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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

### CONTINUING CONNECTED TRANSACTIONS SUPPLEMENTAL AGREEMENT IN RELATION TO THE LEASING FRAMEWORK AGREEMENT

#### **SUPPLEMENTAL AGREEMENT IN RELATION TO THE LEASING FRAMEWORK AGREEMENT**

Reference is made to the Previous Announcement.

As disclosed in the Previous Announcement, the Company entered into the Leasing Framework Agreement with Property Management Centre, pursuant to which the Company agreed to lease certain premises for a term of three years, commencing from 1 January 2019 to 31 December 2021.

On 27 September 2019, the Company, Property Management Centre and Property Management Company entered into the Supplemental Agreement, pursuant to which (i) Property Management Company shall be substituted for Property Management Centre as the lessor of the Leasing Framework Agreement; and (ii) all the rights and obligations of Property Management Centre under the Leasing Framework Agreement shall be transferred to Property Management Company.

#### **LISTING RULES IMPLICATIONS**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to effect a material change to the terms of such transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding approximately 56.61% of the issued share capital of the Company. Each of Property Management Centre and Property Management Company is a subsidiary of the Parent Company and is, therefore, a connected person of the Company. Therefore, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Supplemental Agreement to the Leasing Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Previous Announcement.

As disclosed in the Previous Announcement, the Company entered into the Leasing Framework Agreement with Property Management Centre, pursuant to which the Company agreed to lease certain premises for a term of three years, commencing from 1 January 2019 to 31 December 2021. The premises leased by the Company under the Leasing Framework Agreement belong to the Parent Company and the Property Management Centre was entrusted by the Parent Company to manage and handle the leasing of those premises. Due to the Parent Company changing the manager of those premises from the Property Management Centre to the Property Management Company, the Company, the Property Management Centre and the Property Management Company entered into the Supplemental Agreement.

## **SUPPLEMENTAL AGREEMENT IN RELATION TO THE LEASING FRAMEWORK AGREEMENT**

On 27 September 2019, the Company, Property Management Centre and Property Management Company entered into the Supplemental Agreement, pursuant to which (i) Property Management Company shall be substituted for Property Management Centre as the lessor of the Leasing Framework Agreement; and (ii) all the rights and obligations of Property Management Centre under the Leasing Framework Agreement shall be transferred to Property Management Company.

Set out below are details of the Supplemental Agreement.

### **Date**

27 September 2019

## **Parties**

- (a) The Company;
- (b) Property Management Centre; and
- (c) Property Management Company

## **Term**

The Supplemental Agreement is for a term commencing from 27 September 2019 to 31 December 2021.

## **Consideration and payment**

The rental amounts and the payment intervals under the Supplemental Agreement shall be the same as that under the Leasing Framework Agreement and that (i) for accrued rentals under the Leasing Framework Agreement which have been paid by the Company to the Property Management Centre, the Company need not pay such amounts to the Property Management Company again; and (ii) for accrued rentals under the Leasing Framework Agreement which have not been paid by the Company, the Parties agree that the Company shall pay such amounts to the Property Management Company.

## **Other material terms**

For individual leasing contracts which have been entered into between the Company and the Property Management Centre under the Leasing Framework Agreement, the Parties shall enter into individual supplemental leasing contracts to revise the terms to be consistent with the terms of the Supplemental Agreement.

From the date of signing of the Supplemental Agreement, Property Management Centre shall transfer all the rights and obligations to Property Management Company, and withdraw from the existing Leasing Framework Agreement.

Save as disclosed above, all other terms of the Supplemental Agreement, including but not limited to the scope of premises to be leased, shall remain the same as those of the Leasing Framework Agreement.

For the material terms of the Leasing Framework Agreement, please refer to the Previous Announcement.

## Internal control and pricing policy

The Company has formulated strict internal control policies in respect of property leasing transactions. The respective department, which is responsible for the signing of individual leasing agreements, of the Company will regularly designate staff to compare the rental with that offered by independent third parties (including at least three lease counterparties within the area of the Beijing Airport) according to the conditions of the agreements, and will report the results to their supervisor who, based on the above research and comparison results, will make sure that the rental payable by the Company to the Property Management Company will not be higher than that offered by other independent third parties during the same period.

## Historical figures

The rental amounts which have been paid by the Company to the Property Management Centre under the Leasing Framework Agreement amounted to RMB28,754,524.

## Annual caps

The Company expects that the maximum aggregate rental payable by the Company to Property Management Company for the term of the Supplemental Agreement are as follows:

	<b>From the date of this announcement to 31 December 2019 (RMB)</b>	<b>For the year ending 31 December 2020 (RMB)</b>	<b>For the year ending 31 December 2021 (RMB)</b>
Rental payable by the Company to Property Management Company for the lease of premises	30,000,000	61,800,000	64,000,000

As disclosed in the Previous Announcement, the annual caps under the Leasing Framework Agreement are RMB60,000,000, RMB61,800,000 and RMB64,000,000 for the three years ending 31 December 2019, 2020 and 2021, respectively. Given that the Company has paid rental in the sum of RMB28,754,524 to the Property Management Centre under the Leasing Framework Agreement for the year ending 31 December 2019, the maximum aggregate rental payable by the Company to the Property Management Company under the Supplemental Agreement amount to RMB30,000,000, RMB61,800,000 and RMB64,000,000 from the date of this announcement to 31 December 2019, for the year ending 31 December 2020, and for the year ending 31 December 2021, respectively.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

The Company considers that the continuous leasing of relevant premises from the Property Management Company will facilitate the administration and daily operation of the Beijing Airport and thus maintain its overall steady operation. Furthermore, the rental of the relevant premises under the Supplemental Agreement were determined by arms' length negotiations of the parties with reference to the market rent of similar premises in the relevant region.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Supplemental Agreement are normal commercial terms and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

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

Property Management Centre is a wholly-owned subsidiary of the Parent Company. It is principally engaged in the leasing and building management of the Beijing Airport.

Property Management Company is a wholly-owned subsidiary of the Parent Company. It is principally engaged in the provision of property management, labour service and warehousing services at the terminals in the Beijing Airport.

## **BOARD'S APPROVAL**

The Supplemental Agreement was approved by the Board. Since no Director has material interest in the transactions contemplated thereunder, thus none of the Directors has abstained from voting at the Board meeting to approve the Supplemental Agreement.

## **LISTING RULES IMPLICATIONS**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to effect a material change to the terms of such transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding approximately 56.61% of the issued share capital of the Company. Each of Property Management Centre and Property Management Company is a subsidiary of the Parent

Company and is, therefore, a connected person of the Company. Therefore, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Supplemental Agreement to the Leasing Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Beijing Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“Company”	Beijing Capital International Airport Company Limited, 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
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“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
“Leasing Framework Agreement”	the leasing framework agreement dated 28 December 2018 entered into between the Company and Property Management Centre regarding the lease of certain premises by the Company from Property Management Centre
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“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 Supplemental Agreement
“PRC”	the People’s Republic of China
“Previous Announcement”	the announcement of the Company dated 28 December 2018 in respect of, among other matters, the Leasing Framework Agreement
“Property Management Centre”	Beijing Capital Airport Property Management Centre* (北京首都機場空港物業管理中心), a wholly-owned subsidiary of the Parent Company
“Property Management Company”	Beijing Capital Airport Property Management Company Limited* (北京首都機場物業管理有限公司), a wholly-owned subsidiary of the Parent Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into between the Company, Property Management Centre and Property Management Company on 27 September 2019 to amend certain terms of the Leasing Framework Agreement
“%”	per cent

By order of the Board  
**Meng Xianwei**  
*Secretary to the Board*

Beijing, the PRC  
27 September 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 Company 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>.*

*\* For identification purpose only*