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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 IN RELATION TO THE OVERALL PLANNING AGREEMENT

#### OVERALL PLANNING AGREEMENT

On 18 October 2019, the Company entered into the Overall Planning Agreement with the Research Institute, pursuant to which the Research Institute was engaged by the Company to provide services for the revision of overall planning in relation to the future development of the Beijing Airport for the consideration of RMB19,861,700.

#### LISTING RULES IMPLICATIONS

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. The Parent Company indirectly holds approximately 31.48% of the equity interest in the Research Institute. As such, the Research Institute is a connected person of the Company, and therefore, the transaction contemplated under the Overall Planning Agreement constitutes a connected transaction of the Company.

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the transaction contemplated under the Overall Planning Agreement, when aggregated with the Previous Transactions, exceeds 0.1% but is less than 5%, the Overall Planning Agreement and the transaction contemplated thereunder is only subject to reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## **OVERALL PLANNING AGREEMENT**

The material terms of the Overall Planning Agreement are set out as follows:

### **Date**

18 October 2019

### **Parties**

- (a) the Company; and
- (b) Research Institute.

### **Subject matter**

The Company agreed to engage the Research Institute to provide services for the revision of overall planning in relation to the future development of the Beijing Airport which encompass seven areas, i.e. (i) overall planning and revision; (ii) integrated transport specialised research; (iii) specialised planning research on “Safe Airport, Humanistic Airport, Smart Airport and Green Airport”; (iv) analysis of the simulation of airside operation; (v) aviation services design and research; (vi) environment impact assessment and research; and (vii) forecast of aviation business volumes.

Upon the enquiries of quotations by the Company from three institutes, the Research Institute offered the most favourable price. After taking into account the qualification, project quotation, track record of cooperation and other factors, the Company decided to engage the Research Institute as the service provider for this project.

The Research Institute is responsible for the design of the overall planning, liaison work related to the consultation, submission of consultation documents, and the management of specialised consulting services, including the sub-contracting of aviation services research report, the environment impact assessment and the specialised research on the forecast of aviation business volumes.

### **Term of the Overall Planning Agreement**

The term of the Overall Planning Agreement commences from the date of entering into the Overall Planning Agreement, i.e. 18 October 2019 until 31 December 2020.

### **Consideration and payment terms**

Pursuant to the Overall Planning Agreement, the Parties agreed that the total design fee shall be RMB19,861,700, which was determined after arm’s length negotiations between the Company and the Research Institute with reference to the labour costs, the materials and printing fees, management fees and the related taxes in respect of the various components of work under the Overall Planning

Agreement. The amount of labour costs shall not be higher than the relevant industry standard published by the China Association of City Planning, namely the “Guidance Opinion on the Calculation of Urban Planning and Design Fees (2004)”\* (《城市規劃設計計費指導意見(2004年)》), which is a fee standard commonly used for similar projects. The materials and printing fee is charged based on the actual transaction amount that is incurred at a fixed unit price, while the management fee mainly includes the salaries and travel expenses of the management staff as well as the depreciation of equipment, etc.. The rate of management fee for the research reports in the seven areas was approximately 8% to 15%. Accordingly, the Company considered the above pricing principles are fair and reasonable, and are no less favourable than the prices offered by independent third parties in the market.

The consideration shall be settled by means of bank remittance and payable in the following manner:

- (i) within 10 business days from the entering into of the Overall Planning Agreement and upon the issue of invoice for the equivalent amount by the Research Institute to the Company, the Company shall pay RMB5,958,510, representing 30% of the consideration, to the Research Institute;
- (ii) within 10 business days from the submission of the initial draft report and the initial draft consultation document by the Research Institute to the Company, the Company shall pay RMB7,944,680, representing 40% of the consideration, to the Research Institute;
- (iii) within 10 business days from the submission of the formal draft of the report and consultation documents by the Research Institute to the Company, the Company shall pay RMB3,972,340, representing 20% of the consideration, to the Research Institute; and
- (iv) within 10 business days from the approval of the report and consultation document by the competent authorities in the industry and upon final review by the Company, the Company shall pay RMB1,986,170, representing 10% of the consideration, to the Research Institute.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE OVERALL PLANNING AGREEMENT**

In view of the needs of actual operations and management, the Company is of the view that it is necessary to carry out the revision of overall planning in relation to the upgrade of the airport facilities with a view to accommodating the development needs in the Beijing regional aviation transportation market, thereby ensuring the continuous safe and normal operation of the Beijing Airport.

The Research Institute has the relevant industry qualifications and is the only service provider that is able to provide well-rounded services related to civil aviation airport construction in the infrastructure industry of the PRC. Moreover, the Research Institute has established long-term cooperation relationship with the Company as it undertook the overall planning of all the previous revisions of overall planning of the Beijing Airport and it is familiar with the key information and design

drawings in relation to all the previous revisions of overall planning of the Beijing Airport. Therefore, the engagement of the Research Institute for this project would be conducive to ensuring consistency, as well as maximising the potential and optimising the resources layout of the Beijing Airport within the shortest period of time.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Overall Planning Agreement are entered into on normal commercial terms that are fair and reasonable and in the ordinary and usual course of business of the Company, and the transaction contemplated under the Overall Planning Agreement is in the interest of the 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. It is a state-owned enterprise under CAAC.

The Research Institute is principally engaged in engineering-related exploration, design, supervision and control, project management, quotation consulting and tendering agency, as well as preparation of urban and rural planning, and technical consulting services.

## **BOARD'S APPROVAL**

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

## **LISTING RULES IMPLICATIONS**

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. The Parent Company indirectly holds approximately 31.48% of the equity interest in the Research Institute. As such, the Research Institute is a connected person of the Company, and therefore, the transaction contemplated under the Overall Planning Agreement constitutes a connected transaction of the Company.

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the transaction contemplated under the Overall Planning Agreement, when aggregated with the Previous Transactions, exceeds 0.1% but is less than 5%, the Overall Planning Agreement and the transaction contemplated thereunder is only subject to reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China
“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
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates and any other Shareholder who has a material interest in the transaction contemplated under the Overall Planning Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overall Planning Agreement”	the agreement dated 18 October 2019 entered into between the Company and the Research Institute in relation to the revision of overall planning in relation to the future development of Beijing Airport
“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 Overall Planning Agreement
“PRC”	the People’s Republic of China
“Previous Transactions”	collectively, the similar transactions entered into between the Company and the Research Institute within the 12-month period prior to the date of this announcement, i.e. the transactions contemplated under (i) the technical services agreements in relation to newly constructed project research (in lieu of feasibility study) report (立項代可研技術服務合同) in respect of certain projects of the Beijing Airport; and (ii) the project design agreement (項目設計合同) of the Beijing Airport, for a total consideration of RMB689,158.30. The aggregated transaction amount of the above-mentioned agreements is below the de minimis threshold under Rule 14A.76 of the Listing Rules and is fully exempt from the reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules
“Research Institute”	Civil Aviation Airport Planning and Design Research Institute Co., Ltd.* (民航機場規劃設計研究總院有限公司), a limited liability company established in the PRC which is indirectly owned by the Parent Company as to approximately 31.48% as at the date of this announcement
“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
“%”	per cent

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

Beijing, the PRC  
18 October 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*