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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 GENERAL TECHNOLOGY SERVICES AGREEMENT

GENERAL TECHNOLOGY SERVICES AGREEMENT

The Board announces that on 1 December 2023, the Company and the Technology Company entered into the General Technology Services Agreement, pursuant to which the Technology Company agreed to provide the System Maintenance Services to the Company in relation to the production operations and operations management systems of the Company for a term commencing from 1 December 2023 to 30 November 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 Technology Company is a wholly-owned subsidiary of the Parent Company, the Technology Company is therefore a connected person of the Company. Accordingly, the General Technology Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions 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 transactions contemplated under the General Technology Services Agreement is more than 0.1% but less than 5%, the General Technology Services Agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 1 December 2023, the Company and the Technology Company entered into the General Technology Services Agreement, pursuant to which the Technology Company agreed to provide the System Maintenance Services to the Company in relation to the production operations and operations management systems of the Company for a term commencing from 1 December 2023 to 30 November 2026.

Material terms of the General Technology Services Agreement

The material terms of the General Technology Services Agreement are set out as follows:

Date

1 December 2023

Parties

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

Term

From 1 December 2023 to 30 November 2026.

Scope of services

Pursuant to the General Technology Services Agreement, the Technology Company agreed to provide the System Maintenance Services in relation to the production operations and operations management systems of the Company. The scope of services to be provided by the Technology Company shall include but are not limited to the following:

- (1) monitoring, routine maintenance, emergency response and operations assurance services in relation to 2,344 operation systems, middleware, databases and other general purpose technical software;
- (2) operation and maintenance of 531 sets of servers and storage hardware, including the provision of supporting spare parts and replacement services of the same;
- (3) 7×24 hours on-site support services to be provided by 4 general technology experts; and
- (4) other relevant services as requested by the Company from time to time.

Consideration and payment

The total amount of service fees (inclusive of tax) payable to the Technology Company during the term of the General Technology Services Agreement shall be RMB10,950,000, with the annual amount of service fee being RMB3,650,000.

Pursuant to the General Technology Services Agreement, the service fee payable to the Technology Company shall be inclusive of all costs for (i) labour; (ii) insurance premiums; (iii) licence fees; (iv) overtime charges; (v) transportation fees; (vi) materials fees; (vii) inspection fees; (viii) maintenance cooperation fees; (ix) machinery and tools fees; and (x) corporate management fees in relation to the System Maintenance Services provided by the Technology Company.

The actual amount of service fee payable may be adjusted according to the results of assessment to be conducted by the Company on the quality of the System Maintenance Services provided by the Technology Company in accordance with the terms of the General Technology Services Agreement, which shall be prepared by the Company on a monthly basis.

The Company shall pay the service fee to the Technology Company on a quarterly basis by way of cheque or transfer to the designated bank account of the Technology Company. Payment shall be made in respect of the service fee (after deducting the corresponding amounts based on the assessment results) within 30 working days upon receipt of the payment application from the Technology Company.

For details on the basis of determining the service fee, please refer to the section headed "Pricing policy" below.

Other material rights and obligations of the Parties

The material rights and obligations of the Company shall include but are not limited to the following:

- (1) the Company shall be responsible for providing the Technology Company with the text, pictures and electronic files required for the System Maintenance Services, and shall assume responsibility for the authenticity and legality of the content provided;
- (2) the Company shall, in accordance with the General Technology Services Agreement, provide the Technology Company with the necessary conditions and timely assistance for the Technology Company to carry out the System Maintenance Services; and
- (3) the Company shall inform the Technology Company of the relevant rules, regulations and management requirements that the Technology Company should comply with, and keep the Technology Company informed of any revised and updated versions of such rules, regulations and management requirements from time to time.

The material rights and obligations of the Technology Company shall include but are not limited to the following:

- (1) the Technology Company shall provide the System Maintenance Services in accordance with the manner, content, standards and requirements agreed by the Company and the Technology Company and as stipulated in the service plan; and take all necessary and possible technical means to ensure the safe and normal operation of the systems. The Technology Company shall complete updates and repairs to the systems within the time limits stipulated by the Company;
- (2) the Technology Company shall accept the Company's management, supervision and inspection of its work, improve its work on its own initiative or in accordance with the Company's requests from time to time, and maintain proper records of work in relation to the System Maintenance Services for the Company's reference and inspection;
- (3) the Technology Company shall provide technical training to the Company and other relevant personnel in charge of the use and maintenance of software and hardware, and provide technical support free of charge at any time;
- (4) the Technology Company shall not subcontract the whole or any part of the System Maintenance Services to any third parties in any form;
- (5) the Technology Company shall assume its obligations in respect of intellectual property rights and confidentiality in accordance with the terms of the General Technology Services Agreement;
- (6) the Technology Company shall carefully use and take proper care of the premises and equipment provided by the Company, and observe and implement the various rules, regulations and management requirements of the Company; and
- (7) upon termination or rescission of the General Technology Services Agreement, the Technology Company shall hand over the technology and information to the Company, or the new maintenance services provider as designated by the Company.

Historical transaction amounts

As no similar services were provided by the Technology Company to the Company in the past, there are no historical transaction amounts available for disclosure in respect of the fees for such services.

Annual caps

The Company expects that the annual caps for the transactions contemplated under the General Technology Services Agreement are as follows:

	For the one month ending 31 December 2023 (RMB'000)	For the year ending 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (RMB'000)	For the eleven months ending 30 November 2026 (RMB'000)
Annual caps	937.5	3,750	3,750	3,750

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

- (1) the adjustment of the scope of services due to daily operation needs;
- (2) the increase in labour costs and the unit costs of spare parts in the next three years; and
- (3) the related taxes and reasonable profit margins.

Pricing policy

The service fee payable by the Company to the Technology Company under the General Technology Services Agreement comprises (i) labour and service costs in relation to the System Maintenance Services; and (ii) value-added tax of 6% levied on the total sum of labour and service costs.

The service fee quotes provided by the Technology Company to the Company pursuant to the General Technology Services Agreement in relation to on-site support personnel and maintenance of software and hardware were quoted independently. After market research and comparison of the service fee quotes with the quotations provided by independent third parties, the Company confirms that such fee quotes were slightly lower than the average market price of comparable services.

Internal control on pricing

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

1. Prior to entering into the General Technology Services Agreement, the relevant department of the Company gathered information on the historical service fees paid or payable by the Company to the Technology Company in respect of similar transactions under former agreements entered into with the Technology Company, and conducted cross-checks against the quotations provided by other independent third parties for similar services.
2. Prior to the implementation of the transactions contemplated under the General Technology Services Agreement, the principal officer(s) in the relevant department of the Company lodged applications within the Company, which were 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 relevant internal control policies of the Company. Upon completion of the above internal review procedures, the relevant transactions contemplated under the General Technology Services Agreement were considered and approved by the Board.

3. The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the General Technology Services Agreement in accordance with the Listing Rules to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.

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 General Technology 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 GENERAL TECHNOLOGY SERVICES AGREEMENT

The Technology Company's project managers and relevant technical personnel have extensive experience and relevant qualifications in relation to the operation and maintenance of information systems, and are familiar with the operations of Beijing Capital Airport. These relevant experiences and qualifications will enable the Technology Company to fulfil the service requirements under the General Technology Services Agreement. Moreover, the Company understands that the Technology Company has consistently performed well under its similar service agreements in relation to the operation and maintenance of information systems with the Parent Company and its wholly-owned subsidiary, namely Capital Airports Holdings Media Company Limited* (首都機場集團傳媒有限公司). It is expected that entering into the General Technology Services Agreement can help the Company realise intra-group sharing of operation and maintenance resources and further reduce related costs. In light of the high requirements of competent units at all levels for safety operations

undertaken at Beijing Capital Airport, the Technology Company possesses strong capability in fulfilling safety services in aspects such as the implementation of safety requirements and work in relation to latent risks.

The Directors (including the independent non-executive Directors) are of the view that the General Technology Services Agreement is entered into on normal commercial terms that are fair and reasonable, and the transactions contemplated under the General Technology Services Agreement are in the interest of the Company and the Shareholders as a whole.

GENERAL

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

The Parent Company is principally engaged in the provision of ground 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 Civil Aviation Administration of China, which is a state bureau administered by the Ministry of Transport of the PRC.

The Technology Company is a wholly-owned subsidiary of the Parent Company and it is principally engaged in the development of technology, provision of technical services and relevant consulting services, technology exchange and transfer, enterprise management, information technology consulting services, software development, data processing, sales and leasing of computer hardware, machinery and equipment, and other businesses.

BOARD'S APPROVAL

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

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport
“Board”	the board of Directors
“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
“General Technology Services Agreement”	the agreement dated 1 December 2023 entered into between the Company and the Technology Company, pursuant to which the Technology Company agreed to provide the System Maintenance Services to the Company in relation to the production operations and operations management systems of the Company for a term commencing from 1 December 2023 to 30 November 2026

“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered share 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 General Technology 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
“Parties”	the Company and the Technology 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
“System Maintenance Services”	the services to be provided by the Technology Company to the Company in relation to maintenance of the production operations and operations management systems of the Company, including but not limited to software maintenance and updates, provision and replacement of hardware components and on-site technical support at Beijing Capital Airport in accordance with the terms and conditions of the General Technology Services Agreement

“Technology Company” Capital Airport Group Technology Management Co., Ltd.* (首都機場集團科技管理有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Parent Company

“%” per cent

By order of the Board
Li Bo
Secretary to the Board

Beijing, the PRC
1 December 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*