OMNICORP LIMITED

兩儀控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

The directors (the "Directors") of Omnicorp Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 (the "Current Period"), together with the comparative figures for the corresponding period in 2007, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June

	Notes	**2008 (unaudited) *HK$'000***	2007 (unaudited) *HK$'000*
Turnover	2	**8,105**	59,283
Cost of sales		**(7,340)**	(49,825)
Gross profit		**765**	9,458
Other revenue	3	**5,951**	3,641
Distribution costs		**(661)**	(3)
Administrative expenses		**(22,539)**	(10,982)
Other operating expenses		**(15,244)**	(3,460)
LOSS FROM OPERATING ACTIVITIES	4	**(31,728)**	(1,346)
Finance costs	5	**(11,784)**	(2,447)
Share of results of associates		**(23)**	37
LOSS BEFORE TAXATION		**(43,535)**	(3,756)
Taxation	6	**(97)**	(11)
LOSS FOR THE CURRENT PERIOD		**(43,632)**	(3,767)
ATTRIBUTABLE TO:			
Equity holders of the Company		**(38,434)**	(3,780)
Minority interests		**(5,198)**	13
		(43,632)	(3,767)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7		
Basic		**(12.24) cents**	(2.50) cents
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2008 (unaudited) *HK$'000*	31 December 2007 (audited) *HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**13,056**	11,899
Timber concessions and cutting rights	**9,321**	9,333
Investment property	**1,450**	1,450
Long term investments	**–**	6,000
Interests in associates	**55,646**	50,669
Goodwill	**361,706**	361,706
	441,179	441,057
CURRENT ASSETS		
Inventories	**6,672**	8,736
Trade and other receivables	**6,192**	15,129
Prepayments and deposits	**3,910**	2,396
Current tax recoverable	**288**	1
Listed investments	**–**	914
Cash and bank balances	**150,890**	254,311
	167,952	281,487
CURRENT LIABILITIES		
Trade and other payables	**11,773**	24,527
Interest bearing bank borrowings	**2,422**	42,545
Other loan payables	**3,712**	4,562
Deposits received	**23,259**	23,500
Current tax payable	**3,264**	3,313
	44,430	98,447
NET CURRENT ASSETS	**123,522**	183,040
TOTAL ASSETS LESS CURRENT LIABILITIES	**564,701**	624,097
NON-CURRENT LIABILITIES		
Convertible bonds	**219,343**	212,770
	345,358	411,327
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	**3,141**	3,141
Reserves	**314,976**	353,410
	318,117	356,551
MINORITY INTERESTS	**27,241**	54,776
	345,358	411,327

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2008

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements for the six months ended 30 June 2008 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Adoption of New and Revised Hong Kong Financial Reporting Standards

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2007, except for the adoption of the following interpretations:

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of the above interpretations has had no material impact on the accounting policies of the Group and the methods of computation in the Group's financial statements in the current period or prior periods.

The Group has not early adopted the following new standards and interpretations that have been issued to date but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results or financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements [3]
HKAS 23 (Revised)	Borrowing Costs [3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [4]
HKFRS 2 (Amendment)	Share-based Payments – Vesting Conditions and Cancellations [3]
HKFRS 3 (Revised)	Business Combinations [4]
HKFRS 8	Operating Segments [3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes [1]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate [3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation [2]

[1] Effective for annual periods beginning on or after 1 July 2008
[2] Effective for annual periods beginning on or after 1 October 2008
[3] Effective for annual periods beginning on or after 1 January 2009
[4] Effective for annual periods beginning on or after 1 July 2009

2. TURNOVER, REVENUE AND SEGMENT INFORMATION

An analysis of the Group's turnover/revenue and results for the Current Period by business segments and geographical areas is as follows:

	For the six months ended 30 June			
	Turnover/Revenue		**Contributing to operating profit/(loss)**	
	2008	2007	**2008**	2007
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
By activity				
Electronic components and products	**5,727**	58,494	**(2,705)**	3,774
Property investments	**916**	789	**7**	560
Building materials and sundry products	**–**	–	**–**	(538)
Forestry and timber	**1,462**	–	**(13,610)**	–
	8,105	59,283	**(16,308)**	3,796
Other revenue			**5,951**	3,641
Unallocated corporate expenses			**(9,627)**	(8,783)
Provision for bad debts			**(1,745)**	–
Impairment on investment in associates			**(10,000)**	–
Share of results of associates			**(23)**	37
Finance costs			**(11,783)**	(2,447)
Taxation			**(97)**	(11)
			(43,632)	(3,767)
By geographical area				
– Asia	**6,378**	58,030	**(2,573)**	3,716
– North and South America	**9**	38	**(4)**	2
– Europe	**1,718**	1,215	**(13,731)**	78
	8,105	59,283	**(16,308)**	3,796

3. OTHER REVENUE

	Six months ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Bank interest income	**1,118**	1,063
Gain on closure of the manufacturing facilities in Dongguan, China	**1,532**	–
Gain on disposal of subsidiaries	**366**	–
Gain on disposal of property, plant and equipment	**23**	–
Waiver of trade and other payables	**885**	–
Other income	**2,027**	2,578
	5,951	3,641

4. LOSS FROM OPERATING ACTIVITIES

	Six months ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
After crediting:		
Gross rental income	**915**	789
Less: outgoings	**(272)**	(229)
Net rental income	**643**	560
Interest income	**1,118**	1,063
Gain on closure of the manufacturing facilities in Dongguan, China	**1,532**	–
Gain on disposal of subsidiaries	**366**	–
Gain on disposal of listed investments	**–**	2,492
Gain on disposal of property, plant and equipment	**23**	–
Waiver of trade and other payables	**885**	–
and after charging:		
Bad and doubtful debts	**1,745**	322
Movements in market values of listed investments	**–**	7
Depreciation of property, plant and equipment	**982**	2,581

5. FINANCE COSTS

	Six months ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest and similar charges on:		
Bank loans and overdrafts wholly repayable within five years	**227**	2,447
Convertible bonds	**11,300**	–
Other loans	**257**	–
	11,784	2,447

6. TAXATION

No provision for taxation has been made by the Company as it is not subject to tax in Bermuda or elsewhere in other jurisdictions.

No provision for Hong Kong profits tax has been made as the HK subsidiaries incurred a loss for the period. Taxes on income earned outside Hong Kong have been calculated at the rates of taxation prevailing in the countries in which the Group operates, based on existing law, practice and interpretation thereof.

Details of the charge in condensed consolidated income statement are as follows:

	Six months ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Tax provision:		
– current period	**–**	–
– under provision in prior year	**16**	–
Outside Hong Kong		
– current period	**81**	11
Taxation	**97**	11

7. LOSS PER SHARE

The calculations of basic loss per share are based on:

	Six months ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net loss attributable to equity holders of the Company	**(38,434)**	(3,780)
Weighted average number of ordinary shares in issue during the Current Period	**314,089,152**	151,387,108

No diluted loss per share is presented for the six months ended 30 June 2008 and 2007 as the exercise of share options outstanding would be anti-dilutive.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The total turnover for the six months ended 30 June 2008 (the "Current Period") decreased by 86.3% to HK$8,105,000 as compared to the corresponding period of last year of HK$59,283,000 and a loss before tax of HK$43,535,000 was incurred for the Current Period compared to a loss before tax of HK$3,756,000 recorded during the corresponding period of last year.

The substantial decrease in the Group's turnover was mainly due to the decrease in sales recorded in the Group's electronic component division in the Current Period. As detailed in 2007 Annual Report, due to the hash business and operating environment in the electronic components industry in China, the Board had substantially scaled down its level of business of the trading of electronic components operating through its 77.04% indirect owned subsidiary Lik Hang Electronic Components Limited ("Lik Hang") since the 2nd half of 2007 and closed down its manufacturing facilities in Dongguan, China in March 2008. Accordingly, the total turnover of the Group contributed by its electronic components division for the Current Period decreased substantially by 90.2% to HK$5,727,000 as compared to the corresponding period of last year of HK$58,494,000.

The gross margin decreased to 9.4% for the Current Period from 16% for the same period in 2007. The decrease in margin was mainly due to the net effect of the negative gross margin contributed by the Group's electronic components division resulting from the substantial drop of the sales volume and the high margin of approximately 51% contributed by the Group's forestry and timber business operating under Greenheart Resources Holdings Limited ("Greenheart"), a 60% indirectly owned subsidiary acquired by the Group in November 2007.

Greenheart has undergone a transition period due to the restructuring and streamlining its local management and operation team in Suriname to achieve efficiencies and cost savings and therefore only a turnover of HK$1,462,000 and a loss before and after taxation of HK$13,610,000 were recorded for the Current Period. The Board expected that such measures will be completed in the 3rd quarter of 2008 and the operation in Suriname will be restored to normal thereafter.

During the Current Period, administrative expenses increased by approximately 105.2% or HK$11,557,000, was mainly because the additional administrative expenses contributed by the Group's forestry and timber division and the increase in headcounts and the lease of additional office area for expansion purpose.

Other operating expenses increased to HK$15,244,000 for the Current Period from HK$3,460,000 for the same period in 2007 was mainly due to the provision for bad and doubtful debts of HK$1,745,000 incurred by the Group's property investment division and the impairment on interests in associates of HK$10,000,000.

Finance costs increased to HK$11,784,000 for the Current Period from HK$2,447,000 for the corresponding period in 2007 was mainly due to the interests expenses incurred for the convertible bonds with a total principal of HK$237,000,000 (the "Convertible Bonds") issued in November 2007 in relation to the acquisition of 60% interest in Greenheart.

Equity attributable to the Company's shareholders as at 30 June 2008, amounted to HK$318,117,000 or HK$1.01 per share. (31 December 2007: HK$356,551,000 or HK$1.13 per share).

Meanwhile, during the Current Period, in order to lock in the supply source of mature plantation trees and establish the plantation business in China, on 30 June 2008, the Group entered into a Master Agreement with an independent third party for an option to acquire 100,000 hectares of plantation trees with approximately 10 to 12 million cubic meters of standing timber of mostly pine and Chinese fir in Jiangxi Province and Fujian Province in China and to lease the underlying forest land use right of these plantation lands for 30 years ("Lease Option"). The Master Agreement (other than the Lease Option which is exercisable within 5 years after harvesting and in any event 5 years from the date of execution of the Master Agreement) will be valid for 5 years from the date of its execution.

The Board will engage an independent expertise to assess the fibre yield and the quality of these 100,000 hectares of plantation trees ("Assessment Report") and work out an acquisition plan of these plantations trees over this 5 years period based on the Assessment Report, market conditions and the available financing resources and options. The Company will issue further announcement in connection with the acquisition of these plantations as and when it is appropriate on any significant development of the acquisitions.

Liquidity and Financial Review

The Group continued to sustain a good liquidity position.

The Group's current assets and current liabilities as at 30 June 2008 were HK$167,952,000 and HK$44,430,000 (31 December 2007: HK$281,487,000 and HK$98,447,000, respectively). As at 30 June 2008, the Group had cash and bank balances of approximately HK$150,890,000 (31 December 2007: HK$254,311,000) and a short term bank borrowings of HK$2,422,000 (31 December 2007: HK$42,545,000).

As at 30 June 2008, the Group's gearing ratio, which was calculated on the basis of bank borrowings and other loan to shareholders' fund, was 1.9% (31 December 2007: 13.2%).

The Group has limited exposure to the foreign exchange fluctuation risks as most of its sales are denominated in Hong Kong dollars and United State dollars, being the same currencies in which the Group's related costs and expenses are denominated. The Directors considered that the recent depreciation of the US dollars will not have material impact to the Group. During the Current Period, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 June 2008.

As at 30 June 2008, there were 314,089,152 shares in issue.

Interim Dividend

The Board has resolved not to recommend any dividend for the period ended 30 June 2008.

Prospects

Despite the increasingly bumpy conditions in the global economy, it is expected that the emerging economics such as China, India etc should be able to continue to maintain its growth momentum. The Group is striving to operate in a way that can capture the business opportunities in these emerging markets while prepare for unexpected downturns. In this regard, in order to reallocate and consolidate scarce financial resources and management time to the businesses with higher profit potential, the Group has substantially scaled down its underperformed electronic components business since the 2nd half of 2007.

In the meantime, in addition to the restructuring and streamlining the local management and operation team of Greenheart's Suriname operation to improve efficiencies and save costs, various measures, including the setting up warehouses in Southern and Eastern China, recruitment of experienced sales and marketing team, construction of new sawmills in Suriname, and the provision of additional resources to carry out researches on the usage of lesser known species of wood, etc, are being planned or have been underway to increase the market awareness of Greenheart and its products amongst the industrial users in China, to strengthen the sales forces, to add value to its operations and to build up new edges to differentiate itself from the competitors in our forestry and timber business division.

With the above measures to improve its existing forestry and timber business operating under Greenheart and the signing of the Master Agreement which provides an entry into the exciting wood plantation business for fast growing species, such as eucalyptus and poplar in China, the Group is optimistic about the long term prospects of its forestry and timber division and the Group as a whole.

Charges on Group Assets

As at 30 June 2008, the Group pledged 4,599,000,000 ordinary shares of Greenheart, representing 60% of the issued share capital of Greenheart, and all indebtedness owing by the Greenheart Group to the Group (other than the Greenheart Group) as securities in favour of the holders of the Convertible Bonds.

Capital Expenditure and Capital Commitments

During the six months ended 30 June 2008, the Group spent approximately HK$2,169,000 (31 December 2007: approximately HK$1,636,000) on acquisition of property, plant and equipment.

The capital commitments of the Group were HK$251,658,000 and HK$253,519,000 as at 30 June 2008 and 31 December 2007 respectively.

Contingent Liabilities

As at 30 June 2008, the Group did not have any significant contingent liabilities (31 December 2007: approximately HK$62,390,000).

Post Balance Sheet Events

(i) Subsequent to the balance sheet date, in order to insulate the business risks and associated liabilities of the electronic component business and not to expose the future business ventures to any existing hidden liabilities, on 11 July 2008, the Company announced its intention to implement a redomicile proposal ("Redomicile Proposal"), whereby a new company will be incorporated in Cayman Islands as a new holding company of the Group. Pursuant to the Redomicile Proposal, the Group's existing forestry and timber business will be operated under the newly established fellow subsidiaries and any new assets or businesses that may be acquired by the new holding company and/or new funding injected will be directly held by the proposed new holding company or its newly formed subsidiaries. Therefore, the new business ventures would be protected against any potential claims arising from unknown liabilities. The Company will issue further announcement(s) about the development of the Redomicile Proposal and the dispatch date of the related documents in due course.

(ii) On 29 August 2008, the Company announced that, on 25 August 2008, the Board was notified that a winding up petition against Lik Hang was served by a bank creditor as a result of non-payment of a judgment debt against Lik Hang in relation to an outstanding sum of approximately HK$2.4 million under certain banking facilities ("The Petition"). The Petition is scheduled to be heard at the High Court of the Hong Kong Special Administrative Region on 8 October 2008. The Board is currently seeking legal advice regarding this proceeding and would try to come to an early resolution to this issue regarding the claim.

    The Board considers that, given the Group's diversified businesses, Lik Hang's net liabilities position (i.e. the unaudited net liabilities of Lik Hang as 30 June 2008 (excluding the inter-company loans from other members of the Group is HK$9,470,000) and lack of trading profits and the immaterial amount of the debt underlying the Petition as compared with the net assets and cash and bank balances of the Group, the Petition will not have any material adverse effect on the profit and net assets position of the Group. The Group as a whole continues to maintain a healthy liquidity position.

Share Option Scheme

As at 30 June 2008, there were options for 14,758,000 ordinary shares of HK$0.01 each in the share capital of the Company granted by the Company pursuant to the option scheme, as adopted by the shareholders of the Company on 22 March 2002, which were valid and outstanding. 60,000 options were lapsed during the six months ended 30 June 2008.

Employment and Remuneration Policy

As at 30 June 2008, the number of employees of the Group was about 166. Employees' cost (including directors' emoluments) amounted to approximately HK$6,579,000 for the Current Period. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has set up the Mandatory Provident Fund Scheme for the Hong Kong's employees and has made contributions to the pension scheme for the staff in Suriname. The Group also has a share option scheme to motivate valued employees.

Audit Committee

The Audit Committee of the Company currently comprises three independent non-executive directors, namely Mr Wong Che Keung Richard (Chairman of the Committee), Mr Tong Yee Yung Joseph, and Mr Wong Kin Chi. It meets at least two times a year and meetings are attended by external auditors, the chief financial officer and the company secretary for the purpose of discussing the nature and scope of audit work, setting and monitoring the Company's internal audit program and assessing the Company's internal controls. It has reviewed the unaudited interim financial statements for the Current Period which were not required to be audited, and has recommended their adoption by the Board.

Compliance with the Code on Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance. During the accounting period ended 30 June 2008, the Company had met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The Board continues to review its practices from time to time with an aim to improve the Group's corporate governance practices so as to meet international best practice.

Compliance with the Model Code set out in Appendix 10 to the Listing Rules

The Company has adopted a code of conduct regarding securities transactions by directors ("Code of Conduct") on terms no less exacting than the required standard set out in the Model Code set out in Appendix 10 to the Listing Rules ("the Code") and the Company has made specific enquiry of all directors that they have complied with the required standard set out in the Code and the Code of Conduct.

Purchase, Sale or Redemption of Listed Securities

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Publication on Results on the Stock Exchange's Website

The announcement will be published on the website of The Stock Exchange of Hong Kong Limited and the Company's website (http://www.omnicorplimited.com). The interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

Appreciation

On behalf of the Board, I would like to take this opportunity to express our gratitude to the shareholders, business partners, customers, bankers and professional advisers for their unfailing support and extend our appreciation to all our staff for their dedication and hard work during the period.

By order of the board
Sung Yan Wai, Petrus
Executive Director

Hong Kong, 19 September 2008

As at the date of this announcement, the executive Directors are Mr Sung Yan Wai, Petrus, and Mr Hui Tung Wah, Samuel; and the independent non-executive Directors are Mr Wong Kin Chi, Mr Wong Che Keung, Richard and Mr Tong Yee Yung, Joseph.

* *For identification purpose only*