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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 INSIDE INFORMATION

This announcement is made by Beijing Capital International Airport Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

Reference is made to (i) the inside information announcement of the Company dated 4 January 2018 in relation to the duty-free business (the “**Duty-free Business**”) operated in the international isolated areas at Beijing Capital International Airport (“**Beijing Capital Airport**”) by China Duty Free (Group) Co., Ltd.\* (中國免稅品(集團)有限責任公司) (“**China Duty Free**”) and Sunrise Duty Free (China) Co., Ltd.\* (日上免稅行(中國)有限公司) (“**Sunrise Duty Free**”) in accordance with the agreements (the “**Agreements**”) entered into by each of China Duty Free and Sunrise Duty Free with Beijing Capital Airport Commercial and Trading Company Limited\* (北京首都機場商貿有限公司) (“**Beijing Airport Commercial and Trading**”), which is a wholly-owned subsidiary of the Company; and (ii) the inside information announcement of the Company dated 29 October 2021 in relation to the amount of concession fees of the Duty-free Business receivable by the Company for the third contract year (i.e. from 11 February 2020 to 10 February 2021) under the Agreements.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that, with an aim to facilitate the long-term and healthy development of Duty-free Business at Beijing Capital Airport and expand the scale of airport duty-free sales, and thereby safeguarding the reputation of airport duty-free business and accelerating the recovery of competitiveness of airport duty-free business, on 26 December 2023, Beijing Airport Commercial and Trading, China Duty Free and Sunrise Duty Free (collectively, the “**Parties**”) have entered into a supplemental agreement (the “**Supplemental Agreement**”) in connection with the Duty-free Business through arm’s length and amicable negotiation in order to optimise and revise the original contractual terms.

The material terms of the Supplemental Agreement are summarised as follows:

1. The basic model for the Duty-free Business shall remain unchanged for the remainder of the term under the Agreements, i.e. the duty-free sales receivable by the Company will continue to be equivalent to either the annual guaranteed concession fee or the annual sales commission, whichever is higher. For the purpose of determination of the duty-free sales and the revenue recorded under the Agreements, the relevant passenger throughput and business area of the respective terminals shall be consolidated.

The Parties agree that the annual guaranteed concession fee shall be RMB558,284,196, and in the event that the actual annual passenger throughput (i.e. the annual passenger throughput at the international zone of Beijing Capital Airport) is not higher than 9,600,000 person-times, the annual guaranteed concession fee shall be calculated with reference to the formula below:

$$\text{RMB558,284,196} \times (\text{actual annual passenger throughput} \div 9,600,000 \text{ person-times}) \times \text{adjustment coefficient}$$

In the above formula, the adjustment coefficient shall be negotiated by the Parties according to the actual circumstances, and in any case shall not be higher than 1. The passenger throughput refers to the international passenger throughput and the passenger throughput for Hong Kong, Macau and Taiwan regions.

The actual sales commission shall be the sum of the sales commission corresponding to five categories of goods, i.e. perfume and cosmetics, tobacco, alcohol, general merchandise and food, with the commission rate of each category ranging between 18% and 36%.

2. Establishment of an incentive mechanism: based on the changes in the market sales and per capita purchasing power, the Parties agree that after achieving the established targets of duty-free sales of Beijing Capital Airport, a more flexible adjustment mechanism will be adopted to enhance the business competitiveness of Beijing Capital Airport.
3. Optimisation of duty-free premise resources: by optimising and upgrading the duty-free premises at Beijing Capital Airport, the Parties will develop a duty-free business cluster to attract the entry of international first-tier brands, second-tier brands and affordable luxury brands, thereby increasing the number of competitive brands or products, so as to realise the operational and development targets of strengthening both general merchandise and premium products business, reinforcing the advantages of the perfume and cosmetics business, and expanding the scale of tobacco, alcohol and food business.
4. Introduce airport duty-free online reservation business proactively, thereby enhancing the convenience and service experience of passengers' consumption by offering personalised and customised duty-free shopping services.

5. Enhance the synergy of the airport duty-free business and strive to realise a shopping model of “reserve offline, pick up at the airport” for duty-free goods, which will eliminate spatial constraints of airport duty-free sales, and hence further increase the scale of sales.
6. Diversification of sales methods: the Parties agree to carry out marketing activities and provide diversified sales services in the core areas and areas with high customer traffic at the international zone of Beijing Capital Airport, encouraging passengers to purchase duty-free goods and thereby increasing the number of duty-free shoppers.
7. Enhance the promotion of sales in respect of the airport duty-free business: the Parties shall step up promotional efforts at electronic screens, shop entrances and other permitted areas throughout Beijing Capital Airport, in order to cultivate passenger’s mindset that Beijing Capital Airport’s Duty-free Business offers “prime prices, full-range products, and excellent services” and strive to develop the most competitive duty-free business market in the Asia-Pacific region.
8. Actively seek support from sources of goods: China Duty Free and Sunrise Duty Free shall leverage their channel advantages to actively seek support for more best-selling goods and gather more core commodities to increase the attractiveness of duty-free shopping at the airport. They shall make every effort to restore the competitiveness of the Duty-free Business at Beijing Capital Airport and enhance the scale of airport duty-free sales so as to achieve an all-win situation through collaboration.
9. In the event that China Duty Free and Sunrise Duty Free operate in-town duty-free shops and/or pick-up service points for online duty-free reservation in the duty-free operation area of Beijing Capital Airport, the proportion of drawdown of sales revenue from such service points shall be determined in accordance with the standards of drawdown of sales revenue as agreed in the Supplemental Agreement.
10. The Supplemental Agreement shall be effective from 1 January 2024.

## **LISTING RULES IMPLICATIONS**

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, China Duty Free and Sunrise Duty Free are third parties independent of the Company and its connected persons. As the transactions contemplated under the Supplemental Agreement are of a revenue nature in the ordinary and usual course of business of the Company, the entering into of the Supplemental Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g) of the Listing Rules.

By order of the Board

**Li Bo**

*Secretary to the Board*

Beijing, the PRC  
26 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*