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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

SHARE TRANSFER AGREEMENT

The Board announces that on 23 June 2017, the Company and the Parent Company entered into the Share Transfer Agreement, pursuant to which the Company as vendor conditionally agreed to dispose of and the Parent Company as purchaser conditionally agreed to purchase the Sale Capital at the consideration of approximately RMB74.90 million. The Sale Capital represents 60% of the entire registered capital of the Target Company.

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 Share Transfer 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 Share Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Share Transfer Agreement is 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.

SHARE TRANSFER AGREEMENT

Date

23 June 2017

Parties

- (1) The Company; and
- (2) The Parent Company.

Assets to be disposed of

Pursuant to the Share Transfer Agreement, the Company as vendor conditionally agreed to dispose of and the Parent Company as purchaser conditionally agreed to purchase the Sale Capital at the consideration of approximately RMB74.90 million. The Sale Capital represents 60% of the entire registered capital of the Target Company.

Conditions Precedent

- (1) The Company having obtained approval and authorization in accordance with the articles of association of the Company regarding the transfer of the Sale Capital as contemplated under the Share Transfer Agreement; and
- (2) The Parent Company having obtained approval and authorization in accordance with the articles of association of the Parent Company regarding the purchase of the Sale Capital as contemplated under the Share Transfer Agreement.

Consideration and Payment

The Consideration for the Disposal is approximately RMB74.90 million, which was determined based on arm's length negotiations among the Company and the Parent Company with reference to the valuation of the Target Company conducted by China Alliance Appraisal Co., Ltd, an independent asset appraiser, by adopting asset-based approach as of 31 December 2016, i.e. approximately RMB125 million x 60% = approximately RMB74.90 million.

Pursuant to the Share Transfer Agreement, the Consideration is payable by the Parent Company within the next 30 days after the Share Transfer Agreement becoming effective by way of one-off transfer to the bank account as designated by the Company.

The Share Transfer Agreement will become effective after it is duly signed by the parties or their respective authorized representatives and after obtaining the approval by the relevant authorities in accordance with applicable laws and regulations.

Completion

After signing the Share Transfer Agreement and having obtained approvals from the relevant authorities (or the property transaction certificate having been issued by China Beijing Equity Exchange), the Company shall procure the Target Company to attend the registration procedures regarding the share transfer at the registration authority. The Parent Company shall provide all necessary assistance and cooperation. The date on which the new business licence to be issued will be treated as the Completion Date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

1. The need to initiate a development strategy of the Company

With regard to the overall future strategic development of the Company, the current shareholding relationship would give very limited support to the strategy of the Company, and may even hinder the management and operation of the Company, and has been deviating from the original plan of the Company to focus on the core airport-related business. This is reflected in the fact that the development is not in line with the strategy to transform the Company from an operational-oriented entity to a management-oriented entity and to focus on the development of aviation industry.

2. The need to rationalise the shareholding relationship and management relationship of the Company

Under the current shareholding relationship, the Company will be exposed to a greater degree of compliance risks and face an increase in its management cost in future, which will affect the management efficiency of the Company. Furthermore, the future development and strategy of the Target Company will be adversely affected.

3. The need to enhance management efficiency and to streamline management chain of the Company

The Target Company's low profit margin contributes to a relatively small proportion in the profit of the Company and hence makes insignificant impact on the results of the Company. Therefore the Target Company fails to give a significant strategic support to the Company in terms of investment yield. In addition, the Company is not only required to assume the duty to the operation and management of the Beijing Airport but also to assume the major duty of the Target Company in respect of operational safety and business thereof.

The Directors (including independent non-executive Directors) are of the view that the terms of the transaction as contemplated under the Share Transfer 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 TARGET COMPANY AND THE FINANCIAL EFFECT OF THE DISPOSAL

The Target Company is an enterprise established in the PRC. It is principally engaged in airport equipment manufacturing, airport equipment development, installation and maintenance, spare parts supply and technical advisory services; terminal, station and freight equipment operation and maintenance; professional contractor; elevator maintenance. Branch offices of the Target Company are principally engaged in class 1 vehicle maintenance (large and medium-sized vehicle repair, large and medium-sized truck repair, small car repair).

The Target Company owns a land use right certificate of a parcel of land located at Beijing Airport with a total area of 15,972 square metres and the property ownership right certificate of the relevant property located at the above-mentioned land with a total gross area of 8,566.3 square metres. In addition, the Target Company also owns machineries, equipment, facilities, products, work in progress products (including facilities information, files, backup and office supplies etc).

The financial information of the Target Company, which is adjusted in accordance with the International Financial Reporting Standards based on the audited financial statements of the Target Company for the two years ended 31 December 2016 and 31 December 2015 prepared in accordance with the applicable PRC Accounting Standards^(Note), are set out below:

	For the year ended 31 December 2016 Unaudited (RMB'000)	For the year ended 31 December 2015 Unaudited (RMB'000)
Net profit before tax	12,496	17,816
Net profit after tax	9,372	13,362
Net asset value	29,566	34,918

Note: Adjustments were made in accordance with the International Financial Reporting Standards in order to be consistent with the information disclosed in the annual report of the Company in relation to the Target Company.

It is expected that the Company will record an estimate profit of approximately RMB40 million (before taxation) in respect of the Disposal (i.e. being the difference between the Consideration and the book value of the long-term equity investment by the Company).

USE OF PROCEEDS

Proceeds of the Disposal are intended to be used to replenish the general working capital of the Company.

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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 Share Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Share Transfer Agreement is 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 Share Transfer Agreement was approved by the Board. Since no Director has material interest in the transaction contemplated under the Share Transfer Agreement, thus none of the Directors abstained from voting at the Board's meeting to approve the Share Transfer 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
“Completion Date”	the completion date of the sale and purchase of the Sale Capital in accordance with the terms and conditions of the Share Transfer Agreement
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	approximately RMB74.90 million
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of Sale Capital by the Company pursuant to the Share Transfer Agreement
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Capital”	60% of the total registered capital of the Target Company
“Share Transfer Agreement”	the share transfer agreement dated 23 June 2017 entered into between the Company as vendor and the Parent Company as purchaser in respect of the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” 北京博維航空設施管理有限公司(Beijing Bowei Airport Support Limited), an enterprise established in the PRC

“%” per cent

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

Beijing, the PRC
23 June 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. 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.cm.cn/> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.