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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 MISCELLANEOUS PROPERTY SERVICES AGREEMENT

SUPPLY OF MISCELLANEOUS PROPERTY SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 31 December 2020 in respect of, among other things, the Former Supply of Miscellaneous Property Services 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 due to the Company's daily operation needs, the Company entered into the Supply of Miscellaneous Property Services Agreement as a renewal agreement.

The Board announces that on 6 November 2023, the Company entered into the Supply of Miscellaneous Property Services Agreement with the Property Management Company, pursuant to which the Property Management Company agreed to provide miscellaneous property services to the Company at Beijing Capital Airport for a term of three years commencing from 1 January 2024 to 31 December 2026.

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company, holding approximately 58.96% of the issued share capital of the Company as at the date of this announcement. Since the Property Management Company is a wholly-owned subsidiary of the Parent Company, the Property Management Company is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Supply of Miscellaneous Property Services Agreement 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 Supply of Miscellaneous Property Services Agreement is more than 5%, the transactions contemplated under the Supply of Miscellaneous Property Services Agreement are therefore 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 Miscellaneous Property Services 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 Miscellaneous Property Services Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Supply of Miscellaneous Property Services 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 Miscellaneous Property Services 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 and finalise certain 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 MISCELLANEOUS PROPERTY SERVICES AGREEMENT

Background

Reference is made to the announcement of the Company dated 31 December 2020 in respect of, among other things, the Former Supply of Miscellaneous Property Services 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 due to the Company's daily operation needs, the Company entered into the Supply of Miscellaneous Property Services Agreement as a renewal agreement.

The Board announces that on 6 November 2023, the Company entered into the Supply of Miscellaneous Property Services Agreement with the Property Management Company, pursuant to which the Property Management Company agreed to provide miscellaneous property services to the Company at Beijing Capital Airport for a term of three years commencing from 1 January 2024 to 31 December 2026.

Material terms of the Supply of Miscellaneous Property Services Agreement

Date

6 November 2023

Parties

- (a) The Company; and
- (b) Property Management Company

Services

Pursuant to the Supply of Miscellaneous Property Services Agreement, the Company agreed to engage the Property Management Company to provide miscellaneous property services at Terminal One, Terminal Two, Terminal Three, the public area, airfield area and other designated areas (including new areas to be managed by the Company from time to time) of Beijing Capital Airport, which include the following services:

- (i) cleaning, landscaping and greening design, trash removal, trolleys management, luggage storage and packing, and luggage trays management in the terminal area of Beijing Capital Airport;
- (ii) cleaning, landscaping and greening design, and trash removal on the roads in the public area;
- (iii) operation management, fire prevention and control, and cleaning in the car park buildings (lots);
- (iv) security, cleaning and landscaping and greening design at the dormitory and office; and
- (v) other related services as requested by the Company.

The Supply of Miscellaneous Property Services Agreement is a framework agreement only. Depending on the demand of the Company for its daily operation and subject to the applicable laws and regulations (including but not limited to the Listing Rules), as well as the Company's relevant

procurement management regulations and requirements, the Company will enter into definitive service agreement(s) with the Property Management Company for the provision of specific services separately to set out the rights and obligations of each party and the detailed provisions (including but not limited to relevant scope of services, price and payment). In case of any inconsistencies between the terms of the definitive service agreement(s) and the Supply of Miscellaneous Property Services Agreement, the terms of the Supply of Miscellaneous Property Services Agreement shall prevail.

Term

The Supply of Miscellaneous Property Services Agreement is for a term of three years commencing from 1 January 2024 to 31 December 2026.

Condition precedent

The transactions contemplated under the Supply of Miscellaneous Property Services Agreement are subject to the approval by the Independent Shareholders at the EGM.

Consideration and payment

Pursuant to the Supply of Miscellaneous Property Services Agreement, the service fees for the provision of miscellaneous property services payable by the Company to the Property Management Company will be determined by the parties in accordance with (i) the historical service fees paid by the Company to the Property Management Company for the provision of miscellaneous property services; (ii) the labour costs incurred by the Property Management Company to complete the relevant services under the Supply of Miscellaneous Property Services Agreement; (iii) the material and consumable costs incurred by the Property Management Company and the costs for their procurement, installation, transportation and management; (iv) the relevant fees of other services as required by the Company for the new areas to be managed by the Company from time to time; and (v) the reasonable profit margin, management fee for the provision of relevant services by the Property Management Company to the Company and the relevant taxes.

Depending on the nature of specific services, the service fees are payable by the Company to the Property Management Company on a monthly, quarterly, half-yearly or yearly basis.

Historical transaction amounts

The following table shows the historical transaction amounts for the services provided by the Property Management Company to the Company under the Former Supply of Miscellaneous Property Services Agreement:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
	(audited)	(audited)	(unaudited)
Historical transaction amount for the services provided by the Property Management Company	235,768,000	229,580,000	254,793,000 <i>(Note 1)</i>
Annual caps	370,000,000	380,000,000	390,000,000

Note 1: Since the audited figure of the historical transaction amount for the year ending 31 December 2023 is not yet available, this figure is only an estimated figure based on the aggregate of (i) the unaudited figure of the transaction amount for the nine months ended 30 September 2023 of approximately RMB150,040,000; 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 Miscellaneous Property Services Agreement and determined based on the labour costs, material costs, management costs, reasonable profit margin and relevant taxes and in accordance with the pricing policies of the Former Supply of Miscellaneous Property Services Agreement as disclosed in the announcement of the Company dated 31 December 2020. The Company expects that the actual transaction amount for the year ending 31 December 2023 will not exceed its annual cap.

Annual caps

It is expected that the annual caps for the transactions contemplated under the Supply of Miscellaneous Property Services Agreement for each of the three years ending 31 December 2026 are as follows:

	<i>(RMB)</i>
For the year ending 31 December 2024	280,000,000
For the year ending 31 December 2025	309,000,000
For the year ending 31 December 2026	339,000,000

The above annual caps are determined in accordance with (i) the historical transaction amounts for the services provided by the Property Management Company under the Former Supply of Miscellaneous Property Services Agreement; (ii) the possible increase in scope of services and the demand for property services required by the Company for its daily operation; (iii) the potential increase in labour costs; (iv) the potential increase in the costs of materials and management fees; and (v) the relevant taxes.

Pricing policy

The relevant departments of the Company adopt the following approaches to assess the reasonableness and fairness of the quotation of the Property Management Company:

After reviewing and evaluating the quotation from the Property Management Company for the provision of miscellaneous property services at Beijing Capital Airport, the Company considers that the quotation from the Property Management Company is price-competitive and no less favourable than those offered by independent third parties for the provision of comparable services at Beijing Capital Airport.

Internal control on pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Supply of Miscellaneous Property Services Agreement and to ensure that such terms are on normal commercial terms. Such system is described as below:

1. Prior to entering into the Supply of Miscellaneous Property Services Agreement, the relevant departments of the Company are responsible for gathering information on the historical transaction amounts and the profit margin under the Former Supply of Miscellaneous Property Services Agreement and conducting cross-checks against the service fees and profit margin charged by the Property Management Company to other independent service units at Beijing Capital Airport for the provision of comparable property services, as well as the service fees charged by other property management companies at Beijing Capital Airport for the provision of comparable property services.
2. Prior to signing the definitive agreements and the implementation of the transactions contemplated under the Supply of Miscellaneous Property Services Agreement, the principal officers in the relevant departments of the Company shall lodge the applications within the Company, which are subject to a preliminary review conducted by the managers of the respective 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.
3. The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the Supply of Miscellaneous Property Services Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.
4. The auditors of the Company will conduct annual review on the transactions contemplated under the Supply of Miscellaneous Property Services 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 Miscellaneous Property 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 SUPPLY OF MISCELLANEOUS PROPERTY SERVICES AGREEMENT

The Property Management Company has been engaged in miscellaneous property services for years and has ample experience and sufficient workforce. It is familiar with the specific standards and requests of Beijing Capital Airport for property services in order to safeguard the daily operation of Beijing Capital Airport. In the past years, the miscellaneous property services provided by the Property Management Company has been an important factor in helping the Company to attain high scores in terms of airport environment and the level of cleanliness in washroom in the travellers' satisfaction assessment (*Note 2*) conducted by Airports Council International (“**ACI**”) for recent years. Further, since the services provided by the Property Management Company have relatively high homogeneity in the market, its pricing is highly open and transparent with an adequately competitive price, and its pricing standard is at the lower-middle level as compared with other market participants. Therefore, it is expected that the engagement of the Property Management Company for the provision of miscellaneous property services will be conducive to safeguarding the daily operation and service quality of Beijing Capital Airport, as well as maintaining the continuity of business operations, which helps to lower procurement costs and control service fees in order to achieve overall cost control.

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 Miscellaneous Property Services Agreement was entered into in the ordinary and usual course of business of the Company, on normal commercial terms that are fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

Note 2: ACI is an international airport organisation which, as at the date of this announcement, has 712 members across 1925 airports in 171 countries or regions worldwide. ACI conducts surveys on travellers' satisfaction in the global airport industry.

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 Property Management Company is principally engaged in the provision of property management, labour services and warehousing services at the terminals of Beijing Capital Airport. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Property Management Company is a wholly-owned subsidiary of the Parent Company.

BOARD'S APPROVAL

The Supply of Miscellaneous Property Services 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 Property Management Company. Moreover, while the 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 Miscellaneous Property Services Agreement entered into by the Company and the Property Management Company. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Supply of Miscellaneous Property Services Agreement and the transactions contemplated thereunder, including the annual caps.

LISTING RULES IMPLICATIONS

The Parent Company is the controlling shareholder of the Company, holding approximately 58.96% of the issued share capital of the Company as at the date of this announcement. Since the Property Management Company is a wholly-owned subsidiary of the Parent Company, the Property Management Company is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Supply of Miscellaneous Property Services Agreement 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 Supply of Miscellaneous Property Services Agreement is more than 5%, the transactions contemplated under the Supply of Miscellaneous Property Services Agreement are therefore 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 Miscellaneous Property Services 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 Miscellaneous Property Services Agreement and the transactions contemplated thereunder, including the annual caps, are fair and reasonable; (ii) whether the transactions contemplated under the Supply of Miscellaneous Property Services 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 Miscellaneous Property Services 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 and finalise certain 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.

DEFINITIONS

“associates”	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”	a circular of the Company containing, among other matters, details of the Supply of Miscellaneous Property Services Agreement and 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 and held to approve, among others, the Supply of Miscellaneous Property Services Agreement and the transactions contemplated thereunder, including the annual caps
“Former Supply of Miscellaneous Property Services Agreement”	the supply of miscellaneous property services agreement entered into between the Company and the Property Management Company on 31 December 2020, details of which were disclosed in the announcement of the Company dated 31 December 2020
“H Share(s)”	overseas listed foreign share(s) 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 the Supply of Miscellaneous Property Services 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 Miscellaneous Property Services Agreement and the transactions contemplated thereunder, including the annual caps
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates and any Shareholder with a material interest in the transactions contemplated under the Supply of Miscellaneous Property Services 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
“PRC”	the People’s Republic of China
“Property Management Company”	Beijing Capital Airport Property Management Company Limited* (北京首都機場物業管理有限公司), a wholly-owned subsidiary of the Parent Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supply of Miscellaneous Property Services Agreement”	the supply of miscellaneous property services agreement dated 6 November 2023 entered into between the Company and the Property Management Company
“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
“Terminal Two”	the passenger terminal numbered two which forms part of Beijing Capital Airport
“%”	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*