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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

### REVISION OF ANNUAL CAPS UNDER THE

### BGS PREMISES LEASING AGREEMENT

#### **REVISION OF ANNUAL CAPS UNDER THE BGS PREMISES LEASING AGREEMENT**

Reference is made to the Announcement in relation to the BGS Premises Leasing Agreement and the transactions contemplated thereunder.

Pursuant to the BGS Premises Leasing Agreement, the Company (as lessor) agreed to lease certain premises (including office and storage premises, lounges and check-in counters) of Terminal Two and Terminal Three of Beijing Capital Airport to BGS (as lessee) for a term of three years commencing from 1 January 2023 to 31 December 2025. The leasing fees payable by BGS to the Company under the BGS Premises Leasing Agreement comprise (i) the rental for leased premises and (ii) the comprehensive management fees.

In view of the Company's daily operational needs and the increase in BGS's business demands for check-in counters and other leased resources, the Board anticipates that the original annual caps for the years ending 31 December 2023, 31 December 2024 and 31 December 2025, respectively, under the BGS Premises Leasing Agreement will not be sufficient to meet the estimated amounts of leasing fees payable by BGS to the Company under the BGS Premises Leasing Agreement for each of the three years ending 31 December 2025.

#### **LISTING RULES IMPLICATIONS**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions under 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 58.96% of the issued share capital of the Company. BGS is a non-wholly owned subsidiary of the Parent Company. As such, BGS is an associate of the Parent Company and is therefore a connected person of the Company. Accordingly, the BGS Premises Leasing 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 in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the BGS Premises Leasing Agreement is more than 0.1% but less than 5%, the BGS Premises Leasing Agreement and the transactions contemplated thereunder (including the revised annual caps) 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.

## **BACKGROUND**

Reference is made to the Announcement in relation to the BGS Premises Leasing Agreement and the transactions contemplated thereunder.

Pursuant to the BGS Premises Leasing Agreement, the Company (as lessor) agreed to lease certain premises (including office and storage premises, lounges and check-in counters) of Terminal Two and Terminal Three of Beijing Capital Airport to BGS (as lessee) for a term of three years commencing from 1 January 2023 to 31 December 2025. The leasing fees payable by BGS to the Company under the BGS Premises Leasing Agreement comprise (i) the rental for leased premises and (ii) the comprehensive management fees.

The annual caps of the leasing fees payable by BGS to the Company under the BGS Premises Leasing Agreement were arrived at after taking into account (i) the historical figures of leasing fees paid or payable by BGS to the Company for the lease of terminal premises; (ii) the expected increase in areas of premises to be leased by BGS to the Company due to daily operational needs for the three years ending 31 December 2025; and (iii) the potential increase in the leasing fees for premises and comprehensive management fees.

## **REVISION OF ANNUAL CAPS UNDER THE BGS PREMISES LEASING AGREEMENT**

### **Revised annual caps under the BGS Premises Leasing Agreement**

In view of the Company's daily operational needs and the increase in BGS's business demands for check-in counters and other leased resources, the Board anticipates that the original annual caps for the years ending 31 December 2023, 31 December 2024 and 31 December 2025, respectively, under the BGS Premises Leasing Agreement will not be sufficient to meet the estimated amounts of leasing fees payable by BGS to the Company under the BGS Premises Leasing Agreement for each of the

three years ending 31 December 2025. Accordingly, the Company proposed to revise the annual caps for the leasing fees payable by BGS to the Company for each of the three years ending 31 December 2025 under the BGS Premises Leasing Agreement as follows:

	<b>For the year ending 31 December 2023</b> <i>(RMB '000)</i>	<b>For the year ending 31 December 2024</b> <i>(RMB '000)</i>	<b>For the year ending 31 December 2025</b> <i>(RMB '000)</i>
Original annual caps	70,000	70,000	70,000
Revised annual caps	80,000	80,000	80,000

Save as disclosed above, the pricing policy and other terms of the BGS Premises Leasing Agreement have not been changed or modified. Details of the terms under the BGS Premises Leasing Agreement are set out in the Announcement.

### **Basis of determining the revised annual caps under the BGS Premises Leasing Agreement**

The above revised annual caps are arrived at after taking into account the following factors:

- (i) the historical transaction amounts of leasing fees paid or payable by BGS to the Company in relation to the leasing of terminal premises by the Company to BGS; and
- (ii) the expected increase in BGS's demands for leased resources.

### **Historical transaction amounts**

The following table shows the historical transaction amounts of leasing fees paid by BGS to the Company for the leasing of terminal premises:

	<b>For the year ended 31 December 2021</b> <i>(RMB '000)</i>	<b>For the year ended 31 December 2022</b> <i>(RMB '000)</i>	<b>For the eleven months ended 30 November 2023</b> <i>(RMB '000)</i>
Historical transaction amounts	53,439 <i>(Note 1)</i>	53,371 <i>(Note 1)</i>	51,003 <i>(Note 2)</i>
Annual caps	120,000 <i>(Note 1)</i>	65,000 <i>(Note 1)</i>	70,000

*Note 1:* These figures refer to the historical transaction amounts and annual caps for the years ended 31 December 2021 and 31 December 2022 under the former Terminal Premises Leasing Agreement dated 28 December 2021 entered into between the Company and BGS and are set out here for illustrative purpose only.

*Note 2:* Since the audited figure of the historical transaction amounts for the year ending 31 December 2023 is not yet available, this figure is the unaudited figure of leasing fees for the eleven months ended 30 November 2023 under the BGS Premises Leasing Agreement.

## **REASONS FOR AND BENEFITS OF REVISION OF THE ANNUAL CAPS UNDER THE BGS PREMISES LEASING AGREEMENT**

As disclosed above, in view of the Company's daily operational needs and the increase in BGS's business demands for check-in counters and other leased resources, the Board anticipates that the original annual caps for the three years ending 31 December 2025 respectively under the BGS Premises Leasing Agreement will not be sufficient to meet the estimated amounts of leasing fee payable by BGS to the Company under the BGS Premises Leasing Agreement for each of the three years ending 31 December 2025. Therefore, revision of the annual caps for the three years ending 31 December 2025 under the BGS Premises Leasing Agreement is required.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the BGS Premises Leasing Agreement will be conducted in the ordinary and usual course of business of the Company and on normal commercial terms (or on terms not less favourable to the Company than terms offered by or available from other independent third parties), and the terms of the agreement and the revised annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The Company is principally engaged in the operations 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.

BGS is principally engaged in the provision of passenger and cargo transportation ground services, aircraft stopover parking apron services, passenger and cargo sales agency services, and other services in relation to aviation transportation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, BGS is a non-wholly owned subsidiary of the Parent Company. As at the date of this announcement, the equity interests of BGS are held by the Parent Company, SATS Ltd. (新翔集團有限公司), China Southern Airlines Company Limited (中國南方航空股份有限公司) and China Eastern Airlines Corporation Limited (中國東方航空股份有限公司) as to 51%, 29%, 10% and 10%, respectively. SATS Ltd. is a company listed on the Singapore Exchange Securities Trading Limited (Stock Code: S58). China Southern Airlines Company Limited is a company listed on the Main Board of the Stock Exchange (Stock

Code: 01055) and the Shanghai Stock Exchange (Stock Code: 600029). China Eastern Airlines Corporation Limited is a company listed on the Main Board of the Stock Exchange (Stock Code: 00670) and the Shanghai Stock Exchange (Stock Code: 600115).

## **BOARD'S APPROVAL**

The revision of the annual caps in respect of the transactions contemplated under the BGS Premises Leasing Agreement was approved by the Board.

As at the date of this announcement, there are no overlapping directors between the Company and BGS. 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 BGS Premises Leasing Agreement entered into by the Company and BGS. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the revised annual caps under the BGS Premises Leasing Agreement.

## **LISTING RULES IMPLICATIONS**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions under 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 58.96% of the issued share capital of the Company. BGS is a non-wholly owned subsidiary of the Parent Company. As such, BGS is an associate of the Parent Company and is therefore a connected person of the Company. Accordingly, the BGS Premises Leasing 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 in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the BGS Premises Leasing Agreement is more than 0.1% but less than 5%, the BGS Premises Leasing Agreement and the transactions contemplated thereunder (including the revised annual caps) 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.

## **DEFINITIONS**

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

“Announcement”	the announcement of the Company dated 29 December 2022 in relation to the continuing connected transactions contemplated under the BGS Premises Leasing Agreement, including the annual caps
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport of the PRC
“BGS”	Beijing Aviation Ground Services Co., Ltd.* (北京空港航空地面服務有限公司), a sino-foreign joint venture company established in the PRC and a non-wholly owned subsidiary of the Parent Company
“BGS Premises Leasing Agreement”	the premises leasing agreement dated 29 December 2022 entered into between the Company and BGS, the details of which are set out in the announcement of the Company dated 29 December 2022
“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
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered share 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 BGS Premises Leasing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Parent Company”	Capital Airports Holdings Co., Ltd.* (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 Company and BGS
“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 share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminal Premises Leasing Agreement”	the terminal premises leasing framework agreement dated 28 December 2021 entered into between the Company and BGS, the details of which were set out in the announcement of the Company dated 28 December 2021
“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  
28 December 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*