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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

(1) SUPPLEMENTAL AGREEMENT IN RELATION TO THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT AND

(2) REVISION OF ANNUAL CAPS UNDER THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AVIATION SECURITY AGREEMENT)

SUPPLEMENTAL AGREEMENT IN RELATION TO THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT

Reference is made to the 2019 Announcement and the 2019 Circular.

As disclosed in the 2019 Announcement and the 2019 Circular, on 30 October 2019, the Company entered into the Supply of Aviation Safety and Security Guard Services Agreement with Aviation Security Company, pursuant to which Aviation Security Company agreed to provide aviation safety and security guard services to the Company at Beijing Capital Airport for a term of three years commencing from 1 January 2020 to 31 December 2022. Under the terms of the Supply of Aviation Safety and Security Guard Services Agreement, the annual service fee was determined with reference to the actual fees paid for the preceding year and subject to adjustments based on, among other things, the growth rate of passenger throughput at Beijing Capital Airport.

Despite the significant decrease in the passenger throughput at Beijing Capital Airport due to the COVID-19 pandemic and the diversion of flights to Daxing Airport, given that the demand for aviation safety and security guard services at Beijing Capital Airport remains robust, the estimated amount of service fee payable pursuant to the existing terms of the Supply of Aviation Safety and Security Guard Services Agreement is insufficient to cover the actual costs for providing such services. Therefore, on 18 October 2021, the Company and Aviation Security Company entered

into the Supplemental Aviation Security Agreement to amend certain terms of the Supply of Aviation Safety and Security Guard Services Agreement, including the terms regarding the calculation and payment of service fee.

REVISION OF ANNUAL CAPS UNDER THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AVIATION SECURITY AGREEMENT)

In view of factors such as stricter requirements of aviation security, change in scope of services, prevention and control of COVID-19 pandemic, and increase in labour costs, the Board anticipates that the demand for aviation safety and security guard services at Beijing Capital Airport will remain robust and, as a result, the original annual caps for the two years ending 31 December 2022 under the Supply of Aviation Safety and Security Guard Services Agreement will not be sufficient to meet the estimated amount of service fee payable by the Company to Aviation Security Company. Accordingly, the Company proposed to revise the annual caps for the service fee payable by the Company to Aviation Security Company for the two years ending 31 December 2022 under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding 2,699,814,977 Domestic Shares, representing approximately 58.96% of the issued share capital of the Company.

Since Aviation Security Company is a wholly-owned subsidiary of the Parent Company, Aviation Security Company is a connected person of the Company.

Accordingly, the transactions contemplated under the Supplemental Aviation Security Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, as the Supplemental Aviation Security Agreement constitutes a material change to continuing connected transactions, and the Company proposes to revise the annual caps contemplated under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement), the Company will be required to re-comply with the announcement and Shareholders' approval requirements (if applicable) of Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the revised annual caps under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement) is more than

5%, the Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps) are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held to consider the Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps).

DESPATCH OF CIRCULAR

The Circular will be despatched to the Shareholders in compliance with the Listing Rules. As additional time is required by the Company to prepare the information to be included in the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 30 November 2021. If it is expected that there will be a delay to the despatch of the Circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the Circular.

SUPPLEMENTAL AGREEMENT IN RELATION TO THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT

Background

Reference is made to the 2019 Announcement and the 2019 Circular.

As disclosed in the 2019 Announcement and the 2019 Circular, on 30 October 2019, the Company entered into the Supply of Aviation Safety and Security Guard Services Agreement with Aviation Security Company, pursuant to which Aviation Security Company agreed to provide aviation safety and security guard services to the Company at Beijing Capital Airport for a term of three years commencing from 1 January 2020 to 31 December 2022. Under the terms of the Supply of Aviation Safety and Security Guard Services Agreement, the annual service fee was determined with reference to the actual fees paid for the preceding year and subject to adjustments based on, among other things, the growth rate of passenger throughput at Beijing Capital Airport.

Despite the significant decrease in the passenger throughput at Beijing Capital Airport due to the COVID-19 pandemic and the diversion of flights to Daxing Airport, given that the demand for aviation safety and security guard services at Beijing Capital Airport remains robust, the estimated amount of service fee payable pursuant to the existing terms of the Supply of Aviation Safety and Security Guard Services Agreement is insufficient to cover the actual costs for providing such services. Therefore, on 18 October 2021, the Company and Aviation Security Company entered into the Supplemental Aviation Security Agreement to amend certain terms of the Supply of Aviation Safety and Security Guard Services Agreement, including the terms regarding the calculation and payment of service fee.

Material terms of the Supplemental Aviation Security Agreement

Set out below are the material terms of the Supplemental Aviation Security Agreement:

Date

18 October 2021

Parties

- (a) the Company; and
- (b) Aviation Security Company.

Effective date

The Supplemental Aviation Security Agreement shall become effective on the date of approval by the Independent Shareholders at the EGM.

Consideration and payment

- (a) *Adjustment to the calculation method of the service fee*

In respect of the annual service fee payable by the Company to Aviation Security Company for the provision of aviation safety and security guard services for the two years ending 31 December 2022, such service fee shall be calculated based on actual costs, which comprise all the (i) labour costs, (ii) operating costs and (iii) relevant taxes relating to the services provided by Aviation Security Company to the Company pursuant to the Supplemental Aviation Security Agreement. The actual amount of service fee is subject to adjustment based on a reward and punishment mechanism comprised of (i) performance appraisal and (ii) rewards for cost control.

Pursuant to the terms and conditions of the Supplemental Aviation Security Agreement, the Parties shall determine the estimated costs to be incurred by Aviation Security Company for each year in advance after considering factors including but not limited to the safety targets and the demand for aviation safety inspection and security guard services. Thereafter, the Company (either solely or jointly with Daxing Airport) will appoint an independent third party auditing firm to conduct financial audits in relation to the actual performance of the Supplemental Aviation Security Agreement to confirm the actual amount of the service fee. The financial audits shall be conducted on an annual basis, which shall commence in the fourth quarter each year and shall be completed by 31 January in the following year.

The basic components of the annual service fee are as follows:

- (i) Labour costs : The labour costs comprise the labour costs of operating personnel, frontline management personnel, and head office management personnel engaged by Aviation Security Company for the provision of aviation safety and security guard services to the Company. In particular, as the head office of Aviation Security Company concurrently provides management services for the aviation security work of both Beijing Capital Airport and Daxing Airport, the labour costs incurred by the head office of Aviation Security Company shall be apportioned between the Company and Daxing Airport as to 60% and 40%, respectively;

- (ii) Operating costs : The operating costs comprise back office expenses (e.g. power and energy consumption, repair expenses, and rental expenses), other expenses (e.g. daily expenses and logistics expenses), business expenses, non-cash expenses and expenses for anti-epidemic supplies. For similar reasons stated above, the operating costs incurred by the head office of Aviation Security Company shall be apportioned between the Company and the Daxing Airport as to 60% and 40%, respectively; and

- (iii) Relevant taxes : The amount of relevant taxes shall be determined in accordance with the requirements of the PRC.

The amount of annual service fee may be adjusted subject to the following reward and punishment mechanism:

- (i) Performance appraisal : Annual performance appraisals shall be conducted in respect of the unsafe incidents attributable to Aviation Security Company and its fulfillment of the performance benchmarks, which comprise of benchmarks based on results and benchmarks based on the management and control procedures. A sliding scale of penalties will be imposed based on the nature and severity of non-compliance (if any) with the benchmarks.

(ii) Rewards for cost control : Aviation Security Company shall actively implement cost control measures by way of reasonable optimisation of human resources to save costs, provided that the extent of aviation safety and operating efficiency of Beijing Capital Airport is not compromised. If the proportion of labour cost saved ^(Note 1) by Aviation Security Company due to its management innovation and change of business model is within 10%, then Aviation Security Company shall be rewarded with an amount representing 20% of the actual amount of labour cost saved. The amount of reward will be confirmed by the Parties after the annual financial audit and will be valid for the current year only. Meanwhile, in order to enhance the accuracy of the estimates of labour cost, if the proportion of labour cost saved ^(Note 1) is more than 10%, the above reward mechanism will not be applicable.

Note 1: The proportion of labour cost saved shall be calculated as follows:
(estimated labour cost-actual labour cost)/estimated labour cost.

(b) *Adjustment to the payment arrangement of the service fee*

The service fee shall be prepaid by the Company to Aviation Security Company by the end of each month, with the amount of monthly prepayment to be determined with reference to the estimated amount of annual service fee in the following manner:

The amount
of monthly
prepayment
of service fee = (Estimated amount of annual service fee x 95%)/12 ^(Note 2)

Note 2: The Company may adjust the amount of monthly prepayment (as agreed with Aviation Security Company) based on the scale of adjustment of business for each year, preliminary financial audit and the actual progress of payment. In determining the estimated amount of annual service fee, the Parties will anticipate the scale of adjustment of the number of frontline staff of Aviation Security Company and thereby calculate the estimated amount of labour costs for each year, by taking into account adjustment factors such as the forecast of business volume at Beijing Capital Airport and the need for safeguard of aviation security.

By the end of January in the following year, upon completion of the above-mentioned financial audit in respect of the actual amount of service fee payable by the Company to Aviation Security Company, the Parties shall settle the balance of service fee as follows:

$$\text{Balance of service fee} = \text{Actual amount of annual service fee for each year} - \text{Total amount of monthly prepayment of service fee for the corresponding year}$$

Save as disclosed above, the other material terms of the Supply of Aviation Safety and Security Guard Services Agreement remain unchanged. For details of the other material terms of the Supply of Aviation Safety and Security Guard Services Agreement, please refer to the 2019 Announcement and the 2019 Circular.

Pricing policy and internal control

The pricing policy in respect of the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement) follows that set out in the 2019 Announcement and the 2019 Circular, except that as a result of the amendments to the terms of the Supply of Aviation Safety and Security Guard Services Agreement made by the Supplemental Aviation Security Agreement, the reward and punishment mechanism to be implemented by the Company and Aviation Security Company will not be benchmarked against the standards of passengers’ waiting time for security inspection. Instead, the amount of penalties and rewards will be determined with reference to (i) performance appraisal, and (ii) rewards for cost control as set out above.

The internal control of the pricing policy in respect of the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement) follows that set out in the 2019 Announcement and the 2019 Circular.

REVISION OF ANNUAL CAPS UNDER THE SUPPLY OF AVIATION SAFETY AND SECURITY GUARD SERVICES AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AVIATION SECURITY AGREEMENT)

In view of factors such as stricter requirements of aviation security, change in scope of services, prevention and control of COVID-19 pandemic, and increase in labour costs, the Board anticipates that the demand for aviation safety inspection and security guard services at Beijing Capital Airport will remain robust and, as a result, the original annual caps for the two years ending 31 December 2022 under the Supply of Aviation Safety and Security Guard Services Agreement will not be sufficient to meet the estimated amount of service fee payable by the Company to Aviation Security Company. Accordingly, the Company proposed to revise the annual caps for the service fee payable by the Company to Aviation Security Company for the two years ending 31 December 2022 under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement).

Historical transaction amounts

The following table shows the historical figures of the total service fee paid or payable by the Company to Aviation Security Company in respect of the provision of aviation safety and security guard services:

	For the year ended 31 December 2019 <i>(RMB'000)</i>	For the year ended 31 December 2020 <i>(RMB'000)</i>	For the year ending 31 December 2021 <i>(RMB'000)</i>
Service fee for the provision of aviation safety and security guard services	714,143 ^(Note 3)	667,082	475,472 ^(Note 4)
Annual caps	806,042 ^(Note 3)	703,490	673,140

Note 3: These figures refer to the historical transaction amount and annual cap for the year ended 31 December 2019 under the former supply of aviation safety and security guard services agreement dated 25 October 2017 entered into between the Company and Aviation Security Company and are set out here for illustrative purpose only.

Note 4: This figure refers to the service fee payable by the Company for the provision of aviation safety and security guard services for the nine months ended 30 September 2021.

Revised annual caps

The Board proposed to revise the annual caps for the service fee payable by the Company to Aviation Security Company under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement).

Accordingly, the Company proposed to revise the annual caps for the service fee payable to Aviation Security Company as follows:

	For the year ending 31 December 2021 <i>(RMB'000)</i>	For the year ending 31 December 2022 <i>(RMB'000)</i>
Original annual caps	673,140	733,530
Revised annual caps	924,480	924,480

The above revised annual caps have been determined with reference to the following factors:

- (i) the estimated amount of labour costs required for the various types of personnel providing aviation safety and security guard services at Beijing Capital Airport, after taking into account the reasonable adjustment of labour costs;
- (ii) the changes in the scope of aviation safety and security guard services for the next two years, after considering the requirements for aviation security, prevention and control of the COVID-19 pandemic and security at the 2022 Winter Olympic Games in Beijing;
- (iii) the estimated amount of operating costs required for the daily operations and the prevention and control of the COVID-19 pandemic; and
- (iv) relevant taxes.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AVIATION SECURITY AGREEMENT AND THE REVISION OF ANNUAL CAPS

Despite the impact of the COVID-19 pandemic and the diversion effect of Daxing Airport on the passenger throughput at Beijing Capital Airport, as the demand for aviation safety and security guard services at Beijing Capital Airport remains robust, it is expected that the existing method for determining the amount of service fee under the Supply of Aviation Safety and Security Guard Services Agreement (which is linked to the growth rate of passenger throughput) will not be sufficient to cover the actual costs for the provision of the relevant services.

The demand for aviation safety and security guard services at Beijing Capital Airport has increased due to the following factors:

- (i) Relatively inelastic business demand: Since 2020, the Company has carried out certain downsizing measures based on the adjustment of demand for security businesses at Beijing Capital Airport, including the closure of Terminal One and the relocation of international security inspection counters at Terminal Three, but the demand for staff on duty basically remains stable. On one hand, the overall demand for passenger security inspection personnel has remained stable due to their specialised qualifications and the need to maintain adequate number of staff to address the uncertainties arising from the COVID-19 pandemic; on the other hand, while the number of staff has decreased for positions that are directly affected by the decrease in passenger throughput (e.g. the security inspection of passengers), the number of staff in other positions responsible for the security of daily operations of Beijing Capital Airport (e.g. the monitoring and maintenance of aircrafts, the patrol of aviation security, the security inspection of staff, and the guarding of passageways) remains stable.
- (ii) Stricter requirements of aviation safety: Since 2020, the CAAC and the CAAC North China Administration have repeatedly stressed the special status and vital importance of aviation security in the Beijing region and imposed stricter requirements of aviation security, and at the

same time, they have strengthened supervision, inspection and administrative governance in this regard. As a result, certain new security businesses have been developed at Beijing Capital Airport, including the new patrol for aviation safety of airfield and terminals, corridor bridge no.2 and other businesses.

- (iii) Increase in costs related to the prevention and control of COVID-19 pandemic: Currently, as the COVID-19 pandemic remains highly widespread outside the PRC, coupled with the occurrence of sporadic cases and local clusters of epidemics within the PRC, the prevention and control of the COVID-19 pandemic remains difficult and complicated. As “China’s First Gateway”, Beijing Capital Airport has been subject to tremendous pressure for pandemic prevention and control and shall consistently safeguard the national gateway with prompt response and effective measures. Additional positions of aviation security personnel have been created in order to implement the work requirements of CAAC and Beijing Municipality relating to pandemic prevention and control, for examples, temperature checks at the entrance and exit of terminals, inspection of “Health Kit” (健康寶) and the “Two Centralised” special security lanes for cabin crew and employees of international airlines.
- (iv) Need for safeguard of security during the Winter Olympic Games in Beijing: The safeguard of security during the 2022 Winter Olympic Games in Beijing will also lead to an increase in relevant costs and the specific business demand will be adjusted based on the requirements of the final arrival and departure procedures.
- (v) Increase in labour costs: The security personnel at Beijing Capital Airport are at the front line of the prevention and control of the COVID-19 pandemic, working for a prolonged period of time in an environment with high infection risk, major responsibility for safety and the challenging task of pandemic prevention and control. Moreover, in response to the development of the COVID-19 pandemic, the inspection standards and procedures in relation to pandemic control are being enhanced or adjusted on an ongoing basis, which has continuously increased the work pressure and psychological stress of employees. This has not been fully reflected in the income level of employees and leads to higher pressure of staff turnover. In order to maintain staff stability, the Company needs to adjust the wage level of the security personnel with reference to the reasonable increase of labour costs in Beijing.

As a result, the methods of calculation and payment of service fee payable from the Company to Aviation Security Company need to be adjusted pursuant to the Supplemental Aviation Security Agreement. The original annual caps for the service fee payable for the two years ending 31 December 2022 under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement) also need to be revised in order to meet the estimated amount of service fee payable by the Company to Aviation Security Company for the corresponding periods.

The Directors (excluding the independent non-executive Directors who will form their views after considering the recommendation from Independent Financial Adviser) are of the view that the Supplemental Aviation Security Agreement is entered into after arm’s length negotiations, on normal

commercial terms and in the ordinary and usual course of business of the Company, and the transactions contemplated under the Supplemental Aviation Security Agreement (including 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 operation of the Beijing Capital Airport. It is a non-wholly owned subsidiary of the Parent Company.

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. The ultimate beneficial owner of the Parent Company is CAAC, which is a state bureau administered by the Ministry of Transport of the PRC.

Aviation Security Company is principally engaged in the provision of aviation safety and security guard services to airports in the PRC, which include, among other things, security inspection on passengers, baggage, air cargoes, air mails and passageways; field inspections for special and chartered aircrafts; security guard on passageways in terminal areas; explosion-proof inspection in front of the terminals; and aircraft security guard. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Aviation Security Company is a wholly-owned subsidiary of the Parent Company.

BOARD'S APPROVAL

The Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps) was approved by the Board. As at the date of this announcement, there are no overlapping directors between the Company on one hand, and the Parent Company and Aviation Security Company on the other hand.

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 on one hand, and Aviation Security Company on the other hand.

Moreover, none of the Directors personally has any material interest in the transactions contemplated under the Supplemental Aviation Security Agreement. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding 2,699,814,977 Domestic Shares, representing approximately 58.96% of the issued share capital of the Company.

Since Aviation Security Company is a wholly-owned subsidiary of the Parent Company, Aviation Security Company is a connected person of the Company.

Accordingly, the transactions contemplated under the Supplemental Aviation Security Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, as the Supplemental Aviation Security Agreement constitutes a material change to continuing connected transactions, and the Company proposes to revise the annual caps contemplated under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement), the Company will be required to re-comply with the announcement and Shareholders' approval requirements (if applicable) of Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the revised annual caps under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement) is more than 5%, the Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps) are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held to consider the Supplemental Aviation Security Agreement and the transactions contemplated thereunder (including the revised annual caps).

APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been formed to advise the Independent Shareholders and Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Supplemental Aviation Security Agreement and the transactions contemplated thereunder, including the revised annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Supplemental Aviation Security Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the Supplemental Aviation Security Agreement and the transactions contemplated thereunder, including the revised annual caps.

CONNECTED PERSONS WHO ARE REQUIRED TO ABSTAIN FROM VOTING ON THE RESOLUTIONS

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transaction and its associates will be required to abstain from voting at the EGM. Therefore, the Parent Company and its associates shall abstain from voting at the EGM.

DESPATCH OF CIRCULAR

The Circular will be despatched to the Shareholders in compliance with the Listing Rules. As additional time is required by the Company to prepare the information to be included in the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 30 November 2021. If it is expected that there will be a delay to the despatch of the Circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the Circular.

DEFINITIONS

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

“2019 Announcement”	the announcement of the Company dated 30 October 2019 in respect of the Supply of Aviation Safety and Security Guard Services Agreement, the transactions contemplated thereunder and its original annual caps
“2019 Circular”	the circular of the Company dated 3 December 2019 in respect of the Supply of Aviation Safety and Security Guard Services Agreement, the transactions contemplated thereunder and its original annual caps
“associate(s)”	has the same meaning as ascribed to it in the Listing Rules
“Aviation Security Company”	Capital Airport Aviation Security Co., Ltd., a limited liability company incorporated in the PRC which is a wholly-owned subsidiary of the Parent Company
“Beijing Capital Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“CAAC”	the Civil Aviation Administration of China

“CAAC North China Administration”	the CAAC North China Regional Administration
“Circular”	the circular of the Company containing, among other matters, details of the Supplemental Aviation Security Agreement and the revision of annual caps under the Supply of Aviation Safety and Security Guard Services Agreement (as amended by the Supplemental Aviation Security Agreement), as well as the letters of advice from the Independent Board Committee and the Independent Financial Adviser
“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 same meaning as ascribed to it in the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it in the Listing Rules
“COVID-19”	novel coronavirus
“Daxing Airport”	Beijing Daxing International Airport
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB1.00 each in the registered share capital of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, among others, the Supplemental Aviation Security Agreement and the transactions contemplated thereunder, including the revised annual caps
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered share capital of the Company
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Jiang Ruiming, Mr. Liu Guibin, Mr. Zhang Jiali and Mr. Stanley Hui Hon-chung, established to advise the Independent Shareholders in respect of the Supplemental Aviation Security Agreement and the transactions contemplated thereunder, including the revised annual caps

“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Aviation Security Agreement and the transactions contemplated thereunder, including the revised annual caps
“Independent Shareholder(s)”	Shareholder(s) other than the Parent Company, its associates and any Shareholder who has a material interest in the transactions contemplated under the Supplemental Aviation Security Agreement
“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 parties to the Supplemental Aviation Security Agreement, namely the Company and Aviation Security Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of RMB1.00 each in the registered share capital of the Company, which comprise H Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Aviation Security Agreement”	the supplemental agreement dated 18 October 2021 in relation to the Supply of Aviation Safety and Security Guard Services Agreement entered into between the Company and Aviation Security Company

“Supply of Aviation Safety and Security Guard Services Agreement”	the supply of aviation safety and security guard services agreement dated 30 October 2019 entered into between the Company and Aviation Security Company, details of which were set out in the 2019 Announcement and the 2019 Circular
“Terminal One”	the passenger terminal numbered one which forms part of Beijing Capital Airport
“Terminal Three”	the passenger terminal numbered three which forms part of Beijing Capital Airport
“%”	per cent

By order of the Board
Meng Xianwei
Secretary to the Board

Beijing, the PRC
18 October 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.hk> under “Latest Listed Company Information”, 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>.

* *For identification purposes only*