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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

VIP TRAVELLER SERVICES RESOURCES USAGE AGREEMENT

VIP TRAVELLER SERVICES RESOURCES USAGE AGREEMENT

Reference is made to the announcements of the Company dated 28 December 2020 and 1 August 2022, respectively, in relation to (i) the 2020 Traveller Services Resources Usage Agreement; and (ii) the 2022 Supplemental Traveller Services Resources Usage Agreement. Pursuant to the 2022 Supplemental Traveller Services Resources Usage Agreement, in order to align with the development of the frequent travellers' paid membership business of Beijing Capital Airport, the business related to the Frequent Travellers' Services and use of relevant resources at Beijing Capital Airport were excluded from the 2020 Traveller Services Resources Usage Agreement. The 2020 Traveller Services Resources Usage Agreement (as amended by the 2022 Supplemental Traveller Services Resources Usage Agreement) 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 CAVIP entered into the VIP Traveller Services Resources Usage Agreement.

The Board announces that on 27 December 2023, the Company entered into the VIP Traveller Services Resources Usage Agreement with CAVIP, pursuant to which the Company agreed to permit CAVIP to use certain premises and resources in the terminals of Beijing Capital Airport for the provision of various travellers' services to VIP Travellers of Beijing Capital Airport 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 CAVIP is a wholly-owned subsidiary of the Parent Company, CAVIP is therefore a connected person of the Company. Accordingly, the VIP Traveller Services Resources Usage 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 VIP Traveller Services Resources Usage Agreement is more than 0.1% but less than 5%, the VIP Traveller Services Resources Usage Agreement and the transactions contemplated thereunder (including the 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.

VIP TRAVELLER SERVICES RESOURCES USAGE AGREEMENT

Background

Reference is made to the announcements of the Company dated 28 December 2020 and 1 August 2022, respectively, in relation to (i) the 2020 Traveller Services Resources Usage Agreement; and (ii) the 2022 Supplemental Traveller Services Resources Usage Agreement. Pursuant to the 2022 Supplemental Traveller Services Resources Usage Agreement, in order to align with the development of the frequent travellers' paid membership business of Beijing Capital Airport, the business related to the Frequent Travellers' Services and use of relevant resources at Beijing Capital Airport were excluded from the 2020 Traveller Services Resources Usage Agreement. The 2020 Traveller Services Resources Usage Agreement (as amended by the 2022 Supplemental Traveller Services Resources Usage Agreement) 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 CAVIP entered into the VIP Traveller Services Resources Usage Agreement.

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Material terms of the VIP Traveller Services Resources Usage Agreement

Date

27 December 2023

Parties

- (a) the Company; and
- (b) CAVIP

Services

Pursuant to the VIP Traveller Services Resources Usage Agreement, the Company agreed to permit CAVIP to use certain premises and resources in the terminals of Beijing Capital Airport for the operations of the businesses related to the following VIP Travellers' Services at Beijing Capital Airport:

- (i) VIP Travellers' Services provided by CAVIP include the provision of arrival and departure services and relevant facilities to VIP Travellers in the terminals of Beijing Capital Airport. Such services mainly include VIP parking services, related services at the VIP lounges, check-in assistance services, shuttle bus services exclusive for the apron area, exclusive boarding passageway services and arrival and departure guidance services at the terminals; and
- (ii) other VIP-related services, which mainly include terminal pick-up services, ticketing services, hotel reservation services and sales of certain commodities with specific approval.

Term

The VIP Traveller Services Resources Usage Agreement is for a term of three years commencing from 1 January 2024 to 31 December 2026.

Consideration and payment

The resources usage fee payable by CAVIP to the Company under the VIP Traveller Services Resources Usage Agreement comprises (i) the premises and resources usage fee; (ii) the comprehensive management fees; (iii) the fees for the use of ancillary and supporting facilities at the premises; (iv) the energy usage charges (including water, electricity, heating and air conditioning); and (v) the information point fees.

The premises and resources usage fee comprises, among other things, the land usage fee, the apportionment of depreciation of the premises, the regular maintenance fee of the premises and the maintenance fee of the public area. The comprehensive management fees include the fees for the provision of basic services and facilities to CAVIP, including fees relating to hygiene, greening, security, insurance and fire control, which includes fees for lavatories, handling of passageway waste, cleaning of public area, and interior security.

Under the 2020 Traveller Services Resources Usage Agreement, the resources usage fee payable by CAVIP to the Company is agreed to be the higher of (i) the guaranteed annual resources usage fee and (ii) the drawdown of the annual revenue of CAVIP. However, in light of the relatively high proportion of airport supporting businesses conducted by CAVIP, the drawdown of the annual revenue of CAVIP for the past 3 years has continued to be lower than the fixed guaranteed annual resources usage fee. In view of this, the Parties have agreed that the resources usage fee payable by CAVIP to the Company will no longer be determined based on the same pricing mechanism. For the current term of the VIP Traveller Services Resources Usage Agreement, the resources usage fee

payable by CAVIP to the Company shall be in the form of a fixed annual resources usage fee in the amount of RMB50,821,300, subject to certain adjustments with reference to the actual usage of the Relevant Resources.

The resources usage fee shall be paid by CAVIP to the Company on a quarterly basis within the first ten working days of such quarter. In the event of overdue payment of resources usage fee, CAVIP shall pay to the Company liquidated damages equivalent to 0.05% of the due and unpaid resources usage fee for each overdue day.

Other material terms

CAVIP shall not let, sublet or otherwise transfer the operating rights of the Relevant Resources permitted for its use pursuant to the VIP Traveller Services Resources Usage Agreement to other third parties without the prior approval of the Company, nor shall it transfer, mortgage or carry out equity investments in respect of the right to use the Relevant Resources.

CAVIP shall cooperate with the Company to inspect, repair and ensure the structural integrity and safety of the Relevant Resources that are necessary for CAVIP's operation of the business related to the VIP Travellers' Services.

CAVIP shall be responsible for the safekeeping and maintenance of the Relevant Resources, and shall be liable for any damage or loss to the Relevant Resources caused by CAVIP.

The Company shall supply CAVIP with the necessary electricity, water, heating, air-conditioning, ventilation, and lighting for the use of the Relevant Resources. The Company shall ensure that the Relevant Resources are in a safe and good condition such that CAVIP may use the Relevant Resources to carry out its normal business activities.

Historical transaction amounts

The following table shows the historical transaction amounts for the resources usage fee paid by CAVIP to the Company:

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)	For the eleven months ended 30 November 2023 (RMB'000)
Historical transaction amounts for the resources usage fee paid by CAVIP to the Company	52,225	38,835	25,563 (Note)

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)	For the eleven months ended 30 November 2023 (RMB'000)
Annual caps	125,000	58,000	50,000

Note: Since the audited figure of the historical transaction amount for the year ending 31 December 2023 is not yet available, this figure refers to the unaudited resources usage fee paid by CAVIP to the Company for the eleven months ended 30 November 2023. 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 of the total resources usage fee payable by CAVIP to the Company during the term of the VIP Traveller Services Resources Usage Agreement are as follows:

	For the year ending 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (RMB'000)	For the year ending 31 December 2026 (RMB'000)
Annual caps	56,000	56,000	56,000

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

- (i) the historical transaction amounts of resources usage fee paid by CAVIP to the Company;
- (ii) it is anticipated that the resources usage fee to be charged by the Company to CAVIP will remain stable, after taking into account the impact of relevant policies and other factors which are likely to result in less room for expansion of the VIP services business at Beijing Capital Airport in the next three years; and
- (iii) a reasonable buffer to allow for potential increase in resources usage fee as a result of adjustments to the actual usage of the Relevant Resources in the terminals of Beijing Capital Airport in the future.

Pricing policy

In determining the annual resources usage fee payable by CAVIP to the Company under the VIP Traveller Services Resources Usage Agreement, the Company has designated staff to cross-check the level of resources usage fee set out under similar resources usage arrangements of certain airports in the PRC.

Upon comparison, the annual resources usage fee charged by the Company is higher than that charged by Daxing Airport and Tianjin Airport to their respective relevant service providers for similar businesses. Accordingly, the Company is satisfied that the level of resources usage fee payable by CAVIP to the Company is not less favourable than that charged by the above-mentioned airports in the PRC.

Internal control on pricing

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

1. Prior to entering into the VIP Traveller Services Resources Usage Agreement, the relevant departments of the Company are responsible for gathering information on the historical figures of resources usage fees under the 2020 Traveller Services Resources Usage Agreement (as amended by the 2022 Supplemental VIP Traveller Services Resources Usage Agreement) and conducting cross-checks against the resources usage fees charged by other airports in the PRC to relevant service providers for comparable and similar businesses.
2. The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the VIP Traveller Services Resources Usage Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.
3. The auditors of the Company will conduct annual review on the transactions contemplated under the VIP Traveller Services Resources Usage 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 VIP Traveller Services Resources Usage 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 (as the case may be) in accordance with the requirements of the Listing Rules.

Reasons for and benefits of entering into the VIP Traveller Services Resources Usage Agreement

Due to the characteristics of airport VIP travellers' services business in terms of safety and emergency support, the VIP travellers' services business of airports in the PRC are generally carried out by the VIP services companies of the respective airport organisations. As at the date of this announcement, to the best knowledge, information and belief of the Board having made all reasonable enquiries, apart from the above-mentioned type of companies, the Company is not aware of other types of companies that operate similar service business for VIP travellers of airports in the PRC.

In addition, in view of the positive and cooperative relationship between the Company and CAVIP in the past, it is expected that the continuing operations of the VIP Travellers' Services of Beijing Capital Airport by CAVIP will be beneficial for the positive operation and development of the business.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the VIP Traveller Services Resources Usage Agreement is entered into on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of which are reached through arm's length negotiations and are fair and reasonable, and the transactions contemplated under the VIP Traveller Services Resources Usage Agreement are in the interest 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 mainly responsible for 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.

CAVIP is principally engaged in the provision of professional customer services to VIP clients and other travellers in the terminals of Beijing Capital Airport and certain other domestic airports. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, it is a wholly-owned subsidiary of the Parent Company.

BOARD'S APPROVAL

The VIP Traveller Services Resources Usage 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 between the Company and CAVIP. Moreover, while the executive Directors and the non-executive Directors concurrently serve as directors and senior management of the Parent Company, none of the Directors personally has any material interest in the transactions contemplated under the VIP Traveller Services Resources Usage Agreement entered into by the Company and CAVIP. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the VIP Traveller Services Resources Usage 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 CAVIP is a wholly-owned subsidiary of the Parent Company, CAVIP is therefore a connected person of the Company. Accordingly, the VIP Traveller Services Resources Usage 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 VIP Traveller Services Resources Usage Agreement is more than 0.1% but less than 5%, the VIP Traveller Services Resources Usage Agreement and the transactions contemplated thereunder (including the 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:

“2020 Traveller Services Resources Usage Agreement”	the traveller services resources usage agreement dated 28 December 2020 entered into between the Company and CAVIP, pursuant to which the Company agreed to permit CAVIP to use certain premises and resources in the terminals at Beijing Capital Airport for the provision of various travellers' services to the VIP travellers of Beijing Capital Airport
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“2022 Supplemental VIP Traveller Services Resources Usage Agreement”	the supplemental agreement dated 1 August 2022 entered into between the Company and CAVIP to amend certain terms of the 2020 Traveller Services Resources Usage Agreement, including the exclusion of businesses related to the Frequent Travellers’ Services and use of relevant resources at Beijing Capital Airport from the 2020 Traveller Services Resources Usage Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport of the PRC
“Board”	the board of Directors
“CAVIP”	Capital Airport VIP Services Management Co., Ltd.* (首都空港貴賓服務管理有限公司), a limited liability company established in the PRC which is a wholly-owned subsidiary of the Parent Company
“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
“Daxing Airport”	Beijing Daxing International Airport of the PRC
“Director(s)”	the director(s) of the Company
“Frequent Traveller Paid Membership Management Agreement”	the frequent traveller paid membership management agreement dated 1 August 2022 entered into between the Company and CAVIP in relation to the permission granted by the Company to CAVIP to operate and manage the frequent travellers’ paid membership business, the existing business related to the Frequent Travellers’ Services and the respective relevant resources at Beijing Capital Airport for a term of three years commencing from 1 August 2022 to 31 July 2025

“Frequent Travellers’ Services”	the travellers’ services and other related services provided to the frequent travellers (excluding VIP Travellers) of Beijing Capital Airport by CAVIP under the 2020 Traveller Services Resources Usage Agreement, which has been excluded from the 2020 Traveller Services Resources Usage Agreement pursuant to the 2022 Supplemental VIP Traveller Services Resources Usage Agreement and included in the Frequent Traveller Paid Membership Management Agreement
“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 VIP Traveller Services Resources Usage 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 with limited liability and the controlling shareholder of the Company
“Parties”	the Company and CAVIP
“PRC”	the People’s Republic of China
“Relevant Resources”	the premises within the terminals of Beijing Capital Airport, together with the facilities and equipment, which the Company permits CAVIP to use pursuant to the VIP Traveller Services Resources Usage Agreement
“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
“Tianjin Airport”	Tianjin Binhai International Airport of the PRC

“VIP(s)”	very important person(s)
“VIP Travellers”	government officials and business VIPs of Beijing Capital Airport
“VIP Traveller Services Resources Usage Agreement”	the VIP traveller services resources usage agreement dated 27 December 2023 entered into between the Company and CAVIP, pursuant to which the Company agreed to permit CAVIP to use certain premises and resources in the terminals of Beijing Capital Airport for the provision of VIP Travellers’ Services to the VIP Travellers of Beijing Capital Airport
“VIP Travellers’ Services”	the VIP travellers’ services and other related services provided to the VIP Travellers of Beijing Capital Airport by CAVIP under the VIP Traveller Services Resources Usage Agreement
“%”	per cent

By order of the Board
Li Bo
Secretary to the Board

Beijing, the PRC
27 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>.

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