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廈門國際港務股份有限公司
XIAMEN INTERNATIONAL PORT CO., LTD*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3378)

**DISCLOSEABLE TRANSACTION –
AGREEMENT RELATING TO A JOINTLY CONTROLLED ENTITY**

On 28 November 2016, XCTG (a non-wholly owned subsidiary of the Company) has entered into an agreement with HHC in relation to XHICT, pursuant to which XCTG and HHC have agreed to act in accordance with the agreed Mechanism with regard to the approval of certain corporate matters of XHICT by the board of directors of XHICT for the period from the date of the Agreement and ending on 31 December 2022.

XHICT is a sino-foreign equity joint venture established in the PRC, which is currently owned by XCTG as to 51% and by HHC as to 49%. At present, XHICT is accounted for as a jointly controlled entity of the Group as XCTG is unable to exercise full control over the management, businesses and operations of XHICT. By virtue of and in view of the arrangements contemplated under the Agreement, XHICT shall be accounted for as a subsidiary of the Group in accordance with the HKFRS.

The entering into of the Agreement does not result in any change in the shareholding structure of XHICT and the equity interest held by each shareholder remains unchanged. No consideration has been and shall be given by the Group for the arrangements contemplated under the Agreement.

The Board is of the view that the arrangements contemplated under the Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As the highest applicable Relevant Ratio is above 5% but less than 25%, the arrangements contemplated under the Agreement will be subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

The principal terms of the Agreement are summarised below:

Date: 28 November 2016

- Parties:
- (a) XCTG; and
 - (b) HHC

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, HHC, together with its ultimate beneficial owner, are not connected persons of the Company and are third parties independent of the Company and its connected persons.

Subject matter: XCTG and HHC have agreed that they will act in accordance with the agreed Mechanism as described below with regard to the approval of the following corporate matters of XHICT by the board of directors of XHICT: (i) annual operation plan; and (ii) financial budget and final accounts proposals relating to earnings before depreciation and amortisation, interests and taxes on the income statement (but excluding proposals relating to fixed asset expenditure, borrowing and profit distribution)(collectively the "**Special Matters**").

Mechanism: Pursuant to the Agreement:

- (a) If a board meeting of XHICT is convened to consider any Special Matters, XCTG and HHC should before the meeting communicate and negotiate to reach a consensual decision and thereafter shall procure the directors nominated by each of them to exercise their voting rights at such board meeting in accordance with such decision;
- (b) If a party wishes to propose a board resolution in respect of any Special Matter, it shall communicate and negotiate with the other party in advance and shall jointly propose such board resolution after a consensus is reached; and
- (c) If no consensus on a Special Matter can be reached after thoughtful communications and negotiations (which shall consist of at least three rounds of negotiation during a period of at least 30 days), HHC agrees, and will procure the directors nominated by it to support XCTG's opinion at the relevant board meeting, provided that (i) HHC and their designated directors, supervisors and senior management shall be excluded from any liability in respect of the behaviour or consequence of any exercise of voting rights or action taken in accordance with such opinion; (ii) XCTG shall be liable to all responsibilities and consequences and shall indemnify XHICT and/or HHC against all losses arising from any violation of relevant law and regulations or any breach of contract, infringement, administrative responsibility or any other

legal liabilities arising from HHC's reliance on such opinion; and (iii) HHC may refuse to act if it has grounds to believe that such opinion violates any relevant laws, regulations or financial standards.

Duration: The term of the Agreement commences from 28 November 2016 and will end on 31 December 2022, unless otherwise extended by the relevant parties prior to expiry.

INFORMATION ON XHICT

XHICT is a sino-foreign equity joint venture established in the PRC, which is currently owned by XCTG as to 51% and by HHC as to 49%.

Below is a summary of the audited consolidated financial information of XHICT prepared in accordance with the China Accounting Standards for Business Enterprises for the two years ended 31 December 2014 and 2015:

	For the year ended 31 December 2014 (in RMB)	For the year ended 31 December 2015 (in RMB)
<i>Net profit before tax</i>	39,582,870	61,826,929
<i>Net profit after tax</i>	29,632,546	46,232,825

The unaudited carrying value of the total assets and net assets of XHICT as at 30 June 2016 amounted to RMB951,541,818 and RMB840,530,356 respectively.

EFFECT OF THE AGREEMENT

At present, XHICT is accounted for as a jointly controlled entity of the Group as XCTG is unable to exercise full control over the management, businesses and operations of XHICT. By virtue of and in view of the arrangements contemplated under the Agreement, XHICT shall be accounted for as a subsidiary of the Group in accordance with the HKFRS.

The entering into of the Agreement does not result in any change in the shareholding structure of XHICT and the equity interest held by each shareholder remains unchanged. No consideration has been and shall be given by the Group for the arrangements contemplated under the Agreement.

REASONS FOR AND BENEFITS FOR THE ENTERING INTO OF THE AGREEMENT

The Board is of the view that the arrangements contemplated under the Agreement can enhance the management, businesses and operational efficiency of XHICT and enables the Group to conduct further overall organisation, deployment and operation of the resources of XCTG, which could better protect the Group's commercial interests and enhance the Group's value and profitability.

The Directors have approved the entering into of the Agreement. They have considered the terms thereof and are of the view that the same are on normal commercial terms, are concluded in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Board is of the view that the arrangements contemplated under the Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As the highest applicable Relevant Ratio is above 5% but less than 25%, the arrangements contemplated under the Agreement will be subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

GENERAL

The Group is the largest port terminal operator in Xiamen, the PRC. It is also the only group providing full scale ancillary value-added port services in Xiamen. The Group is principally engaged in, inter alia, (i) container loading and unloading and storage for international and domestic trade; (ii) bulk/general cargo loading and unloading and storage for international and domestic trade; and (iii) ancillary value-added port services, including shipping agency, tallying, tugboat berthing and unberthing and port-related logistics in Xiamen.

HHC is principally engaged in the development and operation of container terminals in Xiamen, Fujian Province.

DEFINITIONS

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

“Agreement”	the special matter agreement dated 28 November 2016 entered into by and between XCTG and HHC in relation to the approval of certain corporate matters of XHICT, the principal terms of which are disclosed in this announcement
“Board”	the board of Directors of the Company
“Company”	Xiamen International Port Co., Ltd * (廈門國際港務股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“HKFRS”	Hong Kong Financial Reporting Standards
“Group”	the Company and its subsidiaries

“HHC”	Hutchison Ports Haicang Limited * (和記港口海滄有限公司), which is a limited liability company incorporated in Hong Kong and a shareholder of XHICT
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Relevant Ratios”	the five ratios as set out in Rule 14.07 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	shares of nominal value RMB1.00 each in the share capital of the Company
“Shareholder(s) ”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“XCTG”	Xiamen Container Terminal Group Co., Ltd. * (廈門集裝箱碼頭集團有限公司), a non-wholly owned subsidiary of the Company
“XHICT”	Xiamen Haicang International Container Terminals Limited * (廈門海滄國際貨櫃碼頭有限公司), a sino-foreign equity joint venture established in the PRC, the equity interest of which is owned by XCTG as to 51% and by HPH as to 49%
“%”	per cent

By order of the Board
Xiamen International Port Co., Ltd
Cai Changzhen
Joint Company Secretary

Xiamen, the PRC, 28 November 2016

As at the date of this announcement, the executive Directors are Mr. Lin Kaibiao, Mr. Cai Liqun, Mr. Fang Yao, Mr. Chen Zhaohui and Mr. Ke Dong; the non-executive Directors are Mr. Zheng Yongen, Mr. Chen Dingyu, Mr. Fu Chengjing and Mr. Huang Zirong; and the independent non-executive Directors are Mr. Liu Feng, Mr. Lin Pengjiu, Mr. You Xianghua, Mr. Jin Tao and Mr. Ji Wenyuan.

** For identification purposes only*