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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 LANDSIDE SHUTTLE BUS SERVICES AGREEMENT

LANDSIDE SHUTTLE BUS SERVICES AGREEMENT

The Board announces that on 13 December 2021, the Company entered into the Landside Shuttle Bus Services Agreement with the Bus Company, pursuant to which the Company agreed to engage the Bus Company to provide passengers in the eastern and western terminal areas of Beijing Capital Airport with complimentary landside transit shuttle bus service for a term of three years commencing from 15 December 2021 (being the date of commencement of operations of the new landside shuttle buses procured by the Bus Company) to 14 December 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. The Parent Company owns 51% of the equity interest in the Bus Company. As such, the Bus Company is an associate of the Parent Company and, therefore, a connected person of the Company. Accordingly, the Landside Shuttle Bus Services 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 under Rule 14.07 of the Listing Rules) in respect of the Landside Shuttle Bus Services Agreement is more than 0.1% but less than 5%, the Landside Shuttle Bus Services Agreement 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.

LANDSIDE SHUTTLE BUS SERVICES AGREEMENT

Background

Currently, the Company uses landside shuttle buses to facilitate the passenger transfer between terminals and deal with emergency support tasks at Beijing Capital Airport. As the landside shuttle buses are expected to be insufficient for the needs of Beijing Capital Airport, the Company proposed to appoint the Bus Company to procure new landside shuttle buses and enter into the Landside Shuttle Bus Services Agreement with the Bus Company to regulate the provision of services when the new landside shuttle buses have commenced operations.

The Board announces that on 13 December 2021, the Company entered into the Landside Shuttle Bus Services Agreement with the Bus Company, pursuant to which the Company agreed to engage the Bus Company to provide passengers in the eastern and western terminal areas of Beijing Capital Airport with complimentary landside shuttle bus services for a term of three years commencing from 15 December 2021 (being the date of commencement of operations of the new landside shuttle buses procured by the Bus Company) to 14 December 2024.

Material terms of the Landside Shuttle Bus Services Agreement

The materials terms of the Landside Shuttle Bus Services Agreement are as follows:

Date

13 December 2021

Parties

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

Term

The Landside Shuttle Bus Services Agreement is for a term of three years commencing from 15 December 2021, being the date of commencement of operations of the new landside shuttle buses procured by the Bus Company.

Scope of services

Pursuant to the Landside Shuttle Bus Services Agreement, the Company agreed to engage the Bus Company to provide passengers at the eastern and western terminal areas of Beijing Capital Airport with complimentary landside transit shuttle bus business services, including the transit of passengers at arrival and departure levels of the three terminals of T1, T2 and T3, as well as the transit of passengers taking the wrong terminal.

The Bus Company shall also assist and cooperate with the Company in providing transportation support at Beijing Capital Airport for passengers stranded at night, emergency public incidents and special support transportation tasks. In particular, the transportation support relates to (i) natural disasters; (ii) accidents and disasters; (iii) public health incidents; (iv) social security incidents; and (v) traffic support for special support transportation tasks.

Consideration

The total service fee payable by the Company to the Bus Company is comprised of: (i) fixed contract fee; (ii) service fee for night taxi emergency support business; and (iii) service fee for emergency public incidents and special support transportation.

(1) Fixed contract fee:

The fixed contract fee shall be RMB20,795,018.91 per year, which includes the costs of materials, labour costs, management fees, taxes and all other expenses in relation to the provision of the landside shuttle bus services. The costs of materials are based on the costs of the vehicles (including depreciation fees of vehicles and tax expenses incurred for the usage of vehicles, etc.), which also include operating costs and gas fees. The management fees represent 10% of the total amount of annual material costs and labour costs, which are the labour costs and operating management costs of the functional departments in relation to the operation of this project.

(2) Service fee for night taxi emergency support business:

If any landside transit shuttle buses are required for the night taxi emergency support business at the eastern and western terminal areas of Beijing Capital Airport, the amount of service fee shall be calculated on the basis of (i) RMB200 per day for each vehicle on standby; and (ii) RMB400 per day for each departure of vehicle.

The actual amount of service fee shall be settled on the basis of the actual volume of services incurred for each quarter.

(3) *Service fee for emergency public incidents and special support transportation:*

In respect of transportation services to be provided for emergency public incidents and special support transportation in Beijing, the amount of service fee is comprised of (i) the fee for standby vehicles; and (ii) the fee for actual departure of vehicles.

In respect of emergency vehicles, the fee for each vehicle being placed on standby at the car park near T3 is RMB400 for every four hours and the fee for each vehicle being placed on standby at designated areas at Beijing Capital Airport is RMB800 for every two hours. For each emergency vehicle instructed to perform transportation tasks, the transportation fee shall be charged at a standard rate of RMB20 per kilometre according to the round-trip mileage to and from the destination.

In respect of special transportation vehicles, the fee for each vehicle being placed on standby is RMB1,200 for every 24 hours. For each vehicle being placed on standby for less than 24 hours, it shall be charged on an hourly basis of RMB200 for every four hours, and the transportation fee shall be charged at a standard rate of RMB5 per kilometre according to the round-trip mileage to and from the destination.

The actual amount of service fee shall be settled on the basis of the actual volume of services incurred for each quarter.

Payment

The service fee shall be paid by the Company to the Bus Company on a quarterly basis.

At the end of each quarter, the Bus Company shall provide the reimbursement vouchers and other information as may be required by the Company, and the Company shall complete the appraisal of the quarterly performance of the Bus Company within the first 12 working days of the first month of the following quarter.

Within 30 working days after the appraisal, the Company shall pay to the Bus Company in a lump sum the service fee for the previous quarter, which is subject to deduction if any penalties are imposed pursuant to the performance appraisal.

Other material terms

(1) *Performance appraisal of services:*

The service quality of the Bus Company shall be subject to performance appraisal in accordance with the benchmarks set by the Company. The Parties agreed that the appraisal shall be conducted on a quarterly basis, and the relevant management department of the Company shall communicate and confirm the appraisal results for the previous quarter with the Bus Company within the first five working days of the first month of each quarter on the basis of regular and

ad-hoc inspections conducted during each quarter. If the Bus Company disagrees with the appraisal results, it shall provide the reasons in writing to the Company within five working days after receiving the appraisal results, and such disagreement shall be resolved through negotiations between the Parties. If the Bus Company does not provide a reason within the specified time limit, the Bus Company shall be deemed to have approved the appraisal results.

(2) *Residual value of vehicles:*

Upon the expiry of the accounting depreciation period of the vehicles, the vehicle assets shall be owned by the Bus Company, and the Company shall be entitled to the residual value of the vehicles (being 5% of the original value of the vehicles), with such cost to be deducted from the service fee payable for the last quarter. If the Bus Company terminates the Landside Shuttle Bus Services Agreement before the expiry of its term, or if the Bus Company fails to renew the Landside Shuttle Bus Services Agreement with the Company upon the expiry of its term, the Company may deduct an amount equivalent to the residual value of the vehicles from the relevant instalment of service fee that is payable at the time when the Landside Shuttle Bus Services Agreement is terminated.

(3) *Adjustment of fuel prices:*

On one hand, in the event of any adjustment of the national fuel prices within the range of 10% from the base figure as stated in the Landside Shuttle Bus Services Agreement, the fuel costs will be absorbed by each of the Company and the Bus Company. On the other hand, if the upward adjustment of the national fuel prices exceeds 10% from the base figure as stated in the Landside Shuttle Bus Services Agreement, the Company shall pay the excess amount; and if the downward adjustment of the national fuel prices exceeds 10% from the base figure as stated in the Landside Shuttle Bus Services Agreement, the Company shall deduct the excess amount from the service fee payable to the Bus Company.

Annual caps

As this is the first time that the Company and the Bus Company have entered into the Landside Shuttle Bus Services Agreement, there are no historical annual caps available.

The Company expects that the annual caps of the total service fee payable by the Company to the Bus Company during the term of the Landside Shuttle Bus Services Agreement are as follows:

	From 15 December 2021 to 31 December 2021 (RMB million)	For the year ending 31 December 2023 (RMB million)	For the year ending 31 December 2024 (RMB million)	From 1 January 2024 to 14 December 2024 (RMB million)
Annual caps	3.6	21.3	21.3	18

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

- (i) the fixed contract fee for landside shuttle buses;
- (ii) the expected demand for potential operations of night taxis for emergency protection;
- (iii) the estimated amount of logistics expenses for emergency public incidents and special support transportation; and
- (iv) the related taxes.

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 Landside Shuttle Bus Services 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 Landside Shuttle Bus Services Agreement

In response to the circumstance that the terminals of Beijing Capital Airport have become more distant from each other since the commencement of operations of T3, in order to solve the issues in relation to passengers' flight transfers, ensure more convenient and smooth flight transfers and

improve the satisfaction of passengers at Beijing Capital Airport, the Company has launched landside shuttle bus routes between terminals with large-scale high-end vehicles to facilitate the rapid transfers of passengers between terminals.

The landside shuttle bus services, which were operated by Beijing Konggang Kaiyuan Transportation Co., Ltd.* (北京空港開遠客運有限公司), a wholly-owned subsidiary of the Bus Company, have successfully completed various emergency support tasks covering the support for the 22nd Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting, support for the "two meetings" for each year, support in relation to COVID-19 pandemic, and airline transfers. The Bus Company will continue to operate the landside shuttle bus services, which is expected to effectively support the compatibility and continuity of the landside shuttle bus services and implement the Company's principle of asset-light operations.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Landside Shuttle Bus Services Agreement are normal commercial terms that are fair and reasonable and entered into in the ordinary and usual course of business of the Company, 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 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 Bus Company is principally engaged in, among other things, inter-provincial and inter-county passenger transportation services, air ticket sales agency and labour services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Bus Company is directly held by the Parent Company and CAAC as to 51% and 49%, respectively. The ultimate beneficial owner of the Parent Company is CAAC, which is a state bureau administered by the Ministry of Transport of the PRC.

BOARD'S APPROVAL

The Landside Shuttle Bus Services Agreement was approved by the Board.

As at the date of this announcement, there is no overlapping directors between the Company and the Parent Company or the Bus Company. Certain executive and non-executive Directors concurrently serve as the chairman of supervisory committee of the Parent Company and the deputy general managers of the Parent Company only, and there is no overlapping senior management between the Company and the Bus Company. Moreover, none of the Directors personally has any material interest

in the transactions contemplated under the Landside Shuttle Bus Services Agreement. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Landside Shuttle Bus Services Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

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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 Capital Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“Bus Company”	Beijing Civil Aviation Airport Bus Co., Ltd.* (北京民航機場巴士有限公司), a company established in the PRC and a non-wholly owned subsidiary of the Parent Company
“CAAC”	the Civil Aviation Administration of China
“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 meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	novel coronavirus
“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 Shareholders”	the Shareholders other than the Parent Company, its associates and any other Shareholder who has a material interest in the transaction contemplated under the Landside Shuttle Bus Services Agreement
“Landside Shuttle Bus Services Agreement”	the landside shuttle bus services agreement dated 13 December 2021 entered into between the Company and the Bus Company in relation to the provision of complimentary landside shuttle bus services from the Bus Company to the passengers in the eastern and western terminal areas of Beijing Capital Airport
“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 Landside Shuttle Bus Services Agreement
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“T1”	the passenger terminal numbered one which forms part of Beijing Capital Airport
“T2”	the passenger terminal numbered two which forms part of Beijing Capital Airport

“T3” 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
13 December 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 purpose only*