

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*Symbol of Quality Logistics Services*

## **BALTRANS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 562)**

### **DISCLOSEABLE TRANSACTION**

## **ACQUISITION OF 52% OF THE ISSUED SHARE CAPITAL OF CLOVER CARGO HOLDINGS (PROPRIETARY) LIMITED**

**AND**

### **RESUMPTION OF TRADING**

The Board announces that on 26 January 2006, the Company and the Vendor entered into the Agreement pursuant to which the Company agreed to purchase from the Vendor the Sale Shares in Clover Cargo Holdings, which represent 52% of the issued share capital of Clover Cargo Holdings.

The aggregate consideration for the Acquisition is ZAR18,108,000 (approximately HK\$22,816,080), of which ZAR15,300,000 (approximately HK\$19,278,000) will be paid by the Company in cash and ZAR2,808,000 (approximately HK\$3,538,080) will be settled by the Company issuing a promissory note to the Vendor.

The Acquisition constitutes a discloseable transaction of the Company under Chapters 14 of the Listing Rules, which is subject to notification and publication requirements. A circular containing details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

At the request of the Company, trading in its Shares was suspended with effect from 9:30 a.m., 1 February 2006, pending the issuance of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m., 7 February 2006.

As the transactions contemplated in the Agreement are subject to a number of conditions precedent, they may or may not be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.

## THE AGREEMENT DATED 26 JANUARY 2006

### Parties

Purchaser the Company

Vendor Trustees of the Fry Family Trust, and Leslie Frederick Fry, holding the Sale Shares which represent 52% of the issued share capital of Clover Cargo Holdings

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor are third parties independent of the Company and connected persons of the Company.

### Asset to be acquired

Pursuant to the Agreement, the Company agreed to acquire and the Vendor agreed to sell the Sale Shares representing 52% of the issued share capital of Clover Cargo Holdings which had an approximate audited total asset value of ZAR88,597,893 (based on SA GAAP and approximately HK\$111,633,345) and an approximate audited net asset value of ZAR10,061,213 (based on SA GAAP and approximately HK\$12,677,128) as at 31 December 2004. The Sale Shares had an approximate unaudited total asset value of ZAR111,318,081 (based on SA GAAP and approximately HK\$140,260,782) and an approximate unaudited net asset value of ZAR13,339,452 (based on SA GAAP and approximately HK\$16,807,710) as at 30 November 2005.

### Consideration and payment terms

Upon completion of the Agreement, the Company will pay the Vendor an aggregate consideration of ZAR18,108,000 (approximately HK\$22,816,080) as follows:

1. ZAR15,300,000 (approximately HK\$19,278,000) will be paid by the Company in cash from the internal funds of the Company; and
2. ZAR2,808,000 (approximately HK\$3,538,080) will be settled by the Company issuing the Vendor with a promissory note (the "**Promissory Note**").

The total consideration for the Acquisition was arrived at after arm's length negotiations between the parties to the Agreement with reference to the unaudited consolidated net profit (after taxation and minority interest) of Clover Cargo Holdings for the eleven months ended 30 November 2005 amounting to ZAR6,135,817 (based on SA GAAP). It represents a price-earnings ratio of 5.2 times the attributable unaudited annualized net profit (after taxation and minority interest) of Clover Cargo Holdings for the year ended 31 December 2005 and a price-earnings ratio of 8.6 times the attributable audited net profit (after taxation and minority interest) of Clover Cargo Holdings for the year ended 31 December 2004. The Company considers that the above price-earnings ratios are fair and in the interests of the Company.

### Completion

The Agreement is subject to the fulfilment of, inter alia, the following conditions by 30 April 2006 (or such later date as may be agreed between the parties):

- (i) all necessary regulatory and governmental approvals and permissions are obtained on an unconditional basis or if conditions are attached thereto, on the basis that such conditions meet with the approval of the parties;

(ii) agreements are concluded by the Company (a) with the Other Clover Cargo Shareholders for the prospective disposal to the Company (or the nominee of the Company) of 38% of the issued share capital of Clover Cargo Holdings and (b) with Wicht Family Trust for the prospective disposal to the Company (or the nominee of the Company) of 40% of the issued share capital of Clover Cargo Western Cape;

(iii) Clover Cargo Investments concludes an agreement with a new company to be established by all the existing shareholders of Clover Cargo Holdings (“Newco”) whereby Newco purchases from Clover Cargo Investments the Property Business as a going concern for a consideration of ZAR5,400,000.

The following table shows the shareholding in Clover Cargo Holdings before and after completion of the Agreement:

Shareholder	Shareholding percentage in Clover Cargo Holdings (before completion of the Agreement)	Shareholding percentage in Clover Cargo Holdings (after completion of the Agreement)
Fry Family Trust	47%	–
Leslie Frederick Fry	5%	–
the Company	–	52%
JLS Logistics (a 75% non-wholly owned subsidiary of the Company)	10%	10%
Other Clover Cargo Shareholders		
Assisi Trust	9.8%	9.8%
J St V Magnus	14.8%	14.8%
Osborn Trust	4.2%	4.2%
G M Partridge	9.2%	9.2%
Total:	<u>100%</u>	<u>100%</u>

In respect of condition (ii) above, the Company intends to reach agreements with the Other Clover Cargo Shareholders and Wicht Family Trust pursuant to which the Company (or the nominee of the Company) may purchase from (a) the Other Clover Cargo Shareholders an aggregate of 38% of the issued share capital of Clover Cargo Holdings and (b) Wicht Family Trust 40% of the issued share capital of Clover Cargo Western Cape. As at the date of this announcement, the Company has not commenced the negotiation with the Other Clover Cargo Shareholders and Wicht Family Trust and no agreement has been concluded by the Company with the counterparties. The Company will comply with the disclosure requirements under the Listing Rules if and when appropriate.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Other Clover Cargo Shareholders and Wicht Family Trust are third parties independent of the Company and connected persons of the Company.

In respect of condition (iii) above, the Newco will be owned by all the existing shareholders of Clover Cargo Holdings in proportion to their respective existing shareholdings in Clover Cargo Holdings. As the Company does not intend to include the Property Business into the Group, condition (iii) above is imposed as a condition precedent of the Agreement. The net asset value of the Property Business was ZAR5,799,621 (based on SA GAAP and approximately HK\$7,307,522) as at 31 December 2004 and the unaudited net profits (before and after taxation and minority interest) of the Property Business for the year ended 31 December 2004 were ZAR603,384 and ZAR376,489 (based on SA GAAP and approximately HK\$760,264 and HK\$474,376) respectively.

Moreover under the Agreement, the Vendor undertakes that it shall facilitate the discharge by Newco of 52% of the price payable for the Property Business by way of the transfer to Newco of the Promissory Note which will in turn be transferred by Newco to Clover Cargo Investments in part discharge of the purchase price of the Property Business.

If the above conditions have not been fulfilled, by not later than 30 April 2006, or such later dates as may be agreed in writing by the parties, the Agreement will fall away and be of no further force or effect.

The Agreement was entered into on normal commercial terms after arm's length negotiation. The Directors believe that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors also consider that the completion of the Acquisition will not bring any adverse effect on the Group.

## **INFORMATION ON CLOVER CARGO HOLDINGS**

Clover Cargo Holdings is a company incorporated in South Africa and, together with its subsidiaries, is engaged in supply chain management business providing international supply chain logistics services and solutions to importers and exporters such as freight forwarding, customs broking and warehousing.

The audited consolidated total asset value and net asset value of Clover Cargo Holdings as at 31 December 2004 were approximately ZAR170,380,563 (HK\$214,679,509) and ZAR19,348,486 (HK\$24,379,092) respectively. The audited consolidated net profits (both before and after taxation and minority interest) of Clover Cargo Holdings prepared in accordance with SA GAAP for each of the two years ended 31 December 2004 are set out as follows:

	<b>For the year ended 31 December 2003</b>	<b>For the year ended 31 December 2004</b>
<b>Audited consolidated net profits (before taxation and minority interest)</b>	ZAR5,511,039 (approximately HK\$6,943,909)	ZAR7,098,019 (approximately HK\$8,943,504)
<b>Audited consolidated net profits (after taxation and minority interest)</b>	ZAR2,882,555 (approximately HK\$3,632,019)	ZAR4,058,917 (approximately HK\$5,114,235)

## REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of air and sea freight forwarding services, exhibition forwarding and household removal services, third-party logistics representing trucking and warehousing services. It is the goal of the Company to expand and integrate its global network to tap into new markets. The Acquisition signifies the Company's continuing efforts to implement its expansion strategy into the EMEA Region (Europe, Middle East, Africa) and its first foray into Africa. Clover Cargo Holdings is a major player in the freight forwarding and logistics field in South Africa operating in Johannesburg, Durban, Cape Town and Port Elizabeth with more than 200 employees. The Acquisition provides the Company with new business opportunities and a solid platform to build upon. Clover Cargo Holdings can in turn leverage on the substantial global platform and resources of the Company to enhance its service offerings to its customers. The Acquisition is consistent with the above goal of the Company.

## GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapters 14 of the Listing Rules, which is subject to the notification and publication requirements. A circular containing details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

**As the transactions contemplated in the Agreement are subject to a number of conditions precedent, they may or may not be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

## RESUMPTION OF TRADING

At the request of the Company, trading in its Shares was suspended with effect from 9:30 a.m., 1 February 2006, pending the issuance of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m., 7 February 2006.

## DEFINITIONS

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

“Acquisition”	the acquisition by the Company of 52% of the total issued share capital of Clover Cargo Holdings from the Vendor
“Agreement”	a sale of shares agreement dated 26 January 2006 entered into between the Company and the Vendor in relation to the Acquisition
“Board”	the board of directors of the Company
“Company”	BALtrans Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person”	as defined in the Listing Rules
“Directors”	the directors of the Company

“Clover Cargo Holdings”	Clover Cargo Holdings (Proprietary) Limited, a company registered and incorporated in accordance with the laws of South Africa
“Clover Cargo Investments”	Clover Cargo Investments (Proprietary) Limited, a wholly owned subsidiary of Clover Cargo Holdings, which is an investments and properties holding company
“Clover Cargo Western Cape”	Clover Cargo International Western Cape (Proprietary) Limited, a 60% non-wholly owned subsidiary of Clover Cargo Holdings. Wicht Family Trust holds the remaining 40% of the issued share capital of Clover Cargo Western Cape
“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
“JLS Logistics”	JLS Logistics UK Limited, a 75% non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Clover Cargo Shareholders”	the existing shareholders of Clover Cargo Holdings excluding the Vendor and JLS Logistics
“Property Business”	the property business division of Clover Cargo Investments carried on by Clover Cargo Investments as a going concern, comprising the Properties, 60% of the issued share capital of Clover Cargo Cape (Proprietary) Limited, and any and all contracts and obligations of Clover Cargo Investments in respect of the Properties
“Properties”	the immovable properties situate at 15 Belgrade Avenue, Aeroport Industrial Estate, Spartan, South Africa and 22 Belgrade Avenue, Aeroport Industrial Estate, Spartan, South Africa
“SA GAAP”	South African Statements of Generally Accepted Accounting Practice
“Sale Shares”	104,000 ordinary shares of ZAR1.00 each in the issued share capital of Clover Cargo Holdings
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” the Trustees of the Fry Family Trust, and Leslie Frederick Fry

“ZAR” South African Rand, the lawful currency of South Africa

*Unless otherwise specified in this announcement, amounts denominated in ZAR have been converted into HK\$ at a rate of ZAR1.00 to HK\$1.26. No representation is made that any amounts in ZAR could have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board  
**Lau Siu Wing, Anthony**  
Chairman

Hong Kong, 6 February 2006

*As at the date of this announcement, the executive directors of the Company are Mr. Lau Siu Wing Anthony and Mr. Ng Hooi Chong; the non-executive directors are Mr. Wai Chung Hung David, Mr. William Hugh Purton Bird and Mr. Christopher John David Clarke; and the independent non-executive directors are Mr. Yu Hon To David, Ms Lau Kin Yee Miriam and Mr. Ng Cheung Shing*

“Please also refer to the published version of this announcement in the South China Morning Post”