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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 TRANSACTIONS

WESTERN AIRFIELD AREA NAVIGATION LIGHTS CONSTRUCTION AGREEMENT

The Board announces that on 29 December 2016, the Company and BCAC entered into the Western Airfield Area Navigation Lights Construction Agreement in relation to the construction of navigation lights and power supply and lighting for the four aprons that will be constructed for class C parking stands in the western airfield area of the Beijing Airport.

EASTERN AIRFIELD AREA NAVIGATION LIGHTS CONSTRUCTION AGREEMENT

The Board announces that on 29 December 2016, the Company and BCAC entered into the Eastern Airfield Area Navigation Lights Construction Agreement in relation to the construction of navigation lights and power supply and lighting for the five aprons that will be constructed for (class C, E and F) parking stands in the eastern airfield area 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 transactions contemplated under the Western Airfield Area Navigation Lights Construction Agreement and Eastern Airfield Area Navigation Lights Construction Agreement constitute connected transactions 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 transactions contemplated under the Western Airfield Area Navigation Lights Construction Agreement and Eastern Airfield Area Navigation Lights Construction Agreement when aggregated with the Previous Transactions is more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

A. WESTERN AIRFIELD AREA NAVIGATION LIGHTS CONSTRUCTION AGREEMENT

Date

29 December 2016

Parties

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

Term

The term of the Western Airfield Area Navigation Lights Construction Agreement is 120 calendar days from the commencement date of work. The commencement date of work shall be subject to the notice of commencement given by the supervisor of the construction.

Scope of services under the Western Airfield Area Navigation Lights Construction Agreement

Pursuant to the Western Airfield Area Navigation Lights Construction Agreement, BCAC agreed to provide construction services to the Company for the construction of navigation lights and power supply and lighting for the four aprons that will be constructed for class C parking stands in the western airfield area of the Beijing Airport, and such services include but not limited to the following:

- (i) taking responsibility for the implementations agreed under the Western Airfield Area Navigation Lights Construction Agreement, completing all construction, and repairing any defects in the construction;
- (ii) taking responsibility for the design, construction, operation, maintenance, management and removal of temporary facilities;

- (iii) taking responsibility for the completeness, safety and reliability of the construction and construction methods;
- (iv) taking safety measures at the construction site to ensure the safety of the construction and the construction workers;
- (v) taking responsibility for the protection work for the construction site and its surrounding environment and ecosystem;
- (vi) conducting all construction work in compliance with the special safety requirements for construction work at the Beijing Airport;
- (vii) provision of other services under the Western Airfield Area Navigation Lights Construction Agreement.

Consideration and Payment

The consideration payable by the Company in respect of the provision of the construction services under the Western Airfield Area Navigation Lights Construction Agreement is estimated to be RMB7,940,825.18, which was the lowest quotation in the public tender for the project. The consideration payable includes raw materials costs, facility usage fee, labour costs, management fee and the 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 price of the key construction materials, e.g., steel, bituminous concrete and cable etc., the consideration may be further adjusted by the parties upon agreement. The Company expects that the maximum consideration payable will not be higher than RMB13.25 million.

The Company agreed to make an advance payment of approximately RMB794,082.52 to BCAC upon the submission of a performance guarantee and an advance payment guarantee by BCAC after entering into Western Airfield Area Navigation Lights Construction Agreement. The consideration payable under the Western Airfield Area Navigation Lights Construction Agreement will be paid partly by the Company depending on the construction progress of the project (“**Progress Payments of the Western Airfield Area**”). The Company shall make Progress Payments of the Western Airfield Area to BCAC within 28 days from the construction supervisor’s receipt of the Progress Payment of the Western Airfield Area application form submitted by BCAC, the amount of which shall be agreed by the Company and the supervisor. The remaining of the

consideration payable (“**Completion Payment of the Western Airfield Area**”) under the Western Airfield Area Navigation Lights Construction Agreement (net the amount of quality guarantee deposit to be paid by BCAC) will be paid by the Company upon the receipt of the Completion Payment of the Western Airfield Area application submitted by BCAC.

BCAC agreed to pay a quality guarantee deposit of 5% of the settlement payment to the Company. The Company agreed to return to BCAC such quality guarantee deposit two years after the completion of the western airfield area navigation lights construction project provided that by that time the Company is satisfied, upon inspection, that there are no quality issues with the western airfield area navigation lights construction project.

Reasons for and Benefits of Entering into the Western Airfield Area Navigation Lights Construction Agreement

In consideration of its operational needs, the Company decided to utilise its flight zones’ existing resources to build parking stands in order to alleviate its parking stand shortage problem, increase its operational efficiency and enhance its support capacity. The Company considers it is necessary to construct navigation lights and power supply and lighting for the four aprons that will be constructed for class C parking stands in the western airfield area of the Beijing Airport.

The Company selected the service provider for the construction of the western airfield area navigation lights and power supply and lighting of the Beijing Airport by inviting public tender. After considering the construction design and technology proposal, professional qualification and professional experience, business reputation, standard of project management, project quotation and other relevant factors of all the tenderers, the Company selected BCAC as the service provider of the western airfield area navigation lights construction project. The service provider selection process was fair in the whole course and complied with the PRC laws and regulations and the relevant requirements of the Company.

BCAC has first-tier qualification and expertise in undertaking airport runway project and possesses ample knowledge and experience in conducting airport construction work, 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 Western Airfield Area Navigation Lights Construction Agreement are normal commercial terms and are fair and reasonable and the transaction under the Western Airfield Area Navigation Lights Construction Agreement is in the interest of the shareholders of the Company as a whole.

B. EASTERN AIRFIELD AREA NAVIGATION LIGHTS CONSTRUCTION AGREEMENT

Date

29 December 2016

Parties

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

Term

The term of the Eastern Airfield Area Navigation Lights Construction Agreement is 120 calendar days from the commencement date of work. The commencement date of work shall be subject to the notice of commencement given by the supervisor of the construction.

Scope of services under the Eastern Airfield Area Navigation Lights Construction Agreement

Pursuant to the Eastern Airfield Area Navigation Lights Construction Agreement, BCAC agreed to provide construction services to the Company for the construction of navigation lights and power supply and lighting for the five aprons that will be constructed for (class C, E and F) parking stands in the eastern airfield area of the Beijing Airport, and such services include but not limited to the following:

- (i) taking responsibility for the implementations agreed under the Eastern Airfield Area Navigation Lights Construction Agreement, completing all construction, and repairing any defects in the construction;
- (ii) taking responsibility for the design, construction, operation, maintenance, management and removal of temporary facilities;
- (iii) taking responsibility for the completeness, safety and reliability of the construction and construction methods;
- (iv) taking safety measures at the construction site to ensure the safety of the construction and the construction workers;
- (v) taking responsibility for the protection work for the construction site and its surrounding environment and ecosystem;

- (vi) conducting all construction work in compliance with the special safety requirements for construction work at the Beijing Airport;
- (vii) provision of other services under the Eastern Airfield Area Navigation Lights Construction Agreement.

Consideration and Payment

The consideration payable by the Company in respect of the provision of the construction services under the Eastern Airfield Area Navigation Lights Construction Agreement is estimated to be RMB21,970,168.00, which was the lowest quotation in the public tender for the project. The consideration payable includes raw materials costs, facility usage fee, labour costs, management fee and the 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 price of the key construction materials, e.g., steel, bituminous concrete and cable etc., the consideration may be further adjusted by the parties upon agreement. The Company expects that the maximum consideration payable will not be higher than RMB31.16 million.

The Company agreed to make an advance payment of approximately RMB2,197,016.80 to BCAC upon the submission of a performance guarantee and an advance payment guarantee by BCAC after entering into the Eastern Airfield Area Navigation Lights Construction Agreement. The consideration payable under the Eastern Airfield Area Navigation Lights Construction Agreement will be paid partly by the Company depending on the construction progress of the project (“**Progress Payments of the Eastern Airfield Area**”). The Company shall make Progress Payments of the Eastern Airfield Area to BCAC within 28 days from the construction supervisor’s receipt of the Progress Payment of the Eastern Airfield Area application form submitted by BCAC, the amount of which shall be agreed by the Company and the supervisor. The remaining of the consideration payable (“**Completion Payment of the Eastern Airfield Area**”) under the Eastern Airfield Area Navigation Lights Construction Agreement (net the amount of quality guarantee deposit to be paid by BCAC) will be paid by the Company upon the receipt of the Completion Payment of the Eastern Airfield Area application submitted by BCAC.

BCAC agreed to pay a quality guarantee deposit of 5% of the settlement payment, to the Company. The Company agreed to return to BCAC such quality guarantee deposit two years after the completion of the eastern airfield area navigation lights construction project provided that by that time the Company is satisfied, upon inspection, that there are no quality issues with the eastern airfield area navigation lights construction project.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EASTERN AIRFIELD AREA NAVIGATION LIGHTS CONSTRUCTION AGREEMENT

In consideration of its operational needs, the Company decided to utilise its flight zones' existing resources to build parking stands in order to alleviate its parking stand shortage problem, increase its operational efficiency and enhance its support capacity. The Company considers it is necessary to construct navigation lights and power supply and lighting for the five aprons that will be constructed for (class C, E and F) parking stands in the eastern airfield area of the Beijing Airport.

The Company selected the service provider for the construction of the eastern airfield area navigation lights and power supply and lighting of the Beijing Airport by inviting public tender. After considering the construction design and technology proposal, professional qualification and professional experience, business reputation, standard of project management, project quotation and other relevant factors of all the tenderers, the Company selected BCAC as the service provider of the eastern airfield area navigation lights construction project. The service provider selection process was fair in the whole course and complied with the PRC laws and regulations and the relevant requirements of the Company.

BCAC has first-tier qualification and expertise in undertaking airport runway project and possesses ample knowledge and experience in conducting airport construction work, 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 Eastern Airfield Area Navigation Lights Construction Agreement are normal commercial terms and are fair and reasonable and the transaction under the Eastern Airfield Area Navigation Lights Construction Agreement is 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 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 transactions contemplated under the Western Airfield Area Navigation Lights construction Agreement and Eastern Airfield Area Navigation Lights construction Agreement constitute connected transactions 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 transactions contemplated under the Western Airfield Area Navigation Lights Construction Agreement and Eastern Airfield Area Navigation Lights Construction Agreement when aggregated with the Previous Transactions is more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

The Agreements were approved by the Board. Since no Director has material interest in the transactions contemplated under the Agreements, thus none of the Directors abstained from voting at the Board's meeting to approve the Agreements.

GENERAL

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

The Parent Company is principally engaged in the provision of ground handling services for domestic and international aviation enterprises, including the 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 the 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

“Agreements”	Western Airfield Area Navigation Lights Construction Agreement and Eastern Airfield Area Navigation Lights Construction Agreement
“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
“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
“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
“Director(s)”	the director(s) of the Company
“Eastern Airfield Area Navigation Lights Construction Agreement”	the eastern airfield area navigation lights construction agreement dated 29 December 2016 entered into between the Company and BCAC for the construction of navigation lights and power supply and lighting
“H Share(s)”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parent Company”	首都機場集團公司(Capital Airports Holding Company), an enterprise established in the PRC and the controlling shareholder of the Company
“PRC”	the People’s Republic of China

“Previous Transactions”	the transactions under the (i) the construction agreement for aprons enhancement project – western runway project dated 30 November 2016 entered into between the Company and BCAC and (ii) M7 and F connecting taxiways pavement enhancement agreement dated 14 November 2016 entered into between the Company and BCAC, details of which please refer to the announcement of the Company dated 30 November 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Western Airfield Area Navigation Lights Construction Agreement”	the western airfield area navigation lights construction agreement dated 29 December 2016 entered into between the Company and BCAC for the construction of navigation lights and power supply and lighting
“%”	per cent

By the order of the Board
Luo Xiaopeng
Secretary to the Board

Beijing, the PRC, 29 December 2016

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

Executive Directors: Mr. Liu Xuesong, Mr. Han Zhiliang and Ms. Gao Lijia

Non-executive Directors: Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Ma Zheng 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.com.cn/> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.