director. The initial person to be nominated by the CN Subscriber is Mr. Simon Murray. As at the date of this announcement, Simon Murray is a director of GEMS and is an independent non-executive director of Sino-Forest.

INFORMATION ABOUT THE SHARE SUBSCRIBER, SINO-FOREST AND THE CN SUBSCRIBER

Share Subscriber

Sino-Capital is a wholly-owned subsidiary of Sino-Forest. Sino-Capital is incorporated in the British Virgin Islands and its principal business is investment holding. The investment assets held by Sino-Capital include Shares and Existing Convertible Bonds of the Company, and shares of Greenheart Resources Holdings Limited.

Sino-Forest

Sino-Forest is a company listed in the Toronto stock exchange under the symbol TRE since 1995 with approximately US\$4 billion market capitalization as at the date of this announcement. Sino-Forest is a widely held publicly traded company and there is no person who either individually or when taken together with persons acting in concert exercise control (as defined in the Code) over the voting rights of Sino-Forest. Sino-Forest is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of forest plantation trees and sales of standing timber, wood logs, and complementary manufacturing of downstream engineered wood products. Sino-Forest operates in ten key provinces in China, with over 2,500 full-time employees. Its principal businesses include the ownership and management of tree plantations, the sale of standing timber and wood logs, and the complementary manufacturing of downstream engineered-wood products. As at 31 March 2010, Sino-Forest has approximately 694,100 hectares of forestry plantation located in China with access to an additional 800,000 hectare of wood fibre under long-term fibre purchase agreements. Sino-Forest is a pioneer in the plantation industry and has an established track record of 15 years of growth and profitability. For the year ended 31 December 2009, Sino-Forest recorded a turnover of approximately US\$1.2 billion and net profit of approximately US\$286.4 million.

Greater Sino Holdings Limited

CN Subscriber is a special purpose vehicle for a private equity fund targeting investments across a diversified portfolio of natural resources companies or assets (including forestry) with exposure to broad Asian growth. The fund manager of CN Subscriber, ARF Investment Management Limited, is a wholly-owned subsidiary of GEMS which is a private equity fund management group that manages over US\$600 million across its funds that in turn make direct investments in the Asia Pacific region.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the CN Subscriber is not a person acting in concert with the Share Subscriber or Sino-Forest and is independent of and is not a connected person of the Company.

INFORMATION ABOUT THE COMPANY

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company comprise log harvesting, lumber processing, marketing and sales of logs and lumber products.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activity in the past 12 months immediately before the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no new Shares other than the Subscription Shares will be issued before the Completion and CN Completion, the table below sets out the shareholding structure of the Company as at the date of this announcement and the maximum diluting effect (i) upon completion of the Share Subscription Agreement and CN Subscription Agreement; (ii) upon completion of the Share Subscription Agreement and CN Subscription Agreement and full conversion of the Existing Convertible Bonds into Shares assuming none of the New Convertible Notes or Share Options are converted or exercised; (iii) upon completion of the Share Subscription Agreement and CN Subscription Agreement and full conversion of the New Convertible Notes and the Existing Convertible Bonds assuming none of the Share Options are exercised; and (iv) upon completion of the Share Subscription Agreement and CN Subscription Agreement and full conversion of the New Convertible Notes and the Existing Convertible Bonds and full exercise of all Share Options.

Name	Shareholding as at the date of this announcement		Shareholding upon completion of the Share Subscription Agreement and the CN Subscription Agreement		Shareholding upon completion of the Share Subscription Agreement and the CN Subscription Agreement and full conversion of the Existing Convertible Bonds (Note 1) (none of the New Convertible Notes or Share Options are converted or exercised)		Shareholding upon completion of the Share Subscription Agreement and the CN Subscription Agreement and full conversion of the New Convertible Notes and Existing Convertible Bonds (none of the Share Options are exercised)		Shareholding upon completion of the Share Subscription Agreement and the CN Subscription Agreement and full conversion of the New Convertible Notes and Existing Convertible Bonds and full exercise of all Share Options	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Sino-Capital	7,860,000	2.49	237,860,000	43.58	260,208,500	39.17	260,208,500	34.18	260,208,500	32.77
Sino-Forest	55,000,000	17.42	55,000,000	10.08	138,815,650	20.90	138,815,650	18.23	138,815,650	17.48
Sino-Capital together with persons acting in concert with it (including Sino-Forest) (Note 2)	62,860,000	19.91	292,860,000	53.66	399,024,150	60.07	399,024,150	52.41	399,024,150	50.25
The CN Subscriber	-	-	-	-	-	-	97,077,922	12.75	97,077,922	12.23
GEMS	7,000,000	2.20	7,000,000	1.28	7,000,000	1.05	7,000,000	0.92	7,000,000	0.88
Existing Convertible Bonds holders (other than Sino-Capital and persons acting in concert with it)	6,246,000	2.00	6,246,000	1.14	18,581,850	2.80	18,581,850	2.44	18,581,850	2.34
Share Options holders (Note 3)	-	-	-	-	-	-	-	-	32,680,000	4.11
Other public Shareholders	239,683,152	75.90	239,683,152	43.92	239,683,152	36.08	239,683,152	31.48	239,683,152	30.19
Total (Note 4)	315,789,152	100.00	545,789,152	100.00	664,289,152	100.00	761,367,074	100.00	794,047,074	100.00

Notes:

- As at the date of this announcement, the conversion rate of the Existing Convertible Bonds is HK\$2.00 per Share.
- As at the date of this announcement Sino-Capital and Sino-Forest hold the Existing Convertible Bonds in the principal amount of HK\$44,697,000 and HK\$167,631,300 respectively.

3. As at the date of this announcement, there are outstanding Share Options under the Share Option Scheme entitling the holders to subscribe for 32,680,000 Shares at the respective prices of HK\$0.46, HK\$1.36, HK\$1.65 and HK\$1.744.
4. Please note that the percentages may not add up to 100% due to rounding.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all non-executive Directors will be set up to advise the Independent Shareholders regarding the Share Subscription and the Whitewash Waiver. An Independent Financial Adviser will be appointed by the Independent Board Committee as soon as possible to advise the Independent Board Committee and the Independent Shareholders in this regard. Further announcement will be made upon appointment of the Independent Financial Adviser.

SGM

Resolutions will be proposed to the Shareholders and, where applicable, to the Independent Shareholders only at the SGM to approve, among other things, (a) the execution, delivery and performance of the Share Subscription Agreement and the CN Subscription Agreement; (b) the issue and allotment of the Subscription Shares; (c) the issue of the New Convertible Notes and the issue and allotment of the Conversion Shares upon conversion of the New Convertible Notes; and (d) the Whitewash Waiver.

The Share Subscriber and persons acting in concert with it (including Sino-Forest) and those Shareholders who are involved in, or interested in the Share Subscription and the Whitewash Waiver shall abstain from voting in respect of the Share Subscription and the Whitewash Waiver at the SGM. As the CN Completion is subject to the completion of the issue of the Subscription Shares, the CN Subscriber (if it holds any Shares) is considered to be interested in the Share Subscription and the Whitewash Waiver and will not form part of the Independent Shareholders for this purpose. Due to the relationship between the CN Subscriber and GEMS (as set out in the section headed “Information About the Share Subscriber, Sino-Forest and the CN Subscriber – Greater Sino Holdings Limited” above), GEMS will also not form part of the Independent Shareholders for this purpose. Both the CN subscriber (if it holds any Shares) and GEMS shall abstain from voting in respect of the Share Subscription and the Whitewash Waiver at the SGM.

A circular containing, among other things, detailed information about: (i) the Share Subscription Agreement; (ii) the CN Subscription Agreement; (iii) the Whitewash Waiver; (iv) the letter from the Independent Board Committee and the recommendation from the Independent Financial Adviser on the terms of the Share Subscription Agreement and the Whitewash Waiver, together with a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 13 July 2010 in accordance with the Code and the Listing Rules.

Warning: There is no assurance that any transaction mentioned in this announcement will materialize or eventually be consummated. Shareholders and prospective investors should be aware that the transactions mentioned in this announcement will only be made upon the fulfillment or waiver (where applicable) of the conditions precedent to the Completion and the CN Completion, respectively, and therefore such transactions may or may not be implemented. Shareholders and prospective investors are advised to exercise caution when dealing in the Shares. If they are in doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Code
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CN Completion”	completion of the issue of the New Convertible Notes
“CN Completion Date”	the fourteenth day (being a Business Day) following the date on which all the conditions precedent to the CN Completion (including the completion of the issue of Subscription Shares pursuant to the Share Subscription Agreement but excluding the condition precedent relating to the accuracy of the Company’s warranties and the delivery of the opinion of the Company’s Bermudian counsel addressed to the CN Subscriber as to the Bermudian law) are fulfilled (or such other date as may be agreed in writing between the Company and the CN Subscriber)

“CN Material Adverse Change”	an event, circumstance, effect, occurrence or state of affairs or any combination thereof occurring which is, or is reasonably likely to be, materially adverse to the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group taken as a whole, excluding, in any such case, any event, circumstance, effect, occurrence or state of affairs of any combination thereof resulting from the matters which have been fairly disclosed by or on behalf of the Company to, and are in the knowledge of, Mr. David Van Oppen, Mr. Kenyon Lee and Mr. Jannal Lee on behalf of the CN Subscriber and provided further that such disclosure is in sufficient detail to enable the CN Subscriber to reasonably assess the impact of such matters on the Company and the Group
“CN Subscriber” or “Greater Sino Holdings Limited”	Greater Sino Holdings Limited, a company incorporated in the British Virgin Islands
“CN Subscription Agreement”	the subscription agreement dated 22 June 2010 entered into between the Company and the CN Subscriber in relation to the subscription of the New Convertible Notes
“CCASS”	Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
“Code”	the Hong Kong Code on Takeovers and Mergers
“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 of Hong Kong Limited
“Completion”	the completion of the issue of Subscription Shares pursuant to the Share Subscription Agreement
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Conversion Period”	commencing 6 months following the CN Completion Date and expiring on the Maturity Date
“Conversion Price”	HK\$2.002 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the New Convertible Notes

“Conversion Shares”	the Shares to be issued upon conversion of the New Convertible Notes
“Director(s)”	director(s) of the Company
“Event(s) of Default”	the event of defaults specified in the CN Subscription Agreement which entitle the CN Subscriber to demand immediate repayment of the New Convertible Notes
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Existing Convertible Bonds”	the outstanding 4% convertible bonds issued by the Company on 8 November 2007 and currently held by Sino-Forest, the Share Subscriber, Always Bright Limited and Broad Joy Holdings Limited (as supplemented by supplemental deed polls dated 7 May 2009 and 9 November 2009, respectively) in the principal amount of HK\$237,000,000
“GEMS”	General Enterprise Management Services (International) Limited
“Greenheart”	Greenheart Resources Holdings Limited, a company incorporated under the laws of the British Virgin Islands
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Board to be formed to make recommendation to the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver
“Independent Shareholders”	Shareholders, other than (i) the Share Subscriber and persons acting in concert with it (including Sino-Forest) and (ii) those Shareholders who are involved in, or interested in, the Share Subscription and the Whitewash Waiver (including the CN Subscriber and GEMS (which holds 7,000,000 Shares as at the date of this announcement))

“Independent Financial Adviser”	independent financial adviser to be appointed after the approval by the Independent Board Committee to advise the Independent Shareholders on the terms of the Share Subscription Agreement and the Whitewash Waiver
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Material Adverse Change”	an event, circumstance, effect, occurrence or state of affairs or any combination thereof is occurring prior to Completion which is, or is reasonably likely to be, materially adverse to the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group taken as whole, excluding, in any such case, any event, circumstance, effect, occurrence or state of affairs or any combination thereof resulting from the matters which have been fairly disclosed by or on behalf of the Company to, and are in the actual knowledge of, Mr. Allen Chan and Mr. Judson Martin on behalf of the Share Subscriber and provided further that such disclosure is in sufficient detail to enable the Share Subscriber to reasonably assess the impact of such matters on the Company and the Group
“Maturity Date”	5 years from the CN Completion Date
“New Convertible Notes”	the new convertible note(s) in an aggregate principal amount of US\$25 million to be issued by the Company to the CN Subscriber pursuant to the CN Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	a special general meeting of the Shareholders to be convened and held to consider the matters set out in the section headed “SGM” in this announcement
“Share Option(s)”	Share options granted by the Company and outstanding, including the share options issued under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 22 March 2002 to subscribe for Shares

“Share(s)”	the ordinary shares of a par value of HK\$0.01 each in the share capital of the Company and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith, and all other (if any) stock or shares resulting from any sub-division, consolidation or re-classification thereof
“Shareholder(s)”	holder(s) of the Shares from time to time
“Share Subscriber” or “Sino-Capital”	Sino-Capital Global Inc., a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Sino-Forest
“Share Subscription”	the subscription of new Shares by the Share Subscriber pursuant to the terms of the Share Subscription Agreement
“Share Subscription Agreement”	the share subscription agreement dated 22 June 2010 entered into between the Company and the Share Subscriber in relation to the subscription of the Subscription Shares
“Sino-Forest”	Sino-Forest Corporation, a company incorporated under the laws of Canada and a substantial shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.82 per Subscription Share
“Subscription Shares”	230,000,000 new Shares of par value of HK\$0.01 to be subscribed for by the Share Subscriber and each a “Subscription Share”
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States

“Whitewash Waiver”

the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Code in respect of any obligation of the Share Subscriber and any persons acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Share Subscriber and any persons acting in concert with it which might otherwise arise as a result of the Share Subscriber subscribing for the Subscription Shares under the Share Subscription Agreement

“%”

per cent.

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

Hong Kong, 22 June 2010

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than that relating to the Share Subscriber and persons acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Share Subscriber and persons acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to the Share Subscriber and persons acting in concert with it) misleading.

As at the date hereof, the sole director of the Share Subscriber is Mr. Allen Chan. As at the date hereof, the board of Sino-Forest comprises two executive directors, namely, Mr. Allen Chan and Mr. Judson Martin and five independent non-executive directors, namely, Mr. Edmund Mak, Mr. James Hyde, Mr. Simon Murray, Mr. Peter Wang and Mr. William Ardell.

The director of the Share Subscriber and the directors of Sino-Forest, jointly and severally accept full responsibility for the accuracy of information contained in this announcement relating to the Share Subscriber and persons acting in concert with it and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Share Subscriber and persons acting in concert with it have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement relating to the Share Subscriber and persons acting in concert with it misleading.

Website: <http://www.omnicorplimited.com>

** For identification purposes only*