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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: 0694)

ANNOUNCEMENT PLACING OF 313,214,000 H SHARES

Sole Placing Agent



On 30 May 2008, the Company entered into the Placing Agreement with UBS in relation to the Placing on a fully underwritten basis of an aggregate of 313,214,000 H Shares at HK\$7.45 per H Share. The Placing Price represents a discount of about 6.88% to the closing price of HK\$8.00 per H Share as quoted on the Stock Exchange on 30 May 2008, being the closing price of the last full trading day immediately before the publication of this announcement.

The Placing Shares comprise (1) 284,740,000 New Shares to be allotted and issued by the Company; and (2) 28,474,000 Sale Shares to be converted from the same number of existing Domestic Shares that are to be transferred from Capital Airports Holding Company to the NSSF pursuant to the Provisional Measures.

The Placing Shares will be sold to no less than six institutional or professional investors, which are not connected persons of the Company, on a fully underwritten basis, subject to termination in certain events as, set out below under the heading Conditions of the Placing.

The net proceeds of the Placing will be about HK\$2,094 million. The Company intends to apply the net proceeds for general working capital requirements, including but not limited to, the expenditures to be incurred in preparation for the increased traffic at Beijing Capital Airport during the 2008 Summer Olympics. The Placing Shares will be allotted and issued under the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 12 October 2007.

The afore-mentioned transfer and redesignation of the Sale Shares by Capital Airports Holding Company to NSSF have been approved by the CSRC and Ministry of Finance and will take place upon completion of the Placing Agreement.

THE PLACING AGREEMENT

Date: 30 May 2008, signed after trading hour

Parties: (i) the Company

(ii) UBS as placing agent

UBS has agreed to act as the sole placing agent of the Company to procure, on a fully underwritten basis, institutional or professional investors who and whose ultimate beneficial owners are not connected persons of the Company to subscribe for the Placing Shares. The placees have not been identified yet, but in any event, it is expected that the placees will not be less than six in number. UBS is a third party which is not a connected person of the Company.

NUMBER OF PLACING SHARES

313,214,000 H Shares, representing approximately 20% and 7.74% of the existing H Shares in issue and the entire registered capital of the Company, respectively, prior to the Placing and approximately 16.67% and 7.23% of the H Shares and the entire registered capital of the Company, respectively, as enlarged by the issue of the Placing Shares.

SALE BY THE NSSF

Pursuant to the Provisional Measures, 28,474,000 Domestic Shares (representing 10% of the 284,740,000 New Shares to be issued and allotted) held by Capital Airports Holding Company shall be transferred to NSSF to comply with the Provisional Measures as approved by Ministry of Finance on 20 November 2007. As requested by NSSF, application has been made to CSRC for the redesignation of the Sale Shares into H Shares to be held by the NSSF and approval has been granted by CSRC on 20 February 2008. By another approval document dated 24 December 2007, the NSSF entrusted the Company to effect a sale of the Sale Shares (to be converted into H Shares) as part of the Placing, and to remit the entire net proceeds of the sale to the NSSF.

PLACING PRICE

HK\$7.45 per Placing Share, representing (i) a discount of about 6.88% to the closing price of HK\$8.00 per H Share as quoted on the Stock Exchange on 30 May 2008, being the closing price of the last full trading day immediately before the publication of this announcement; (ii) a discount of about 6.76% to the average closing price of HK\$7.99 per H Share as quoted on the Stock Exchange for the last five trading days up to and including 30 May 2008; (iii) a discount of about 8.70% to the average closing price of HK\$8.16 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including 30 May 2008; and (iv) a premium of about 181.13% over the net asset value per Share of RMB2.65 (equivalent to HK\$2.98) as at 31 December 2007. The net price per Placing Share is HK\$7.35. The Placing Price was determined by reference to the recent trading prices of the H Shares and represents a discount of less than 20% to the benchmarked price as set out under Rule 13.36 (5) of the Listing Rules. The Placing Price was agreed after arm's length negotiation between the Company and UBS.

CONDITIONS OF THE PLACING

The Placing is conditional upon the fulfillment or waiver of (in respect of clause (3) below only) of the following conditions:

- (1) the approvals of all relevant PRC regulatory authority approvals (including CSRC, Ministry of Finance and NSSF) in relation to the issue and placing of the Placing Shares and the conversion of the 28,474,000 Domestic Shares into H-Shares and the transfer of such H-Shares to the NSSF, are in full force and effect up to and including completion of the Placing under the Placing Agreement (as at the date of this announcement, all such relevant PRC regulatory authority approvals have been obtained);
- (2) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);
- (3) the delivery to UBS of a legal opinion issued by Commerce & Finance Law Offices, legal advisers to UBS, as to PRC law in form and substance satisfactory to UBS;
- (4) the delivery to UBS of two duly executed originals of the deed of lock-up undertaking by Capital Airports Holding Company.

Pursuant to the force majeure provisions contained in the Placing Agreement, UBS has the right to terminate the Placing Agreement at any time prior to 8:00 a.m. on the date of completion of the Placing Agreement.

COMPLETION OF THE PLACING

Completion is expected to take place two business days after the date on which the conditions of the Placing are fulfilled but in any event no later than 13 June 2008, or such other date as the Company and UBS may agree in writing. The Company will issue an announcement if the Placing takes place as and when required by the Listing Rules.

MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 12 October 2007. The Placing Agreement was approved by a committee of the Board on 30 May 2008. The issue of the Placing Shares was approved by the CSRC on 20 February 2008. Under the approval granted by the CSRC, the Company is required to carry out the Placing in compliance with all applicable laws, regulations and rules and to submit a report to the CSRC within 15 business days after completion of the Placing.

The mandate limit approved at the general meeting of the Company dated 12 October 2007 are 313,230,000 H Shares and 496,000,000 Domestic Shares, respectively. As at the date of the announcement, the outstanding mandate limit are 313,230,000 H Shares and 496,000,000 Domestic Shares, respectively.

RANKING OF PLACING SHARES

The Placing Shares, when issued and fully paid, and the Sale Shares, will rank *pari passu* in all respects with the existing H Shares in issue on the date of issue of the Placing Shares, including the right to receive any dividends or distributions.

LOCK-UP UNDERTAKINGS

The Company undertakes to UBS that for a period from the date of the Placing Agreement up to 90 days after the date of completion of the Placing Agreement, neither the Company nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares and the conversion of 28,474,000 Domestic Shares to H Shares and transfer to the NSSF in compliance with the Provisional Measures and save pursuant to (1) the terms of any employee share option scheme of the Company; or (2) any outstanding subscription warrants; or (3) bonus or scrip dividend or similar arrangements which provide for the allotment of H Shares in lieu of the whole or part of a dividend on H Shares in accordance with its articles of association; or (4) conversion of outstanding convertible bonds, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar (but for the avoidance of doubt excluding any Domestic Shares or A shares of the Company) to any H Shares or interest in H Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of UBS.

Capital Airports Holding Company, being the controlling Shareholder, has undertaken to UBS that, save and except for the transfer and conversion of 28,474,000 Domestic Shares currently held by it in compliance with the Provisional Measures, it will not, between the date of the Placing Agreement and the date which is 90 days after the date of completion of the Placing Agreement, (i) sell, transfer, dispose or offer to sell, transfer, dispose or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar (but for the avoidance of doubt excluding any Domestic Shares or A shares of the Company) to any such H Shares or interest in such H Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of UBS.

As at the date of this announcement, the Company does not have any convertible securities as mentioned above outstanding.

SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company immediately before and after the Placing:

Name of Shareholders and class of Shares	Immediately before the Placing		Immediately after the Placing	
	Number of Shares held (<i>shares</i>)	Percentage of shareholding (%)	Number of Shares held (<i>shares</i>)	Percentage of shareholding (%)
Capital Airports Holding Company (Domestic Shares)	2,480,000,000	61.29	2,451,526,000	56.61
Julius Baer Investment Management LLC (H Shares)	235,744,126	5.83	235,744,126	5.44
Placees (H Shares)	0	0	313,214,000	7.23
Other H Shares Shareholders	1,330,405,874	32.88	1,330,405,874	30.72
Total:	4,046,150,000	100.00	4,330,890,000	100.00

REASONS FOR THE PLACING

In view of current market conditions, the Directors consider that the Placing represents a good opportunity for the Company to raise further financing and also broaden the shareholder and capital base. To enable the Company to maintain and enhance its competitiveness, the Company proposed to raise funds by the issuance of new H Shares and the proceeds raised therefrom will be applied for general working capital requirements, including but not limited to, the expenditure to be incurred in preparation for the increased traffic at Beijing Capital Airport during the 2008 Summer Olympics.

USE OF PROCEEDS

The net proceeds of the Placing are expected to be approximately HK\$2,094 million. The Company intends to apply the net proceeds for general working capital requirements, including but not limited to, the expenditure to be incurred in preparation for the increased traffic at Beijing Capital Airport during the 2008 Summer Olympics.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

GENERAL

The Company did not raise any funds from issuance of equity securities in the 12 months immediately preceding the date of this announcement.

DEFINITIONS

“associate”	has the meaning ascribed to it under the Listing Rules
“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 whose H Shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic shares of nominal value of RMB1.00 each in the registered capital of the Company
“H Shares”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ministry of Finance”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“New Shares”	284,740,000 H Shares to be allotted and issued by the Company
“NSSF”	the National Council for Social Security Fund of the PRC (中國全國社會保障基金理事會)
“Placing”	the placing of the Placing Shares by UBS as placing agent pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement between UBS and the Company dated 30 May 2008 in relation to the Placing
“Placing Price”	the placing price of HK\$7.45 per H Share
“Placing Shares”	the New Shares and the Sale Shares
“PRC”	the People’s Republic of China
“Provisional Measures”	Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (減持國有股籌集社會保障資金管理暫行辦法), which provides that for any issue of new shares by a joint stock limited company with state-owned shares, the state shareholders of such joint stock limited company shall transfer such amount of state-owned shares which is equivalent to 10% of the amount to be raised by the allotment of new shares by the joint stock limited company to NSSF

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	28,474,000 H Shares to be converted from the same number of existing Domestic Shares that are to be allocated from Capital Airports Holding Company to the NSSF pursuant to the Provisional Measures
“Share(s)”	share(s) in the share capital of the Company, of par value RMB1.00 each, including Domestic Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS”	UBS AG, a registered institution under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) registered for types 1, 4, 6, 7 and 9 regulated activities as defined under the Securities and Futures Ordinance
“%”	per cent

By the order of the Board
Wang Jiadong
Chairman of the Board

Beijing, PRC, 30 May 2008

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

<i>Executive Directors:</i>	<i>Mr. Wang Jiadong, Mr. Dong Zhiyi</i>
<i>Non-executive Directors:</i>	<i>Mr. Chen Guoxing, Mr. Gao Shiqing, Ms. Zhao Jinglu</i>
<i>Independent Non-Executive Directors:</i>	<i>Mr. Long Tao, Mr. Moses Cheng Mo Chi, Mr. Kwong Che Keung, Gordon, Mr. Dong Ansheng</i>