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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

SUPPLEMENTAL DE-ICING SERVICES COOPERATION FRAMEWORK

AGREEMENT

AND 2022 DE-ICING SERVICES COOPERATION AGREEMENT

SUPPLEMENTAL DE-ICING SERVICES COOPERATION FRAMEWORK AGREEMENT

Reference is made to the 2018 Announcement and the 2023 Announcement. On 25 October 2018, the Company entered into the Former De-icing Services Cooperation Framework Agreement with BGS, pursuant to which, for a term of three years commencing from 1 November 2018 to 31 October 2021, the Company agreed to lease the de-icing vehicles and protection vehicles to BGS so that BGS can provide station de-icing services to airline companies for their aircrafts at the Beijing Capital Airport by using the de-icing vehicles to carry out daily aircraft defrosting and aircraft stand de-icing operations. On 9 June 2023, the Company and BGS entered into the Supplemental De-icing Services Cooperation Framework Agreement to amend the pricing terms of the Former De-icing Services Cooperation Framework Agreement in respect of the de-icing cooperation period between 15 November 2019 to 31 October 2021 and adopted an income split model for such terms.

2022 DE-ICING SERVICES COOPERATION AGREEMENT

On 28 March 2023, the Company and BGS entered into the 2022 De-icing Services Cooperation Agreement, pursuant to which the Company agreed to lease part of the de-icing vehicles and protection vehicles to BGS and entrust BGS to operate the station de-icing business within specific working areas agreed by the Parties at Beijing Capital Airport, for a term commencing from 1 November 2021 (i.e. after expiry of the Former De-icing Services Cooperation Framework Agreement) to 14 November 2022. The 2022 De-icing Services Cooperation Agreement also adopted the same income split model for determining leasing fees under the Supplemental De-icing Services Cooperation Framework Agreement.

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 BGS is a subsidiary of the Parent Company, BGS is therefore a connected person of the Company. Accordingly, the Supplemental De-icing Services Cooperation Framework Agreement, the 2022 De-icing Services Cooperation Agreement and the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Supplemental De-icing Services Cooperation Framework Agreement, according to Rule 14A.54 of the Listing Rules, as the Company proposed to effect a material change to the terms of the transactions under the Former De-icing Services Cooperation Framework Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Former De-icing Services Cooperation Framework Agreement (as amended by the Supplemental De-icing Services Cooperation Framework Agreement) is more than 0.1% but less than 5%, the Supplemental De-icing Services Cooperation Framework Agreement is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the 2022 De-icing Services Cooperation Agreement, as the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the leasing fee payable by BGS to the Company in respect of the transactions under the 2022 De-icing Services Cooperation Agreement is below the de minimis threshold under Rule 14A.76 of the Listing Rules, and the terms thereof are on normal commercial terms or better, the transactions thereunder are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SUPPLEMENTAL DE-ICING SERVICES COOPERATION FRAMEWORK AGREEMENT

Reference is made to the 2018 Announcement and the 2023 Announcement. On 25 October 2018, the Company entered into the Former De-icing Services Cooperation Framework Agreement with BGS, pursuant to which, for a term of three years commencing from 1 November 2018 to 31 October 2021, the Company agreed to lease the de-icing vehicles and protection vehicles to BGS so that BGS can provide station de-icing services to airline companies for their aircrafts at the Beijing Capital Airport by using the de-icing vehicles to carry out daily aircraft defrosting and aircraft stand de-icing operations. On 9 June 2023, the Company and BGS entered into the Supplemental De-icing Services Cooperation Framework Agreement to amend the pricing terms of the Former De-icing Services Cooperation Framework Agreement in respect of the de-icing cooperation period between 15 November 2019 to 31 October 2021 and adopted an income split model for such terms.

Material terms of the Supplemental De-icing Services Cooperation Framework Agreement

The material terms of the Supplemental De-icing Services Cooperation Framework Agreement are set out as follows:

Date

9 June 2023

Parties

(1) the Company; and

(2) BGS

Effective Date

Upon execution of the Supplemental De-icing Services Cooperation Framework Agreement by the Parties, i.e. 9 June 2023

Amendments to the Former De-icing Services Cooperation Framework Agreement

Under the Former De-icing Services Cooperation Framework Agreement, the amount of leasing fee payable from BGS to the Company is equal to the sum of (i) the depreciation cost of the de-icing equipment and facilities; (ii) the interest on the relevant expenditure for the procurement of the de-icing equipment and facilities; and (iii) the relevant taxes incurred during the actual leasing periods when BGS rents the de-icing equipment and facilities.

Pursuant to the Supplemental De-icing Services Cooperation Framework Agreement, in respect of the de-icing cooperation period between 15 November 2019 to 31 October 2021, the Parties agreed to amend the pricing terms for the leasing fee payable from BGS to the Company as follows:

The amount of leasing fee payable from BGS to the Company shall be determined in the following manner:

Leasing fee = Total revenue of BGS during the de-icing season x 70%

whereas,

Total revenue of BGS during the de-icing season = Total number of trips of the de-icing vehicles ^(Note 1) x fee per trip

whereas,

Fee per trip = Revenue from de-icing services per trip ^(Note 2) – RMB1,653 per trip
_(Note 3)

Note 1 : The total number of trips of the de-icing vehicles will be determined based on the data in the Company's de-icing dispatch command system.

Note 2 : Such amount will be determined in accordance with the fee standards of the de-icing services as agreed between BGS and the relevant airline companies.

Note 3 : RMB1,653 is BGS's protection staff cost for the de-icing vehicle per trip.

The pricing terms of the Supplemental De-icing Services Cooperation Framework Agreement are no less favorable than those agreed between the Company and independent third party for the same nature of transactions during the same period.

Save as disclosed in this announcement, the other terms of the Former De-icing Services Cooperation Framework Agreement remain unchanged. For the material terms of the Former De-icing Services Cooperation Framework Agreement, please refer to the 2018 Announcement.

Historical figures

For the historical amounts of the leasing fees paid by BGS to the Company in respect of the Former De-icing Services Cooperation Framework Agreement, please refer to the section headed "De-icing Services Cooperation Agreement - Historical figures" in the 2023 Announcement.

In respect of the historical figures of the leasing fees for the years ended 31 December 2020 and 2021 under the Former De-icing Services Cooperation Framework Agreement, as a result of the Parties' previous ongoing negotiations on the variation to the terms of cooperation for 2020 and 2021, no leasing fees were paid by BGS to the Company for the years ended 31 December 2020 and 2021.

According to the Supplemental De-icing Services Cooperation Framework Agreement, the Parties shall determine the total amount of leasing fee payable from BGS to the Company in respect of the de-icing cooperation period between 15 November 2019 to 31 October 2021 in accordance with the amended pricing terms set out therein and the final amount of leasing fee shall be paid by BGS to the Company within 30 working days upon receipt of invoice(s) issued by the Company.

Based on the amended pricing terms set out in the Supplemental De-icing Services Cooperation Framework Agreement and the information available to the Company, the total amounts of leasing fee payable from BGS to the Company for the year ended 31 December 2020 and ten months ended 31 October 2021 are estimated to be approximately RMB4,638,270 and RMB1,744,703, respectively.

Annual caps

The annual caps for the transactions contemplated under the Former De-icing Services Cooperation Framework Agreement for the year ended 31 December 2020 and ten months ended 31 October 2021 are RMB45,000,000 and RMB40,500,000, respectively and will remain unchanged. As such, the estimated total amounts of leasing fee payable from BGS to the Company for the year ended 31 December 2020 and ten months ended 31 October 2021 of approximately RMB4,638,270 and RMB1,744,703, respectively, will not exceed the annual caps under the Former De-icing Services Cooperation Framework Agreement (as amended by the Supplemental De-icing Services Cooperation Framework Agreement).

Pricing Policy

In determining the amended pricing terms under the Supplemental De-icing Services Cooperation Framework Agreement, the Company has applied the pricing policies considered under the 2023 De-icing Services Cooperation Agreement. For details of such pricing policies, please refer to the 2023 Announcement.

Internal Control on Pricing

The Company has implemented the management system adopted under the 2023 De-icing Services Cooperation Agreement to monitor the pricing standards for the transactions under the Supplemental De-icing Services Cooperation Framework Agreement to ensure that the terms are on normal commercial terms. For details of such management system, please refer to the 2023 Announcement.

Reasons for and Benefits of entering into the Supplemental De-icing Services Cooperation Framework Agreement

As mentioned in the 2023 Announcement, the Company and BGS had not been able to agree on the variation to the pricing terms for the leasing fees payable under the Former De-icing Services Cooperation Framework Agreement for the years ended 31 December 2020 and 2021. Under the Supplemental De-icing Services Cooperation Framework Agreement, the Company and BGS have agreed on the revised pricing terms and accordingly the amounts of leasing fees payable by BGS to the Company for such years. As also disclosed in the 2023 Announcement, in recent years, due to the effect of the external environment and industry landscape, the aircraft movements in Beijing Capital Airport have decreased considerably, resulting in substantial decrease in demands for the aircraft de-icing services. In order to improve the de-icing capabilities and safeguard the stable and safe operation of Beijing Capital Airport, the Company and BGS have reassessed the income model for the de-icing services cooperation. As the relatively fixed fee structure based on the depreciation cost of the de-icing equipment and facilities under the Former De-icing Services Cooperation Framework Agreement is no longer suitable under the current economic environment and to align the pricing policies of the similar transactions between the Company and all the service providers, the Company proposed to charge its fees based on an income split model to achieve a win-win cooperation between the Parties.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Supplemental De-icing Services Cooperation Framework Agreement are on normal commercial terms and the transactions contemplated thereunder are fair and reasonable, and are in the interest of the Company and its Shareholders as a whole.

2022 DE-ICING SERVICES COOPERATION AGREEMENT

On 28 March 2023, the Company and BGS entered into the 2022 De-icing Services Cooperation Agreement, pursuant to which the Company agreed to lease part of the de-icing vehicles and protection vehicles to BGS and entrust BGS to operate the station de-icing business within specific working areas agreed by the Parties at Beijing Capital Airport, for a term commencing from 1 November 2021 (i.e. after expiry of the Former De-icing Services Cooperation Framework Agreement) to 14 November 2022. The 2022 De-icing Services Cooperation Agreement also adopted the same income split model for determining leasing fees under the Supplemental De-icing Services Cooperation Framework Agreement.

GENERAL

The Company is principally engaged in the operation of the Beijing Capital Airport.

The Parent Company is principally engaged in 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 CAAC, which is a state bureau administered by the Ministry of Transport of the PRC.

BGS is a subsidiary of the Parent Company and is principally engaged in the business of passenger and cargo transportation ground services, aircraft stopover parking apron services, passenger and cargo sales agency businesses, and other services in relation to aviation transportation.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, BGS is a non wholly-owned subsidiary of the Parent Company. The equity interests of BGS are held by the Parent Company, SATS Ltd. (新翔集團有限公司), China Southern Airlines Company Limited (中國南方航空股份有限公司) and China Eastern Airlines Corporation Limited (中國東方航空股份有限公司) as to 51%, 29%, 10% and 10%, 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. SATS Ltd. is a company listed on the Singapore Exchange Securities Trading Limited (Stock Code: S58). China Southern Airlines Company Limited is a company listed on the Main Board of the Stock Exchange (Stock Code: 01055) and the Shanghai Stock Exchange (Stock Code: 600029). China Eastern Airlines Corporation Limited is a company listed on the Main Board of the Stock Exchange (Stock Code: 00670) and the Shanghai Stock Exchange (Stock Code: 600115).

BOARD'S APPROVAL

The Supplemental De-icing Services Cooperation Framework Agreement and the transactions contemplated thereunder were approved by the Board.

As at the date of this announcement, there are no overlapping directors and senior management between the Company and BGS. Moreover, while certain executive Directors and the non-executive Directors concurrently serve as director or senior management of the Parent Company, none of the Directors personally has any material interest in the transactions contemplated under the Supplemental De-icing Services Cooperation Framework Agreement entered into by the Company and BGS. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Supplemental De-icing Services Cooperation Framework Agreement 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. Since BGS is a subsidiary of the Parent Company, BGS is therefore a connected person of the Company. Accordingly, the Supplemental De-icing Services Cooperation Framework Agreement, the 2022 De-icing Services Cooperation Agreement and the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Supplemental De-icing Services Cooperation Framework Agreement, according to Rule 14A.54 of the Listing Rules, as the Company proposed to effect a material change to the terms of the transactions under the Former De-icing Services Cooperation Framework Agreement, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Former De-icing Services Cooperation Framework Agreement (as amended by the Supplemental De-icing Services Cooperation Framework Agreement) is more than 0.1% but less than 5%, the Supplemental De-icing Services Cooperation Framework Agreement is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the 2022 De-icing Services Cooperation Agreement, as the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the leasing fee payable by BGS to the Company in respect of the transactions under the 2022 De-icing Services Cooperation Agreement is below the de minimis threshold under Rule 14A.76 of the Listing Rules, and the terms thereof are on normal commercial terms or better, the transactions thereunder are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2018 Announcement”	the announcement of the Company in respect of the Former De-icing Services Cooperation Framework Agreement dated 25 October 2018
“2022 De-icing Services Cooperation Agreement”	the agreement dated 28 March 2023 entered into between the Company and BGS, pursuant to which Company agreed to lease part of the de-icing vehicles and protection vehicles to BGS and entrust BGS to operate the station de-icing business within specific working areas agreed by the Parties at Beijing Capital Airport, for a term commencing from 1 November 2021 (i.e. after expiry of the Former De-icing Services Cooperation Framework Agreement) to 14 November 2022
“2023 Announcement”	the announcement of the Company in respect of the 2023 De-icing Services Cooperation Agreement dated 19 January 2023
“2023 De-icing Services Cooperation Agreement”	the agreement dated 19 January 2023 entered into between the Company and BGS, pursuant to which the Company agreed to lease part of the de-icing vehicles and protection vehicles to BGS and entrust BGS to operate the station de-icing business within specific working areas agreed by the Parties at Beijing Capital Airport
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport
“BGS”	北京空港航空地面服務有限公司(Beijing Aviation Ground Services Co., Ltd), a sino-foreign joint venture company established in the PRC and a non wholly-owned subsidiary of the Parent Company
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China
“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

“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
“Director(s)”	the director(s) of the Company
“Former De-icing Services Cooperation Framework Agreement”	the framework agreement dated 25 October 2018 entered into between the Company and BGS in respect of the cooperation arrangements of Company and BGS including but not limited to (i) the leasing of the Company’s de-icing vehicles and protection vehicles to BGS; and (ii) the provision of station de-icing services by BGS to the Company for aircrafts at the Beijing Capital Airport, details of which were disclosed in the relevant announcement of the Company dated 25 October 2018
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered 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 Supplemental De-icing Services Cooperation Framework Agreement or the 2022 De-icing Services Cooperation Agreement, as the case may be
“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 Company and BGS
“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

“Supplemental De-icing Services Cooperation Framework Agreement” the supplemental agreement dated 9 June 2023 entered into between the Company and BGS to amend the pricing terms of the Former De-icing Services Cooperation Framework Agreement in respect of the de-icing cooperation period between 15 November 2019 to 31 October 2021

“%” per cent

By order of the Board
Meng Xianwei
Secretary to the Board

Beijing, the PRC
9 June 2023

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

Executive directors: Mr. Wang Changyi, 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. Zhang Jiali, Mr. Stanley Hui Hon-chung and Mr. Wang Huacheng

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the website of the Company at <http://www.bcia.com.cn>.

* *For identification purpose only*