

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(1) CONNECTED TRANSACTION IN CONNECTION WITH THE NON-PUBLIC ISSUANCE BY WAY OF CAPITALISATION OF CAPITAL RESERVE (EXCLUSIVELY STATE-OWNED)

(2) SPECIFIC MANDATES

(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

CONNECTED TRANSACTION IN CONNECTION WITH THE NON-PUBLIC ISSUANCE BY WAY OF CAPITALISATION OF CAPITAL RESERVE (EXCLUSIVELY STATE-OWNED)

The Board announces that on 30 April 2019 (after trading hours), the Company entered into the Share Subscription Agreement with the Parent Company pursuant to which the Company shall allot and issue, and the Parent Company shall subscribe for, through the Non-Public Issuance by way of capitalisation of Capital Reserve (Exclusively State-Owned), 241,766,690 Subscription Shares (subject to adjustments) at the Issue Price of RMB6.1784 per Subscription Share (subject to adjustments).

SPECIFIC MANDATES

The Subscription Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the EGM and the H-Share Class Meeting.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the holder of 2,451,526,000 Domestic Shares, representing 56.61% of the total issued share capital of the Company. As such, the Parent Company is the controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Non-Public Issuance constitutes a connected transaction of the Company that is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 19A.38 of the Hong Kong Listing Rules and the Articles, the Non-Public Issuance is subject to the approval by a special resolution of Shareholders at the EGM, and the approvals by special resolutions of holders of Domestic Shares and H-Shares at separate class meetings conducted in accordance with the Articles. Given that all the Domestic Shares are held by the Parent Company and the Parent Company is required to abstain from voting at any Domestic Shares class meeting held to approve the Non-Public Issuance, no such Domestic Shares class meeting will be held. Only the EGM and the H-Share Class Meeting will be held to approve the Non-Public Issuance.

INDEPENDENT BOARD COMMITTEE

Pursuant to the Hong Kong Listing Rules, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates.

INDEPENDENT FINANCIAL ADVISER

The Company has appointed Platinum Securities Company Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates.

PROPOSED AMENDMENTS TO THE ARTICLES

Upon completion of the Non-Public Issuance, the registered capital and shareholding structure of the Company will change and the Articles are required to be amended to reflect the relevant changes.

The Board proposes to seek the approval of the Shareholders at the EGM to authorise the Board and its authorised person(s) to make consequential amendments to relevant provisions in the Articles based on the results of the Non-Public Issuance.

PROPOSED AUTHORISATION TO THE BOARD

To ensure the orderly and efficient implementation of the Non-Public Issuance, a resolution will be proposed at the EGM for the Shareholders to authorise the Board and its authorised person(s) to handle relevant matters relating to the Non-Public Issuance.

EGM AND THE H-SHARE CLASS MEETING

The EGM will be convened to consider and, if thought fit, pass resolutions to approve, among other things, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder, the grant of Specific Mandate to allot and issue the Subscription Shares, the proposed amendments to the Articles and the proposed authorisation to the Board to handle relevant matters relating to the Non-Public Issuance.

The H-Share Class Meeting will be convened to consider and, if thought fit, pass resolutions to approve, among other things, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the grant of Specific Mandate to allot and issue the Subscription Shares.

The relevant resolutions in respect of the Non-Public Issuance, the Share Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates will be proposed by way of special resolutions at the EGM and the H-Share Class Meetings for approval by the Independent Shareholders.

The relevant resolutions in respect of the proposed amendments to the Articles will be proposed by way of special resolutions at the EGM for approval by the Shareholders. The relevant resolutions in respect of the proposed authorisation to the Board to handle all relevant matters relating to the Non-Public Issuance will be proposed by way of special resolutions at the EGM for approval by the Independent Shareholders.

DESPATCH OF CIRCULAR

The Circular will be despatched to the Shareholders in compliance with the Hong Kong Listing Rules. As additional time is required by the Company to prepare the information to be included in the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 11 June 2019. If it is expected that there will be a delay to the despatch of the Circular, a further announcement will be published in accordance with the Hong Kong Listing Rules stating the reason for the delay and the new expected date of despatch of the Circular.

INTRODUCTION

The Board announces that on 30 April 2019 (after trading hours), the Company entered into the Share Subscription Agreement with the Parent Company pursuant to which the Company shall allot and issue, and the Parent Company shall subscribe for, through the Non-Public Issuance by way of capitalisation of Capital Reserve (Exclusively State-Owned), 241,766,690 Subscription Shares (subject to adjustments) at the Issue Price of RMB6.1784 per Subscription Share (subject to adjustments).

Background

The Company proposes to conduct the Non-Public Issuance for the reasons stated under the paragraph headed “Reasons for and Benefits of the Non-Public Issuance” set out in this announcement. The consideration for the Subscription Shares to be allotted and issued under the Non-Public Issuance shall be by way of the capitalisation of not more than RMB1,493,731,321.50, representing the entire amount of Capital Reserve (Exclusively State-Owned) standing in the capital reserve account of the Company as at 31 December 2018, based on the audited financial statements of the Company for the year ended 31 December 2018.

The amount of Capital Reserve (Exclusively State-Owned) represents the amount of subsidies received by the Company from CAAC for infrastructure projects undertaken by the Company and are treated as equity contribution from the Parent Company in cash to which the Parent Company is fully entitled. Accordingly, only the Parent Company shall have the right to utilise the amount of Capital Reserve (Exclusively State-Owned) to participate in the Non-Public Issuance to subscribe for the Subscription Shares.

Following the capitalisation of the amount of Capital Reserve (Exclusively State-Owned) and completion of the Non-Public Issuance, the registered capital of the Company will increase from RMB4,330,890,000 to RMB4,572,656,690 (subject to adjustments).

SHARE SUBSCRIPTION AGREEMENT

Set out below are details of the Share Subscription Agreement.

Date

30 April 2019

Parties

- (1) The Company (as the issuer)
- (2) The Parent Company (as the subscriber)

Issue Price

The Issue Price at which the Company shall allot and issue, and the Parent Company shall subscribe for, the Subscription Shares, shall be RMB6.1784 per Subscription Share (subject to adjustments).

Basis for determining the Issue Price

The Issue Price of RMB6.1784 per Subscription Share (subject to adjustments) represents the Renminbi equivalent of the 20-day average trading price of the H-Shares immediately preceding the Price Referencing Date (excluding the Price Referencing Date), i.e. HK\$7.1998, at the exchange rate of HK\$1:RMB0.85813, which is based on the central parity rate of Hong Kong dollar against RMB in the Inter-bank Foreign Exchange Market on the trading day immediately preceding the Price Referencing Date as posted by China Foreign Exchange Trading Centre.

The 20-day average trading price of the H-Shares immediately preceding the Price Referencing Date (“**XH**”) is calculated based on the following formula:

$$XH = YH/ZH$$

where

YH = the total trading amount of the H-Shares in the 20 trading days immediately preceding the Price Referencing Date
ZH = the total trading volume of the H-Shares in the 20 trading days immediately preceding the Price Referencing Date

The Issue Price of RMB6.1784 (equivalent to HK\$7.1998) per Subscription Share (subject to adjustments) represents:

- (a) a premium of approximately 3.15% to the closing price of HK\$6.9800 per H-Share as quoted on the Hong Kong Stock Exchange on the Price Referencing Date;
- (b) a premium of approximately 3.36% to the average closing price of HK\$6.9660 per H-Share as quoted on the Hong Kong Stock Exchange in the last five consecutive trading days up to and including the Price Referencing Date;
- (c) a premium of approximately 2.88% to the average closing price of HK\$6.9980 per H-Share as quoted on the Hong Kong Stock Exchange in the last 10 consecutive trading days up to and including the Price Referencing Date;

- (d) a premium of approximately 0.98% to the average closing price of HK\$7.1300 per H-Share as quoted on the Hong Kong Stock Exchange in the last 20 consecutive trading days up to and including the Price Referencing Date; and
- (e) a premium of approximately 14.16% over the audited consolidated net asset value per Share of approximately RMB5.41 (from the Company's consolidated financial statements prepared in accordance with the International Financial Reporting Standards, equivalent to approximately HK\$6.3065 (based on the exchange rate of HK\$1: RMB0.85784, being the central parity rate of Hong Kong dollar against RMB in the Inter-bank Foreign Exchange Market as at the date of this announcement as posted by China Foreign Exchange Trading Centre)) as at 31 December 2018, based on the total number of issued Shares as at 31 December 2018.

Adjustments to the Issue Price

The Issue Price shall be adjusted according to the following formula if there are any ex-dividends activities (such as dividends distributions) undertaken by the Company between the Price Referencing Date and the Issuance Date:

$$PH = PH_0 - DH$$

where

PH	=	Issue Price after adjustment
PH ₀	=	Issue Price before adjustment
DH	=	Cash dividend per Share (inclusive of tax)

Number of Subscription Shares

The total number of Subscription Shares to be issued under the Non-Public Issuance shall be 241,766,690 (subject to adjustments), and is calculated by reference to the amount of Capital Reserve (Exclusively State-Owned) capitalised for the Non-Public Issuance and the Issue Price, rounded down to the nearest whole number of Share.

The 241,766,690 Subscription Shares represent approximately 9.86% of the total number of issued Domestic Shares, and approximately 5.58% of the total number of issued Shares, as at the date of this announcement, and approximately 8.98% of the total number of issued Domestic Shares and approximately 5.29% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming no other changes to the issued share capital of the Company after the date of this announcement and before the Issuance Date. The nominal value of each Subscription Share is RMB1.00 and the aggregate nominal value of the Subscription Shares is RMB241,766,690 (subject to adjustments).

Adjustments to the number of Subscription Shares

The total number of Subscription Shares to be issued under the Non-Public Issuance shall be adjusted according to any ex-dividends activities (such as dividends distributions) undertaken by the Company between the Price Referencing Date and the Issuance Date based on the following formula:

$$QH_1 = QH_0 \times PH_0/PH$$

where

QH_1	=	Number of Subscription Shares to be issued after adjustment
QH_0	=	Number of Subscription Shares to be issued before adjustment
PH_0	=	Issue Price before adjustment
PH	=	Issue Price after adjustment

Issuance Date

The Subscription Shares shall be allotted and issued to the Parent Company on the Issuance Date. The Issuance Date shall be determined by the Company and shall be a day during the validity periods of the relevant regulatory approvals (if required) and the relevant resolutions passed at the EGM and the H-Share Class Meeting.

Effective Date

After the signing and sealing of the Share Subscription Agreement, the Share Subscription Agreement shall become effective upon the fulfilment of the following conditions:

- (1) the Share Subscription Agreement having been approved by CAAC, and submitted to the relevant departments of the state-owned assets supervision and administration authorities for approval or filing (if required);
- (2) the Share Subscription Agreement having been validly approved by the EGM and the H-Share Class Meeting.

Completion

Completion of the Non-Public Issuance (including but not limited to the allotment and issue of the Subscription Shares on the Issuance Date and completion of the share registration procedures with China Securities Depository And Clearing Corporation Limited) shall take place within the validity periods of the relevant resolutions passed at the EGM and the H-Share Class Meeting.

Termination

The Share Subscription Agreement shall not be terminated by any Party unilaterally unless:

- (1) both Parties agree to terminate or discharge the Share Subscription Agreement in writing;
- (2) the Share Subscription Agreement and the transactions contemplated thereunder are not approved by the relevant governing and regulatory authorities; or
- (3) the Share Subscription Agreement and the transactions contemplated thereunder are not approved by the Shareholders at the EGM and/or H-Share Class Meeting.

SPECIFIC MANDATES

The Subscription Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the EGM and the H-Share Class Meeting.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Domestic Shares in issue at the time of allotment and issue of the Subscription Shares.

The Domestic Shares are not listed on any stock exchanges and currently there is no intention to apply for the listing of the Subscription Shares on the Hong Kong Stock Exchange.

ACCUMULATED PROFITS ARRANGEMENT BEFORE THE ISSUANCE

The undistributed accumulated profits of the Company before the Non-Public Issuance shall be shared by new and existing Shareholders upon completion of the Non-Public Issuance.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Share Subscription Agreement and the transactions contemplated thereunder do not involve any fund raising by the Company. No proceeds will be raised by the Company from the Non-Public Issuance. Save for the conversion of the amount of Capital Reserve (Exclusively State-Owned) into the share capital amount of the Company resulting in the Capital Increase and the related changes to items such as share premium per Share, there are no other changes to the capital and reserves item under the balance sheet of the Company. The Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder do not affect the total equity of the Company as reflected in its audited financial statement for the year ended 31 December 2018.

The Company has not conducted any fund raising activities by issuing equity securities during the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 4,330,890,000 Shares in issue, comprising 2,451,526,000 Domestic Shares and 1,879,364,000 H-Shares. The Parent Company holds 2,451,526,000 Domestic Shares, representing 100% of the Domestic Shares issued by the Company and approximately 56.61% of the total number of issued Shares of the Company as at the date of this announcement. Immediately upon completion of the Non-Public Issuance, the Parent Company will hold 2,693,292,690 Domestic Shares, representing 100% of the total number of issued Domestic Shares and approximately 58.90% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming no other changes to the issued share capital of the Company after the date of this announcement, save for the allotment and issue of the Subscription Shares.

For illustrative purposes only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Subscription Shares (assuming 241,766,690 Subscription Shares will be issued and there are no other changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares):

Name of Shareholder	Notes	Class of Shares	As at the date of this announcement			Immediately after completion of the Non-Public Issuance		
			Number of Shares	Approximate % of the relevant class of Shares (%)	Approximate % of the total issued Shares (%)	Number of Shares	Approximate % of the relevant class of Shares (%)	Approximate % of the total issued Shares (%)
Capital Airports Holding Company	1	Domestic	2,451,526,000	100	56.61	2,693,292,690	100	58.90
Fortland Ventures Limited	2	H	240,342,000	12.79	5.55	240,342,000	12.79	5.26
Citigroup Inc.		H	175,739,065	9.35	4.06	175,739,065	9.35	3.84
BlackRock, Inc		H	135,137,979	7.19	3.12	135,137,979	7.19	2.96
Aberdeen Asset Management Plc and its associates	3	H	114,868,000	6.11	2.65	114,868,000	6.11	2.51
Matthews International Capital Management, LLC.	3	H	113,114,000	6.01	2.61	113,114,000	6.01	2.47
Hermes Investment Management Ltd	3	H	94,808,000	5.04	2.19	94,808,000	5.04	2.07
Other Public Shareholders		H	1,005,354,956	53.49	23.21	1,005,354,956	53.49	21.99
			<u>4,330,890,000</u>	<u>100</u>	<u>100</u>	<u>4,572,656,690</u>	<u>100</u>	<u>100</u>

Notes:

1. Capital Airports Holding Company was incorporated in the PRC, and is the controlling shareholder of the Company. Mr. Liu Xuesong, an executive director and the chairman of the Board, is the general manager and deputy party secretary of Capital Airports Holding Company. Mr. Han Zhiliang, an executive director and the general manager, is the deputy general manager of Capital Airports Holding Company. Mr. Gao Shiqing, a non-executive director of the Company, is the deputy general manager of Capital Airports Holding Company. Mr. Yao Yabo, a non-executive director of the Company, is the deputy general manager (general manager level) of Capital Airports Holding Company. Mr. Ma Zheng, a non-executive director of the Company, is the general legal counsel and the chairman of labor union of Capital Airports Holding Company.
2. Cheng Yu Tung Family (Holdings) Limited holds approximately 48.98% interest in Chow Tai Fook Capital Limited (“**CTF Capital**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Capital.

Cheng Yu Tung Family (Holdings II) Limited holds approximately 46.65% interest in CTF Capital and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Capital.

CTF Capital holds approximately 81.03% interest in Chow Tai Fook (Holding) Limited (“**CTF Holding**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Holding.

CTF Holding holds 100% interest in Chow Tai Fook Enterprises Limited (“**CTF Enterprises**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Enterprises.

CTF Enterprises, together with its subsidiaries, hold approximately 44.46% interest in New World Development Company Limited (“**NWD**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by NWD.

NWD holds approximately 60.99% interest in NWS Holdings Limited (“**NWS**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by NWS.

NWS holds 100% interest in NWS Ports Management Limited (“**NWS Ports**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by NWS Ports.

NWS Ports holds 100% interest in Fortland Ventures Limited (“**Fortland Ventures**”) and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by Fortland Ventures.

Therefore, Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, CTF Capital, CTF Holding, CTF Enterprises, NWD, NWS and NWS Ports (collectively, the “**New World Group**”) are all deemed to be interested in all the Shares held by or deemed to be interested by Fortland Ventures.

On 11 January 2018, Fortland Ventures entered into a placing arrangement in relation to the disposal of 208,000,000 H shares of the Company, the completion of which took place on 16 January 2018. Accordingly, the New World Group (as defined above) were deemed to be interested in 240,342,000 H shares of the Company as at 31 December 2018.

3. These shares are held in the capacity of investment manager.
4. The information in the above table is based on information publicly available to the Company as at the date of this announcement. For the purpose of the above table, only the long positions of the Shares have been reflected.
5. The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the numbers are due to roundings.

REASONS FOR AND BENEFITS OF THE NON-PUBLIC ISSUANCE

The amount of Capital Reserve (Exclusively State-Owned) standing in the capital reserve account of the Company is the accumulated amount of subsidies received by the Company from CAAC for infrastructure projects undertaken by the Company.

According to the “Interim Measures for the Management of Airport Management Construction Funds for use by Local Airport Construction Projects” (《機場管理建設費用於地方機場建設項目資金管理暫行辦法》) published by the Ministry of Finance and the General Administration of Civil Aviation of China (now CAAC), subsidies granted by CAAC shall be treated as capital reserve (exclusively state-owned) and may be managed as state capital when there is a capital increase exercise by the relevant entity.

According to the “Interim Provisions on Strengthening the Management of Enterprise Financial Information” (《加強企業財務信息管理暫行規定》)(“**Notice 23**”) published by the Ministry of Finance in 2012, capital financial funds received from the state may temporarily be treated as capital reserve (exclusively state-owned) and shall be converted to share capital held by the state in the following year or when there is a capital increase exercise or other exercises such as listing.

According to the “Notice on Facilitating the Settlement of Issues relating to the Utilization of Civil Aviation Development Funds by Capital Airport Company Limited” (Ming Hang Han [2018] No. 466) (《關於推動解決首都機場股份有限公司使用民航發展基金有關問題的通知》(民航函[2018]466號)) issued by CAAC to the Parent Company in May 2018, the Company is required to facilitate the conversion of its existing Capital Reserve (Exclusively State-owned) as soon as possible, to reflect the rights of the state-owned capital.

The Company proposes to conduct the Non-Public Issuance in order to comply with the relevant legal provisions (including the requirements under Notice 23) and the requirements from industry regulatory departments and fulfil the Company’s obligations in connection with the management of state-owned assets, which are important for the Company to receive the continuous support of the state. The Non-Public Issuance facilitates the one-off conversion of the outstanding amount of Capital Reserve (Exclusively State-Owned) into registered capital of the Company. Compared with converting the amount of Capital Reserve (Exclusively State-Owned) on a yearly basis, this can reduce the extent of dilution of the shareholding of the public

Shareholders and entitle the public Shareholders to more dividends over a period of time. While the amount of Capital Reserve (Exclusively State-Owned) represents funds provided by the state to the Company, the conversion of the relevant amount into the registered capital of the Company by way of Non-Public Issuance using a market mechanism (including having the Issue Price determined with reference to the 20-trading-day average trading price of the H-Shares immediately preceding the Price Referencing Date) is not only an important premise and foundation for the Company's continuous endeavor for governmental support, but is also a reasonable arrangement in line with the market logic and in the long-term interests of the Shareholders as a whole. In the long run, it will create a sound external environment for the development of the Company, and bring long-term benefits to all Shareholders, striking a balance between ensuring the interest of the state and the interest of the public Shareholders. In addition, based on the understanding of the Company, if the Non-Public Issuance is unsuccessful, given that the amount of the Capital Reserve (Exclusively State-Owned) originates from the state, it may be likely that the Company is required to handle such amount in other manners in order to reflect the rights of the state-owned capital, which may further increase the financial obligations of the Company.

INFORMATION ON THE PARTIES

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 supply of water, electricity, steam and energy; airport management services and counter services.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the holder of 2,451,526,000 Domestic Shares, representing 56.61% of the total issued share capital of the Company. As such, the Parent Company is the controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Non-Public Issuance constitutes a connected transaction of the Company that is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 19A.38 of the Hong Kong Listing Rules and the Articles, the Non-Public Issuance is subject to the approval by a special resolution of Shareholders at the EGM, and the approvals by special resolutions of holders of Domestic Shares and H-Shares at separate class meetings conducted in accordance with the Articles. Given that all the Domestic Shares are held by the Parent Company and the Parent Company is required to abstain from voting at any Domestic Shares class meeting held to approve the Non-Public Issuance, no such Domestic Shares class meeting will be held. Only the EGM and the H-Share Class Meeting will be held to approve the Non-Public Issuance.

BOARD'S APPROVAL

The Directors are of the view that the terms of the Share Subscription Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

As none of the Directors has a material interest in the transactions contemplated under the Share Subscription Agreement, none of the Directors is required to abstain from voting on the resolutions on approving the Share Subscription Agreement at the Board meeting.

INDEPENDENT BOARD COMMITTEE

Pursuant to the Hong Kong Listing Rules, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates.

INDEPENDENT FINANCIAL ADVISER

The Company has appointed Platinum Securities Company Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates.

PROPOSED AMENDMENTS TO THE ARTICLES

Upon completion of the Non-Public Issuance, the registered capital and shareholding structure of the Company will change and the Articles are required to be amended to reflect the relevant changes.

The Board proposes to seek the approval of the Shareholders at the EGM to authorise the Board and its authorised person(s) to make consequential amendments to relevant provisions in the Articles based on the results of the Non-Public Issuance.

PROPOSED AUTHORISATION TO THE BOARD

To ensure the orderly and efficient implementation of the Non-Public Issuance, a resolution will be proposed at the EGM for the Shareholders to authorise the Board and its authorised person(s) (including but not limited to executive director(s) and the secretary to the Board) to handle relevant matters relating to the Non-Public Issuance, including but not limited to the following:

- (a) according to the requirements of laws, rules and regulations, the resolutions of the shareholders and actual conditions, formulating and implementing the proposal for the Non-Public Issuance, including but not limited to determining the Issuance Date, completion date and other matters relating to the Non-Public Issuance;

- (b) if there are changes to laws, rules or the relevant regulatory departments promulgate new regulations or requirements before the completion of the Non-Public Issuance or there are changes to market conditions, modifying the proposal for the Non-Public Issuance (save for those matters that require approval by the shareholders at general meeting in accordance with laws, rules and regulations and the Articles);
- (c) engaging intermediaries for the Non-Public Issuance;
- (d) attending to matters such as auditing, filing and announcement in connection with the Non-Public Issuance, signing, revising, supplementing all agreements and documents in connection with the Non-Public Issuance;
- (e) according to market actual conditions and the proposal for the Non-Public Issuance approved by the Shareholders at general meeting, handling and determining all matters relating to the implementation of the Non-Public Issuance;
- (f) after completion of the Non-Public Issuance, attending to registration matters with China Securities Depository And Clearing Corporation Limited;
- (g) after completion of the Non-Public Issuance, attending to matters relating to the Capital Increase, amendments to the Articles and filings with the relevant departments, including the signing of related legal documents;
- (h) subject to compliance with applicable laws, rules and regulations, attending to all other matters related to the Non-Public Issuance.

Such authorisation, if granted by the Shareholders, shall be valid for a period of 12 months from the date of passing of the relevant resolution at the EGM. Further details of the scope of authorisation to the Board and its authorisation person(s) will be set out in the Circular.

EGM AND THE H-SHARE CLASS MEETING

The EGM will be convened to consider and, if thought fit, pass resolutions to approve, among other things, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder, the grant of Specific Mandate to allot and issue the Subscription Shares, the proposed amendments to the Articles and the proposed authorisation to the Board to handle relevant matters relating to the Non-Public Issuance.

The H-Share Class Meeting will be convened to consider and, if thought fit, pass resolutions to approve, among other things, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the grant of Specific Mandate to allot and issue the Subscription Shares.

The relevant resolutions in respect of the Non-Public Issuance, the Share Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates will be proposed by way of special resolutions at the EGM and the H-Share Class Meetings for approval by the Independent Shareholders.

The relevant resolutions in respect of the proposed amendments to the Articles will be proposed by way of special resolutions at the EGM for approval by the Shareholders. The relevant resolutions in respect of the proposed authorisation to the Board to handle all relevant matters relating to the Non-Public Issuance will be proposed by way of special resolutions at the EGM for approval by the Independent Shareholders.

CONNECTED PERSONS WHO ARE REQUIRED TO ABSTAIN FROM VOTING ON THE RESOLUTIONS

Pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder with a material interest in the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder is required to abstain from voting on the relevant resolutions at the EGM and the H-Share Class Meeting.

Since the Parent Company holds 56.61% of the issued share capital of the Company as at the date of this announcement, the Parent Company and its associates must abstain from voting on the resolutions approving the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates at the EGM and the H-Share Class Meeting.

DESPATCH OF CIRCULAR

The Circular will be despatched to the Shareholders in compliance with the Hong Kong Listing Rules. As additional time is required by the Company to prepare the information to be included in the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 11 June 2019. If it is expected that there will be a delay to the despatch of the Circular, a further announcement will be published in accordance with the Hong Kong Listing Rules stating the reason for the delay and the new expected date of despatch of the Circular.

WARNING

COMPLETION OF THE NON-PUBLIC ISSUANCE IS SUBJECT TO, AMONG OTHERS, THE APPROVAL OF THE INDEPENDENT SHAREHOLDERS. ACCORDINGLY, THE NON-PUBLIC ISSUANCE MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES, AND ARE RECOMMENDED TO CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL PARTIES IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION AND AS TO THE ACTIONS THEY SHOULD TAKE.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Articles”	:	the articles of association of the Company
“associate(s)”	:	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	:	the board of Directors
“Board Meeting”	:	the second meeting in 2019 of the seventh session of the Board held on 30 April 2019 for approving, among other things, the Share Subscription Agreement and the transactions contemplated thereunder
“CAAC”	:	Civil Aviation Administration of China
“Capital Increase”	:	the increase in the registered capital of the Company resulting from the capitalisation of the amount of Capital Reserve (Exclusively State-Owned) standing in the capital reserve account of the Company as at 31 December 2018, as reflected in the audited financial statements of the Company for the year ended 31 December 2018
“Capital Reserve (Exclusively State-Owned)”	:	subsidies amounts received by the Company from CAAC for infrastructure projects undertaken by the Company which are treated as equity contribution from the Parent Company in cash and, in accordance with relevant government authorities’ instructions, are not to be distributed as dividends
“Circular”	:	the circular containing, among other matters, details of the Non-Public Issuance, the Share Subscription Agreement, the Specific Mandates, the proposed amendments to the Articles, the proposed authorisation to the Board to handle relevant matters relating to the Non-Public Issuance and the letters of advice from the Independent Board Committee and the Independent Financial Adviser

“Company”	:	Beijing Capital International Airport Co., Ltd.* (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 Hong Kong Stock Exchange
“connected person(s)”	:	has the meaning ascribed to it under the Hong Kong Listing Rules
“connected transaction”	:	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	:	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	:	the director(s) of the Company
“Domestic Share(s)”	:	domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company
“EGM”	:	the extraordinary general meeting of the Company to be convened and held to approve, among others, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder, the grant of Specific Mandate to allot and issue the Subscription Shares, the proposed amendments to the Articles and the proposed authorisation to the Board to handle relevant matters relating to the Non-Public Issuance
“H-Share(s)”	:	overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company, listed on the main board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H-Share Class Meeting”	:	the class meeting of the holders of H-Shares to be convened and held to approve, among others, the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the grant of Specific Mandate to allot and issue the Subscription Shares
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	:	The Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing Rules”	:	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	:	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Japhet Sebastian Law, Mr. Jiang Ruiming, Mr. Liu Guibin and Mr. Zhang Jiali, established to advise the Independent Shareholders in respect of the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates
“Independent Financial Adviser”	:	Platinum Securities Company Limited, a licensed corporation under the SFO, to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandates
“Independent Shareholder(s)”	:	Shareholders other than the Parent Company, its associates and any other Shareholder who has a material interest in the Non-Public Issuance, the Share Subscription Agreement and the transactions contemplated thereunder
“Issuance Date”	:	the date of issue of the Subscription Shares by the Company to the Parent Company
“Issue Price”	:	the issue price of each Subscription Share
“Non-Public Issuance”	:	the non-public issuance of the Subscription Shares by the Company to the Parent Company, and the subscription of the Subscription Shares by the Parent Company through the capitalisation of the amount of Capital Reserve (Exclusively State-Owned) pursuant to the Share Subscription Agreement

“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
“Parties”	:	the parties to the Share Subscription Agreement
“PRC”	:	the People’s Republic of China
“Price Referencing Date”	:	30 April 2019, being the date of the resolutions passed at the Board Meeting
“RMB”	:	Renminbi, the lawful currency of the PRC
“SFO”	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	:	ordinary share(s) of RMB1.00 each in the share capital of the Company, comprising Domestic Shares and H-Shares
“Share Subscription Agreement”	:	the share subscription agreement dated 30 April 2019 entered into between the Company and the Parent Company in respect of, among others, the Non-Public Issuance
“Shareholder(s)”	:	holder(s) of Shares
“Specific Mandates”	:	the specific mandates to be sought from the Independent Shareholders at the EGM and the H-Share Class Meeting for the allotment and issue of the Subscription Shares
“Subscription Shares”	:	new Domestic Shares to be allotted and issued by the Company to the Parent Company, and to be subscribed by the Parent Company, pursuant to the Non-Public Issuance
“%”	:	per cent

* For identification purposes only

By order of the Board
Meng Xianwei
Secretary to the Board

Beijing, the PRC
30 April 2019

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 and Mr. Ma Zheng

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 are available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk> under “Latest Listed Companies Information”, 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>.