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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

COMPENSATION AGREEMENT

The Board announces that on 28 September 2017, the Company and the Parent Company entered into the Compensation Agreement, the Parent Company as transferor agreed to transfer the properties and other attachments erected within the Project Land to the Company as transferee for demolition and new aprons will be built on the Project Land after such demolition to satisfy the business development needs of the Company. The Company shall pay to the Parent Company an one-off Demolition Compensation in the amount of RMB26.9669 million (including the relevant tax).

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company as at the date of this announcement. Accordingly, the Parent Company is a connected person of the Company and the transaction contemplated under the Compensation Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Compensation Agreement are less than 5%, the transaction contemplated under the Compensation Agreement is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

COMPENSATION AGREEMENT

Date

28 September 2017

Parties

- (1) The Company, as transferee; and
- (2) The Parent Company, as transferor.

Assets to be transferred

Pursuant to the Compensation Agreement, the Parent Company as transferor agreed to transfer the properties and other attachments erected within the Project Land to the Company as transferee for demolition and new aprons will be built on the Project Land after such demolition to satisfy the business development needs of the Company. The Company shall pay to the Parent Company an one-off Demolition Compensation in the amount of RMB26.9669 million (including the relevant tax).

Compensation and Payment

The Demolition Compensation is RMB26.9669 million (including the relevant tax), which was determined based on arm's length negotiations between the Company and the Parent Company with reference to the valuation of the properties and other attachments erected within the Project Land on 30 June 2017 as appraisal benchmark date by replacement cost approach assessed by China United Assets Appraisal Group Co., Ltd (中聯資產評估集團有限公司), an independent appraiser.

Pursuant to the Compensation Agreement, the Demolition Compensation shall be payable by the Company within 15 business days after the Compensation Agreement becomes effective. Subject to the compliance of Listing Rules, the Compensation Agreement shall become effective after the signing and stamping of the same by each of the Company and the Parent Company.

Completion

The Parent Company shall be responsible to transfer the properties and other attachments erected within the Project Land to the Company within 15 business days after the date on which the Company has fully complied with its payment obligation under the Compensation Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COMPENSATION AGREEMENT

In view of the unceasingly growing business of the Beijing Airport, the bottlenecks tend to develop and become more prominent when the resources reach their capacity. Due to the shortage of airplane spaces, a serious impact spreads over the operating efficiency and operational quality of Beijing Airport and therefore exposing the Company to greater operational pressure and risk. Meanwhile, it also confronts with the pressure from the government and the public etc. In view of this and to alleviate the situation of the limited supporting facilities in Beijing Airport, the Company commenced the Apron Resources Enhancement Plan since 2016 and would build additional aprons by fully utilising the land resources in the flying area of Beijing Airport. The land on which the properties and other attachments to be cleared is going to be one of the construction lands of the Company's Apron Enhancement Plan (Phase II). In order to promote the execution of the Apron Enhancement Plan, buildings in that area needs to be removed before construction.

In view that the properties and other attachments to be cleared are assets owned by the Parent Company, the Parent Company, from the view of the new aprons enhancement project, supported the Company and agreed to demolish the above assets. Therefore, after an arm's length negotiation between the Company and the Parent Company, an one-off Demolition Compensation shall be paid to the Parent Company in respect of the relevant properties to be demolished. The amount of Demolition Compensation was determined based on the valuation conducted by the independent appraiser named under the section headed "Compensation and Payment".

Furthermore, in accordance with the Company's Apron Enhancement Plan (Phase II) and after the removal of ground objects, several new aprons will be built and put into use in the corresponding plots. After the aprons commenced service, not only can it effectively alleviate pressure on the ground operation of Beijing Airport, improve operational efficiency and quality, but also increase the parking fee income for the Company.

The Directors (including independent non-executive Directors) are of the view that the terms of the transaction as contemplated under the Compensation Agreement are on normal commercial term, fair and reasonable, in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PROPERTIES AND OTHER ATTACHMENTS

The properties and other attachments are erected within the Project Land, the fixed assets of which include 7 buildings, 6 structures and 28 sets of machinery and equipment.

The book value and the valuation of the properties and other attachments erected within the Project Land are RMB23.3176 million and RMB25.5610 million, respectively. The original acquisition costs/development costs of the properties and other attachments erected within the Project Land was approximately RMB25.6550 million.

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BOARD'S APPROVAL

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

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.

DEFINITIONS

“Beijing Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“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
“Compensation Agreement”	the Compensation Agreement for the Demolition of Properties and Attachments dated 28 September 2017 entered into between the Company and the Parent Company
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Demolition Compensation”	RMB26.9669 million (including the relevant tax)
“Director(s)”	the director(s) of the Company
“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

“mu”	mu (畝), a Chinese unit of measurement in terms of area and one mu is equivalent to approximately 666.67 sq.m.
“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
“Project Land”	the project land with an area of 92 mu located in the north of apron no. 8 of Beijing Airport, south of Huoyunbei Road, west of D4 taxiway and east side of the Beijing Aviation Ground Service Co. Ltd. (BGS) station
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC
28 September 2017

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. Gao Shiqing, Mr. Yao Yabo, Mr. Ma Zheng and Mr. Cheng Chi Ming, Brian

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

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>.