Continuing Connected Transaction
Container Transportation Services

On 20 April 2007, Xiamen Songyu and Xiamen Port Transportation, a subsidiary of the Company, have entered into the Horizontal Transport Contractor Agreement.

Xiamen Songyu is an associate (as defined under the Listing Rules) of Xiamen Port Holding, a controlling shareholder and a connected person of the Company, and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the Container Transportation Services will constitute continuing connected transactions of the Company under the Listing Rules. Since all the applicable Relevant Ratios are less than 2.5%, the Container Transportation Services will be subject to the reporting and announcement requirements as set out in Chapter 14A of the Listing Rules but will be exempted from independent Shareholders’ approval.

The Directors (including all the three independent non-executive Directors) have approved the Container Transportation Services.

**MAJOR TERMS OF THE HORIZONTAL TRANSPORT CONTRACTOR AGREEMENT**

**Date of Agreement**
20 April 2007

**Parties**
- Xiamen Songyu, and
- Xiamen Port Transportation, an indirectly
  wholly State-owned subsidiary of the Company.

**Container Transportation Services**
Xiamen Port Transportation, as contractor, will provide, inter alia, container horizontal transportation services to Xiamen Songyu.

**Term of the Agreement**
The Agreement is effective for a term of three years from the date of signing of the Agreement. Subject to confirmation by the parties six months prior to the expiry of the term of the Agreement, the Agreement can be extended for a further term of two years.

The Company will comply with the Listing Rules upon renewal of the Agreement.

**Charges**
It is provided in the Agreement that the charges for the relevant services rendered by Xiamen Port Transportation to Xiamen Songyu will comprise basic fees and fuel surcharges in accordance with the pricing formula set out in the Agreement. The charges will be calculated on the basis of the container throughput of Xiamen Songyu and the actual fuel surcharges incurred by Xiamen Port Transportation during the relevant times. The charges will be adjusted by the parties through negotiation upon adjustment of State policy or laws or other material changes which affect costs.

**Payment of Charges**
The charges incurred will be settled on a monthly basis in the following manner:

- (a) on the 15th day of each month, Xiamen Songyu shall provide Xiamen Port Transportation with a breakdown of the charges for the relevant services rendered by Xiamen Port Transportation to Xiamen Songyu for the previous month, if Xiamen Port Transportation disagrees with any amount, it will provide the relevant documents to Xiamen Songyu for clarification prior to the 20th day of that month;

- (b) after the parties have agreed on the charges to be paid by Xiamen Songyu, Xiamen Songyu shall settle the amount of charges within 10 business days after the receipt of the relevant invoice from Xiamen Port Transportation.

**Cap of the Charges**
The Directors expect that the aggregate charges that will be paid by Xiamen Songyu through bank transfer for the 9-month period from the signing of the Agreement in April 2007 to 31 December 2007 and the two years ending 31 December 2008, 31 December 2009, and from 1 January 2010 to 31 December 2010, respectively, will not exceed RMB140,000,000, RMB123,000,000, RMB123,000,000, and RMB77,000,000, respectively. The Directors have determined the aggregate charges set out in the Horizontal Transport Contractor Agreement, as well as the estimated container throughput of Xiamen Songyu during the relevant period.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE HORIZONTAL TRANSPORT CONTRACTOR AGREEMENT**

**Container Horizontal Transport Contractor Agreement**

Xiamen Songyu is principally engaged in loading and unloading of domestic and international containers, transshipment, warehousing, distribution, constructing, operating and managing container terminals.

Xiamen Port Transportation is principally engaged in horizontal transportation of containers and cargoes by transportation by trailers.

The Directors are of the view that the provision of the Container Transportation Services is consistent with the business strategies of the Group and the Group can benefit from entering into the Horizontal Transport Contractor Agreement with Xiamen Songyu as it will enhance the economic efficiency of the Group.

**GENERAL**
The Directors (including all the three independent non-executive Directors) have approved the entering into of the Horizontal Transport Contractor Agreement by the relevant member of the Group. The Directors, including the independent non-executive Directors, have considered the terms of the Horizontal Transport Contractor Agreement and are of the opinion 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 Company and the Shareholders as a whole.

Xiamen Songyu is an associate (as defined under the Listing Rules) of Xiamen Port Holding, a controlling shareholder and a connected person of the Company, and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the Container Transportation Services will constitute continuing connected transactions of the Company under the Listing Rules. Since all the applicable Relevant Ratios are less than 2.5%, the Container Transportation Services will be subject to the reporting and announcement requirements as set out in Chapter 14A of the Listing Rules but will be exempted from independent Shareholders’ approval.

**DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

- **“Board”** the board of Directors
- **“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 Hong Kong Stock Exchange
- **“Container Transportation Services”** the provision of container horizontal transportation services pursuant to the Horizontal Transport Contractor Agreement
- **“Directors”** the directors of the Company and its subsidiaries
- **“Group”** The Hong Kong Special Administrative Region of the PRC
- **“Hong Kong”** The Hong Kong Special Administrative Region of the PRC
- **“Hong Kong Stock Exchange”** the Stock Exchange of Hong Kong Limited
- **“Horizontal Transport Contractor Agreement”** the horizontal transport contractor agreement entered into between the Group and its subsidiaries
- **“Listing Rules”** the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
- **“PRC”** the People’s Republic of China
- **“RMB”** Renminbi, the lawful currency of the PRC
- **“Shareholder(s)”** holder(s) of Shares
- **“XCX”** Xiamen Port Holding Group Company Limited
- **“Xiamen Port Holding”** wholly State-owned company incorporated in the PRC and the controlling shareholder with 61.1% shareholding in the Company;
- **“Xiamen Port Holding Group Company Limited”** a joint venture company established on 6 June 2006 and is a non-wholly-owned subsidiary of the Company
- **“Xiamen Songyu”** Xiamen Songyu Container Terminal Co., Ltd (廈門增遠集裝箱碼頭有限公司), a joint venture company established on 18 November 2005 by Xiamen Port Holding and APM Terminals Xiamen Company Limited with an equity contribution in the ratio of 50:50 from the parties.

By Order of the Board
Xiamen International Port Co., Ltd
Hong Lijuan
Joint Company Secretary

Xiamen, the PRC, 24 April, 2007

At the date of this announcement, the executive directors of the Company are: Zhang Yong, Chen Dongxu, Fang Yao and Huang Zhong, the non-executive directors of the Company are: Fu Chengjing, Ma Jinping, Ke Dong and Lin Kaibiao, and the independent non-executive directors of the Company are: Huang Shicheng, Zhou Heng and Hu Wancun.

* For identification purpose only