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Website: <http://www.baltrans.com>
(Stock Code: 562)

ANNOUNCEMENT CONNECTED TRANSACTION

The Board announces that on 1 August 2007, BLHK, a wholly owned subsidiary of the Company, entered into an insurance policy with the Insurer through the Broker for the provision of insurance coverage for the Insured Parties for the period from 1 August 2007 to 31 July 2008. The Insurance Premium payable on the Insurance Policy will be adjusted in accordance with an agreed formula but in any event not exceeding USD500,000.

The Insurer is a non wholly owned subsidiary of Mitsui & Co. Ltd., a substantial Shareholder of the Company, at the time of the Transaction. Accordingly, the Insurer is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Each of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction is less than 2.5% but one or more of the percentage ratios exceeds 0.1%. The Transaction is therefore subject to reporting and announcement requirements in accordance with Rule 14A.32 of the Listing Rules, but no shareholders' approval is required.

Details of the Transaction will be included in the next published annual report of the Company for the financial year ending 31 July 2008 in accordance with Rule 14A.45 of the Listing Rules.

THE TRANSACTION

On 1 August 2007, BLHK, a wholly owned subsidiary of the Company, entered into an insurance policy with the Insurer through the Broker for the provision of insurance coverage for the Insured Parties for the period from 1 August 2007 to 31 July 2008. The formula of the Insurance Premium payable on the Insurance Policy is based on the Gross Freight Receipts of the Insured Parties for the year ending 31 July 2008 but in any event will not exceed USD500,000.

The Insurance Premium was arrived at after arms length negotiations between the parties on normal commercial terms based on the Gross Freight Receipts of the Insured Parties for the year ending 31 July 2008. The Insurance Premium will be satisfied in cash from the internal resources of BLHK and will be paid by quarterly installments.

REASON FOR THE TRANSACTION

Given that the principal business of the Group is in the provision of logistics services, insurance coverage for the Insured Parties' operations is a standard requirement and an integral part of the risk management of the Company. The Company is obliged to ensure adequate insurance coverage is provided for the Insured Parties for all common operational risks.

The Board (including the independent non-executive Directors) considers that the terms of the Insurance Policy are no less favourable than those offered by other independent parties, and the Insurance Policy has been entered into on normal commercial terms; that such terms are fair and reasonable and that they are in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

To the best knowledge of the Directors, the Insurer is a non wholly owned subsidiary of Mitsui & Co. Ltd., a substantial Shareholder of the Company, at the time of the Transaction. Accordingly, the Insurer is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Each of the percentage ratios (as defined in the Listing Rules) in respect of the Transaction is less than 2.5%, but one or more percentage ratio exceeds 0.1%. The Transaction is therefore subject to the reporting and announcement requirements in accordance with Rule 14A.32 of the Listing Rules but no shareholders' approval is required.

Details of the Transaction will be included in the next published annual report of the Company for the financial year ending 31 July 2008 in accordance with Rule 14A.45 of the Listing Rules.

INFORMATION IN RESPECT OF THE GROUP

The Group is principally engaged in the logistics business including airfreight forwarding, sea freight forwarding, sea-air combination services, exhibition forwarding, air chartering, international household removal, marine insurance brokerage, warehousing and distribution, and third party logistics solutions.

INFORMATION IN RESPECT OF THE INSURER

The Insurer's principal business is underwriting insurance. The Insurer is a connected person of the Company at the time of the Transaction as it is a non wholly owned subsidiary of Mitsui & Co. Ltd., a substantial Shareholder of the Company.

DEFINITIONS

“BLHK”	BALtrans Logistics (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company;
“Board”	the board of Directors;
“Broker”	AKTIV Assekuranz Makler GmbH, a company incorporated in Germany with limited liability and with its principal business as an insurance broker. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, the Broker and its ultimate beneficial owner are third parties independent of the Company and connected person 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 of Hong Kong Limited;
“Directors”	the directors of the Company;
“Gross Freight Receipts”	the actual aggregate turnover of the Insured Parties for the period from 1 August 2007 to 31 July 2008;
“Group”	the Company and its subsidiaries;
“Insurance Policy”	the insurance policy underwritten by the Insurer for the Insured Parties;
“Insurance Premium”	the insurance premium payable by BLHK under the Insurance Policy at a certain percentage of the Gross Freight Receipts of the Insured Parties with a maximum cap at USD500,000 as agreed between the Insurer and BLHK;
“Insured Parties”	BLHK and subsidiaries of the Company that engage in the logistics business and the provision of logistics services;
“Insurer”	Hamburger Versicherungs AG, a company based in Germany with limited liability and a 54.67% owned subsidiary of Mitsui & Co. Ltd., with its principal business in insurance underwriting

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	shares of HKD0.10 each in the share capital of the Company;
“Transaction”	the acceptance by BLHK, on behalf of the Insured Parties, of the Insurance Policy offered by the Insurer for insurance coverage of the logistics operations of the Insured Parties.

References made above to “USD” are to United States Dollars; “HKD” are to Hong Kong Dollars. Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of USD1.00 = HKD7.80.

By Order of the Board
Lau Siu Wing Anthony
Executive Chairman and Acting Chief Executive

Hong Kong, 2 August 2007

As at the date of this announcement, the Board of the Company comprises Executive Directors: Mr. Lau Siu Wing Anthony, Mr. Ng Hooi Chong and Mr. Tetsu Toyofuku; Non-executive Directors: Mr. Wai Chung Hung David and Mr. William Hugh Purton Bird; Independent Non-executive Directors: Mr. Yu Hon To David, Ms. Lau Kin Yee Miriam and Mr. Ng Cheung Shing.