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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

Z4 AND Z6 TAXIWAYS MAINTENANCE AGREEMENT

The Board announces that on 3 September 2014, the Company and BCAC entered into the Z4 and Z6 Taxiways Maintenance Agreement in relation to the maintenance of Z4 and Z6 taxiways of the Beijing Airport.

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company as at the date of this announcement. BCAC is a subsidiary of CACC, which is a wholly-owned subsidiary of the Parent Company. BCAC is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Z4 and Z6 Taxiways Maintenance Agreement constitutes a connected transaction of the Company 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 Z4 and Z6 Taxiways Maintenance Agreement when aggregated with the transactions under the Previous Agreements is more than 0.1% but less than 5%, the transaction contemplated under the Z4 and Z6 Taxiways Maintenance Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

Z4 AND Z6 TAXIWAYS MAINTENANCE AGREEMENT

Date

3 September 2014

Parties

(1) the Company; and

(2) BCAC.

Term

The term of the Z4 and Z6 Taxiways Maintenance Agreement is for a term of 60 calendar days from the commencement date of work, which shall be within 30 days from the date of signing the Z4 and Z6 Taxiways Maintenance Agreement.

Scope of Z4 and Z6 Taxiways Maintenance Services

Pursuant to the Z4 and Z6 Taxiways Maintenance Agreement, BCAC agreed to provide the Z4 and Z6 Taxiways Maintenance Services to the Company in relation to the maintenance of Z4 and Z6 taxiways of the Beijing Airport, such services include but not limited to the following:

- (i) completion of all taxiway paving work and renovations of relevant ancillary facilities at the Z4 and Z6 taxiways of the Beijing Airport in accordance with the terms stipulated in the Z4 and Z6 Taxiways Maintenance Agreement and instructions given by the supervisor (who is appointed by the Company) of the project;
- (ii) supply of labour, raw materials, construction equipment and other relevant materials for carrying out the Z4 and Z6 Taxiways Maintenance Services;
- (iii) taking responsibility for the completeness and safety of the construction work and construction methods;
- (iv) submission of construction drawing design or design of engineering support in accordance with the scope of work and work schedule stipulated in the Z4 and Z6 Taxiways Maintenance Agreement;

- (v) ensuring the safety of the construction work, workers, raw materials, and equipment;
- (vi) implementation of environmental protection work at the construction site and its surrounding area;
- (vii) avoidance of risks and damages caused by the construction to the public and other third parties;
- (viii) provision of necessary support in respect of other works in relation to the construction project at the construction site and its surrounding area for other people's convenience;
- (ix) implementation of measures to protect finished products and be liable for the corresponding expenses;
- (x) provision of cleaning services to the construction site; and
- (xi) provision of other services under the Z4 and Z6 Taxiways Maintenance Agreement.

Consideration and Payment

The consideration payable by the Company in respect of the provision of the Z4 and Z6 Taxiways Maintenance Services by BCAC is preliminarily estimated to be RMB41,302,861.18, which includes raw material costs, facility usage fee, labour costs, management fee and anticipated level of reasonable profit. Further, such consideration does not exceed the 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.

In the event that there are more than 5% changes in the market prices of the main project construction materials, e.g., steel, bituminous concrete and cable etc, the consideration may be adjusted by the parties. The Company expects that the maximum consideration payable will not be higher than RMB45,433,147.30.

The consideration payable under the Z4 and Z6 Taxiways Maintenance Agreement will be paid by the Company depending on the construction progress of the project. The Company shall pay BCAC within 28 days from the construction 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 10% of the consideration, i.e., approximately RMB4,130,286.12 to BCAC after entering into the Z4 and Z6 Taxiways Maintenance Agreement and the receipt of the advance payment guarantee.

REASONS FOR AND BENEFITS OF ENTERING INTO THE Z4 AND Z6 TAXIWAYS MAINTENANCE AGREEMENT

Since Z4 and Z6 taxiways of the Beijing Airport were in operation for a long time, they are under certain wear and tear. In order to improve the condition of the Z4 and Z6 taxiways area of the Beijing Airport and enhance the safety of aircraft operations, in accordance with the relevant standards and regulations of civil aviation in the PRC, the Company considers necessary to carry out maintenance work of Z4 and Z6 taxiways of the Beijing Airport.

The Company had invited public tender for the maintenance work of Z4 and Z6 taxiways of the Beijing Airport. After considering the construction design and technology proposal, standard of project management, project quotation and other relevant figures of all the tenderers, the Company decided to appoint BCAC as the service provider for the taxiway maintenance work of Z4 and Z6 taxiways of the Beijing Airport. The service provider appointment process was fair in the whole course and complied with the PRC laws and regulations and the relevant requirements of the Company.

BCAC has sufficient qualification with expertise in designing class A engineering projects and possesses ample experience in designing airport construction projects, therefore the Company considers that it is able to satisfy the requirements of the project.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Z4 and Z6 Taxiways Maintenance Agreement are normal commercial terms and are fair and reasonable and the transaction under the Z4 and Z6 Taxiways Maintenance Agreement is in the interest of the shareholders of the Company as a whole.

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BOARD'S APPROVAL

The Z4 and Z6 Taxiways Maintenance Agreement was approved by the Board. Since no Director has material interest in the transaction contemplated under the Z4 and Z6 Taxiways Maintenance Agreement, thus none of the Directors abstained from voting at the Board's meeting to approve the Z4 and Z6 Taxiways Maintenance 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.

CACC is principally engaged in the provision of a full range of services for construction of civil airports, including engineering design, investigation, consultation, site-selection, pre-feasibility study, feasibility study, construction, research, project supervision and management.

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.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“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
“CACC”	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
“Director(s)”	the director(s) of the Company
“F North Vacation Runways Construction Engineering Agreement”	the F north vacation runways construction engineering agreement dated 23 October 2013 entered into between the Company and BCAC in relation to the taxiway reconstruction of the northern section of slide F, W5, W6, W8 and W9 vacation runways of the Beijing Airport, details of which please refer to the announcement of the Company dated 23 October 2013
“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

“Previous Agreements”	the F North Vacation Runways Construction Engineering Agreement and the Z3 and Z18 Taxiways Construction Engineering 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
“Z3 and Z18 Taxiways Construction Engineering Agreement”	the Z3 and Z18 taxiways construction engineering agreement dated 23 October 2013 entered into between the Company and BCAC in relation to the taxiway reconstruction of Z3 and Z18 taxiways of the Beijing Airport, details of which please refer to the announcement of the Company dated 23 October 2013
“Z4 and Z6 Taxiways Maintenance Agreement”	the Z4 and Z6 taxiways maintenance agreement dated 3 September 2014 entered into between the Company and BCAC in relation to the provision of Z4 and Z6 Taxiways Maintenance Services
“Z4 and Z6 Taxiways Maintenance Services”	the Z4 and Z6 taxiways maintenance services to be carried out by BCAC pursuant to the Z4 and Z6 Taxiways Maintenance Agreement
“%”	per cent

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

Beijing, the PRC, 3 September 2014

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

Executive Directors: Mr. Liu Xuesong, Mr. Shi Boli and Ms. Gao Lijia

Non-executive Directors: Mr. Yao Yabo, Mr. Zhang Musheng and Mr. Cheng Chi Ming, Brian

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”, at the website of the Company at <http://www.bcia.cm.cn/> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.