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*Symbol of Quality Logistics Services*

## **BALtrans Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 562)**

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

**AND**

**DEEMED DISCLOSEABLE TRANSACTIONS INVOLVING OPTION  
ARRANGEMENTS**

**OVER CERTAIN SHARES IN THE CLOVER CARGO GROUP ENTITIES**

**AND**

**RESUMPTION OF TRADING**

Further to the Company's announcement dated 6 February 2006 and circular dated 21 February 2006, the Company is pleased to announce that the Acquisition of the 52% of the issued share capital of Clover Cargo Holdings has been completed on 4 May 2006.

In the Announcement and the Circular, it was stated that the Agreement relating to the Acquisition is conditional upon, among other things, agreements being concluded (a) by the Company 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; (b) by the Company 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; and (c) by Clover Cargo Investments with Newco for the transfer of the Property Business as a going concern to the then existing shareholders of CCH immediately before the completion of the Acquisition.

The Related Agreements and the Transfer Agreement have been entered into principally in satisfaction of the conditions to the Agreement relating to the Acquisition, and following the signing of the Related Agreements and the Transfer Agreement, the Acquisition has been completed on 4 May 2006.

The Related Agreements involve various option arrangements involving the existing shares in various Clover Cargo Group entities, namely Clover Cargo Holdings (Proprietary) Limited, Clover Cargo International Western Cape (Proprietary) Limited and Twala Global Cargo (Proprietary) Limited. On completion of the Acquisition, CCH is owned directly as to 52% by the Company and indirectly as to 10% by JLS Logistics. CCWC and Twala are respectively owned as to 60% and 37.5% by Clover Cargo International, a wholly owned subsidiary of CCH. Under the Related Agreements, the relevant shareholders of the Relevant Entities have granted the Company a call option, exercisable at any time during the agreed call option period, to require the relevant shareholders to sell the relevant option shares in the Relevant Entities to the Company. Correspondingly, the Company also granted the respective shareholders of the Relevant Entities a put option, exercisable at any time during the agreed put option period, to require the Company to purchase in whole or in part, in one or more tranches the same option shares from such shareholders. Further information on the Related Agreements are set out below.

The purchase price payable by the Company upon the future exercise of any of the put options and call options granted under the option agreements is based on an agreed multiple of the future earnings of the relevant entities. The exercise of call option under the Related Agreements shall not be valid unless certain caps are complied with.

In view that the exercise of the options under the Related Agreements is subject to caps resulting in the exercise (and if applicable, aggregated with the other option exercises or the Acquisition) not exceeding the maximum percentage ratios constituting a discloseable transaction of the Company (based on the 31 July 2005 audited financial statements of the Company), the transactions under the Related Agreements has been deemed a discloseable transaction (for classification purposes) under Listing Rule 14.76(1). A circular containing, amongst other things, further details of the Related Agreements will be dispatched to the Shareholders as soon as practicable and in accordance with the Listing Rules. In the event that any of the options shall lapse and/or be exercised, further announcement will be issued by the Company to the Shareholders.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:30 a.m. on 23 May 2006 (Hong Kong time), pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 7 June 2006 (Hong Kong time).

## **COMPLETION OF THE ACQUISITION**

Further to the Company's announcement dated 6 February 2006 and circular dated 21 February 2006, the Company is pleased to announce that the Acquisition of the 52% of the issued share capital of CCH has been completed on 4 May 2006.

## **BACKGROUND**

In the Announcement and the Circular, it was stated that the Agreement relating to the Acquisition is conditional upon, among other things, agreements being concluded (a) by the Company 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; (b) by the Company 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; and (c) by Clover Cargo Investments with Newco for the transfer of the Property Business as a going concern to the then existing shareholders of CCH immediately before the completion of the Acquisition (the “Transfer Agreement”). As stated in the Announcement and the Circular, despite the entering into of the Transfer Agreement, the Company does not intend to include the Property Business into the BALtrans Group. The Company has agreed to transfer its entire 10% interest in the issued share capital of the Newco (which interest accrued by reason of the 10% interest of JLS Logistics in CCH prior to completion of the Acquisition) to the CCH Option Parties in accordance with their proportionate shareholdings in CCH to satisfy part of the consideration for the transfer of the CCH Option Shares. Please refer to paragraph (b) under the section “CCH Options — Consideration and payment terms” for further details.

The Related Agreements and the Transfer Agreement have been entered into principally in satisfaction of the conditions to the Agreement relating to the Acquisition, and following the signing of the Related Agreements and the Transfer Agreement, the Acquisition has been completed on 4 May 2006.

The Related Agreements involve various option arrangements involving the existing shares in various Clover Cargo Group entities, namely Clover Cargo Holdings (Proprietary) Limited, Clover Cargo International Western Cape (Proprietary) Limited and Twala Global Cargo (Proprietary) Limited (collectively, the “Relevant Entities” and each a “Relevant Entity”). On completion of the Acquisition, CCH is owned as to 52% by the Company and indirectly as to 10% by JLS Logistics. CCWC and Twala are respectively owned as to 60% and 37.5% by Clover Cargo International, a wholly owned subsidiary of CCH. Under the Related Agreements, the relevant shareholders of the Relevant Entities have granted the Company a call option, exercisable at any time during the agreed call option period, to require the relevant shareholders to sell the relevant option shares in the Relevant Entities to the Company. Correspondingly, the Company also granted the respective shareholders of the Relevant Entities a put option, exercisable at any time during the agreed put option period, to require the Company to purchase in whole or in part, in one or more tranches the same option shares from such shareholders. Further information on the Related Agreements are set out below:

## **CCH OPTIONS**

### **Parties**

CCH 1 Agreement dated 28 April 2006:

- (1) the Company
- (2) Trustees to the Osborn Trust and G M Partridge, the holders of the CCH Option 1 Shares

CCH 2 Agreement dated 28 April 2006:

- (1) the Company
- (2) Trustees to the Assisi Trust and J St V Magnus, the holders of the CCH Option 2 Shares

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

### **Assets to be acquired**

Under the CCH 1 & 2 Agreements, the respective CCH Option Parties granted the Company the call option, exercisable at any time during the CCH Call Option Period, to require the respective CCH Option Parties to sell all the relevant CCH Option Shares to the Company; and the Company granted the respective CCH Option Parties a put option, exercisable at any time and from time to time during the CCH Put Option Period, to require the Company to purchase in whole or in part, in one or more tranches the relevant CCH Option Shares from the respective CCH Option Parties.

Under the CCH 1 & 2 Agreements, on the occurrence of any of the following events prior to 1 January 2009, then the CCH Put Option Period will begin on the occurrence of such relevant event and end on 31 December 2011:

- (i) a BALtrans Disposal;
- (ii) a BALtrans Control Change; or
- (iii) the termination of the employment with CCH of (in the case of CCH 1 Agreement) G M Partridge and (in the case of CCH 2 Agreement) J St V Magnus, for any reason, other than the voluntary resignation of relevant individual; in the event of such voluntary resignation, the put option period shall commence on the date of such resignation for a period of 3 years, but not after 2011. Such termination or resignation does not require the approval of the shareholders of CCH.

### **Consideration and payment terms**

The purchase price for the CCH Option Shares under each of the CCH 1 & 2 Agreements arrived at on a willing buyer and a willing seller basis, will be the aggregate of the amounts referred to in (a), (b) and (c) below and determined based on the following:

- (a) an amount in cash determined by the formula: Average PAT X 10.5 X Relevant %, where:
  - (i) "Average PAT" means the average net profits after taxation of CCH for each of the four calendar years (ending on 31 December) preceding the exercise of the put or call option; provided that in the event that the put option is exercised upon the occurrence of a relevant event and prior to the commencement of the CCH Put Option Period, then "Average PAT" shall mean the average net profits after tax of the Company in each of the calendar years commencing on 31 December 2005 and terminating on 31 December in the calendar year immediately preceding the date of exercise of the put option. The "Average PAT" shall be determined based on SA GAAP and the unaudited financial statements to be prepared by CCH for this purpose and agreed by the parties; and
  - (ii) "Relevant %" means the percentage of the total issued share capital of CCH represented by the relevant CCH Option Shares on exercise of the put or call option;

- (b) the transfer of the entire 10% shareholding (and the cession of the relevant loan accounts) of the BALtrans Group in Newco to the CCH Option Parties (in the proportion of (in the case of CCH Option 1) 11.05% to the Osborn Trust (4.2/38) and 24.21% to G M Partridge (9.2/38) and (in the case of CCH Option 2) 25.79% to the Assisi Trust (9.8/38) and 38.95% to J St V Magnus (14.8/38)); and if the put option is exercised in more than one tranche, the transfer of such Newco shares shall be proportionately adjusted. (Note: See description of the Transfer Agreement above. Upon the completion of such transfers, the BALtrans Group will cease to own any interest in Newco. Under the terms of the Agreement, Leslie Fry and the Fry Family Trust, being the sellers thereunder, were not entitled to such interest in Newco, as it was not part of the agreed commercial arrangement.); and
- (c) (in the case of CCH Option 1) a promissory note in the amount of ZAR723,600 (approximately HK\$911,736) and (in the case of CCH Option 2) a promissory note in the amount of ZAR1,328,400 (approximately HK\$1,673,784).

The exercise of any put or call option under CCH 1 & 2 Agreements shall not be valid unless in respect of the Relevant Exercise under the relevant CCH Agreement, all of the following caps are complied with:

*Consideration Cap*

- (i) The purchase price payable for the relevant subject shares arising from the Relevant Exercise shall not exceed, when converted into the Hong Kong dollar equivalent (based on a fixed exchange rate of ZAR1.00 to HK\$1.26), an amount calculated as:

HK\$457,130,252.70 (Note 1) — AC

*Asset, Profit and Revenue Caps*

- (ii) The amounts set out below in Column 1 in respect of the Relevant Exercise cannot exceed the corresponding amounts set out in Column 2:

<b>Column 1</b>	<b>Column 2</b>
(TTA x RP (Note 6)) + PTA (Note 5)	HK\$333,164,181 (Note 2)
(TNP x RP) + PNP (Note 5)	HK\$33,689,519 (Note 3)
(TOR x RP) + POR (Note 5)	HK\$926,206,869 (Note 4)

*Note 1:* This figure is equivalent to approximately 24.99% of HK\$1,829,252,712 being the market capitalisation of the Company on 4 May 2006 (i.e. the average closing price of the Shares quoted on the Stock Exchange for the five trading days immediately preceding 4 May 2006).

*Note 2:* This figure is equivalent to approximately 24.99% of the consolidated total assets of the Company as at 31 July 2005 based on its 2005 audited accounts for the year ended 31 July 2005.

*Note 3:* This figure is equivalent to approximately 24.99% of the consolidated net profit before tax, minority interests and extraordinary items of the Company for the year ended 31 July 2005 based on its 2005 audited accounts.

*Note 4:* This figure is equivalent to approximately 24.99% of the consolidated revenue of the Company arising from its principal activities for the year ended 31 July 2005 based on its 2005 audited accounts.

*Note 5:* Each of PTA, PNP and POR shall be ascribed “nil” value in the following 2 circumstances:

- (i) if none of the put or call options under the Related Agreements was exercised in the 12 month period prior to the Relevant Exercise and the latter falls after 3 May 2007; or
- (ii) if RP is for any reason deemed equal to 100%.

*Note 6:* As indicated in the definitions of “RP”. 100% of the assets, profits and revenue of CCH will be taken into account in the case of the exercise of the CCH. CCWC and Twala Options on or before 3 May 2007 and 100% of the assets, profits and revenue of Twala will be taken into account in the case of any exercises of the Twala Options resulting in Twala becoming a subsidiary of the Company.

The above caps were arrived at pursuant to arms length negotiations between the parties, having regard to the commercial value of the transactions of the Related Agreements and the disclosure requirements under Chapter 14 of the Listing Rules as well as the management time and resource that might have been required if the caps have not been included. The caps have been included and are designed to ensure that the percentage ratios relating to the grant and exercise of the options under the Related Agreements will not result in the relevant percentage ratios under Chapter 14 of the Listing Rules exceeding 25% and thus being classified as a major transaction or a very substantial acquisition under the Listing Rules.

The amounts referred to in (a) and (b) above in respect of the purchase price shall be satisfied in cash on the completion date(s) under the respective CCH 1 & 2 Agreements. The amount referred to in (c) above in respect of the purchase price has been conditionally discharged by the Company through the issue of promissory notes in the relevant amounts to the relevant CCH Option Parties on 28 April 2006, in accordance with the terms of the CCH 1 & 2 Agreements. However, the amounts payable under the promissory notes will not fall due until the first closing date under the respective CCH 1 & 2 Agreements.

The Company will control 100% of the issued share capital of CCH if the Company purchases all the CCH Option Shares pursuant to the exercise of all the put options or all the call options under the CCH 1 & 2 Agreements.

The completion upon any exercise of the CCH Options will take place after the determination of the final purchase price.

The exercise of any option under CCH Option 1 is not conditional upon the exercise of any option under CCH Option 2 and vice versa.

The following table shows the shareholding in CCH before and after completion upon the exercise of all relevant put options or all relevant call options the CCH 1 & 2 Agreements:

<b>Shareholder</b>	<b>Shareholding percentage in CCH (before completion upon exercise of all relevant CCH Options)</b>	<b>Shareholding percentage in CCH (after completion upon exercise of all relevant CCH Options)</b>
The Company	52%	90%
JLS Logistics (a 75% non-wholly owned subsidiary of the Company)	10%	10%
<b>Other Clover Cargo Shareholders</b>		
Assisi Trust	9.8%	—
J St V Magnus	14.8%	—
Osborn Trust	4.2%	—
G M Partridge	9.2%	—
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Total:	<u>100%</u>	<u>100%</u>

### **Information on CCH**

As stated in the Announcement, 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 2005 were approximately ZAR179,269,000 (HK\$225,879,000) and ZAR26,790,000 (HK\$33,755,000) 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 2005 are set out as follows:

	<b>For the year ended 31 December 2004</b>	<b>For the year ended 31 December 2005</b>
<b>Audited consolidated net profits (before taxation and minority interest)</b>	ZAR7,098,000 (approximately HK\$8,943,000)	ZAR13,262,000 (approximately HK\$16,710,000)
<b>Audited consolidated net profits (after taxation and minority interest)</b>	ZAR3,999,000 (approximately HK\$5,039,000)	ZAR8,262,000 (approximately HK\$10,410,000)

## CCWC OPTIONS

### Parties

The CCWC Agreement dated 28 April 2006:

- (1) the Company
- (2) Trustees for the time being of the Wicht Family Trust, the holder of the CCWC Option Shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Wicht Family Trust is a third party independent of the Company and connected persons of the Company.

### Asset to be acquired

Under the CCWC Agreement, the Wicht Family Trust granted the Company the call option, exercisable at any time during the CCWC Call Option Period, to require the Wicht Family Trust to sell the CCWC Option Shares to the Company; and the Company granted the Wicht Family Trust a put option, exercisable in whole or in part, in one or more tranches, at any time during the CCWC Put Option Period, to require the Company to purchase all or any part of the CCWC Option Shares from the Wicht Family Trust.

Under the CCWC Agreement, on the occurrence of any of the following events prior to 1 May 2009, then the CCWC Put Option Period will begin on the occurrence of such relevant event and end on 31 October 2011:

- (i) a BALtrans Disposal;
- (ii) a BALtrans Control Change; or
- (iii) the termination of the employment with CCWC of Brian Wicht for any reason prior to 1 May 2009, other than the voluntary resignation of relevant individual; in the event of such voluntary resignation, the put option period shall commence on the date of such resignation for a period of 3 years, but not after 31 October 2011. Such termination or resignation does not require the approval of the shareholders of CCWC.

### Consideration and payment terms

The purchase price for the CCWC Option Shares arrived at on a willing buyer and a willing seller basis, will be determined based on the following formula:

Average PAT X 9 X Relevant %

where:

“Average PAT” means the average net profits after taxation of CCWC for each of the three financial years (ending on 31 July) preceding the exercise of the put or call option; provided that in the event that the put option is exercised upon the occurrence of a relevant event described in the foregoing subsection



and prior to the commencement of the CCWC Put Option Period, then “Average PAT” shall mean the average net profits after tax of CCWC in each of the financial years commencing on 1 August 2006 and terminating on 31 July in the year immediately preceding the date of exercise of the put option. The “Average PAT” shall be determined based on SA GAAP and the unaudited financial statements to be prepared by CCWC for this purpose and agreed by the parties.

“Relevant %” means the percentage of the total issued share capital of CCWC represented by the relevant CCWC Option Shares on exercise of the put or call option.

The exercise of any put or call option under CCWC Agreement shall not be valid unless in respect of the Relevant Exercise under the CCWC Agreement, all of the consideration, assets, profit and revenue caps described above under the section “CCH Options — Consideration and payment terms” (which shall also apply) are complied with.

The purchase price shall be satisfied in cash on the closing date under the CCWC Agreement.

No minimum or maximum exercise price has been determined or agreed. Upon completion of the exercise of the put or call option under the CCWC Agreement, CCWC will become a direct wholly-owned subsidiary of Clover Cargo International.

The completion upon the exercise of the CCWC Option will take place after the determination of the final purchase price.

The following table shows the shareholding in CCWC before and after completion of exercise of the put or call option under the CCWC Option Agreement:

<b>Shareholder</b>	<b>Shareholding percentage in CCWC (before completion upon exercise of the relevant CCWC Option)</b>	<b>Shareholding percentage in CCWC (after completion upon exercise of the relevant CCWC Option)</b>
Clover Cargo International (a wholly owned subsidiary of the Clover Cargo Group)	60%	60%
Wicht Family Trust	40%	—
The Company	—	40%
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Total:	100%	100%
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### **Information on CCWC**

As stated in the Announcement, Clover Cargo Western Cape is a company incorporated in South Africa and is engaged in freight forwarding and clearing agency. Currently, Clover Cargo Western Cape is non-wholly owned as to 60% by Clover Cargo International and as to 40% by Wicht Family Trust.

The audited consolidated total asset value and net asset value of Clover Cargo Western Cape as at 31 December 2005 were approximately ZAR40,538,000 (HK\$51,078,000) and ZAR9,850,000 (HK\$12,411,000) respectively. The audited consolidated net profits (both before and after taxation and minority interest) of Clover Cargo Western Cape prepared in accordance with SA GAAP for each of the two years ended 31 December 2005 are set out as follows:

	<b>For the year ended 31 December 2004</b>	<b>For the year ended 31 December 2005</b>
<b>Audited consolidated net profits (before taxation and minority interest)</b>	ZAR3,241,000 (approximately HK\$4,084,000)	ZAR4,415,000 (approximately HK\$5,563,000)
<b>Audited consolidated net profits (after taxation and minority interest)</b>	ZAR2,266,000 (approximately HK\$2,855,000)	ZAR3,042,000 (approximately HK\$3,833,000)

## **TWALA OPTIONS**

### **Parties**

The Twala 1 Agreement dated 28 April 2006:

- (1) the Company
- (2) G M Partridge, the holder of the Twala Option 1 Shares

The Twala 2 Agreement dated 28 April 2006:

- (1) the Company
- (2) J St V Magnus, the holder of the Twala Option 2 Shares

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

### **Asset to be acquired**

Under the Twala Option Agreements, the Twala Option Parties granted the Company the call option, exercisable at any time during the Twala Call Option Period, to require the Twala Option Parties to sell the Twala Option Shares to the Company; and the Company granted the Twala Option Parties a put option, exercisable at any time and from time to time during the Twala Put Option Period, to require the Company to purchase the Twala Option Shares from the Twala Option Parties.

Under the Twala Option Agreements, on the occurrence of any of the following events prior to 1 January 2009, then the put option period will begin on the occurrence of such relevant event and end on 31 December 2011:

- (i) a BALtrans Disposal;
- (ii) a BALtrans Control Change; or
- (iii) the termination of the employment of J St V Magnus or, as the case may be, G M Partridge with CCH for any reason prior to 1 May 2009, other than the voluntary resignation of relevant individual; in the event of such voluntary resignation, the put option period shall commence on the date of such resignation for a period of 3 years, but not after 31 December 2011.

### **Consideration and payment terms**

The exercise price for the Twala Option Shares arrived at on a willing buyer and a willing seller basis, is determined based on the following formula:

- (a) an amount in cash determined by the formula: Average PAT X 10.5 X Relevant %, where:

“Average PAT” means the average net profits after taxation of Twala for each of the four calendar years (ending on 31 December) preceding the exercise of the put or call option; provided that in the event that the put option is exercised upon the occurrence of a relevant event described in the foregoing subsection and prior to the commencement of the Twala Put Option Period, then “Average PAT” shall mean the average net profits after tax of Twala in each of the calendar years commencing on 31 December 2005 and terminating on 31 December in the calendar year immediately preceding the date of exercise of the put option. The “Average PAT” shall be determined based on SA GAAP and the unaudited financial statements to be prepared by Twala for this purpose and agreed by the parties; and

- (b) “Relevant %” means the percentage of the total issued share capital of Twala represented by the relevant Twala Option Shares on exercise of the put or call option.

The exercise of any put or call option under Twala 1 & 2 Agreements shall not be valid unless in respect of the Relevant Exercise under the Twala 1 & 2 Agreements, all of the consideration, assets, profit and revenue caps described above under the section “CCH Options — Consideration and payment terms” (which shall also apply) are complied with.

The purchase price shall be satisfied in full on the relevant closing date(s) under the respective Twala Option Agreements.

The Company will control 74.9% of the issued share capital of Twala if the Company purchases all the Twala Option Shares pursuant to the exercise of the relevant Twala Options.

The completion upon any exercise of the Twala Options will take place after the determination of the final purchase price.

The exercise of any option under the Twala Option 1 is not conditional upon the exercise of any option under Twala Option 2 and vice versa.

The following table shows the shareholding in Twala before and after completion of exercise of all relevant put options or all relevant call options under the Twala 1 & 2 Agreements:

<b>Shareholder</b>	<b>Shareholding percentage in Twala (before completion upon exercise of all relevant Twala Options)</b>	<b>Shareholding percentage in Twala (after completion upon exercise of all relevant Twala Options)</b>
Clover Cargo International (a wholly owned subsidiary of the Clover Cargo Group)	37.5%	37.5%
Twala Trust	25.1%	25.1%
G M Partridge	18.7%	—
J St V Magnus	18.7%	—
The Company	—	37.4%
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Total:	<u>100%</u>	<u>100%</u>

#### **Information on Twala**

As stated in the Announcement, Twala is a company incorporated in South Africa and is principally engaged as a freight forwarding and clearing agent. Currently, Twala is owned as to 37.5% by Clover Cargo International.

The audited consolidated total asset value and net asset value of Twala as at 31 December 2005 were approximately ZAR27,440,000 (HK\$34,574,000) and (ZAR49,000) (deficit HK\$62,000), respectively. The audited consolidated net profits (both before and after taxation and minority interest) of Twala prepared in accordance with SA GAAP for each of the two years ended 31 December 2005 are set out as follows:

	<b>For the year ended 31 December 2004</b>	<b>For the year ended 31 December 2005</b>
<b>Audited consolidated net profits (before taxation and minority interest)</b>	ZAR1,000 (approximately HK\$1,000)	ZAR885,000 (approximately HK\$1,115,000)
<b>Audited consolidated net profits (after taxation and minority interest)</b>	ZAR1,000 (approximately HK\$1,000)	ZAR868,000 (approximately HK\$1,094,000)

## **REASONS FOR THE RELATED AGREEMENTS**

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.

As disclosed in the Announcement and the Circular, the Acquisition signifies the Company's continuing efforts to implement its strategy into the EMEA Region (Europe, Middle East and Africa) and its foray into Africa. The Related Agreements are consistent with that strategy and reflect the Company's desire and intention to gain majority ownership and control of the freight forwarding and logistics business operated by the Clover Cargo Group.

On the basis that the Related Agreements were negotiated on arm's length basis and that the price earnings multiple used in the calculation of the relevant purchase price to be paid was arrived at with reference to price earnings multiples of listed companies in the same industry in Hong Kong and generally in line with industry practice, the Directors (including the independent non-executive Directors) consider that the Related Agreements are made on normal commercial terms, that their respective terms are fair and reasonable, and that the Related Agreements and their respective terms are in the interests of the BALtrans Group and the Company's shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

In view that the exercise of the options under the Related Agreements is subject to caps resulting in the exercise (and if applicable, aggregated with the other option exercises or the Acquisition) not exceeding the maximum percentage ratios constituting a discloseable transaction of the Company (based on the 31 July 2005 audited financial statements of the Company), the series of transactions under the Related Agreements has been deemed a discloseable transaction (for classification purposes) under Listing Rule 14.76(1). A circular containing, amongst other things, further details of the Related Agreements will be dispatched to the Shareholders as soon as practicable and in accordance with the Listing Rules. In the event that any of the options shall lapse and/or be exercised, further announcement will be issued by the Company to the Shareholders.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:30 a.m. on 23 May 2006 (Hong Kong time), pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 7 June 2006 (Hong Kong time).

## DEFINITIONS

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

“AC”	the aggregate consideration paid by the Company on all acquisitions made upon the exercise of any put or call options under the Related Agreements within the previous 12 months of the Relevant Exercise, as increased by the amount of HK\$22,816,080 (being the consideration paid for the acquisition of 52% of CCH completed on 4 May 2006) if the Relevant Exercise has taken place on or before 3 May 2007
“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
“Announcement”	the announcement by the Company dated 6 February 2006 relating to the Acquisition
“Assisi Trust”	the family trust bearing Master’s Reference Number 9917/04 and the beneficiaries of whom are family members of J St V Magnus and which is one of the holders of the CCH Option 2 Shares
“BALtrans Control Change”	a change in holding or control of more than 50% of the issued share capital of the Company or the voting rights in respect of shareholders’ meetings of the Company
“BALtrans Disposal”	the BALtrans Group disposing all or part of its shares in (in the case of the CCH 1 & 2 Agreements) CCH, (in the case of the CCWC Agreement) CCH or CCWC, and (in the case of the Twala 1 & 2 Agreements) Twala, the percentage of the total issued share capital of CCH represented by the relevant Option Shares on exercise of the put or call option
“BALtrans Group”	the Company and its subsidiaries
“Board”	the board of directors of the Company
“Brian Wicht”	Mr. Brian Wicht, a director of CCWC. To the best of the Directors’ knowledge, information and belief, Brian Wicht has no relationship with G M Partridge or J St V Magnus, other than as a colleague within the Clover Cargo Group

“CCH” or “Clover Cargo Holdings”	Clover Cargo Holdings (Proprietary) Limited, a company registered and incorporated in accordance with the laws of South Africa
“CCH 1 Agreement”	the agreement entered into between the Company, the Trustees to the Osborn Trust and G M Partridge in relation to the CCH Option 1
“CCH 2 Agreement”	the agreement entered into between the Company, the Trustees to the Assisi Trustee and J St V Magnus in relation to the CCH Option 2
“CCH Call Option Period”	the period from 1 January 2012 to 31 December 2012
“CCH Options”	the CCH Option 1 and CCH Option 2
“CCH Option 1”	the put and call options granted by the parties to the CCH 1 Agreement
“CCH Option 2”	the put and call options granted by the parties to the CCH 2 Agreement
“CCH Option Parties”	in relation to CCH Option 1, the parties to the CCH 1 Agreement, other than the Company and in relation to CCH Option 2, the parties to the CCH 2 Agreement, other than the Company
“CCH Option 1 Shares”	the shares which is the subject matter of CCH Option 1 and which represents 13.4% (Osborn Trust: 4.2% and G M Partridge: 9.2%) of the issued share capital of CCH provided that if the put option is exercised under the CCH 1 Agreement, the “CCH Option 1 Shares” under that CCH 1 Agreement shall mean such proportion of the aforesaid CCH shares which are put to the Company in each tranche, such shares to be taken proportionately from each of the relevant parties under the CCH 1 Agreement
“CCH Option 2 Shares”	the shares which is the subject matter of CCH Option 2 and which represents 24.6% (Assisi Trust: 9.8% and J St V Magnus: 14.8%) of the issued share capital of CCH provided that if the put option is exercised under the CCH 2 Agreement, the “CCH Option 2 Shares” under that CCH 2 Agreement shall mean such proportion of the aforesaid CCH shares which are put to the Company in each tranche, such shares to be taken proportionately from each of the relevant parties under the CCH 2 Agreement
“CCH Option Shares”	the CCH Option 1 Shares and the CCH 2 Option Shares

“CCH Put Option Period”	the period from 1 January 2009 to 31 December 2011
“CCWC” or “Clover Cargo Western Cape”	Clover Cargo International Western Cape (Proprietary) Limited, a 60% non-wholly owned subsidiary of Clover Cargo Holdings. Wicht Family Trust currently holds the remaining 40% of the issued share capital of Clover Cargo Western Cape
“CCWC Agreement”	the sale and option agreement entered into between the Company and the Wicht Family Trust in relation to the CCWC Options
“CCWC Call Option Period”	the period from 1 November 2012 to 31 October 2012
“CCWC Option Shares”	the shares which represent 40 % of the issued share capital of CCWC
“CCWC Put Option Period”	the period of 3 months (before or after) 1 August 2009, 1 August 2010 and 1 August 2011
“Circular”	the circular issued by the Company dated 21 February 2006 relating to the Acquisition
“Clover Cargo Group”	CCH and its subsidiaries
“Clover Cargo International”	Clover Cargo International (Proprietary) Limited, an indirect wholly-owned subsidiary of Clover Cargo Holdings
“Clover Cargo Investments”	Clover Cargo Investments (Proprietary) Limited, a wholly owned subsidiary of Clover Cargo Holdings, which is an investments and properties holding 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
“Fry Family Trust”	the family trust bearing Master’s Reference Number T886/89, whose beneficiaries are family members of Leslie Frederick Fry, which together with Leslie Fry sold the 52% of the total issued share capital of Clover Cargo Holdings to the Company pursuant to the Acquisition



“G M Partridge”	Mr. Geoffrey Mills Partridge, a director and employee of CCH, one of the holders of the CCH Option 1 Shares and the holder of the Twala Option Shares. To the best of the Directors’ knowledge, information and belief, GM Partridge has no relationship with J St V Magnus, other than as a colleague in the Clover Cargo Group and (in the case of J St V Magnus only) Twala
“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
“IFRS”	the International Financial Reporting Standards
“JLS Logistics”	JLS Logistics UK Limited, a 75% non-wholly owned subsidiary of the Company
“J St V Magnus”	Mr. John St. Vincent Magnus, a director and employee of CCH and one of the holders of CCH Option 2 Shares and the holder of the Twala Option 2 Shares. To the best of the Directors’ knowledge, information and belief, J St V Magnus has no relationship with G M Partridge, other than as a colleague in the Clover Cargo Group and (in the case of G M Partridge only) Twala
“Leslie Fry”	Mr. Leslie Frederick Fry, a private individual, who together with Fry Family Trust sold the 52% of the total issued share capital of Clover Cargo Holdings to the Company pursuant to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newco”	Royal Albatross Properties 229 (Proprietary) Limited, (registration no. 2006/008908/07) a company registered and incorporated in terms of the laws of South Africa of which the shareholders as at the Completion Date will be The Fry Family Trust jointly with Leslie Fry (52%), Assisi Trust (24.6%), Osborn Trust (13.4%) and JLS Logistics (10%)
“Osborn Trust”	the family trust bearing Master’s Reference Number 9916/04 and the beneficiaries of whom are family members of G M Partridge and which is one of the holders of the CCH Option 1 Shares

“Other Clover Cargo Shareholders”	the existing shareholders of Clover Cargo Holdings excluding the Vendor and JLS Logistics
“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
“PNP”	(i) if any of the put or call options under the Related Agreements was exercised in the 12 month period prior to the Relevant Exercise, the aggregate of the sum calculated in respect of each such previous option exercise as $TNP \times RP$ (as if the prior option exercise were the Relevant Exercise); and (ii) if the Relevant Exercise relates to CCWC or Twala and takes place on or before 3 May 2007, as increased by the amount of HK\$16,710,120 (being 100% of the audited consolidated net profit before tax, minority interests and extraordinary items of CCH for the year ended 31 December 2005)
“POR”	(i) if any of the put or call options under the Related Agreements was exercised in the 12 month period prior to the Relevant Exercise, the aggregate of the sum calculated in respect of each such previous option exercise as $TOR \times RP$ (as if the prior option exercise were the Relevant Exercise); and (ii) if the Relevant Exercise relates to CCWC or Twala and takes place on or before 3 May 2007, as increased by the amount of HK\$564,108,862 (being 100% of the audited consolidated revenue of CCH (based on IFRS) arising from its principal activities for the year ended 31 December 2005)
“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 CCWC, and any and all contracts and obligations of Clover Cargo Investments in respect of the Properties
“PTA”	(i) if any of the put or call options under the Related Agreements was exercised in the 12 month period prior to the Relevant Exercise, the aggregate of the sum calculated in respect of each such previous option exercise(s) as $TTA \times RP$ (as if the prior option exercise were the Relevant Exercise); and (ii) if the Relevant Exercise relates to CCWC or Twala and takes place on or before 3 May 2007, as increased by the amount of HK\$225,878,940 (being 100% of the audited consolidated total assets of CCH as at 31 December 2005)

“RP”	the relevant percentage represented by the shares in the relevant target company being acquired under the Relevant Exercise out of the total shares of the relevant target company then in issue, except that (i) where the relevant target company is Twala and prior to the Relevant Exercise the assets of the relevant target company were not consolidated in the Company’s accounts but will be consolidated following completion of the Relevant Exercise, then RP shall be deemed to be equal (=) to 100%; (ii) where the relevant target company is CCH , then RP shall be deemed to be equal (=) to 100% if the Relevant Exercise takes place on or before 3 May 2007 and (iii) where the relevant target company is CCWC (being an existing subsidiary of CCH), then RP shall be deemed to be equal (=) to “nil” value if the Relevant Exercise takes place on or before 3 May 2007
“Related Agreements”	collectively, the CCH 1 & 2 Agreements, the CCWC Agreement and the Twala 1 & 2 Agreements
“Relevant Entities” or “Relevant Entity”	has the meaning ascribed to the term in the section headed “Background”
“Relevant Exercise”	the exercise of any of the options under the Related Agreements for the time being considered
“Relevant Twala Shareholders”	J St V Magnus and G M Partridge; each of whom holds shares representing 18.7% of the issued share capital of Twala
“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
“Shareholder(s)”	the shareholders of the Company
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TNP”	the net profit before tax, minority interests and extraordinary items (consolidated where applicable) of the relevant target company (based on IFRS) for the latest financial year for which audited accounts are available at the time of the Relevant Exercise

“TOR”	the revenue (consolidated where applicable) of the relevant target company (based on IFRS) arising from its principal activities for the latest financial year for which audited accounts are available at the time of the Relevant Exercise
“Transfer Agreement”	has the meaning ascribed to the term under the section headed “Background”
“TTA”	the total assets (consolidated where applicable) of the relevant target company the shares in which is the subject matter of the Relevant Exercise (based on IFRS) as at the end of the latest financial year for which audited accounts are available at the time of the Relevant Exercise
“Twala”	Twala Global Cargo (Proprietary) Limited, a company registered and incorporated in according with the Parts of South Africa and owned as a to 37.5% by the Clover Cargo Group
“Twala 1 Agreement”	the agreement entered into between the Company and G M Partridge in relation to Twala Option 1
“Twala 2 Agreement”	the agreement entered into between the Company and J St V Magnus in relation to Twala Option 2
“Twala Call Option Period”	the period from 1 January 2012 to 31 December 2012
“Twala Options”	the Twala Option 1 and the Twala Option 2
“Twala Option 1”	the put and call options granted under the Twala 1 Agreement
“Twala Option 2”	the put and call options granted under the Twala 2 Agreement
“Twala Option Parties”	in relation to Twala Option 1, the parties to the Twala 1 Agreement, other than the Company and in relation to Twala Option 2, the parties to the Twala 2 Agreement, other than the Company
“Twala Option 1 Shares”	the shares in Twala representing 18.7% of the issued share capital of Twala
“Twala Option 2 Shares”	the shares in Twala representing 18.7% of the issued share capital of Twala
“Twala Option Shares”	the Twala Option 1 Shares and the Twala Option 2 Shares
“Twala Put Option Period”	the period from 1 January 2009 to 31 December 2011

“Twala Trust”	the trust established for the benefit of black employees of Twala. This trust will hold shares of Twala and distribute all benefits and dividends arising from that shareholding to the beneficiaries
“Vendor”	the Trustees of the Fry Family Trust, and Leslie Frederick Fry
“Wicht Family Trust”	the family trust bearing Master’s Reference Number T576/91, the beneficiaries of whom are family members of Brian Wicht and which is the holder of the CCWC Option Shares
“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  
**Ng Hooi Chong**  
*Executive Director*

Hong Kong, 6 June 2006

*As at the date of this announcement, the executive directors of the Company are Mr. Lau Siu Wing Anthony, Mr. Henrik August von Sydow, Mr. Ng Hooi Chong and Mr. Tetsu Toyofuku; 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.