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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

FOOD AND BEVERAGE MANAGEMENT AGREEMENT

FOOD AND BEVERAGE MANAGEMENT AGREEMENT

Reference is made to the announcement of the Company dated 29 December 2020 in respect of, among other things, the Former Food and Beverage Management Agreement, which will expire on 31 December 2023. As the parties intend to carry out transactions of a similar nature from time to time, the Company and Beijing Airport Food Management entered into the Food and Beverage Management Agreement.

The Board announces that on 7 November 2023, the Company entered into the Food and Beverage Management Agreement with Beijing Airport Food Management, pursuant to which Beijing Airport Food Management agreed to operate and manage the designated food and beverage resources at Beijing Capital Airport for the Company for a term of three years commencing from 1 January 2024 to 31 December 2026.

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. Since Beijing Airport Food Management is a wholly-owned subsidiary of the Parent Company, Beijing Airport Food Management is therefore a connected person of the Company. Accordingly, the Food and Beverage Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Food and Beverage Management Agreement is more than 5%, the Food and Beverage Management Agreement is therefore subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held to consider, among others, the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established to advise the Independent Shareholders and Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Food and Beverage Management Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps.

DESPATCH OF CIRCULAR

Pursuant to Rule 14A.68 (11) of the Listing Rules, the Circular is required to be despatched to the Shareholders within 15 business days after the publication of this announcement, being on or before 28 November 2023. As additional time is required by the Company to prepare and finalise certain information to be included in the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 11 December 2023. 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 Listing Rules stating the reason for the delay and the new expected date of despatch of the Circular.

FOOD AND BEVERAGE MANAGEMENT AGREEMENT

Background

Reference is made to the announcement of the Company dated 29 December 2020 in respect of, among other things, the Former Food and Beverage Management Agreement, which will expire on 31 December 2023. As the parties intend to carry out transactions of a similar nature from time to time, the Company and Beijing Airport Food Management entered into the Food and Beverage Management Agreement.

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Material terms of the Food and Beverage Management Agreement

Date

7 November 2023

Parties

- (a) the Company; and
- (b) Beijing Airport Food Management

Services

Pursuant to the Food and Beverage Management Agreement, Beijing Airport Food Management agreed to provide operation and management services to the Company in respect of the designated food and beverage resources and relevant ancillary facilities in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport.

Term

The Food and Beverage Management Agreement is for a term of three years commencing from 1 January 2024 to 31 December 2026.

Condition precedent

The Food and Beverage Management Agreement and the transactions contemplated thereunder shall be subject to the approval by the Independent Shareholders at the EGM.

Consideration

The total amount of entrusted management fee payable by the Company to Beijing Airport Food Management for each year under the Food and Beverage Management Agreement shall be calculated as follows:

Total sales revenue from the entrusted resources for the current year \times 15% + increase of total operating income \times 60% (*Notes 1 and 2*)

Note 1: Increase of total operating income = total operating income of the current year – base of total operating income

Base of total operating income = total operating income in the preceding year

Note 2: To avoid the impact from exceptional circumstances in the year of 2023, the increase of total operating income for the year of 2024 will be deemed as 0. The base of total operating income for each of the years of 2025 and 2026 will be the total operating income of the preceding year.

Monthly payment of entrusted management fee

Within the first 5 working days of each month, the Company and Beijing Airport Food Management shall complete the confirmation of the entrusted management fee payable by the Company for the previous month and the fees payable by the food and beverage operators. Upon confirmation of the entrusted management fee of the previous month by both parties, the Company shall pay the entrusted management fee for the previous month to Beijing Airport Food Management within 10 working days.

Payment of commission for the increase of total operating income for the current year

Within the first 10 working days in the first month of the following year, Beijing Airport Food Management shall report to the Company the total operating income of the preceding year. Upon confirmation by both parties, the Company shall pay, together with the entrusted management fees for the first month, the commission at the rate of multiplying the increase of total operating income by 60%.

Other material terms

Pursuant to the Food and Beverage Management Agreement, Beijing Airport Food Management shall be responsible for the signing of individual food and beverage contracts in relation to the usage and operation of food and beverage resources with each of the food and beverage operators, and the terms of such food and beverage contracts shall not be inconsistent with the terms of the Food and Beverage Management Agreement. Beijing Airport Food Management shall ensure that each of the food and beverage operators will pay operating fees to the Company's designated bank account

directly. The Company shall then pay Beijing Airport Food Management the entrusted management fee as disclosed above. The Company expects that the food and beverage operators and their ultimate beneficial owners will be third parties independent of the Company and its connected persons.

During the term of the Food and Beverage Management Agreement, any security deposit paid by the food and beverage operators under the operating agreements shall be placed with and held by Beijing Airport Food Management for and on behalf of the Company. Such security deposit shall be deducted and paid to the Company in accordance with the operating agreements in the event that any food and beverage operator is liable for breach of contract.

The Company shall be responsible for making commercial decisions on the allocation of food and beverage resources at Beijing Capital Airport, as well as the layout, format, category and development of brands. Beijing Airport Food Management shall assist in executing such commercial decisions.

The Company will appoint Beijing Airport Food Management to initiate tender invitation for food and beverage business at Beijing Capital Airport. The tender result shall be reviewed by Beijing Airport Food Management and filed with the Company.

Beijing Airport Food Management shall be responsible for the daily operation and managerial work in respect of the food and beverage operators, including safety, servicing, logistics, cashier, renovation, premises and managerial work of relevant entrusted assets.

In respect of marketing, the Company shall be responsible for the overall marketing strategy. Beijing Airport Food Management will execute the marketing plan and other store promotions in accordance with the overall marketing framework set by the Company.

In respect of appraisal mechanism, the Company will conduct appraisal of Beijing Airport Food Management's entrusted management work.

Historical transaction amounts

The following table shows the historical transaction amounts for the provision of operation and management services of the designated food and beverage resources at Beijing Capital Airport by Beijing Airport Food Management:

	For the year ended 31 December 2021 (RMB) (audited)	For the year ended 31 December 2022 (RMB) (audited)	For the year ending 31 December 2023 (RMB) (unaudited)
Historical transaction amounts for the operation and management services provided by Beijing Airport Food Management	24,375,000	9,134,000	48,390,000 <i>(Note 3)</i>
Annual caps	70,000,000	110,000,000	100,000,000

Note 3: Since the audited figure of the historical transaction amount for the year ending 31 December 2023 is not yet available, this is an estimated figure only. The unaudited figure of the transaction amount for the nine months ended 30 September 2023 was approximately RMB34,028,000. The Company expects that the actual transaction amount for the year ending 31 December 2023 will not exceed its annual cap.

Annual caps

The Company expects that the annual caps for the transactions contemplated under the Food and Beverage Management Agreement are as follows:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual caps	117,000,000	121,000,000	125,000,000

The above annual caps are determined based on the following factors:

- (i) the increase in the scope of designated food and beverage resources to be operated under an entrusted management model at Beijing Capital Airport;
- (ii) the average sales turnover per traveller for the year-to-date period ended 30 September 2023 at Beijing Capital Airport, and the development potential of the food and beverage market in the future; and
- (iii) the anticipated change in passenger throughput at Beijing Capital Airport in the next three years and its possible impact on the food and beverage business.

Pricing policy

After receiving the quotation from Beijing Airport Food Management for the provision of food and beverage management services, the Company has considered the following factors to assess the reasonableness and fairness of such quotation: (i) the reasonable costs of Beijing Airport Food Management in providing the food and beverage management services; (ii) the reasonable profit margin to be made by Beijing Airport Food Management for the provision of food and beverage management services to the Company; and (iii) the relevant taxes.

As the operation and management of entrusted resources of food and beverage are comprehensive and require a relatively high level of management services in respect of investments in equipment and facilities and operating costs, service, construction management, 24-hour supervision of the business district, protection under special circumstances and other special cost due to the distinctiveness of the business district of Beijing Capital Airport as compared with the entrusted management services for other business districts in Beijing, there is no similar or equivalent entrusted management operation mode of food and beverage business in other airports in the PRC or in the business district of Beijing Capital Airport. Accordingly, there are no direct comparables of similar transactions.

Beijing Airport Food Management has demonstrated that it has sufficient capability to fulfil the high standards for safety, operation and service at Beijing Capital Airport, especially in light of its contribution to food and beverage service support during the pandemic. Subsequent to the pandemic, the expertise of Beijing Airport Food Management in business development and daily operation management has also enabled the food and beverage business at Beijing Capital Airport to quickly recover.

Internal control on pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Food and Beverage Management Agreement to ensure that such terms are on normal commercial terms. Such system is described as below:

1. Prior to entering into the Food and Beverage Management Agreement, the relevant departments of the Company are responsible for gathering information on the historical figures of entrusted management fees and relevant transactions under the Former Food and Beverage Management Agreement and conducting cross-checks against the profit margin charged by other service providers for the provision of related services at Beijing Capital Airport.
2. Prior to the implementation of the transactions contemplated under the Food and Beverage Management Agreement, the principal officers in the relevant departments of the Company lodged an application within the Company, which was subject to a preliminary review conducted by the managers of the respective departments of the Company, followed by a final review at the general manager office meeting in accordance with the internal control policies of

the Company. Upon completion of the above internal review procedures, the transactions contemplated under the Food and Beverage Management Agreement were considered and approved by the Board.

3. The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the Food and Beverage Management Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.
4. The auditors of the Company will conduct annual review on the transactions contemplated under the Food and Beverage Management 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 transactions contemplated under the Food and Beverage Management 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 transactions does not exceed the annual caps.
3. If such amount of transactions 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 Food and Beverage Management Agreement

Beijing Airport Food Management has maintained a good cooperative relationship with the Company and is familiar with the food and beverage business within the area of Beijing Capital Airport. In addition, Beijing Airport Food Management has ample client resources and strong capability in food and beverage operation and management. Therefore, it is expected that the management of the food and beverage resources of Beijing Capital Airport by Beijing Airport Food Management will facilitate both the continued increase in the value of food and beverage resources and the enhancement of satisfaction and service quality of food and beverage at Beijing Capital Airport.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be contained in the Circular after considering the advice of the Independent Financial Adviser) are of the view that the Food and Beverage Management 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 transactions contemplated under the Food and Beverage Management Agreement 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 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.

Beijing Airport Food Management is principally engaged in restaurant and other food and beverage businesses and is a wholly-owned subsidiary of the Parent Company.

BOARD'S APPROVAL

The Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps, were approved by the Board.

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

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. Since Beijing Airport Food Management is a wholly-owned subsidiary of the Parent Company, Beijing Airport Food Management is therefore a connected person of the Company. Accordingly, the Food and Beverage Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Food and Beverage Management Agreement is more than 5%, the Food and Beverage Management Agreement is therefore subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held to consider, among others, the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established to advise the Independent Shareholders and Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Food and Beverage Management Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps.

DESPATCH OF CIRCULAR

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DEFINITIONS

“associates”	has the same meaning ascribed to it in the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport
“Beijing Airport Food Management”	Beijing Capital Airport Food Management Company Limited* (北京首都機場餐飲發展有限公司), a limited liability company incorporated in the PRC, which is a wholly-owned subsidiary of the Parent Company

“Board”	the board of Directors
“Circular”	the circular of the Company containing, among other matters, details of the Food and Beverage Management Agreement and the letters of advice from the Independent Board Committee and the Independent Financial Adviser
“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(s)”	has the same meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, among others, the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps
“Food and Beverage Management Agreement”	the food and beverage management agreement dated 7 November 2023 entered into between the Company and Beijing Airport Food Management in respect of the provision of operation and management services for the designated food and beverage resources at Beijing Capital Airport from Beijing Airport Food Management to the Company
“Former Food and Beverage Management Agreement”	the food and beverage management agreement dated 29 December 2020 entered into between the Company and Beijing Airport Food Management in respect of the provision of management services for the designated food and beverage resources at Beijing Capital Airport from Beijing Airport Food Management to the Company, details of which were disclosed in the announcement of the Company dated 29 December 2020
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered share capital of the Company

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui, established to advise the Independent Shareholders in respect of the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Food and Beverage Management Agreement and the transactions contemplated thereunder, including the annual caps
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates and any shareholder with a material interest in the transactions contemplated under the Food and Beverage Management 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 Holdings Company* (首都機場集團公司)), an enterprise established in the PRC and the controlling shareholder of the Company
“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 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

“%” per cent

By order of the Board
Li Bo
Secretary to the Board

Beijing, the PRC
7 November 2023

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

Executive Directors: Mr. Wang Changyi and Mr. Han Zhiliang

Non-executive Directors: Mr. Jia Jianqing, Mr. Song Kun and Mr. Du Qiang

Independent Non-executive Directors: Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui

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*