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北京首都國際機場股份有限公司
Beijing Capital International Airport Co.,Ltd.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00694)

ANNOUNCEMENT

**CONNECTED TRANSACTION
AND**

CONTINUING CONNECTED TRANSACTIONS

**A. CENTRAL RUNWAY LIGHTS REPLACEMENT AND
RECONSTRUCTION AGREEMENT**

The Board announces that on 2 May 2012, the Company and BCAC entered into the Central Runway Lights Replacement and Reconstruction Agreement in relation to the replacement and reconstruction of lights at the central runway area of the Beijing Airport.

B. REVISION OF ANNUAL CAP FOR PROVISION OF DEPOSIT SERVICES UNDER THE FINANCIAL SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 14 January 2011 in relation to, among others, the provision of deposit services under the Financial Services Agreement. Since the Company considers that an increase of the annual cap for provision of deposit services under the Financial Service Agreement will be beneficial to the cooperation between the Company and the Finance Company and to the Company and its shareholders as a whole, the Company entered into the Supplemental Financial Services Agreement with the Finance Company on 2 May 2012 in relation to the increase of annual cap for the provision of deposit services for each of the two years ending 31 December 2013.

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company, holding approximately 56.61% of the issued share capital of the Company as at the date of this announcement. Finance Company is a subsidiary of the Parent Company. BCAC is a subsidiary of Construction Corporation, which is a wholly-owned subsidiary of the Parent Company. BCAC and Finance Company are therefore connected persons of the Company. Accordingly, the transactions contemplated under the Central Runway Lights Replacement and Reconstruction Agreement and the Supplemental Financial Services Agreement constitute connected transaction and continuing connected transactions of the Company, respectively, under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Central Runway Lights Replacement and Reconstruction Agreement when aggregated with the provision of reconstruction contracting services by BCAC under the Deicing Facilities Reconstruction Contracting Services Agreement and the provision of the construction services for the construction of guidance signs at the airfield area of the Beijing Airport under the Guidance Sign Engineering Construction Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Central Runway Lights Replacement and Reconstruction Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

Given that each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the revised annual cap for the provision of deposit services under the Supplemental Financial Services Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Supplemental Financial Services Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

A. CENTRAL RUNWAY LIGHTS REPLACEMENT AND RECONSTRUCTION AGREEMENT

Date

2 May 2012

Parties

- (1) the Company; and
- (2) BCAC.

Term

The term of the Central Runway Lights Replacement and Reconstruction Agreement is 120 days commencing from the commencement date of the provision of the Replacement and Reconstruction Services, which shall be within 5 days of the date of the Central Runway Lights Replacement and Reconstruction Agreement.

Provision of Replacement and Reconstruction Services

Pursuant to the Central Runway Lights Replacement and Reconstruction Agreement, BCAC agreed to provide the Replacement and Reconstruction Services to the Company for the replacement and reconstruction of lights at the central runway area of the Beijing Airport, which include but not limited to the following:-

- (i) completion of all lights replacement and reconstruction work;
- (ii) taking responsibility for the completeness and safety of the replacement and reconstruction work and reconstruction methods;
- (iii) ensuring the safety of the lights replacement and reconstruction work and the relevant workers and ensuring that relevant lighting requirements are complied with;
- (iv) implementation of environmental protection work at the reconstruction site and its surrounding area;
- (v) avoidance of risks and damages caused by the lights replacement and reconstruction to the public and other third parties;
- (vi) provision of necessary support in respect of other works in relation to the replacement and reconstruction at the construction site and its surrounding area for other people's convenience;
- (vii) provision of maintenance and protection services to the lights replacement and reconstruction work;
- (viii) provision of necessary offices and living facilities to the supervisors of the replacement and reconstruction work;
- (ix) provision of periodic report and plan on the progress of the lights replacement and reconstruction work;
- (x) completion of relevant official procedures in relation to transportation, environmental protection and noise management at the reconstruction site;
- (xi) provision of cleaning services to the reconstruction site;

- (xii) provision of apparatus and facilities for the supply of heating, electricity and water to the reconstruction site; and
- (xiii) provision of other services under the Central Runway Lights Replacement and Reconstruction Agreement.

Consideration and Payment

The consideration payable by the Company in respect of the provision of the Replacement and Reconstruction Services by BCAC is RMB8,299,339.73 (approximately HK\$6,704,206.63).

The fee under the Central Runway Lights Replacement and Reconstruction Agreement is payable by the Company depending on the progress of the replacement and reconstruction work. The Company shall make payment to BCAC within 28 days from the supervisor's receipt of the progress payment application form submitted by BCAC, which amount shall be agreed by the Company and the supervisor.

The Company agreed to make advance payment of approximately 30% of the consideration, i.e., approximately RMB2,489,801.919, to BCAC upon signing the Central Runway Lights Replacement and Reconstruction Agreement.

The consideration payable by the Company represents the lowest bid amount in the tender for the replacement and reconstruction project and such consideration includes costs for materials, facility and equipment charge, labour cost and management fee. Further, such consideration does not exceed the total budget amount for the project estimated by the Company after taking into account the costs estimates for the project and the prevailing market prices. Therefore, the Company considers that the consideration is on normal commercial term and is fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CENTRAL RUNWAY LIGHTS REPLACEMENT AND RECONSTRUCTION AGREEMENT

The Beijing Airport currently has three lighting systems in east runway, central runway and west runway, respectively, among which the lighting system of central runway has been used most frequently for the longest duration. The lights in the central runway area are damaged severely as a result. In order to satisfy the needs of safe operation of the Beijing Airport and reduce the daily maintenance work of lights in the Beijing Airport, the Company considers that it is necessary to carry out central runway lights replacement and reconstruction project.

The Company had invited public tender for the replacement and reconstruction work of lights at the central runway area of the Beijing Airport. After considering the technical experience, construction and design proposal, tender amount, business reputation, project management skills and other relevant factors of all the tenderers, BCAC was selected as the service provider of the project. The tender was fair in the whole course and complied with the PRC laws and regulations and relevant requirements of the Company.

BCAC has sufficient qualification with expertise in airport runway project and possesses ample experience in carrying out construction work and providing construction services at airport, therefore the Company considers that it is able to satisfy the requirements of this replacement and reconstruction project.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Central Runway Lights Replacement and Reconstruction Agreement are normal commercial terms and are fair and reasonable and the transaction under the Central Runway Lights Replacement and Reconstruction Agreement is in the interest of the shareholders of the Company as a whole.

B. REVISION OF ANNUAL CAP FOR PROVISION OF DEPOSIT SERVICES UNDER THE FINANCIAL SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 14 January 2011 in relation to, among others, the provision of deposit services under the Financial Services Agreement. Under the Financial Services Agreement, the Finance Company agreed to provide, among others, the deposit services to the Company for a term of three years from 1 January 2011 to 31 December 2013.

Since the Company considers that an increase of annual cap for the provision of deposit services will be beneficial to the cooperation between the Company and the Finance Company and to the Company and its shareholders as a whole, the Company entered into the Supplemental Financial Services Agreement with the Finance Company on 2 May 2012 to revise the annual cap for the maximum daily balance of the deposit (including any interest accrued therefrom) with the Finance Company for each of the two years ending 31 December 2012 and 31 December 2013 from RMB240,000,000 to RMB320,000,000.

The revised annual caps are determined after taking into account (i) the maximum daily balance of the deposit with the Finance Company for the year ended 31 December 2011. Since each batch of deposit made or proposed to be made by the Company to the Finance Company was relatively large, therefore after the Company's daily maximum balance of the deposit with the Finance Company reached RMB188,756,000 in 2011, considering that the deposit amount might exceed the annual cap for the deposit services if the Company continued to deposit money with the Finance Company, the Company therefore did not increase its deposit with the Finance Company when the daily balance of its deposit with the Finance Company reached RMB188,756,000; (ii) the expected increase of cashflow as a result of the growth of business of the Company in the coming two years; (iii) considering that the cooperation with the Finance Company can bring more favourable, more flexible and more convenient financial services to the Company, the Company intends to transfer the amount used to be deposited with other commercial banks to the Finance Company in the coming two years; and (iv) based on the fund demand of the Company, the Finance Company is able to provide financial services such as loan services and draft discount services to the Company more flexibly.

Historical figures

The maximum daily balance of the deposit with the Finance Company made by the Company for each of the three years ended 31 December 2011 is as follows:

	2009 <i>(RMB)</i>	2010 <i>(RMB)</i>	2011 <i>(RMB)</i>
Deposit services	94,254,000	94,485,000	188,756,000

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL FINANCIAL SERVICES AGREEMENT

Since the Company and the Finance Company entered into the Financial Services Agreement in 2008, the parties have established good and win-win cooperative relationship. After comprehensive consideration of the business development plan of the Company, the fact that the Company will suffer no loss in view of the interest income gained from the Finance Company and the potential interest income that might be gained from other independent commercial banks and the fact that being the internal financial platform of the Parent Company's group, the Finance Company will be more flexible, convenient and favorable in the provision of financial services, the Company is therefore of the view that under the condition of sufficient working capital of the Company, the increase of annual cap for the provision of deposit services under the Financial Services Agreement will be beneficial to deepen the cooperation between both parties and growth of revenue of the Company.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Finance Services Agreement and the revised annual cap contemplated thereunder are normal commercial terms and are fair and reasonable and are in the interest of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company, holding approximately 56.61% of the issued share capital of the Company as at the date of this announcement. Finance Company is a subsidiary of the Parent Company. BCAC is a subsidiary of Construction Corporation, which is a wholly-owned subsidiary of the Parent Company. BCAC and Finance Company are therefore connected persons of the Company. Accordingly, the transactions contemplated under the Central Runway Lights Replacement and Reconstruction Agreement and the Supplemental Financial Services Agreement constitute connected transaction and continuing connected transactions of the Company, respectively, under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Central Runway Lights Replacement and Reconstruction Agreement when aggregated with the provision of reconstruction contracting services by BCAC under the Deicing Facilities Reconstruction Contracting Services Agreement and the provision of the construction services for the construction of guidance signs at the airfield area of the Beijing Airport under the Guidance Sign Engineering Construction Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Central Runway Lights Replacement and Reconstruction Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the revised annual cap for the transaction under the Supplemental Financial Services Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Supplemental Financial Services Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

The Central Runway Lights Replacement and Reconstruction Agreement and the Supplemental Financial Services Agreement were approved by the Board. Since no Director has material interest in the transactions contemplated under the Central Runway Lights Replacement and Reconstruction Agreement and the Supplemental Financial Services Agreement, thus none of the Directors has abstained from voting at the Board's meeting to approve the Central Runway Lights Replacement and Reconstruction Agreement and the Supplemental Financial Services Agreement.

GENERAL

The Company is principally engaged in the operation of Beijing Airport.

The Parent Company is principally engaged in the provision of ground handling services for domestic and international aviation enterprises, including supply of water, electricity, steam and energy; airport management services and counter services.

BCAC is principally engaged in the provision of construction, repair and maintenance services in the Beijing Airport, including the provision of repair and maintenance services on the lights and cable in the terminals, runway and airfield area of the Beijing Airport.

The Finance Company was incorporated on 8 October 2008 with a registered capital of RMB500 million, 80% of which was contributed by the Parent Company, 10% by Wuhan Tianhe Airport Limited Company (武漢天河機場有限責任公司) and the remaining 10% by China Airport Construction Corporation (中國民航機場建設集團公司). The scope of business of the Finance Company includes: the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; provision of approved insurance agency services; provision of guarantees to member companies as well as dealing with entrusted loans and entrusted investment services among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies and planning of clearing and settlement scheme; provision of deposit services to member companies; provision of loans and finance leasing services to member companies; and provision of counterpart loan.

DEFINITIONS

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

“BCAC”	北京中航空港建設工程有限公司 (Beijing China Aviation Construction Project Company Limited), a company established in the PRC
“Beijing Airport”	Beijing Capital International Airport
“Board”	the board of Directors of the Company
“Central Runway Lights Replacement and Reconstruction Agreement”	the central runway lights replacement and reconstruction agreement dated 2 May 2012 entered into between the Company and BCAC in respect of the provision of the Replacement and Reconstruction Services
“Company”	Beijing Capital International Airport Company Limited (北京首都國際機場股份有限公司), a sino-foreign joint stock limited company incorporated in the PRC with limited liability, and the H Shares of which are listed on the Stock Exchange
“Construction Corporation”	中國民航機場建設集團公司 (China Airport Construction Corporation), a company established in the PRC and a wholly-owned subsidiary of the Parent Company
“Deicing Facilities Reconstruction Contracting Services Agreement”	the deicing facilities reconstruction contracting services agreement dated 23 December 2011 entered into between the Company and BCAC in relation to the provision of reconstruction contracting services for the reconstruction of deicing apron and relevant deicing facilities at the south-end of the central runway of the Beijing Airport, details of which please refer to the announcement of the Company dated 23 December 2011
“Director(s)”	the director(s) of the Company

“Finance Company”	首都機場集團財務有限公司 (Beijing Capital Airport Finance Group Company Limited)
“Financial Services Agreement”	a financial services agreement entered into between the Finance Company and the Company on 14 January 2011, details of which please refer to the announcement of the Company date 14 January 2011
“Guidance Sign Engineering Construction Agreement”	the guidance sign engineering construction agreement dated 16 January 2012 entered into between the Company and BCAC in relation to the provision of construction services for the construction of guidance signs at the airfield area of the Beijing Airport, details of which please refer to the announcement of the Company dated 16 January 2012
“H Share(s)”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parent Company”	Capital Airports Holding Company (首都機場集團公司), an enterprise established in the PRC and the controlling shareholder of the Company
“Replacement and Reconstruction Services”	the replacement and reconstruction services to be carried out by BCAC pursuant to the Central Runway Lights Replacement and Reconstruction Agreement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Financial Services Agreement” the supplemental financial services agreement entered into between the Company and the Finance Company on 2 May 2012 in relation to the revision of annual cap for the provision of deposit services under the Financial Services Agreement

“%” per cent

Note: Unless otherwise specified and for reference only, the conversion of Hong Kong dollars into Renminbi is based on the exchange rate of HK\$1= RMB0.8078 in this announcement.

By the order of the Board
Shu Yong
Secretary of the Board

Beijing, the PRC, 2 May 2011

As at the date of this announcement, the directors of the Company are:

Executive Director: Mr. Dong Zhiyi, Mr. Zhang Guanghui

Non-executive Directors: Mr. Chen Guoxing, Mr. Gao Shiqing,
Mr. Yao Yabo, Mr. Zhang Musheng,
Mr. Lau Eng Boon and Mr. Yam Kum Weng

Independent Non-executive Directors: Mr. Japhet Sebastian Law, Mr. Wang Xiaolong,
Mr. Jiang Ruiming, and Mr. Liu Guibin

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at <http://www.hkex.com.hk> under “Latest Listed Companies Information”, the website of the Company at <http://www.bcia.com.cn/> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.