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**BALtrans  
Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 562)**

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF 49.98% EQUITY INTEREST  
IN BN HOLDING AG**

The Board is pleased to announce that on 28 July, 2006, the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement whereby the Purchaser agreed to acquire 49.98% equity interest in the Target Company from the Vendor at a consideration of EURO1,002,000 (approximately HK\$9,879,720).

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

**INTRODUCTION**

The Board is pleased to announce that on 28 July, 2006, the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement whereby the Purchaser agreed to acquire 49.98% equity interest in the Target Company from the Vendor at a consideration of EURO1,002,000 (approximately HK\$9,879,720). The Target Company is an investment holding company which in turn holds 96% equity interest in BNG Logistics. The principal business of BNG Logistics is operating an international freight forwarding agency based in Germany.

**THE SHARE PURCHASE AGREEMENT**

**Date:** 28 July, 2006

**Parties**

- (i) the Vendor (whose principal business is to act as an investment holding company); and
- (ii) the Purchaser (a wholly-owned subsidiary of the Company).

The Vendor and the Purchaser are parties to the Cooperation Agreement with respect to the joint development and establishment of the Target Company in 2004. The Vendor owns 49.98% of the equity interest in the Target Company and the Purchaser owns the remaining 50.02% equity interest in the Target Company. In accordance with the terms of the Share Purchase Agreement, the Purchaser will acquire the 49.98% equity interest in the Target Company from the Vendor. On Completion, the Purchaser will own 100% equity interest in the Target Company, which will become a wholly-owned subsidiary of the Company.

The Target Company is not a subsidiary of the Company. Although the Company, through the Purchaser, is interested in slightly over 50% of the equity interest of the Target Company, it is agreed between the Vendor and the Purchaser under the Cooperation Agreement in relation to the Target Company, that the Purchaser and the Vendor shall have equal voting power at shareholders' meetings relating to the Target Company and equal representation on the board of directors of the Target Company. For these reasons, the Target Company has only been recorded and treated as an associated company of the Company and the results of the Target Company have not been consolidated into the financial results of the Company.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties of the Company.

### **Conditions**

Completion is conditional upon, among other things, the fulfillment (or waiver by the Purchaser) of the following conditions:

1. the respective board of directors of the Vendor, the Purchaser and the Company shall have formally approved the execution and due performance of the Share Purchase Agreement;
2. the representations and warranties made by the other party, taken individually and as a whole, shall be true and correct in all material respects;
3. the repayment of the shareholders' loans of EURO1,100,000 (approximately HK\$10,846,000) in aggregate due from BNG Logistics to the Vendor; and
4. the parties shall have performed all actions and presented all documents provided for in the Share Purchase Agreement.

As at the date of this announcement, none of the conditions in the Share Purchase Agreement has been fulfilled or waived.

### **Completion**

Completion will take place within 10 business days after the last of the conditions precedent in the Share Purchase Agreement shall have been met, or waived by the Purchaser, but in any event, no later than 30 September, 2006.

### **Consideration**

Pursuant to the Share Purchase Agreement, the Purchaser has agreed to acquire 49.98% equity interest in the Target Company from the Vendor at a consideration of EURO1,002,000 (approximately HK\$9,879,720) (the "**Consideration**").

The Consideration was determined following commercial negotiations between the parties on an arm's length basis having regard to the net asset value of the Target Company; and the strategic importance of BNG Logistics to the Company – see "Reasons for the Acquisition".

The Consideration represents a premium of 592% of the amount representing 49.98% (being the equity interest which is the subject of the Acquisition) of the net asset value of the Target Company of approximately HK\$2,855,753 as at 31 December 2005.

Pursuant to the Share Purchase Agreement, the Consideration is payable in one lump sum on Completion by the Purchaser to the Vendor.

The payment for the Consideration will be funded by the Group out of its existing internal cash resources. Following the Acquisition, the Company will own 100% equity interest in the Target Company and the Target Company will be accounted for in the Group's financial results as a subsidiary of the Company.

### Information on the Target Company

The Target Company is an investment holding company in respect of the equity interest in BNG Logistics. The issued share capital of the Target Company is CHF500,000 (approximately HK\$3,135,000), all of which is fully paid. The Target Company is currently owned as to 49.98% by the Vendor and 50.02% by the Purchaser.

The table below sets out certain audited financial information (based on generally accepted accounting principles in Switzerland) in relation to the Target Company (without consolidating or combining the results of BNG Logistics) for the two years ended 31 December, 2005:

	Year ended 31 December, 2004	Year ended 31 December, 2005
Net Asset Value	CHF476,777 (HK\$2,989,392)	CHF455,463 (HK\$2,855,753)
Loss before taxation and extraordinary items	CHF23,123 (HK\$144,981)	CHF20,994 (HK\$131,632)
Loss after taxation and extraordinary items	CHF23,223 (HK\$145,608)	CHF21,314 (HK\$133,639)

BNG Logistics is an international freight forwarding agent with an issued share capital of EURO500,000 (approximately HK\$4,930,000), all of which is fully paid. BNG Logistics is owned by the Target Company as to 96%. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the remaining 4% equity interest in BNG Logistics is held by an Independent Third Party.

The table below sets out certain audited financial information (based on generally accepted accounting principles in Germany) in relation to BNG Logistics for the two years ended 31 December, 2005:

	Year ended 31 December, 2004	Year ended 31 December, 2005
Net Asset Value	(EURO106,988) (HK\$1,054,902)	EURO208,571 (HK\$2,056,510)
Profit(Loss) before taxation and extraordinary items	(EURO468,549) (HK\$4,619,893)	EURO18,458 (HK\$181,996)
Profit(Loss) after taxation and extraordinary items	(EURO473,972) (HK\$4,673,364)	EURO15,560 (HK\$153,422)

*Note:*

Consolidated financial statements of the Target Company and BNG Logistics are not available. The consolidated financial statements of the Target Company have not been available because there is no legal obligation to consolidate the results of the Target Company and BNG Logistics under Swiss law unless (with respect to the companies to be consolidated and on a consolidated basis) the balance sheet must be of a value greater than CHF10,000,000, its revenues must be greater than CHF20,000,000 and the number of employees must be greater than 200. As the Target Company has not met with these requirements, it is under no legal obligation under Swiss law to prepare consolidated accounts.

## **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.

The Group continues to pursue the strategy of consolidating its shareholding and management control of its subsidiaries within its international network. With the Group's network support, BNG Logistics has developed rapidly since its establishment in 2004 to become a sizeable company achieving a steady improvement in financial performance, a net turnover of approximately EURO34,000,000 (approximately HK\$335,240,000) in 2005, while operating in 6 key cities in Germany namely Hamburg, Hannover, Dusseldorf, Frankfurt, Stuttgart and Munich. Germany is a key economy in the heart of continental Europe and a strategically important market for the Group. This transaction will enable the Group to obtain shareholding and management control of BNG Logistics.

On Completion, the Cooperation Agreement will also be terminated. As the Target Company is only an investment holding company and there will be no change in the management of BNG Logistics after the Acquisition, the Directors believe that the termination of Cooperation Agreement will not have any material adverse impact on the operations of BNG Logistics.

The Directors consider that the premium of 592% for the Consideration to be reasonable for the following reasons: (i) the earnings potential of BNG Logistics (BNG Logistics in its first year of operations in 2004 suffered a loss but in 2005, it had grown very quickly and broke even. The Directors expect profit contribution from BNG Logistics for the year 2006); and (ii) the strategic interest for the Group in maintaining a presence in Germany (a key economy in the heart of continental Europe) and an important strategic market for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Purchase Agreement are fair and reasonable and on normal commercial terms and that the entry into the Share Purchase Agreement is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. A circular containing, among other things, further details of the Acquisition will be despatched to its shareholders as soon as practicable.

## DEFINITIONS USED IN THIS ANNOUNCEMENT

“Acquisition”	the acquisition by the Purchaser from the Vendor of 49.98% equity interest in the Target Company pursuant to the terms of the Share Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BNG Logistics”	BNG Logistics GmbH, a company established under the laws of Germany with limited liability
“CHF”	Swiss Francs, the lawful currency of Switzerland
“Company”	BALtrans Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition under the Share Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement with respect to the joint development and establishment of the Target Company dated 19 February, 2004 between Vendor, Purchaser and the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) (and its ultimate beneficial owner) who are independent of, and not connected with, the Company or any connected persons of the Company and who are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	BALtrans (UK) Holdings Ltd., a company incorporated under the laws of England with limited liability and a wholly-owned subsidiary of the Company
“Share Purchase Agreement”	the Share Purchase Agreement dated 28 July, 2006 entered into between the Vendor and the Purchaser relating to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	BN Holding AG, a limited liability company established under the laws of Switzerland, which is owned as to 49.98% by the Vendor and 50.02% by the Purchaser

“Vendor”	Natural AG, a company incorporated in the Switzerland with limited liability. More details on the Vendor are set out in the section headed “Parties” above
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“EURO”	the common currency unit adopted by certain members of the European Union, being as at the date of this announcement, Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland

*Unless otherwise specified in this announcement, amounts denominated in Euros have been converted into HK\$ at a rate of EURO1.00 to HK\$9.86 and amounts denominated in Swiss Francs have been converted into HK\$ at a rate of CHF1.00 to HK\$6.27.*

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

Hong Kong, 2 August, 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”