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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 TOURISM BUSINESS RESOURCES USAGE AGREEMENT

TOURISM BUSINESS RESOURCES USAGE AGREEMENT

The Board announces that on 28 December 2021, the Company entered into the Tourism Business Resources Usage Agreement with Beijing Airport Tourism Business, pursuant to which the Company agreed to permit Beijing Airport Tourism Business to occupy and use the designated premises and resources at Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport, and Beijing Airport Tourism Business agreed to provide hotel consultation and reservation services, tourism consultation services and related services to the passengers at the terminals of Beijing Capital Airport, for a term of three years commencing from 1 January 2022 and ending on 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding approximately 58.96% of the issued share capital of the Company. Beijing Airport Tourism Business is a wholly-owned subsidiary of the Parent Company. As such, Beijing Airport Tourism Business is an associate of the Parent Company and, therefore, a connected person of the Company. Accordingly, the Tourism Business Resources Usage Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

TOURISM BUSINESS RESOURCES USAGE AGREEMENT

Background

To meet the service requirements of passengers at Beijing Capital Airport, certain designated resources at Terminal One, Terminal Two and Terminal Three have been leased from the Company to Beijing Airport Tourism Business for the provision of hotel consultation and reservation services, tourism consultation services and related services to the passengers pursuant to the Former Tourism Business Leasing Agreement. At the time of entering into the Former Tourism Business Leasing Agreement, the transactions contemplated thereunder constituted de minimis transactions under Rule 14A.76 of the Listing Rules and were fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A of the Listing Rules. The Former Tourism Business Leasing Agreement will expire on 31 December 2021, and the Parties intend to carry out transactions of a similar nature from time to time and enter into a renewal agreement. To better regulate the operations and management of Beijing Airport Tourism Business, the operation model under the renewal agreement will be adjusted from a leasing model to a resources usage model in accordance with the latest requirements of relevant laws and regulations.

The Board announces that on 28 December 2021, the Company entered into the Tourism Business Resources Usage Agreement with Beijing Airport Tourism Business, pursuant to which the Company agreed to permit Beijing Airport Tourism Business to occupy and use the designated premises and resources at Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport, and Beijing Airport Tourism Business agreed to provide hotel consultation and reservation services, tourism consultation services and related services to the passengers at the terminals of Beijing Capital Airport, for a term of three years commencing from 1 January 2022 and ending on 31 December 2024.

Material terms of the Tourism Business Resources Usage Agreement

The material terms of the Tourism Business Resources Usage Agreement are as follows:

Date

28 December 2021

Parties

- (a) the Company; and
- (b) Beijing Airport Tourism Business

Term

The Tourism Business Resources Usage Agreement is for a term of three years commencing from 1 January 2022 and ending on 31 December 2024.

Subject matter

Pursuant to the Tourism Business Resources Usage Agreement, the Company agreed to permit Beijing Airport Tourism Business to occupy and use the designated premises and resources at Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport, and Beijing Airport Tourism Business agreed to provide hotel consultation and reservation services, tourism consultation services and related services (including photocopying, printing and facsimile services) to the passengers at the terminals of Beijing Capital Airport.

Consideration and payment

The usage fee for premises and resources payable by Beijing Airport Tourism Business to the Company under the Tourism Business Resources Usage Agreement shall be calculated as follows:

Unit price of resources usage fee	x	Actual area of premises and resources to be occupied and used by Beijing Airport Tourism Business
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The usage fee for premises and resources comprises (i) rental, which includes land usage fee, allocation of depreciation of premises, expenses for routine maintenance of premises, and expenses for the maintenance of public area; and (ii) comprehensive management fee, which refers to the expenses payable by Beijing Airport Tourism Business in relation to the hygiene, environmental protection, greening, security, insurance and fire safety for basic services and facilities.

The above unit price shall be determined by arms' length negotiations between the Parties in accordance with the principles of fairness and reasonableness and with reference to prevailing market prices, after taking into account the location, tourism business volume, functions and overall area of each type of tourism business resources.

Furthermore, due to the suspension of operations of certain premises and resources (including (i) a hotel reservation counter at the arrival lobby at Terminal One; and (ii) two counters at the international baggage claim lobby at Terminal Three) caused by the ongoing impact of COVID-19 pandemic and the closure of Terminal One for renovation and upgrade, it was agreed by the Parties that the resources usage fee for the corresponding area of the premises and resources will be waived until the date of resumption of the normal operations of such premises and resources. The total amount of resources usage fee to be waived will be RMB111,240 for each month of suspension of operations.

The payment of resources usage fee from Beijing Airport Tourism Business to the Company under the Tourism Business Resources Usage Agreement shall be made on a quarterly basis. Beijing Airport Tourism Business shall pay the first instalment of resources usage fee within 10 days from the signing of the Tourism Business Resources Usage Agreement and, thereafter, shall pay the relevant instalment of the resources usage fee to the Company before 10 January, 10 April, 10 July and 10

October of each year. In the event of any payment in arrears, Beijing Airport Tourism Business shall pay liquidated damages equivalent to 0.05% of the outstanding amount of resources usage fee to the Company for each day of payment in arrears.

Historical figures

The historical figures of the rental paid by Beijing Airport Tourism Business to the Company for the leasing of tourism business premises and resources at Beijing Capital Airport are as follows:

	For the year ended 31 December 2019 (RMB)	For the year ended 31 December 2020 (RMB)	For the year ending 31 December 2021 (RMB)
Rental paid by Beijing Airport Tourism Business to the Company	2,499,000	3,349,000	3,017,000 (Note)

Note: Since the audited figure of the rental paid by Beijing Airport Tourism Business for the leasing of tourism business premises and resources for the year ending 31 December 2021 is not yet available, it is only an unaudited figure for the eleven months ended 30 November 2021.

Annual caps

The Company expects that the annual caps for the transactions contemplated under the Tourism Business Resources Usage Agreement are as follows:

	For the year ending 31 December 2022 (RMB)	For the year ending 31 December 2023 (RMB)	For the year ending 31 December 2024 (RMB)
Resources usage fee payable by Beijing Airport Tourism Business to the Company	6,000,000	6,000,000	6,000,000

The above annual caps are determined after taking into account the following factors:

- (i) the historical transaction amounts for the leasing of tourism business premises and resources from the Company to Beijing Airport Tourism Business in the past three years;

- (ii) the anticipated adjustment of the area of premises and resources to be occupied and used by Beijing Airport Tourism Business for the next three years ending 31 December 2024; and
- (iii) the possible increase of unit price standard of usage fees for the tourism business premises and resources.

Pricing policy

Since the Company is not aware of any similar or equivalent resources usage model for direct comparison, therefore, in determining the unit price of resources usage fee for the calculation of consideration under the Tourism Business Resources Usage Agreement, the Company compared against the rentals of relevant premises within Beijing Capital Airport leased to airline companies by the Company, with a unit price of monthly rental ranging from RMB12,000 to RMB15,000.

With reference to the above unit price of monthly rental and the historical figures of rental paid by Beijing Airport Tourism Business to the Company in the past three years, it is currently estimated that the price of monthly resources usage fee per unit of resource under the Tourism Business Resources Usage Agreement will range from RMB10,417 to RMB37,800. Such unit price is similar to or above market level.

Internal control on pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Tourism Business Resources Usage Agreement to ensure that the terms are on normal commercial terms as follows:

1. Prior to entering into the Tourism Business Resources Usage Agreement, the commercial development department of the Company is responsible for gathering information on the historical figures of annual rentals paid by Beijing Airport Tourism Business under the Former Tourism Business Resources Usage Agreement and conducting cross-checks against the rentals offered by other independent third parties within the area of Beijing Capital Airport. Thereafter, the commercial development department is responsible for the monitoring, evaluation and assessment of the transactions contemplated under the Tourism Business Resources Usage Agreement. The finance department and the secretariat to the Board are responsible for gathering information of connected transactions and monitoring the implementation of connected transactions.
2. The independent non-executive Directors have reviewed and would continue to review the transactions contemplated under the Tourism Business Resources Usage Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.

3. The auditors of the Company will conduct annual review on the transactions contemplated under the Tourism Business Resources Usage Agreement in relation to the pricing policy and annual caps contemplated thereunder in accordance with the Listing Rules.

Internal control on review of annual caps

The Company has implemented the following internal control measures to ensure that the annual caps for the resources usage fee payable by Beijing Airport Tourism Business to the Company under the Tourism Business Resources Usage Agreement will not be exceeded:

1. The finance department of the Company provides the secretariat to the Board with information in relation to the actual transaction amounts on a monthly basis.
2. The secretariat to the Board is responsible for monitoring such transactions to ensure that the total amount of resources usage fee does not exceed the annual caps.
3. If such amount of resources usage fee is estimated to exceed the relevant annual cap, the person-in-charge of the relevant department of the Company will be notified so that the scale of transactions in the future may be re-estimated and arrangements may be made to issue announcements and/or to obtain the relevant approvals from the Board and the Independent Shareholders in accordance with the requirements of the Listing Rules.

Reasons for and benefits of entering into the Tourism Business Resources Usage Agreement

In view of the long-term cooperation between the Company and Beijing Airport Tourism Business, the Company considers that Beijing Airport Tourism Business is able to perform its duties as well as undertake and discharge responsibilities under the Tourism Business Resources Usage Agreement in accordance with the various management standards and requirements for operations, services and epidemic prevention at Beijing Capital Airport. Furthermore, the permission for Beijing Airport Tourism Business to use the designated tourism business premises and resources would be beneficial for the management and daily operations of the relevant resources, as Beijing Airport Tourism Business is able to provide professional and quality services to passengers as well as continue to promote the development of the tourism business resources at Beijing Capital Airport.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Tourism Business Resources Usage 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 transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

GENERAL

The Company is principally engaged in the operation of Beijing Capital Airport.

The Parent Company is principally engaged in the provision of ground support services for domestic and international aviation enterprises and the provision of operation and management services, counter and premises rental services, car parking management, housing rental, property management, advertising agency services and other businesses to its subsidiaries.

Beijing Airport Tourism Business is principally engaged in the development of tourist resources, hospitality management, tourist information services and import and export of merchandise and technology.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Beijing Airport Tourism Business is a wholly-owned subsidiary of the Parent Company. The ultimate beneficial owner of the Parent Company is the Civil Aviation Administration of China, which is a state bureau administered by the Ministry of Transport of the PRC.

BOARD'S APPROVAL

The Tourism Business Resources Usage Agreement was approved by the Board.

As at the date of this announcement, there are no overlapping directors between the Company and the Parent Company or Beijing Airport Tourism Business. Only one executive Director concurrently serves as the chairman of the Parent Company, one executive Director and three non-executive Directors concurrently serve as the deputy general managers of the Parent Company, and there is no overlapping senior management between the Company and Beijing Airport Tourism Business. Moreover, none of the Directors personally has any material interest in the transactions contemplated under the Tourism Business Resources Usage Agreement. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Tourism Business Resources Usage Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

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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 Tourism Business”	Beijing Capital Airport Tourism Business Co., Ltd.* (北京首都機場旅業有限公司), a limited liability company established in the PRC, which is a wholly-owned subsidiary of the Parent Company
“Beijing Capital 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
“connected person(s)”	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
“Former Tourism Business Leasing Agreement”	the tourism business leasing agreement dated 2 January 2019 entered into between the Company and Beijing Airport Tourism Business, which constituted de minimis transactions under Rule 14A.76 of the Listing Rules and were fully exempt under Chapter 14A of the Listing Rules
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered capital of the Company
“Independent Shareholder(s)”	the Shareholder(s) other than the Parent Company, its associates and any other Shareholder who has a material interest in the transactions contemplated under the Tourism Business Resources Usage Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Parent Company”	Capital Airports Holdings Limited* (首都機場集團有限公司) (formerly known as 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 Tourism Business Resources Usage Agreement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of RMB1.00 each in the registered capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminal One”	the passenger terminal numbered one which forms part of Beijing Capital Airport
“Terminal Three”	the passenger terminal numbered three which forms part of Beijing Capital Airport
“Terminal Two”	the passenger terminal numbered two which forms part of Beijing Capital Airport
“Tourism Business Resources Usage Agreement”	the resources usage agreement dated 28 December 2021 entered into between the Company and Beijing Airport Tourism Business, pursuant to which the Company agreed to permit Beijing Airport Tourism Business to occupy and use designated premises and resources at the terminals of Beijing Capital Airport for the provision of tourism-related services to passengers at Beijing Capital Airport
“%”	per cent

By order of the Board
Meng Xianwei
Secretary to the Board

Beijing, the PRC
28 December 2021

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

Executive directors: Mr. Wang Changyi, Mr. Han Zhiliang and Mr. Zhang Guoliang

Non-executive directors: Mr. Gao Shiqing, Mr. Jia Jianqing and Mr. Song Kun

Independent non-executive directors: Mr. Jiang Ruiming, Mr. Liu Guibin, Mr. Zhang Jiali and Mr. Stanley Hui Hon-chung

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.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*