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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 PROPERTY LEASING AGREEMENT

#### **PROPERTY LEASING AGREEMENT**

Reference is made to the announcement of the Company dated 29 December 2021 in respect of the Former Leasing Framework Agreement. The Former Leasing Framework Agreement will expire on 31 December 2022. Given that the Parties intend to carry out transactions of a similar nature from time to time, and in order to consolidate the leased assets of the Company and optimise its assets management, the Company and the Property Management Company entered into the Property Leasing Agreement.

On 30 December 2022, the Company and the Property Management Company entered into the Property Leasing Agreement, pursuant to which, among other things, the Company (as lessee) agreed to lease the Service Building Property, the Operation Control Centre Office Property, and the Identification Document Management Hall Office Property from the Property Management Company (as lessor) for a term of two years commencing from 1 January 2023 to 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. The Property Management Company is a wholly-owned subsidiary of the Parent Company and is therefore a connected person of the Company. Accordingly, the transaction under the Property Leasing Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to IFRS 16, the leased properties under the Property Leasing Agreement will be recognised by the Company as right-of-use assets, and the transaction contemplated under the Property Leasing Agreement will be classified as an acquisition of right-of-use assets by the

Company pursuant to the Listing Rules. Accordingly, the transaction contemplated under the Property Leasing Agreement will be treated as a one-off connected transaction 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 Property Leasing Agreement, on the basis of the value of the right-of-use assets to be recognised by the Company in connection with the Property Leasing Agreement, is more than 0.1% but less than 5%, the transaction contemplated under the Property Leasing Agreement is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 29 December 2021 in respect of the Former Leasing Framework Agreement. The Former Leasing Framework Agreement will expire on 31 December 2022. Given that the Parties intend to carry out transactions of a similar nature from time to time, and in order to consolidate the leased assets of the Company and optimise its assets management, the Company and the Property Management Company entered into the Property Leasing Agreement.

On 30 December 2022, the Company and the Property Management Company entered into the Property Leasing Agreement, pursuant to which, among other things, the Company (as lessee) agreed to lease the Service Building Property, the Operation Control Centre Office Property, and the Identification Document Management Hall Office Property from the Property Management Company (as lessor) for a term of two years commencing from 1 January 2023 to 31 December 2024.

## **PROPERTY LEASING AGREEMENT**

### **Material terms of the Property Leasing Agreement**

The material terms of the Property Leasing Agreement are set out below:

#### ***Date***

30 December 2022

#### ***Parties***

- (a) the Company (as lessee); and
- (b) the Property Management Company (as lessor).

## ***Term***

The Property Leasing Agreement is for a term of 2 years commencing from 1 January 2023 to 31 December 2024.

## ***Scope of leased properties and consideration***

The table below sets out the relevant details of the leased properties under the Property Leasing Agreement:

<b>Properties</b>	<b>Particulars of properties</b>	<b>Unit rent</b>	<b>Rent per annum (Approximate amount)</b>
(a) Service Building Property			
(i) Office property and multi-function halls	Gross floor area of 26,538.05 square metres	RMB4.5 per square metre per day	RMB43,588,747.16
(ii) Staff restaurant, kitchen and lecture hall	Gross floor area of 8,291.85 square metres	Nil	Nil
(iii) Car-parking spaces	287 car-parking spaces in total	RMB400 per month for each car-parking space	RMB1,377,600
(b) Operation Control Centre Office Property	Gross floor area of 6,987.63 square metres	RMB4.5 per square metre per day	RMB11,477,182.25
(c) Identification Document Management Hall Office Property	Gross floor area of 748.52 square metres	RMB4.5 per square metre per day	RMB1,229,444.10

The leased properties set out above are used as office properties, ancillary office properties and facilities, and work-shift dormitories.

On the basis of the above unit rent and information of leased properties under the Property Leasing Agreement, the Company shall pay rent to the Property Management Company in an amount of approximately RMB57,672,973.51 (inclusive of tax) for each year, which was determined by arm's length negotiations between the Parties with reference to (i) the historical rental payment from the Company to the Property Management Company in respect of the relevant properties under the Former Leasing Framework Agreement; and (ii) the market rent of similar properties within the area of Beijing Capital Airport. The unit rent is not higher than the rent charged by the Property Management Company to other companies in respect of similar properties in the same area of Beijing Capital Airport.

### ***Payment of consideration***

The Company shall make rental payment by way of remittance or transfer to the designated bank account of the Property Management Company on a half-yearly basis.

### ***Other material terms and conditions***

During the term of the Property Leasing Agreement, the Company shall bear the water, electricity, heat supply and refrigeration expenses in respect of the leased properties. The Company shall use the leased properties in accordance with the permitted usage of properties as stipulated in the Property Leasing Agreement. Furthermore, the Company shall use the leased properties for its self-operated business and shall not assign or sublet without the written consent of the Property Management Company.

The Parties may separately discuss and enter into a new agreement in respect of the renewal of lease three months prior to the expiry of the term of the Property Leasing Agreement.

### **INFORMATION OF THE LEASED PROPERTIES**

The leased properties under the Property Leasing Agreement comprise the Service Building Property, the Operation Control Centre Office Property, and the Identification Document Management Hall Office Property. Pursuant to IFRS 16, the leased properties under the Property Leasing Agreement will be recognised by the Company as right-of-use assets, of which the total value is estimated to be not more than RMB115,400,000, which was calculated with reference to the present value of the aggregate lease payments, discounted using the lessee's incremental borrowing rate, and adjusted in accordance with the previously recognised provisions made for the lease payments in relation to the lease.

Shareholders should note that the above estimated value of right-of-use assets is unaudited and may be subject to adjustment in the future.

There had been no identifiable income stream from the leased properties under the Property Leasing Agreement for the two financial years ended 31 December 2021.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the leased properties under the Property Leasing Agreement were constructed by the Parent Company and there is no original acquisition cost of such leased properties.

### **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE PROPERTY LEASING AGREEMENT**

The Company considers that the continuous leasing of the relevant properties from the Property Management Company will facilitate the administration and daily operation of Beijing Capital Airport and thus maintain its overall steady operation.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Property Leasing Agreement is 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 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 handling 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.

The Property Management Company is principally engaged in the provision of property management, sanitary services, hotel management, commercial properties rental, labour services and warehousing services.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Property Management Company 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 Property Leasing Agreement and the transaction contemplated thereunder were approved by the Board.

As at the date of this announcement, there are no overlapping directors and senior management between the Company and the Property Management Company. Moreover, while the executive Directors and the non-executive Directors concurrently serve as director or senior management of the Parent Company, none of the Directors personally has any material interest in the transaction contemplated under the Property Leasing Agreement entered into by the Company and the Property Management Company. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Property Leasing Agreement and the transaction contemplated thereunder.

## **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. The Property Management Company is a wholly-owned subsidiary of the Parent Company and is therefore a

connected person of the Company. Accordingly, the transaction under the Property Leasing Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to IFRS 16, the leased properties under the Property Leasing Agreement will be recognised by the Company as right-of-use assets, and the transaction contemplated under the Property Leasing Agreement will be classified as an acquisition of right-of-use assets by the Company pursuant to the Listing Rules. Accordingly, the transaction contemplated under the Property Leasing Agreement will be treated as a one-off connected transaction 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 Property Leasing Agreement, on the basis of the value of the right-of-use assets to be recognised by the Company in connection with the Property Leasing Agreement, is more than 0.1% but less than 5%, the transaction contemplated under the Property Leasing Agreement is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under 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 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 Leasing Framework Agreement”	the leasing framework agreement dated 29 December 2021 entered into between the Company and the Property Management Company in respect of the lease by the Company of certain premises for the daily operational needs of the Company, including but not limited to the Service Building Property, the Operation Control Centre Office Property, and the Identification Document Management Hall Office Property, from the Property Management Company for a term of one year commencing from 1 January 2022 to 31 December 2022
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered capital of the Company
“Identification Document Management Hall Office Property”	the office property of the identification document management hall, details of which are set out in the section headed “Material terms of the Property Leasing Agreement - Scope of leased properties and consideration” of this announcement
“IFRS”	International Financial Reporting Standard
“Independent Shareholder(s)”	the Shareholder(s) other than the Parent Company, its associates and any other Shareholder who has a material interest in the transaction contemplated under the Property Leasing Agreement, as the case may be
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operation Control Centre Office Property”	the office property of the operation control centre, details of which are set out in the section headed “Material terms of the Property Leasing Agreement - Scope of leased properties and consideration” of this announcement
“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 Property Leasing Agreement, namely the Company and the Property Management Company
“PRC”	the People’s Republic of China

“Property Leasing Agreement”	the property leasing agreement dated 30 December 2022 entered into between the Company and the Property Management Company in relation to the lease by the Company of the Service Building Property, the Operation Control Centre Office Property, and the Identification Document Management Hall Office Property from the Property Management Company for a term of two years commencing from 1 January 2023 to 31 December 2024
“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
“Service Building Property”	collectively, the relevant properties in the building of the China Service Mansion (中國服務大廈) and its car-parking spaces, details of which are set out in the section headed “Material terms of the Property Leasing Agreement - Scope of leased properties and consideration” of this announcement
“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
“%”	per cent

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

30 December 2022  
Beijing, the PRC

*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. Zhang Jiali, Mr. Stanley Hui Hon-chung and Mr. Wang Huacheng*



*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” and the website of the Company at <http://www.bcia.com.cn>.*

*\* For identification purpose only*