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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

### SUPPLY OF OPERATION AND MAINTENANCE SERVICES OF

### POWER AND ENERGY FACILITIES FRAMEWORK AGREEMENT

#### **SUPPLY OF OPERATION AND MAINTENANCE SERVICES OF POWER AND ENERGY FACILITIES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 30 December 2020 in respect of, among other things, the Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, which will expire on 31 December 2023. As the Parties intend to continue to carry out transactions of a similar nature from time to time after 31 December 2023, the Company and the Power and Energy Company entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement as a renewal agreement.

The Board announced that on 6 November 2023, the Company entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement with the Power and Energy Company, pursuant to which the Power and Energy Company agreed to provide operation and maintenance services to the Company for the power and energy facilities of Beijing Capital Airport for a term of three years commencing from 1 January 2024 to 31 December 2026.

#### **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 the Power and Energy Company is a wholly-owned subsidiary of the Parent Company, the Power and Energy Company is therefore a connected person of the Company. Accordingly, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is more than 5%, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established 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 Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework 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 Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps.

#### **EGM**

The EGM will be held to consider, among others, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps.

#### **DESPATCH OF CIRCULAR**

Pursuant to Rule 14A.68(11) of the Listing Rules, the Circular is required to be despatched to the Shareholders within 15 business days after the publication of this announcement, being on or before 27 November 2023. 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 11 December 2023. 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.

# **SUPPLY OF OPERATION AND MAINTENANCE SERVICES OF POWER AND ENERGY FACILITIES FRAMEWORK AGREEMENT**

## **Background**

Reference is made to the announcement of the Company dated 30 December 2020 in respect of, among other things, the Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, which will expire on 31 December 2023. As the Parties intend to continue to carry out transactions of a similar nature from time to time after 31 December 2023, the Company and the Power and Energy Company entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement as a renewal agreement.

The Board announced that on 6 November 2023, the Company entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement with the Power and Energy Company, pursuant to which the Power and Energy Company agreed to provide operation and maintenance services for the power and energy facilities of Beijing Capital Airport to the Company for a term of three years commencing from 1 January 2024 to 31 December 2026.

## **Material terms of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement**

### *Date*

6 November 2023

### *Parties*

- (1) The Company; and
- (2) the Power and Energy Company

### *Services*

Pursuant to the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, the Company agreed to appoint the Power and Energy Company to provide operation and maintenance services for the power and energy facilities to the Company at the terminals, airfield area, public area and other designated areas of Beijing Capital Airport, including:

- (i) the operation and maintenance services of heating, ventilation and air-conditioning system, electricity supply and distribution system, water supply and drainage system, and building automation system and energy facilities at the terminal areas of Beijing Capital Airport and the surrounding areas thereof;

- (ii) the operation and maintenance services of lighting and electricity facilities and systems in the airfield area and public area;
- (iii) the operation and maintenance services of sewage disposal and garbage incineration facilities;
- (iv) the operation and maintenance services of water, heating and electricity facilities in the near-end premises; and
- (v) other related services as requested by the Company.

The Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is a framework agreement only. Subject to the applicable laws and regulations (including but not limited to the Listing Rules) and the Company's relevant procurement management regulations and requirements, the Company and the Power and Energy Company will separately enter into definitive service agreements for the provision of specific services to stipulate the rights and obligations of each Party and the detailed terms (including but not limited to the relevant scope of services, price and payment). In case of any inconsistencies between the terms of the definitive agreement(s) and the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, the terms of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement shall prevail.

### ***Term***

The Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is for a term of three years commencing from 1 January 2024 to 31 December 2026.

### ***Condition precedent***

The Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder shall be subject to the approval by the Independent Shareholders at the EGM.

### ***Consideration and payment***

The service fees for provision of the operation and maintenance services of power and energy facilities payable by the Company to the Power and Energy Company will be determined by the parties with reference to (i) the relevant labour costs incurred for the provision of various operation and maintenance services; (ii) all costs incurred for the provision of various operation and maintenance services; (iii) the costs of spare products, spare parts, materials and consumables required for the operation and maintenance of various systems; and (iv) the reasonable profit margin for the provision of operation and maintenance services by the Power and Energy Company to the Company and the relevant taxes.

The service fees charged by the Power and Energy Company in respect of the specific services will be set out in the relevant definitive service agreements and shall be settled by the Company on a monthly, quarterly, half-yearly or yearly basis in accordance with the terms thereunder.

### Historical transaction amount

The following table shows the historical transaction amount for the operation and maintenance services provided by the Power and Energy Company under the Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement:

	<b>For the year ended 31 December 2021 (RMB) (audited)</b>	<b>For the year ended 31 December 2022 (RMB) (audited)</b>	<b>For the year ending 31 December 2023 (RMB) (unaudited)</b>
Historical transaction amount for the operation and maintenance services provided by the Power and Energy Company	192,903,000	190,512,000	193,780,000 <i>(Note)</i>
Annual caps	215,000,000	225,000,000	235,000,000

*Note:* Since the audited figure for the historical transaction amount for the year ending 31 December 2023 is not yet available, it is only an estimated figure based on the aggregate amount of (i) the unaudited figure of the transaction amount for the nine months ended 30 September 2023 of approximately RMB135,227,000; and (ii) an estimate of the remaining portion of the total transaction amount for the three months ending 31 December 2023, which was agreed and set out in the relevant definitive agreements under the Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, and determined based on the raw material costs, labour costs, and the relevant taxes and in accordance with the pricing policy of such framework agreement as disclosed in the announcement of the Company dated 30 December 2020. The Company expected that the actual transaction amount for the year ending 31 December 2023 will not exceed its annual cap.

### Annual caps

The Company expects that the annual caps for the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement for each of the three years ending 31 December 2026 are as follows:

	<i>(RMB)</i>
For the year ending 31 December 2024	203,000,000
For the year ending 31 December 2025	213,000,000
For the year ending 31 December 2026	223,000,000

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

- (i) the historical transaction amount for the operation and maintenance services provided by the Power and Energy Company for the power and energy facilities to the Company;
- (ii) the change in the volume of services required by the Company based on its daily operation needs;
- (iii) the potential increase in labour costs and costs of materials and consumables in the next three years; and
- (iv) the relevant management fees and taxes, etc.

### **Pricing policy**

The service fees and terms of the relevant operation and maintenance services to be provided by the Power and Energy Company to the Company under the definitive service agreements shall be determined by the Parties upon arm's length negotiation based on the factors stated in the section headed "Consideration and payment" above.

As there are restrictions on the pipes and facilities for the transmission of power and energy at Beijing Capital Airport and the Power and Energy Company is the only service provider at Beijing Capital Airport who possesses such pipes and facilities, the Power and Energy Company is therefore capable of providing well-rounded operation and maintenance services for power and energy facilities to Beijing Capital Airport. As such, the Company is not able to obtain quotations from other independent service providers for the provision of the same or similar services in Beijing Capital Airport. In order to protect the interest of the Company and its Shareholders, the Power and Energy Company undertakes to the Company that the service fees to be charged by the Power and Energy Company for the provision of relevant services to Beijing Capital Airport under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement shall not be higher than the service fees it charged to other independent service units (such as airlines, ground services companies and catering companies) for the provision of similar services at Beijing Capital Airport. Also, the Company has considered the profit margin (approximately 5% to approximately 8%) charged by the Power and Energy Company and is of the view that such profit margin is fair and reasonable as compared to (i) the profit margin (8% to 12%) charged by the Power and Energy Company against other independent third parties (such as airlines and ground services companies) for the provision of comparable services and (ii) profit margin charged by independent third parties which provide comparable services to the Company.

## **Internal control on pricing**

The Company has implemented a management system to monitor the pricing standards for the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and to ensure that such terms are on normal commercial terms. Such system is described as below:

- (i) Prior to entering into of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, the relevant departments of the Company are responsible for gathering information on the historical transaction amounts of service fees and the profit margin for the relevant services provided by the Power and Energy Company under the Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, and conducting cross-checks against the service fees and profit margin charged by the Power and Energy Company to other independent third parties.
- (ii) Prior to the signing of the definitive agreements and the implementation of transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, the principal officer(s) in the relevant departments shall lodge applications within the Company, which are subject to preliminary review conducted by the managers of the relevant departments of the Company, followed by a final review at the general manager office meeting in accordance with the internal control policies of the Company. Upon completion of the above internal review procedures, the definitive agreements will be considered and approved by the Board.
- (iii) The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.
- (iv) The auditors of the Company will conduct annual review on the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement in relation to the pricing policy and annual caps contemplated thereunder in accordance with the Listing Rules.

## **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 Supply of Operation and Maintenance Services of Power and Energy Facilities Framework 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 SUPPLY OF OPERATION AND MAINTENANCE SERVICES OF POWER AND ENERGY FACILITIES FRAMEWORK AGREEMENT**

The Power and Energy Company is the only service provider for the provision of comprehensive operation and maintenance services for power and energy facilities in the area of Beijing Capital Airport and possesses ample experience in providing operation and maintenance services for power and energy facilities. As the operation of Beijing Capital Airport is highly dependent on a stable supply of water, electricity, natural gas, air-conditioning and heating, which shall be continuously provided around the clock, and equipment and facilities are required to be operated in a highly stable manner with managerial security and extremely high capability of emergency response in respect of maintenance services, the Company considers that the operation and maintenance services provided by the Power and Energy Company for power and energy facilities are conducive to ensuring the daily operation and stability of service quality of Beijing Capital Airport, maintaining the continuity of operation and maintenance services, as well as ensuring the rapid emergency response capability and the professionalism and efficiency required for operation in the isolated area of Beijing Capital Airport.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be contained in the Circular after considering the advice of the Independent Financial Adviser) are of the view that the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement was entered into on normal commercial terms that are fair and reasonable and in the ordinary and usual course of business of the Company, and the transactions contemplated thereunder are in the interest of the Company and its 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 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.



The Power and Energy Company is a company established in the PRC and a wholly-owned subsidiary of the Parent Company. It is principally engaged in the provision of water, electricity, steam, natural gas, air-conditioning and heating for Beijing Capital Airport and the operation and maintenance of various relevant systems; and the provision of technological consultation services to the energy systems of terminals, air-field, staff quarters and other areas of Beijing Capital Airport.

## **BOARD'S APPROVAL**

The Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps, were approved by the Board.

As at the date of this announcement, there are no overlapping directors and senior management between the Company and the Power and Energy Company. Moreover, while certain executive Directors and the non-executive Directors concurrently serve as directors or senior management of the Parent Company, none of the Directors personally has any material interest in the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps.

## **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 the Power and Energy Company is a wholly-owned subsidiary of the Parent Company, the Power and Energy Company is therefore a connected person of the Company. Accordingly, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is more than 5%, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement is 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, among others, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established 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 Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework 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 Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps.

## **DESPATCH OF CIRCULAR**

Pursuant to Rule 14A.68(11) of the Listing Rules, the Circular is required to be despatched to the Shareholders within 15 business days after the publication of this announcement, being on or before 27 November 2023. 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 11 December 2023. If it is expected that there will be a delay to the despatch of the Circular, a further announcement will be published by the Company 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:

“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China
“Circular”	the circular of the Company containing, among other matters, details of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement, 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 ascribed to it in the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among others, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps
“Former Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement”	the supply of operation and maintenance services of power and energy facilities agreement dated 30 December 2020 entered into between the Company and the Power and Energy Company in respect of the provision of operation and maintenance services by the Power and Energy Company to the Company for the power and energy facilities of Beijing Capital Airport, details of which were disclosed in the announcement of the Company dated 30 December 2020
“H Share(s)”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui, established to advise the Independent Shareholders in respect of, among other matters, the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps

“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement and the transactions contemplated thereunder, including the annual caps
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates and any other Shareholder with a material interest in the transactions contemplated under the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework 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 the Power and Energy Company
“Power and Energy Company”	Capital Airports Power and Energy Co., Ltd.* (北京首都機場動力能源有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of 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

“Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement” the supply of operation and maintenance services of power and energy facilities framework agreement dated 6 November 2023 entered into between the Company and the Power and Energy Company for the provision of operation and maintenance services for the power and energy facilities of Beijing Capital Airport by the Power and Energy Company to the Company

“%” per cent

By order of the Board  
**Li Bo**  
*Secretary to the Board*

Beijing, the PRC  
6 November 2023

*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*