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 2009

The directors (the "Directors") of Omnicorp Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 (the "Current Period"), together with the comparative figures for the corresponding period in 2008, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June

	Notes	**2009 (unaudited)** ***HK$'000***	2008 (unaudited) *HK$'000* (restated)
CONTINUING OPERATIONS			
Turnover	4	**2,806**	2,378
Cost of sales		**(946)**	(854)
Gross profit		**1,860**	1,524
Other revenue	5	**1,114**	3,344
Distribution costs		**(1,302)**	(186)
Administrative expenses		**(16,541)**	(19,812)
Other operating expenses		**(4,024)**	(14,478)
LOSS FROM OPERATING ACTIVITIES	6	**(18,893)**	(29,608)
Finance costs	7	**(11,239)**	(11,317)
Share of results of associates		**(1,050)**	(23)
LOSS BEFORE TAX		**(31,182)**	(40,948)
Tax	8	**–**	(13)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(31,182)**	(40,961)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations		**–**	(2,671)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS		**(31,182)**	(43,632)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(continued)

Six months ended 30 June

	Notes	**2009 (unaudited)** ***HK$'000***	2008 (unaudited) *HK$'000* (restated)
ATTRIBUTABLE TO:			
Equity holders of the Company		**(25,639)**	(38,434)
Non-controlling interests		**(5,543)**	(5,198)
		(31,182)	(43,632)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	9		
Basic			
– Continuing operations		**(8.16) cents**	(11.39) cents
– Discontinued operations		**–**	(0.85) cents
		(8.16) cents	(12.24) cents
Diluted			
– Continuing operations		**N/A**	N/A
– Discontinued operations		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2009 (unaudited)** ***HK$'000***	31 December 2008 (audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**16,457**	17,523
Prepaid land lease payment		**1,448**	1,448
Timber concessions and cutting rights		**9,306**	9,308
Goodwill		**369,331**	369,331
Interests in associates		**21,637**	14,687
Total non-current assets		**418,179**	412,297
CURRENT ASSETS			
Inventories		**7,311**	6,201
Trade and other receivables	10	**798**	796
Prepayments and deposits		**1,401**	1,600
Cash and cash equivalents		**75,560**	111,589
Total current assets		**85,070**	120,186
CURRENT LIABILITIES			
Trade and other payables	11	**4,776**	9,564
Convertible bonds		**24,162**	23,485
Deposits received		**23,124**	22,890
Total current liabilities		**52,062**	55,939
NET CURRENT ASSETS		**33,008**	64,247
TOTAL ASSETS LESS CURRENT LIABILITIES		**451,187**	476,544
NON-CURRENT LIABILITIES			
Convertible bonds		**207,938**	202,113
		207,938	202,113
NET ASSETS		**243,249**	274,431
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Issued capital		**3,141**	3,141
Equity component of convertible bonds		**45,234**	45,234
Reserves		**179,009**	204,648
		227,384	253,023
Non-controlling interests		**15,865**	21,408
TOTAL EQUITY		**243,249**	274,431

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. BASIS OF PREPARATION

These condensed consolidated unaudited interim financial statements have been prepared in compliance with Hong Kong Accounting Standard ("HKAS") 34: Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) issued by the HKICPA. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and the basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2008, except for the adoption of the new HKFRSs as disclosed in note 2 below.

2. IMPACT OF NEW AND REVISED HKFRSs

The Group has adopted the following new interpretations and amendments to HKFRSs for the current period's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
Amendments to HK(IFRIC)-Int 9 "Reassessment of Embedded Derivatives" and HKAS 39 "Financial Instruments: Recognitions and Measurement"	Embedded Derivatives
Amendments to HKFRS 7 "Financial Instruments: Disclosures"	Improving Disclosures about Financial Instruments

Apart from the above, the Group has also adopted Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* Improvements to HKFRSs contains amendments to HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The adoption of these new interpretations and amendments has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements, except for the following:

HKAS 1 (revised) Presentation of Financial Statements

HKAS 1 (revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (revised) has had no impact on the reported results or financial position of the Group.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards[1]
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items[1]
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[2]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Effective for transfer of assets from customers received on or after 1 July 2009.
3 Effective for annual periods beginning on or after 1 January 2010.

In addition, improvements to HKFRSs were issued in May 2009 by HKICPA which contain amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, Appendices to HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. Except for the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 which are effective for annual periods beginning on or after 1 July 2009 and no transitional provisions for amendment to Appendix to HKAS 18 has been specified, other amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as starting point for the identification of such segments.

The Group is currently engaged in the Forestry and timber business and Property investments and the chief operating decision makers (i.e. the Company's directors) also review the segment information by these categories to allocate resources to segments and to assess their performance. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

Principal business segments are as follows:

Forestry and timber	—	Log harvesting, lumber processing, marketing and sales of logs and lumber products
Property investments	—	Property investments

Six months ended 30 June 2009 (unaudited)

	Continuing operations		
	Forestry and Timber *HK$'000*	**Property Investments** *HK$'000*	**Consolidated** *HK$'000*
SEGMENT REVENUE	**2,336**	**470**	**2,806**
SEGMENT RESULTS	**(13,266)**	**(14)**	**(13,280)**
Other revenue			**1,114**
Central administrative cost			**(6,727)**
Finance costs			**(11,239)**
Share of results of associates			**(1,050)**
LOSS BEFORE TAX			**(31,182)**
TAX			**–**
LOSS FOR THE PERIOD			**(31,182)**

Six months ended 30 June 2008 (unaudited)

	Continuing operations			Discontinued operations	
	Forestry and Timber *HK$'000*	Property Investments *HK$'000*	Sub-total *HK$'000*	Electronic Components and Products *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	1,462	916	2,378	5,727	8,105
SEGMENT RESULTS	(13,610)	7	(13,603)	(2,587)	(16,190)
Other revenue			3,344		3,344
Impairment on investment in associates			(10,000)		(10,000)
Central administrative cost			(9,349)		(9,349)
Finance costs			(11,317)		(11,317)
Share of results of associates			(23)		(23)
LOSS BEFORE TAX			(40,948)	(2,587)	(43,535)
TAX			(13)	(84)	(97)
LOSS FOR THE PERIOD			(40,961)	(2,671)	(43,632)

5. OTHER REVENUE

	Six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
		(restated)
Bank interest income	**26**	1,097
Profit on disposal of equity investments at fair value through profit or loss	**1,066**	–
Gain on disposal of subsidiaries	**–**	366
Gain on disposal of property, plant and equipment	**–**	23
Waiver of trade and other payables	**–**	106
Other income	**22**	1,752
	1,114	3,344

6. LOSS FROM OPERATING ACTIVITIES

	Six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
		(restated)
After charging:		
Bad and doubtful debts	**331**	1,000
Depreciation of property, plant and equipment	**1,335**	982

7. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
		(restated)
Interest and similar charges on:		
Bank loans and overdrafts wholly repayable within five years	**37**	17
Convertible bonds	**11,202**	11,300
	11,239	11,317

8. TAX

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

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

	Six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
		(restated)
Tax provision:		
– current period	**–**	–
– under provision in prior year	**–**	–
Outside Hong Kong		
– current period	**–**	13
Tax	**–**	13

9. LOSS PER SHARE

The calculations of basic loss per share are based on:

	Six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net loss attributable to equity holders of the Company		
– Continuing operations	**(25,639)**	(35,763)
– Discontinued operations	**–**	(2,671)
	(25,639)	(38,434)
Weighted average number of ordinary shares in issue during the Current Period	**314,089,152**	314,089,152

No diluted loss per share is presented for the six months ended 30 June 2009 and 2008 as the exercise of the share options and the convertible bonds outstanding would be anti-dilutive.

10. TRADE AND OTHER RECEIVABLES

The aging analysis of trade and other receivables, based on the invoice date and net of allowance, is as follows:

	30 June 2009 (unaudited)	31 December 2008 (audited)
	HK$'000	*HK$'000*
Current	**75**	796
One to three months	**173**	–
More than three months	**550**	–
	798	796

11. TRADE AND OTHER PAYABLES

The aging analysis of trade and other payables is as follows:

	30 June 2009 (unaudited)	31 December 2008 (audited)
	HK$'000	*HK$'000*
Current	**40**	3,663
One to three months	**–**	–
More than three months	**4,736**	5,901
	4,776	9,564

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2009 (the "Current Period"), the Group's turnover amounted to HK$2,806,000, an increase of 18% over the same period in 2008. The increase of the turnover of the Group was mainly contributed by the higher sales recorded in the Group's Forestry and Timber division. The Group's net loss attributable to the equity shareholders of the Group for the Current Period amounted to HK$25,639,000, a decrease of 33.3% compared with the corresponding period of last year.

Notwithstanding the current recession of the global economy, the Group's Forestry and Timber division was able to maintain a steady growth of the turnover during the period under review. Benefiting from the Group's decision last year to build up its own sales teams and sell logs directly into China instead of selling through import agents, the Group was able to increase both unit volume sold and the average selling price of its log and timber products by securing more orders directly from good quality and creditworthy China customers. Compared to same period of last year, the turnover of the Forestry and Timber division increased by approximately 60% to HK$2,336,000 (30 June 2008: HK$1,462,000) and the gross profit margin increased slightly to 66.3% (30 June 2008: 64.1%) during the Current Period.

During the Current Period, the Group continued to undergo a series of measures to control costs and improve operational efficiency thereby resulting in reduction of the administrative cost by approximately 16.5% or HK$3,271,000.

Other operating expenses decreased significantly to HK$4,024,000 for the Current Period from HK$14,478,000 for the same period in 2008. Last years' figures were mainly due to an impairment of HK$10,000,000 in interest in associates.

Finance costs was comparable between the first half of 2008 and 2009 and represented mainly 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 2009, amounted to HK$227,384,000 or HK$0.72 per share (31 December 2008: HK$253,023,000 or HK$0.81 per share).

LIQUIDITY AND FINANCIAL REVIEW

The Group continued to maintain a good liquidity position.

As written confirmation was obtained from Sino-Forest Corporation ("Sino-Forest"), which is the ultimate beneficial owner of HK$212,328,000 Convertible Bonds after its acquisition of HK$167,631,000 Convertible Bonds from the original bondholders on 6 February 2009, for its agreement to enter into discussion with the Company which may result in Sino-Forest supporting the Company in proposing to the holders of the Convertible bonds a modification to the existing terms of the Convertiable Bonds, which may include an extension of the maturity date of the Convertible Bonds from 9 November 2009 to a date not earlier than 30 September 2010, Convertible Bonds with principal amount as HK$212,328,000 was classified as long term liabilities as at 30 June 2009.

Further announcement(s) will be made as and when necessary to update the shareholders and the investing public of any significant progress about the above discussion.

The Group's current assets and current liabilities as at 30 June 2009 were HK$85,070,000 and HK$52,062,000 (31 December 2008: HK$120,186,000 and HK$55,939,000, respectively). As at 30 June 2009, the Group had cash and bank balances of approximately HK$75,560,000 (31 December 2008: HK$111,589,000).

The Group did not have any bank borrowings as at 30 June 2009 and 31 December 2008.

The Group has limited exposure to the foreign exchange fluctuation risks as most of its sales are denominated in Hong Kong dollars and United States ("US") 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 2009.

As at 30 June 2009, 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 2009.

PROSPECTS

With massive stimulus packages implemented by China and other countries on capital spending and income and consumption support measures, the world's economy has stopped worsening, and is showing a sign of recovery. Hopefully, the concerted efforts of various countries in implementing various stimulus packages will lead the world out of the current recession.

Looking ahead to the second half of 2009, we see our China customers stepping up their orders along with the gradual recovery of the global economy. We will continue to strengthen our sales team and consider teaming up with local partners to accelerate the expansion of the sales network in China as well as the promotion of the awareness of lesser known wood species to the market. At the same time, the Group will prudently upgrade its production and logistic capacity with a view to shorten the production and delivery lead time and speed up the response mechanism to cater for the upcoming customer demand for our timber products.

While there are signs indicating that the global economy may have bottomed out, we believe 2009 will, on the whole, be a year of consolidation and preparation for the future. We will continue to implement stringent cost controls and effective stock control measures to enhance the Group's operational efficiency.

As for further business expansion, by working closely with Sino-Forest who became the single largest shareholder and bought out most of the Convertible Bonds during the Current Period, the Directors consider that it is right time for accelerating the expansion pace through acquisition, green-field investment and production and logistics capacity upgrade, thereby strengthening our position in the forestry and timber industry and building up a solid foundation for our long term corporate mission to expand the Group into a world leading hard wood supplier for China and other markets.

CHARGES ON GROUP ASSETS

As at 30 June 2009, the Group pledged 4,599,000,000 ordinary shares of no par value, representing 60% of the issued share capital of Greenheart and all advances made by any members of the Group (other than the Greenheart Group) to the Greenheart Group to the holders of the Convertible Bonds as securities for the Convertible Bonds.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

During the six months ended 30 June 2009, the Group spent approximately HK$283,000 (year ended 31 December 2008: approximately HK$7,716,000) on acquisition of property, plant and equipment.

The capital commitment of the Group was HK$297,075,000 as at 30 June 2009 and 31 December 2008. Such commitment represents the total consideration payable by the Group to the minority shareholders of Greenheart (the "Vendors") under a call option to purchase the remaining 39.61% of the issued share capital of Greenheart owned by the Vendors, which will be settled by either cash, new shares to be issued by the Company with conversion price of HK$2.00 per share and other terms similar to those of the Convertible Bonds or any combination of the above as the Group and the majority Vendors may agree. The call option is exercisable by the Group to require the Vendors to sell the shares to the Group up to but excluding 8 May 2010.

CONTINGENT LIABILITIES

As at 30 June 2009, the Group did not have any significant contingent liabilities (31 December 2008: Nil).

SHARE OPTION SCHEME

As at 30 June 2009, there were options for 12,710,000 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. 1,364,000 options lapsed during the six months ended 30 June 2009.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2009, the number of employees of the Group was about 121. Employees' cost (including directors' emoluments) amounted to approximately HK$10,261,000 for the Current Period. Remuneration of the employees include salary and discretionary bonus which is based on the Group's results and individual performance. Medical and retirement benefits schemes are made available to all levels of personnel.

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. The members of the Audit Committee have reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed and discussed with management and external auditors the unaudited condensed consolidated interim financial statements for the Current Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance. The Company has complied with all the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities throughout the six months ended 30 June 2009. 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.

APPRECIATION

Our Group's success depends on all our staff's commitment, dedication and professionalism. On behalf of the Board, I would like to thank every staff for their diligence and dedication. I would also take this opportunity to express my sincere appreciation to our shareholders, clients and suppliers for their continuous and valuable support.

By order of the board
Omnicorp Limited
Sung Yan Wai Petrus
Executive Director

Hong Kong, 18 September 2009

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

Website: http://www.omnicorplimited.com

* *For identification purposes only*