
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares and options in BALtrans Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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BALtrans Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 562)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

10 October 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“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
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Completion”	completion of the sale and purchase of the Property
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the cash consideration in a sum of HK\$107,200,000 payable by the Purchaser for the acquisition of the Property under the Provisional Agreement
“Directors”	the directors of the Company
“Disposal”	the proposed sale of the Property by the Vendor to the Purchaser under the Provisional Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	independent third parties who, to the best of the Directors’ knowledge and information and having made all reasonable enquiries, are not connected persons of the Company and are independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	9 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Property”	8th Floor, Tower A, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 24 September 2007 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Wellfield Trading Limited, a company incorporated in Hong Kong with limited liability which, together with its ultimate beneficial owners, are Independent Third Parties
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Win Profit Corporation Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



BALtrans Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 562)

Executive Directors:

Mr. Lau Siu Wing Anthony
Mr. Ng Hooi Chong
Mr. Tetsu Toyofuku

Registered office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Non-executive Directors:

Mr. William Hugh Purton Bird
Mr. Wai Chung Hung David

Principal Place of Business:

8th Floor, Tower A
New Mandarin Plaza
14 Science Museum Road
Tsim Sha Tsui East
Kowloon
Hong Kong

Independent non-executive Directors:

Mr. Yu Hon To David
Ms. Lau Kin Yee Miriam
Mr. Ng Cheung Shing

10 October 2007

To the Shareholders

Dear Sirs

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the Company's announcements dated 20 September 2007 and 24 September 2007 in relation to the Disposal. On 20 September 2007, the Vendor, a wholly-owned subsidiary of the Company, entered into a provisional agreement for sale and purchase of the Property with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a consideration of HK\$107,200,000. On 24 September 2007, the Board announced that the aforesaid provisional agreement was annulled and the Vendor and the Purchaser had entered into the Provisional Agreement subject to the terms and conditions set out in the Company's announcement dated 24 September 2007.

LETTER FROM THE BOARD

THE PROVISIONAL AGREEMENT

Date: 24 September 2007

Parties:

Vendor: Win Profit Corporation Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

Purchaser: Wellfield Trading Limited, a company incorporated in Hong Kong with limited liability

Assets to be disposed of:

The Property

Consideration:

The Consideration is HK\$107,200,000 in cash which shall be payable in the following manner:

- (a) an initial deposit of HK\$5,360,000 was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$5,360,000 shall be paid by the Purchaser to the Vendor upon signing of the formal agreement for sale and purchase on or before 23 October 2007; and
- (c) the remaining balance HK\$96,480,000 shall be paid by the Purchaser to the Vendor upon Completion.

Completion:

The Property has been used as the Group's office since September 2001 and due to the fact that the Group would require time to find a new suitable office and arrange relocation, the Vendor and the Purchaser had come to an agreement that Completion shall take place on or before 17 September 2008.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property is a commercial premises located in the commercial district in Hong Kong and has been used by the Group as its office since September 2001. The net book value of the Property as at 31 August 2007 is approximately HK\$37,300,000. With the Disposal, an expected gain accrued to the Group upon Completion shall be approximately HK\$69,000,000 (net of cost and expenses payable by the Group in relation to the Disposal but before taxation and any extraordinary items). The net proceeds from the Disposal will be used as the Group's general working capital.

In light of the prevailing property market conditions in Hong Kong and the substantial gain expected to be generated from the Disposal, the Directors are of the view that the Disposal will be beneficial to the Group as the proceeds could be utilized for the Group's future business growth, and provide opportunities for the Group to redeploy its non-core assets to core assets that would help the Group to generate more revenue from its core business operation.

The terms of the Disposal were arrived at after arm's length negotiation between the Vendor and the Purchaser by reference to information provided by independent property agent regarding the market value of similar properties in similar location. The Directors are of the view that the terms of the Provisional Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE PURCHASER

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.

The Purchaser is principally engaged in trading business. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties and neither of them nor their respective associates has any shareholding in the Company as at the Latest Practicable Date.

FINANCIAL IMPACT OF THE DISPOSAL

Gain on the Disposal attributable to the Group is estimated to be HK\$69,000,000, after deducting the net book value of the Property of approximately HK\$37,300,000 and the related cost and expenses in connection with the Disposal of approximately HK\$907,000 from the Consideration, and this gain will be recognized upon Completion. The net book value of fixed assets of the Group will be reduced by approximately HK\$37,300,000. There is no impact on the Group's liabilities.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully

For and on behalf of the Board

Lau Siu Wing Anthony

Executive Chairman and Acting Chief Executive

A. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

B. DISCLOSURE OF INTERESTS**(i) Interests of the directors and chief executive of the Company**

As at the Latest Practicable Date, the interests and short positions of the directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long position in the Shares

Name of Directors	Nature of interest	Number of Shares held	Percentage of shareholding
Mr. Lau Siu Wing Anthony ("Mr. Lau")	Trust	73,286,000 Shares (Note 1)	23.45%
	Personal	1,400,000 Shares	0.45%
	Personal	2,600,000 underlying Shares (Note 2)	0.83%
Mr. Wai Chung Hung David ("Mr. Wai")	Personal	22,154,487 Shares	7.09%
	Personal	1,000,000 underlying Shares (Note 2)	0.32%

Name of Directors	Nature of interest	Number of Shares held	Percentage of shareholding
Mr. William Hugh Purton Bird ("Mr. Bird")	Corporate	41,803,688 Shares (Note 3)	13.38%
Mr. Ng Hooi Chong ("Mr. Ng")	Personal	100,000 Shares	0.03%
	Personal	1,750,000 underlying Shares (Note 2)	0.56%

Notes:

1. These Shares are beneficially owned by Asian Rim Co. Ltd., which is wholly owned by brother and brother-in-law of Mr. Lau as the trustees of a discretionary trust set up for the benefit of Mr. Lau's family. Mr. Lau is a director of Asian Rim Co. Ltd.
2. Mr. Lau, Mr. Wai and Mr. Ng hold outstanding options under the share option scheme of the Company to subscribe for 1,000,000 Shares, 1,000,000 Shares and 600,000 Shares respectively at HK\$2.045 per Share for a period of 5 years from 4 May 2004 to 3 May 2009 provided that the options shall be exercisable as follows:
 - (a) up to 25% thereof from 4 May 2005;
 - (b) up to 50% thereof from 4 May 2006;
 - (c) up to 75% thereof from 4 May 2007; and
 - (d) up to 100% thereof from 4 May 2008.

Mr. Lau and Mr. Ng also hold additional outstanding options under the share option scheme of the Company to subscribe for 1,200,000 Shares and 450,000 Shares respectively at HK\$2.95 per Share for a period of 5 years from 17 August 2005 to 16 August 2010 provided that the options shall be exercisable as follows:

- (a) up to 25% thereof from 17 August 2006;
- (b) up to 50% thereof from 17 August 2007;
- (c) up to 75% thereof from 17 August 2008; and
- (d) up to 100% thereof from 17 August 2009.

Mr. Ng holds additional outstanding option under the share option scheme of the Company to subscribe for 700,000 Shares at HK\$4.765 per Share for a period of 5 years from 14 March 2006 to 13 March 2011 provided that the option shall be exercisable as follows:

- (a) up to 25% thereof from 14 March 2007;
- (b) up to 50% thereof from 14 March 2008;
- (c) up to 75% thereof from 14 March 2009; and
- (d) up to 100% thereof from 14 March 2010.

Mr. Lau holds additional outstanding option under the share option scheme of the Company to subscribe for 400,000 Shares at HK\$5.85 per Share for a period of 5 years from 7 September 2006 to 6 September 2011 provided that the option shall be exercisable as follows:

- (a) up to 25% thereof from 7 September 2007;
- (b) up to 50% thereof from 7 September 2008;
- (c) up to 75% thereof from 7 September 2009; and
- (d) up to 100% thereof from 7 September 2010.

3. These Shares are beneficially owned by Tropical Holding Investment Inc. (“Tropical Holding”), which is wholly owned by Mr. Bird and his wife. Mr. Bird is a director of Tropical Holding.

Save as disclosed above, as at the Latest Practicable Date, none of the directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(ii) Interests of substantial Shareholders*The Company*

As at the Latest Practicable Date, so far as was known to the directors and chief executive of the Company, the following entities or persons had, or were taken or deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the Shares

Name of Shareholders	Number of Shares held	Percentage of shareholding
Mitsui & Co., Ltd.	75,875,125	24.28%
Asian Rim Co. Ltd.	73,286,000 <i>(Note 1)</i>	23.45%
Tropical Holding Investment Inc.	41,803,688 <i>(Note 2)</i>	13.38%
Veer Palthe Voute NV	25,069,245 <i>(Note 3)</i>	8.02%
Dresdner Bank Aktiengesellschaft	25,069,245 <i>(Note 3)</i>	8.02%
Allianz SE	25,069,245 <i>(Note 3)</i>	8.02%

Notes:

1. These Shares are beneficially owned by Asian Rim Co. Ltd., which is wholly owned by brother and brother-in-law of Mr. Lau as the trustees of a discretionary trust set up for the benefit of Mr. Lau's family. Mr. Lau is a director of Asian Rim Co. Ltd.
2. These Shares are beneficially owned by Tropical Holding which is wholly owned by Mr. Bird and his wife. Mr. Bird is a director of Tropical Holding.
3. These Shares are beneficially held by Veer Palthe Voute NV, an indirect wholly-owned subsidiary of Dresdner Bank Aktiengesellschaft which in turn is a controlled corporation of Allianz SE. Therefore, Veer Palthe Voute NV, Dresdner Bank Aktiengesellschaft and Allianz SE are interested in the same block of Shares.

Other members of the Group

As at the Latest Practicable Date, so far as was known to the directors and chief executive of the Company, the following entities or persons who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of subsidiaries	Name of shareholders	Percentage of shareholding
BALtrans (Australia) Pty. Limited	Mr. Jorg Peter Timmermann	25.0%
BALtrans Logistics (Canada) Limited	Mr. Eugene Yip	15.0%
	Mr. Paulus Choi	15.0%
BALtrans International Moving Limited	Ms. Lai Ming Kuen	10.0%
	Mr. Pak Sau Hwa	20.0%
BALtrans Exhibition & Removal Limited	Ms. Lai Ming Kuen	15.0%
	Mr. Pak Sau Hwa	25.0%
Muragawa Logistics Limited	Mr. Fung Tak Fai Thomas	20.0%
BALtrans Logistics (Lanka) Private Limited	Mr. Randall Kelly	16.3%
BALtrans Clover Cargo Holdings (Proprietary) Limited	Mr. John St. Vincent Magnus (<i>including through Assisi Trust</i>)	24.6%
	Mr. Geoffrey Mills Partridge (<i>including through Osborn Trust</i>)	13.4%

Name of subsidiaries	Name of shareholders	Percentage of shareholding
BALtrans Clover Cargo Investments (Proprietary) Limited	Mr. John St. Vincent Magnus (<i>including through Assisi Trust</i>)	24.6%
	Mr. Geoffrey Mills Partridge (<i>including through Osborn Trust</i>)	13.4%
BALtrans Clover Cargo (Proprietary) Limited	Mr. John St. Vincent Magnus (<i>including through Assisi Trust</i>)	24.6%
	Mr. Geoffrey Mills Partridge (<i>including through Osborn Trust</i>)	13.4%

Save as disclosed above, the directors and chief executive of the Company were not aware of any entities or persons who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group as at the Latest Practicable Date.

C. COMPETING BUSINESS

None of the Directors and their respective associates has any interest in a business which competes or is likely to compete with the business of the Group.

D. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

E. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

F. GENERAL

- (i) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at 8th Floor, Tower A, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.
- (ii) The qualified accountant of the Company is Mr. Ng Hooi Chong who is an associate of each of The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants.
- (iii) The company secretary of the Company is Mr. Chu Kwok Wah Frank who has been admitted as a solicitor of Hong Kong since 1997.
- (iv) The share registrar and transfer office of the Company in Hong Kong is Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (v) The English text of this circular shall prevail over the Chinese text.