



Registration No. 197300555N
(Incorporated in the Republic of Singapore)

SNP CORPORATION LTD'S HONG KONG-BASED SUBSIDIARY SNP LEEFUNG PROPERTIES LIMITED SELLS OFFICE PROPERTY IN CENTRAL HONG KONG

1. SALE OF PROPERTY

The Board of Directors of SNP Corporation Ltd ("SNP" or the "Company") wishes to announce that the Company's Hong Kong-based subsidiary SNP Leefung Properties Limited which is a wholly-owned subsidiary of SNP Leefung Holdings Limited ("Leefung") which in turn is a wholly-owned subsidiary of the Company today entered into a preliminary sale and purchase agreement ("Agreement") to sell its office property at 10th Floor Wing On House, 71 Des Voeux Road Central, Hong Kong ("the Property") to Victory Beauty Limited or its nominee ("the Purchaser") for the total consideration of HK\$89 million (hereinafter referred to as "the Proposed Transaction"). A formal sale and purchase agreement is expected to be entered into by SNP Leefung Properties Limited and the Purchaser by 16th March 2007.

The Property was acquired by SNP Leefung Properties Limited in October 1993. It comprises 11 units on the 10th floor of a 32 storey office/commercial building which was built in 1967, and measures a total gross floor area of about 1,481.42 square meters. It is held under a Government Lease for a term of 999 years commencing 15 August 1903. The Property is presently occupied as offices for the Leefung Group. After the sale, the Leefung Group will move its offices to a location outside the central business district in Hong Kong. The rental costs for the new office will have no material impact on the results of the SNP Group for the current financial year.

2. TERMS OF THE SALE

The sale and purchase consideration is arrived at on a willing buyer willing seller basis and is in line with the market valuation. The consideration will be fully satisfied by the Purchaser in cash. Completion of the sale is expected to take place on or before 18 December 2007.

3. RATIONALE FOR THE SALE

The proceeds of the sale will be used to reduce existing bank borrowings and provide additional working capital thus improving the SNP Group's cash flow and gearing.

The sale is in line with the SNP Group's strategy to remain asset light.

The Property is a non-core asset of the SNP Group.



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4. GAIN FROM THE SALE

Based on the net book value of the Property as at 31 December 2006, the sale of the Property will result in a gain of approximately S\$12.8 million for the SNP Group, after deducting all costs related to the sale.

5. FINANCIAL EFFECTS

5.1 Net Tangible Assets ("NTA")

Assuming that the Proposed Transaction had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for FY2005, the pro forma effects on the consolidated NTA of the Group are as follows:-

	Before Proposed Transaction	After Proposed Transaction
NTA (S\$ ' 000)	110,572	123,373
NTA per share (S\$)	0.95	1.06

5.2 Basic Earnings per Share

Assuming that the Proposed Transaction had been completed on 1 January 2005 and based on the Group's audited consolidated financial statements for FY2005, the pro forma effects on the consolidated earnings of the Group are as follows:-

	Before Proposed Transaction	After Proposed Transaction
Net profit attributable to shareholders (S\$ ' 000)	15,188	27,989
Basic earnings per share (cents)	13.06	24.06

6. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

For the purpose of Chapter 10 of the Listing Manual of the SGX-ST, the relative figures that were computed on the relevant bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:-

(a)	<u>Rule 1006(a)</u> Net asset value of the asset to be disposed of compared to the Group's net asset value	2.5%
(b)	<u>Rule 1006(b)</u> Net profits attributable to the Proposed Transaction for FY 2005 compared to the Group's net profits for FY2005	58.8%
(c)	<u>Rule 1006(c)</u> Consideration of approximately S\$17.8 million (HK\$89.0 million) to effect the Proposed Transaction compared with the Company's market capitalization	15.1%
(d)	<u>Rule 1006 (d)</u> There is no issue of shares in the Company to satisfy the consideration to effect the Proposed Transaction.	N.A.

7. MAJOR TRANSACTION

The Proposed Transaction constitutes a major transaction under Rule 1013 of the SGX-ST Listing Manual. The Company has sought a waiver from the SGX-ST from having to obtain the approval of the Company's shareholders under Rule 1014 of the SGX-ST Listing Manual for the Proposed Transaction on the basis that:

- a. The sale will not result in a material change in the nature of the Company's business;
- b. The Property is a non-core asset; and
- c. The Company's controlling shareholder Green Dot Capital Pte Ltd holding approximately 54.3% of the Company's total issued share capital is in favour of the Proposed Transaction.

The SGX-ST has granted the waiver to the Company.

8. DISCLOSURE OF INTERESTS

Except for their interests that arise out of their shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect in the Proposed Transaction.



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9. COPY AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's registered office at 1 Kim Seng Promenade #18-01 Great World City East Tower, Singapore 237994 during the Company's office hours from 8.30am – 6pm Mondays to Fridays for a period of three (3) months from the date of this announcement.

By Order of the Board

KOO TSE CHIA
Company Secretary
12 January 2007

Submitted by Koo Tse Chia, Company Secretary on 12 January 2007.