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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

### BUSINESS JET GROUND SERVICES JOINT OPERATION AGREEMENTS

#### **BUSINESS JET GROUND SERVICES JOINT OPERATION AGREEMENTS**

Reference is made to the announcement of the Company dated 28 September 2018 in respect of the Former Business Jet Ground Services Joint Operation Agreements. The Former Business Jet Ground Services Joint Operation Agreements will expire on 30 September 2021. Due to the Company's daily operational needs, the Company and CACL entered into the Business Jet Ground Services Joint Operation Agreements as renewal agreements.

The Board announces that on 30 September 2021, the Company entered into the Business Jet Ground Services Joint Operation Agreements with CACL, pursuant to which the Company agreed to permit CACL to conduct ground services and other relevant businesses for the take-off and landing of business jets at the Beijing Capital Airport for a term of three years commencing from 1 October 2021 to 30 September 2024.

#### **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 CACL is a subsidiary of the Parent Company, CACL is a connected person of the Company. Accordingly, the Business Jet Ground Services Joint Operation Agreements 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 Business Jet Ground Services Joint Operation Agreements is more than 0.1% but less than 5%, the Business Jet Ground Services Joint Operation Agreements and the

transactions contemplated thereunder 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.

## **BUSINESS JET GROUND SERVICES JOINT OPERATION AGREEMENTS**

### **Background**

Reference is made to the announcement of the Company dated 28 September 2018 in respect of the Former Business Jet Ground Services Joint Operation Agreements. The Former Business Jet Ground Services Joint Operation Agreements will expire on 30 September 2021. Due to the Company's daily operational needs, the Company and CACL entered into the Business Jet Ground Services Joint Operation Agreements as renewal agreements.

The Board announces that on 30 September 2021, the Company entered into the Business Jet Ground Services Joint Operation Agreements with CACL, pursuant to which the Company agreed to permit CACL to conduct ground services and other relevant businesses for the take-off and landing of business jets at the Beijing Capital Airport for a term of three years commencing from 1 October 2021 to 30 September 2024.

### **Material terms of the Business Jet Ground Services Joint Operation Agreements**

#### ***Date***

30 September 2021

#### ***Parties***

- (1) The Company; and
- (2) CACL

#### ***Term***

The Business Jet Ground Services Joint Operation Agreements are for a term of three years commencing from 1 October 2021 to 30 September 2024.

### *Scope of business jet ground services*

Pursuant to the Business Jet Ground Services Joint Operation Agreements, the Company agreed to permit CACL to conduct ground services and other relevant businesses for the take-off and landing of business jets at the Beijing Capital Airport, including the following:

- (i) Allocation of parking spaces for business jets: daily allocation of parking spaces for business jets and management of the parking of business jets in accordance with the relevant regulations;
- (ii) Operation of terminal for business jets: operation of the terminal for business jets and provision of related ground services at the terminal for business jets; and
- (iii) Provision of support services at the parking aprons for business jets: provision of maintenance and repair services and special equipment services (e.g. water, sewage and towing services) for business jets.

### *Consideration and payment*

The joint operation fees payable by CACL to the Company under the Business Jet Ground Services Joint Operation Agreements consist of the following:

- (i) Business jet parking space occupation fee (the “**Business Jet Parking Space Occupation Fee**”) as set out in the Business Jet Apron Leasing Agreement: Depending on the type of business jets that may be parked and the availability of parking space resources, an annual fee ranging from RMB400,000 to RMB600,000 is payable for the use of each business jet parking space for parking business jets and for providing business jet ground services.

The Business Jet Parking Space Occupation Fee is arrived at after taking into account the relevant costs to be incurred by the Company in providing such business jet parking space, such as the construction cost, depreciation and repair and maintenance cost of parking spaces and related facilities, labour cost of maintenance personnel, and reasonable profit margin.

- (ii) Service assurance fee (the “**Service Assurance Fee**”) as set out in the Business Jet Ground Services Cooperation Agreement:

The method for calculating such fee is set out as follows:

Actual number of take-off and landing of business jets x RMB570 (i.e. the amount of fixed fee for each take-off and landing)

The Service Assurance Fee is arrived at after taking into account the Company’s cost of relevant facilities, the labour cost to be incurred by the Company to enable CACL to provide the business jet ground services, and reasonable profit margin.

The above fees are payable by CACL to the Company in the following manner:

- (i) The Business Jet Parking Space Occupation Fee is payable by CACL to the Company by way of bank transfer on a quarterly basis.
- (ii) The Service Assurance Fee is payable by CACL to the Company by way of telegraphic transfer on a monthly basis.

### Historical figures

The historical figures of joint operation fees paid by CACL to the Company in respect of the Former Business Jet Ground Services Joint Operation Agreements are set out below:

	For the period from 1 October 2018 to 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2020	For the nine months ending 30 September 2021
Joint operation fees	RMB5,458,000	RMB20,251,000	RMB19,513,000	RMB15,272,000 (Note)
Annual caps	RMB5,600,000	RMB24,000,000	RMB25,000,000	RMB19,500,000

*Note:* As the audited figures in respect of the joint operation fees for the nine months ended 30 September 2021 are not yet available, the relevant figures are estimated figures only. The Company expects that the joint operation fees for the nine months ending 30 September 2021 will not exceed the relevant annual cap.

### Annual caps

It is expected that the annual caps of joint operation fees payable by CACL to the Company during the term of the Business Jet Ground Services Joint Operation Agreements are as follows:

	For the period from 1 October 2021 to 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023	For the nine months ending 30 September 2024
Annual caps	RMB7,750,000	RMB30,500,000	RMB31,000,000	RMB23,250,000

The above annual caps are determined after taking into account: (i) the possible adjustments to the fee standard of the Business Jet Parking Space Occupation Fee and the number of parking spaces for business jets at the Beijing Capital Airport; (ii) the possible adjustments to the billing models and pricing of services provided for business jets in the future due to changes in external environment;

and (iii) the expectation that it is not likely for the annual caps to substantially increase in the coming three years considering that the services related to business jets will be affected by the COVID-19 pandemic and changes in the external economic environment.

### **Internal control**

The Company has implemented the following internal control measures to ensure that the annual caps for the transactions contemplated under the Business Jet Ground Services Joint Operation Agreements 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 BUSINESS JET GROUND SERVICES JOINT OPERATION AGREEMENTS**

As CACL has the appropriate qualifications for and ample experience in the provision of business aviation ground support services and is very familiar with the operation of the Beijing Capital Airport, the entering into the Business Jet Ground Services Joint Operation Agreements with CACL is beneficial to the Company in enhancing the quality of ground services provided to the passengers and airlines of the Beijing Capital Airport, and the cooperation with CACL is expected to have a positive impact on the revenue of the Company.

The Company considers that the engagement of CACL for the provision of business jet ground services at the Beijing Capital Airport will enable the Company to advance the utilization efficiency of the resources at the Beijing Capital Airport, enhance cost control, service quality, management efficiency and market competitiveness.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Business Jet Ground Services Joint Operation Agreements are 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 Business Jet Ground Services Joint Operation Agreements are in the interests of the Company 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 support 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.

CACL is principally engaged in the provision of professional business aviation ground services to international and domestic business jets as well as the extended services related to chartered business jets.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, CACL is a non-wholly owned subsidiary of the Parent Company. The equity interest of CACL is held by the Parent Company, Beijing Tongda Aviation Services Co., Ltd.\* (北京通達航空服務有限公司), and China National Aviation Fuel Group Limited as to 60%, 20% and 20%, respectively. The ultimate beneficial owner of each of the Parent Company and Beijing Tongda Aviation Services Co., Ltd. is the Civil Aviation Administration of China, which is a state bureau administered by the Ministry of Transport of the PRC. The ultimate beneficial owner of China National Aviation Fuel Group Limited is the State-owned Assets Supervision and Administration Commission of the State Council.

## **BOARD'S APPROVAL**

The Business Jet Ground Services Joint Operation Agreements were approved by the Board. As at the date of this announcement, there are no overlapping directors between the Company and the Parent Company or CACL. Certain executive and non-executive Directors concurrently serve as the general manager and deputy general managers of the Parent Company only, and there is no overlapping senior management between the Company and CACL. Moreover, none of the Directors personally has any material interest in the transactions contemplated under the Business Jet Ground Services Joint Operation Agreements. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Business Jet Ground Services Joint Operation Agreements and the transactions contemplated thereunder.

## **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 CACL is a subsidiary of the Parent Company, CACL is a connected person of the Company. Accordingly, the Business Jet Ground Services Joint Operation Agreements 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 Business Jet Ground Services Joint Operation Agreements is more than 0.1% but less than 5%, the Business Jet Ground Services Joint Operation Agreements and the transactions contemplated thereunder 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:

“associates”	has the same meaning ascribed to it in the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“Business Jet Apron Leasing Agreement”	the business jet apron leasing agreement dated 30 September 2021 entered into between the Company and CACL
“Business Jet Ground Services Cooperation Agreement”	the cooperation agreement on business jet ground services dated 30 September 2021 entered into between the Company and CACL
“Business Jet Ground Services Joint Operation Agreements”	comprises (i) the Business Jet Apron Leasing Agreement; and (ii) the Business Jet Ground Services Cooperation Agreement
“CACL”	Capital Business Jet Company Limited* (首都公務機有限公司), a limited liability company established in the PRC which is a non-wholly owned subsidiary of the Parent Company
“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”	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

“Former Business Jet Apron Leasing Agreement”	the business jet apron leasing agreement dated 28 September 2018 entered into between the Company and CACL, details of which were disclosed in the announcement of the Company dated 28 September 2018
“Former Business Jet Ground Services Cooperation Agreement”	the cooperation agreement on business jet ground services dated 28 September 2018 entered into between the Company and CACL, details of which were disclosed in the announcement of the Company dated 28 September 2018
“Former Business Jet Ground Services Joint Operation Agreements”	comprises (i) the Former Business Jet Apron Leasing Agreement; and (ii) the Former Business Jet Ground Services Cooperation Agreement
“H Share(s)”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates, and any other Shareholder with a material interest in the transactions contemplated under the Business Jet Ground Services Joint Operation Agreements
“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
“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 capital of the Company, including domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“%”

per cent

By the order of the Board

**Meng Xianwei**

*Secretary to the Board*

Beijing, the PRC  
30 September 2021

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

*Executive Directors: Mr. Liu Xuesong, 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. Liu Guibin, Mr. Zhang Jiali and Mr. Stanley Hui Hon-Chung*

*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.com.hk> under “Latest Listed Company Information”, at the website of the Company at <http://www.bcia.com.cn> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.*