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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 SERVICE BUILDING STAFF RESTAURANT SERVICES MANAGEMENT AGREEMENT

SERVICE BUILDING STAFF RESTAURANT SERVICES MANAGEMENT AGREEMENT

The Board announces that, on 30 November 2022, the Company and Beijing Jingrui entered into the Service Building Staff Restaurant Services Management Agreement, pursuant to which Beijing Jingrui agreed to operate the staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and to provide catering services for daily breakfast, lunch and dinner, emergency meal support, banquet service support and delivery service support to the Company in accordance with the service standards stipulated by the Company, for a term of three years commencing from 1 December 2022 to 30 November 2025.

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 as at the date of this announcement. Since Beijing Jingrui is a wholly-owned subsidiary of Beijing Airport Tourism Business, and Beijing Airport Tourism Business is a wholly-owned subsidiary of the Parent Company, Beijing Jingrui is therefore a connected person of the Company. Accordingly, the Service Building Staff Restaurant Services Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company 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 transactions contemplated under the Service Building Staff Restaurant Services Management Agreement is more than 0.1% but less than 5%, the Service Building Staff

Restaurant Services Management Agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Board announces that, on 30 November 2022, the Company and Beijing Jingrui entered into the Service Building Staff Restaurant Services Management Agreement, pursuant to which Beijing Jingrui agreed to operate the staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and to provide catering services for daily breakfast, lunch and dinner, emergency meal support, banquet service support and delivery service support to the Company in accordance with the service standards stipulated by the Company, for a term of three years commencing from 1 December 2022 to 30 November 2025.

SERVICE BUILDING STAFF RESTAURANT SERVICES MANAGEMENT AGREEMENT

Material Terms of the Service Building Staff Restaurant Services Management Agreement

The material terms of the Service Building Staff Restaurant Services Management Agreement are set out as follows:

Date

30 November 2022

Parties

- (1) the Company; and
- (2) Beijing Jingrui.

Term

The Service Building Staff Restaurant Services Management Agreement is for a term of three years commencing from 1 December 2022 to 30 November 2025.

Services

Pursuant to the Service Building Staff Restaurant Services Management Agreement, Beijing Jingrui agreed to operate the staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and to provide

catering services for daily breakfast, lunch and dinner, emergency meal support, banquet service support and delivery service support to the Company in accordance with the service standards stipulated by the Company.

Material rights and obligations of the Parties

The material rights and obligations of the Company shall include but are not limited to the following:

1. the Company shall cooperate with Beijing Jingrui in applying for the hygiene licence for the premises;
2. the Company shall ensure that the operation premises, the food processing premises, the facilities and the equipment provided to Beijing Jingrui fulfil the safety standard requirements and the relevant requirements applicable to the catering industry under the PRC laws and regulations, and have been inspected, examined and approved by the relevant PRC departments for fire services, safety supervision, hygiene and environmental impact etc., and the Company shall compensate Beijing Jingrui for any loss and damage arising from the defects in properties, equipment and facilities provided by the Company;
3. the Company shall have the right to supervise the hygiene of the staff restaurants and the work stations, the quality of the food and services as well as the usage of properties, facilities, tables and chairs and other fixed facilities provided by Beijing Jingrui;
4. the Company shall have the right to supervise the procurement of food supplies by Beijing Jingrui; and shall ensure that the food supplies are fresh and of sufficient amount, and possess the various certificates and evidence as required by the competent authorities for industry and commerce and for hygiene;
5. the Company shall have the right to supervise the cost control policies of Beijing Jingrui and to impose penalties on Beijing Jingrui for the waste incurred due to its poor management; and
6. the Company shall have the right to supervise the hygiene condition of the production process of the meals provided by Beijing Jingrui, which shall fulfil the various requirements and standards imposed by the competent hygiene authorities, and to impose penalties at its discretion if Beijing Jingrui commits a material breach of the requirements imposed by the competent hygiene authorities.

The material rights and obligations of Beijing Jingrui shall include but are not limited to the following:

1. Beijing Jingrui shall conduct the daily operations of the staff restaurants strictly in compliance with the requirements under the Service Building Staff Restaurant Services Management Agreement and shall ensure the quality of the meals and that the meals are served on a timely basis;

2. Beijing Jingrui shall strictly abide by the Company's various operation requirements, and shall proactively accept the inspection and supervision of the regulatory authorities for hygiene on the operations carried out in the contracted area in accordance with the relevant regulations;
3. Beijing Jingrui shall be prohibited from carrying out business activities unrelated to the operations of the Company in the project area of the Company (including the dormitories) or using the project area for other purposes; and
4. Beijing Jingrui shall fulfill the needs of the Company in respect of the services of other restaurants of the Company, with the relevant matters subject to specific negotiations based on actual circumstances.

Consideration and payment

Pursuant to the Service Building Staff Restaurant Services Management Agreement, the total amount of service fee payable by the Company to Beijing Jingrui comprises (i) fixed management fee, which is calculated based on the labour costs incurred by Beijing Jingrui for providing restaurant service personnel and management personnel, management fee and related taxes; (ii) fee for emergency meal support; (iii) fee for specialty meals; (iv) subsidy for discounted meals; and (v) fee for catering-related measures for epidemic prevention and control. The amount of fixed management fee is RMB3,419,998.92 per year, while the other fees, including the fee for emergency meal support, shall be calculated based on the standard unit price as particularised in the Service Building Staff Restaurant Services Management Agreement and the actual volume of services required by the Company.

Furthermore, the actual amount of service fee is subject to adjustment based on a reward and punishment mechanism. The Company will conduct performance appraisals of Beijing Jingrui on a quarterly basis and determine the amount of reward and/or penalties according to the actual performance of Beijing Jingrui in respect of the transactions contemplated under the Service Building Staff Restaurant Services Management Agreement.

In terms of the payment arrangement, the Company shall pay the service fee to Beijing Jingrui on a quarterly basis. Such quarterly payment of service fee shall comprise (i) a fixed management fee of RMB854,999.73; and (ii) other fees that shall be calculated based on the written confirmation of the project person-in-charge of the Company and adjusted after taking into account the amount of reward and/or penalties (if any) to be imposed on Beijing Jingrui.

Historical Figures

Historically, the Company had entered into agreement(s) with Beijing Jingrui pursuant to which similar transactions were conducted by Beijing Jingrui, namely the operation of staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and the provision of catering services for daily

breakfast, lunch and dinner, emergency meal support, banquet service support and delivery service support. The historical transaction amount of the service fee paid by the Company to Beijing Jingrui in respect of such agreement(s) are set out below:

	For the year ended 31 December 2020 (RMB) (Unaudited)	For the year ended 31 December 2021 (RMB) (Unaudited)	For the period from 1 January to 30 November 2022 (RMB) (Unaudited)
Service fee paid by the Company to Beijing Jingrui	3,999,400	3,909,100	3,908,879

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the above-mentioned previous agreement(s) for the operation of staff restaurants was below the de minimis threshold under Rule 14A.76 of the Listing Rules, the transactions contemplated thereunder were fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Annual Caps

The Company expects that the annual caps for the transactions contemplated under the Service Building Staff Restaurant Services Management Agreement are as follows:

	For the period from 1 December 2022 to 31 December 2022 (RMB)	For the year ending 31 December 2023 (RMB)	For the year ending 31 December 2024 (RMB)	For the period from 1 January 2025 to 30 November 2025 (RMB)
Annual caps	600,000	6,500,000	6,500,000	6,500,000

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

- (i) the historical figures of service fee paid by the Company to Beijing Jingrui for similar transactions in the past three years;
- (ii) the potential change in the business volume of relevant staff restaurants and the number of related service personnel in the next three years; and
- (iii) the potential increase in related fees arising from the expected increase in labour costs.

Pricing Policy

The service fee payable by the Company to Beijing Jingrui under the Service Building Staff Restaurant Services Management Agreement comprises two categories of fees: (i) the fixed management fee; and (ii) the fees incurred on an as-needed basis which are calculated based on the standard unit price.

In determining the fixed management fee, the Parties agreed to use labour costs and expenses as the basis, which are equal to the aggregate amount of the restaurant service personnel costs, management personnel costs, management fee and related taxes.

In respect of the fixed management fee and the unit price for (i) the fee for emergency meal support; (ii) the fee for specialty meals; (iii) the subsidy for discounted meals; and (iv) the fee for catering-related measures for epidemic prevention and control, the administration department of the Company has designated staff to obtain quotations from independent third parties (including at least two counterparties within the area of Beijing Capital Airport) and compare the level of the labour costs, management fee and unit price with the respective amount offered by independent third parties under other restaurant services management agreements, and has reported the comparison results to their supervisors to ensure that the level of the labour costs, management fee and unit price payable by the Company does not exceed the quotations offered by other independent third parties for the same period.

Internal Control on Pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Service Building Staff Restaurant Services Management Agreement to ensure that the terms are on normal commercial terms as follows:

1. Prior to the entering into of the Service Building Staff Restaurant Services Management Agreement, the administration department of the Company verified the service fee (which are initially determined in line with the historical amount of service fee paid to Beijing Jingrui under previous agreement(s) for similar transactions, followed by cross-checks against the fees charged by Beijing Jingrui to other independent third parties for similar services), and attended to the negotiation, signing and execution of the Service Building Staff Restaurant Services Management Agreement. Thereafter, the administration department of the Company is also responsible for the subsequent monitoring and ratings in respect of the transactions contemplated under the Service Building Staff Restaurant Services Management Agreement. The finance department of the Company and the secretariat to the Board are responsible for gathering information of connected transactions and monitoring the implementation of connected transactions, with a view to conducting assessment of the fairness of the transaction terms and pricing terms.

2. Prior to the implementation of the transactions contemplated under the Service Building Staff Restaurant Services Management Agreement, the principal officers in the administration department of the Company who are responsible for handling the above-mentioned matters shall lodge applications with the administration department, the finance department, legal services department and the secretariat to the Board. Such applications would only be approved upon a preliminary review conducted by the managers of the above respective departments of the Company, followed by a final review at the general manager office meeting in accordance with the relevant internal control policies of the Company.
3. The independent non-executive Directors have reviewed and would continue to review the transactions under the Service Building Staff Restaurant Services Management Agreement in accordance with the Listing Rules to ensure that such transactions are entered into on normal commercial terms that are fair and reasonable and carried out pursuant to its contractual terms.
4. The auditors of the Company will conduct annual review on the transactions under the Service Building Staff Restaurant Services Management Agreement in relation to the pricing policies 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 Service Building Staff Restaurant Services 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 SERVICE BUILDING STAFF RESTAURANT SERVICES MANAGEMENT AGREEMENT

The Company has been engaged in long-term cooperation with Beijing Jingrui, which has provided service support to the staff restaurants located at the service building of the Company since 2017. Beijing Jingrui possesses ample experience in restaurant operation and management, and it has been responsible in discharging its duties and has satisfactorily performed its contractual obligations to the Company. With well-established management systems in place, Beijing Jingrui is able to fulfil the

various management requirements of the Company in respect of operations, services, safety, and epidemic prevention and control. Meanwhile, Beijing Jingrui is also able to leverage on the experience of Beijing Airport Tourism Business in the management of high-end hotels in order to provide professional and high-quality catering services to the employees.

In light of the above reasons, the Company believes that the provision of restaurant management services by Beijing Jingrui will be conducive to ensuring the dining safety of the employees, as well as supporting the daily operations of Beijing Capital Airport and the continuous stability of its service quality.

The Directors (including the independent non-executive Directors) are of the view that the Service Building Staff Restaurant Services Management Agreement is entered into on normal commercial terms that are fair and reasonable 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 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 Civil Aviation Administration of China, which is a state bureau administered by the Ministry of Transport of the PRC.

Beijing Jingrui is an indirect wholly-owned subsidiary of the Parent Company (via Beijing Airport Tourism Business) and it is principally engaged in hotel management, catering management, food retail and property management.

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.

BOARD'S APPROVAL

The Service Building Staff Restaurant Services 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 Jingrui. Moreover, while the executive Directors and the non-executive Directors concurrently serve as director, senior management or hold other senior position(s) of the Parent Company, none of the Directors personally has any material interest in the transactions contemplated under the Service Building Staff Restaurant Services Management Agreement entered

into by the Company and Beijing Jingrui. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Service Building Staff Restaurant Services 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 as at the date of this announcement. Since Beijing Jingrui is a wholly-owned subsidiary of Beijing Airport Tourism Business, and Beijing Airport Tourism Business is a wholly-owned subsidiary of the Parent Company, Beijing Jingrui is therefore a connected person of the Company. Accordingly, the Service Building Staff Restaurant Services Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company 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 transactions contemplated under the Service Building Staff Restaurant Services Management Agreement is more than 0.1% but less than 5%, the Service Building Staff Restaurant Services Management Agreement is subject to the reporting, announcement and annual review 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 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
“Beijing Jingrui”	Beijing Jingrui Hotel Management Co., Ltd.* (北京京瑞飯店管理有限責任公司), a limited liability company established in the PRC which is a wholly-owned subsidiary of Beijing Airport Tourism Business
“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 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 Service Building Staff Restaurant Services Management Agreement, as the case may be
“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 Company and Beijing Jingrui
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Service Building Staff Restaurant Services Management Agreement”	the agreement dated 30 November 2022 entered into between the Company and Beijing Jingrui, pursuant to which Beijing Jingrui agreed to operate the staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and to provide catering services for daily breakfast, lunch and dinner, emergency meal support, banquet service support and delivery service support to the Company in accordance with the service standards stipulated by the Company
“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

Beijing, the PRC
30 November 2022

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*