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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 CONNECTED TRANSACTION ASSETS TRANSFER AGREEMENT IN RELATION TO LANDSIDE SURVEILLANCE PROJECT ASSETS

#### **ASSETS TRANSFER AGREEMENT**

On 14 September 2023, the Company and the Parent Company entered into the Assets Transfer Agreement, pursuant to which the Parent Company agreed to transfer the Landside Surveillance Project Assets to the Company at the consideration of RMB24,438,845.69 (subject to adjustment).

#### **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 is therefore a connected person of the Company. Accordingly, the transaction under the Assets Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Assets Transfer Agreement is more than 0.1% but less than 5%, the Assets Transfer 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.

#### **BACKGROUND**

On 14 September 2023, the Company and the Parent Company entered into the Assets Transfer Agreement, pursuant to which the Parent Company agreed to transfer the Landside Surveillance Project Assets to the Company at the consideration of RMB24,438,845.69 (subject to adjustment).

## **ASSETS TRANSFER AGREEMENT**

The material terms of the Assets Transfer Agreement are set out below:

### **Date**

14 September 2023

### **Parties**

- (a) the Company (as purchaser); and
- (b) the Parent Company (as vendor).

### **Subject matter**

The Parent Company agreed to transfer the Landside Surveillance Project Assets to the Company in accordance with the terms and conditions of the Assets Transfer Agreement. For details of the Landside Surveillance Project Assets, please refer to the section headed “Information on the Landside Surveillance Project Assets” below.

### **Effective date**

The Assets Transfer Agreement shall become effective upon (i) the signing by the legal representative or authorised representative of and the affixation of company seal of the Parties; and (ii) the completion of the filing of valuation materials with CAAC and the Ministry of Finance in relation to the transaction contemplated under the Assets Transfer Agreement.

### **Consideration and payment terms**

Pursuant to the Assets Transfer Agreement, the Parties agreed that the transfer price payable by the Company to the Parent Company in respect of the Landside Surveillance Project Assets shall be RMB24,438,845.69 (subject to adjustment as described in paragraph (b) below of this section).

The transfer price was determined based on arm’s length negotiations between the Parties with reference to (i) the appraised value of the Landside Surveillance Project Assets based on the replacement cost method (i.e. asset-based approach) as at the Benchmark Date as set out in the Assets Valuation Report prepared by an independent and qualified assets valuer in the PRC; (ii) the depreciation cost of the Landside Surveillance Project Assets incurred in relation to their use since the commencement of operations; and (iii) relevant taxes at the rate of 13%.

The transfer price under the Assets Transfer Agreement shall be paid in the following manner:

- (a) the Company shall pay the transfer price of RMB24,438,845.69 in one lump sum to the designated bank account of the Parent Company within 10 working days from the effective date of the Assets Transfer Agreement;
- (b) the final transfer price shall be determined based on the valuation results of the Landside Surveillance Project Assets filed with the Ministry of Finance, and if the filed valuation results are inconsistent with the appraised value (inclusive of tax) of the Landside Surveillance Project Assets, the Parties agreed to make adjustment to the transfer price as follows:
  - (i) in the event that the extent of adjustment is within 10% of the appraised value (inclusive of tax), within 30 days from the completion date of the filing of the Assets Valuation Report with the Ministry of Finance, an amount equal to the excess shall be refunded by the Parent Company to the Company or an amount equal to the shortfall shall be reimbursed by the Company to the Parent Company (as the case may be); and
  - (ii) in the event that the extent of adjustment exceeds 10% of the appraised value (inclusive of tax), the Parties shall enter into supplemental agreement(s) in writing to make separate arrangements. The Company will make further announcement(s) as required by the Listing Rules as and when appropriate.

Based on the above, it is currently estimated that the maximum amount of consideration payable by the Company to the Parent Company under the Assets Transfer Agreement will be RMB26,132,954 (the “**Upper Limit**”). In the event that the actual amount of consideration payable by the Company exceeds the Upper Limit after the adjustment of transfer price, the Company will re-comply with the applicable requirements under the Listing Rules. The consideration payable by the Company under the Assets Transfer Agreement is expected to be funded by the internal resources of the Company.

### **Delivery of the Landside Surveillance Project Assets**

The ownership of the Landside Surveillance Project Assets shall be transferred from the Parent Company to the Company from the date on which the Assets Transfer Agreement has become effective and the Company has actually received the Landside Surveillance Project Assets. The risks in relation to the damage or loss of the Landside Surveillance Project Assets shall be transferred to the Company from the date of completion of delivery of the Landside Surveillance Project Assets.

### **Liabilities for breach**

After the Assets Transfer Agreement has become effective, any Party which proposes to terminate the Assets Transfer Agreement without cause shall pay to the other Party, in one lump sum, liquidated damages equivalent to 5% of the transfer price under the Assets Transfer Agreement and shall also compensate for the losses (if any) caused to the other Party.

If the Company fails to pay the transfer price within the time limit stipulated under the Assets Transfer Agreement, it shall pay to the Parent Company liquidated damages equivalent to 0.05% of the amount of overdue payment for each day of late payment. If the payment of transfer price is overdue for more than 120 days, the Parent Company is entitled to (i) terminate the Assets Transfer Agreement; (ii) hold the Company liable for 10% of the transfer price under the Assets Transfer Agreement; and (iii) require the Company to bear the losses suffered by the Parent Company as a result.

## **INFORMATION ON THE LANDSIDE SURVEILLANCE PROJECT ASSETS**

The Landside Surveillance Project Assets are part of the assets under the Landside Surveillance Project in the area of Beijing Capital Airport. In order to enhance the capability to safeguard the security of the public area of Beijing Capital Airport and ensure the full coverage of video surveillance of key locations, the Parent Company funded the construction of the Landside Surveillance Project for use at Beijing Capital Airport.

The construction of the Landside Surveillance Project was completed at the end of 2019 and such project commenced operations in 2020. Since then, the ownership of the Landside Surveillance Project Assets has been held by the Parent Company, as the budget of the Landside Surveillance Project Assets was not yet completed at that time and the Parties were not yet able to determine the amount of consideration of such assets and the related expenses. In 2020, the Parent Company permitted the Company to temporarily use the Landside Surveillance Project Assets. No usage fee was required to be paid by the Company, as the transfer of ownership of the Landside Surveillance Project Assets from the Parent Company to the Company was to take place as and when appropriate opportunity arises. In this connection, as disclosed in the section headed “Consideration and payment terms” above, in determining the transfer price under the Assets Transfer Agreement, the Parties have agreed to take into account the depreciation costs of the Landside Surveillance Project Assets incurred in relation to the use of such assets since the commencement of their operations.

As at the Benchmark Date, the unaudited book value of the Landside Surveillance Project Assets as set out in the accounts of the Parent Company was RMB13,623,075.01. According to the Assets Valuation Report, which is subject to filing with the Ministry of Finance, the appraised value of the Landside Surveillance Project Assets based on the replacement cost method (i.e. asset-based approach) was RMB14,992,108.90 as at the Benchmark Date. The validity period of the Assets Valuation Report is one year from the Benchmark Date, i.e. until 30 January 2024. As disclosed in the section headed “Consideration and payment terms” above, the appraised value (inclusive of tax) of the Landside Surveillance Project Assets shall be filed with the Ministry of Finance. If the filed valuation results of the Landside Surveillance Project Assets are inconsistent with their appraised value (inclusive of tax), adjustment shall be made to the transfer price according to the valuation results filed with the Ministry of Finance.

Given that the Landside Surveillance Project Assets are surveillance equipment and ancillary facilities for use at Beijing Capital Airport, such assets are not revenue-generating assets with an identifiable income stream.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landside Surveillance Project Assets under the Assets Transfer Agreement were constructed by the Parent Company and there is no original acquisition cost for such assets.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE ASSETS TRANSFER AGREEMENT**

The Company considers that the Landside Surveillance Project Assets are key assets to safeguard the security of the public area of Beijing Capital Airport and are necessary for ensuring the Company's safe and smooth operation at Beijing Capital Airport. The acquisition of such assets can further delineate the ownership of the Company's assets, integrate its operation resources, improve the overall operation capability and coordination efficiency of Beijing Capital Airport, and ensure the smooth, orderly and efficient daily operation of Beijing Capital Airport.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Assets Transfer Agreement is entered into on normal commercial terms that are fair and reasonable, and the transaction contemplated thereunder is 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 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 Assets Transfer Agreement and the transaction contemplated thereunder were approved by the Board.

As at the date of this announcement, Mr. Wang Changyi (executive Director and the chairman of the Board), Mr. Han Zhiliang (executive Director), Mr. Jia Jianqing (non-executive Director), Mr. Song Kun (non-executive Director) and Mr. Du Qiang (non-executive Director) concurrently serve as director or senior management of the Parent Company. Therefore, the above Directors are deemed or may be perceived to have a material interest in the Assets Transfer Agreement and have abstained from voting on the Board resolutions approving the Assets Transfer Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the other Directors has a material interest in the Assets Transfer Agreement and the transaction contemplated thereunder and has abstained from voting at the Board resolutions approving the same.

## 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 is therefore a connected person of the Company. Accordingly, the transaction under the Assets Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Assets Transfer Agreement is more than 0.1% but less than 5%, the Assets Transfer 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.

## DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Assets Transfer Agreement”	the assets transfer agreement dated 14 September 2023 entered into between the Company and the Parent Company in relation to the transfer of the Landside Surveillance Project Assets from the Parent Company to the Company
“Assets Valuation Report”	the assets valuation report dated 24 February 2023 relating to the valuation of the Landside Surveillance Project Assets prepared by China Alliance Appraisal Co., Ltd., an independent and qualified assets valuer in the PRC
“Beijing Capital Airport”	Beijing Capital International Airport
“Benchmark Date”	31 January 2023
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China
“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”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“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 Shareholder(s)”	the Shareholder(s) other than the Parent Company, its associates and any other Shareholder who has a material interest in the transaction contemplated under the Assets Transfer Agreement
“Landside Surveillance Project”	the landside surveillance system II project at Beijing Capital Airport
“Landside Surveillance Project Assets”	the assets contemplated under the Landside Surveillance Project, including but not limited to surveillance equipment, equipment wells, equipment boxes, standing poles, network storage devices and auxiliary software, which shall be transferred from the Parent Company to the Company pursuant to the terms and conditions of the Assets Transfer Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ministry of Finance”	the Ministry of Finance of the PRC
“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
“Party(ies)”	the party(ies) to the Assets Transfer Agreement, namely the Company and the Parent 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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board  
**Meng Xianwei**  
*Secretary to the Board*

14 September 2023  
Beijing, the PRC

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

*Executive directors: Mr. Wang Changyi and Mr. Han Zhiliang*

*Non-executive directors: Mr. Jia Jianqing, Mr. Song Kun and Mr. Du Qiang*

*Independent Non-executive directors: Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui*

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

*\* For identification purpose only*