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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 FINANCIAL SERVICES AGREEMENT

#### **FINANCIAL SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 23 November 2020 in respect of the Former Financial Services Agreement. The Former Financial Services Agreement will expire on 31 December 2023. As the Parties intend to carry out transactions of a similar nature from time to time, the Company and the Finance Company entered into the Financial Services Agreement as a renewal agreement.

The Board announces that on 28 December 2023, the Company entered into the Financial Services Agreement with the Finance Company, pursuant to which the Company agreed to engage the Finance Company to provide deposit services and consider to engage the Finance Company with priority under the same terms and conditions to provide loan services and the Other Financial Services to the Company (subject to the separate agreement(s) to be entered into by the Parties for a specific type of service), for a term of one year commencing from 1 January 2024 to 31 December 2024.

#### **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 Finance Company is a subsidiary of the Parent Company, the Finance Company is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder 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 maximum daily balance of deposits (including the interest accrued thereon) under

the Financial Services Agreement is more than 0.1% but less than 5%, the provision of deposit services by Finance Company to the Company under the Financial Services Agreement is subject to the reporting, annual review and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The loan services which may be provided by Finance Company to the Company under the Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Company. Given that such financial assistance is on normal commercial terms or on terms similar to or more favourable than those offered by independent third parties for comparable services in the PRC, which is not secured by the assets of the Company, it is exempt from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the service fees payable by the Company to Finance Company for the provision of Other Financial Services by Finance Company to the Company under the Financial Services Agreement is more than 0.1% but less than 5%, the provision of Other Financial Services by Finance Company to the Company under the Financial Services Agreement is subject to the reporting, annual review and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **FINANCIAL SERVICES AGREEMENT**

### **Background**

Reference is made to the announcement of the Company dated 23 November 2020 in respect of the Former Financial Services Agreement. The Former Financial Services Agreement will expire on 31 December 2023. As the Parties intend to carry out transactions of a similar nature from time to time, the Company and the Finance Company entered into the Financial Services Agreement as a renewal agreement.

The Board announces that on 28 December 2023, the Company entered into the Financial Services Agreement with the Finance Company, pursuant to which the Company agreed to engage the Finance Company to provide deposit services and consider to engage the Finance Company with priority under the same terms and conditions to provide loan services and the Other Financial Services to the Company (subject to the separate agreement(s) to be entered into by the Parties for a specific type of service), for a term of one year commencing from 1 January 2024 to 31 December 2024.

## **Material terms of the Financial Services Agreement**

### ***Date***

28 December 2023

### ***Parties***

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

### ***Services***

Pursuant to the Financial Services Agreement, the Company agreed to engage the Finance Company to provide deposit services and consider to engage the Finance Company with priority under the same terms and conditions to provide loan services and the Other Financial Services to the Company. The provision of services shall be subject to the separate agreement(s) to be entered into by the Parties for a specific type of service in accordance with the principles and terms set out in the Financial Services Agreement.

### ***Term***

The Financial Services Agreement is for a term of one year commencing from 1 January 2024 to 31 December 2024.

### ***Major terms***

1. The interest rate to be paid by the Finance Company for the Company's deposits shall not be lower than the benchmark interest rate of the PBOC for comparable deposits with the same maturity period. Such interest shall be settled quarterly by the Finance Company and deposited directly into the Company's deposit account.
2. The interest rate to be charged by the Finance Company for the loans from the Finance Company to the Company shall not be higher than that charged for comparable loans of other commercial banks in the PRC.
3. The service fees to be charged by the Finance Company for the provision of bill acceptance and discounting services, settlement services and financing advisory services shall not be higher than that charged by other commercial banks in the PRC for comparable services. The amount of service fees shall be determined by arm's length negotiations between the Parties.

- The Finance Company shall fully utilise the advantage of its technical means to provide the Company with efficient, fast, safe and secure day-to-day settlement services, ensure that the Company's demand for funds can be met, and assist the Company in the effective supervision of its fund flows.

### Capital risk management measures

The Finance Company shall implement the following capital risk management measures to safeguard the Company from the potential risks involved in the provision of financial services under the Financial Services Agreement:

- The Finance Company shall strengthen its scientific management and strict compliance with the risk control indicators stipulated by the CBIRC and other regulatory authorities.
- The Finance Company shall implement periodic evaluation system and establish internal control system as well as risk control indicators to ensure the safe and stable operation of fund management.

The Directors (including the independent non-executive Directors) consider that the above capital risk management measures are adequate to cover the risks involved in the provision of financial services by the Finance Company to the Company.

### Historical transaction amounts

The following table shows the historical transaction amounts in respect of the provision of deposit services by the Finance Company to the Company under the Former Financial Services Agreement:

	<b>For the year ended 31 December 2021</b> <i>(RMB'000)</i>	<b>For the year ended 31 December 2022</b> <i>(RMB'000)</i>	<b>For the eleven months ended 30 November 2023</b> <i>(RMB'000)</i>
Maximum daily balance of deposits (including the interest accrued thereon)	66,177	183,846	234,913 <i>(Note 1)</i>
Caps for the maximum daily balance of deposits (including the interest accrued thereon)	500,000	500,000	500,000

For the two years ended 31 December 2022 and the eleven months ended 30 November 2023, the Company has not engaged the Finance Company to provide Other Financial Services. The Company engaged the Finance Company to provide loan services in March 2021, which were provided on normal commercial terms, the interest rate offered by the Finance Company was more favourable than that offered by other financial institutions, and was not secured by the assets of the Company. The loan has been repaid in May 2023.

*Note 1:* This represents the unaudited maximum daily balance of deposits placed by the Company with the Finance Company for the eleven months ended 30 November 2023. The Company confirms that the maximum daily balance of deposits for the year ending 31 December 2023 will not be exceeded on or before 31 December 2023.

## **Annual caps**

### ***Deposit services***

The Company expects that the maximum daily balance of deposits (including the interest accrued thereon) to be maintained by the Company with the Finance Company from time to time during the term of the Financial Services Agreement for the year ending 31 December 2024 will not exceed RMB100,000,000, which is determined after taking into account the existing liabilities of the Company and its expected cash flow requirements.

### ***Loan services***

In view of the loan services to be provided by the Finance Company to the Company, which will be on normal commercial terms or on terms that are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, given that no security over the assets of the Company will be granted in respect of the loan, the provision of loan services by the Finance Company to the Company under the Financial Services Agreement is exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements pursuant to the requirements under Rule 14A.90 of the Listing Rules. Therefore, no annual cap has been set for the provision of such loan services by the Finance Company to the Company.

### ***Other Financial Services***

The Company expects that the annual cap of the service fees to be paid by the Company to the Finance Company for the year ending 31 December 2024 in relation to the provision of Other Financial Services by the Finance Company to the Company will not exceed RMB10,000,000, which is determined after taking into account the operation and development plans of the Company and its expected need for Other Financial Services.

## **Pricing policy**

The interest rate to be paid by the Finance Company in respect of the Company's deposits will be not lower than the interest rates to be paid by the PBOC and other commercial banks in the PRC for comparable deposits with the same maturity period. The interest rate to be charged by the Finance Company for the loans from the Finance Company to the Company will be not higher than that charged for comparable loans of other commercial banks in the PRC, and the service fees to be charged by the Finance Company for the provision of Other Financial Services will be not higher than that charged by other commercial banks in the PRC for comparable services.

## **Internal control on pricing**

There are stringent internal control policies with regard to financial service transactions. The finance department of the Company will continue to monitor and compare the deposit rates and service fees as quoted from the Finance Company with the terms obtained from other independent third parties to ensure that no less favourable terms shall be obtained. In addition, the transactions will be reported to and approved by the head of the finance department of the Company.

The internal control policies will also be applied to the transactions with the Finance Company to ensure that: (i) the interest rate payable for the Company's deposits shall not be less favourable than the interest rates payable by the PBOC and other commercial banks in the PRC for comparable deposits; (ii) the interest rate to be charged by the Finance Company for the loans from it to the Company shall not be higher than that charged for comparable loans of other commercial banks in the PRC; and (iii) the service fees to be charged by the Finance Company for the provision of Other Financial Services shall not be higher than that charged by other commercial banks in the PRC for comparable services.

The independent non-executive Directors and auditors of the Company will conduct annual review of the transactions contemplated under the Financial Services Agreement.

## **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 Financial Services Agreement will not be exceeded:

1. The finance department of the Company monitors the total amount of maximum daily balance of deposits (including the interest accrued thereon) maintained by the Company with the Finance Company on a daily 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 (as the case may be) in accordance with the requirements of the Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES AGREEMENT**

The rates on loans, guarantees and deposits to be offered by the Finance Company to the Company are not less favourable than those offered by commercial banks in the PRC. The Finance Company is regulated by the PBOC and the National Administration of Financial Regulation, and provides its services in accordance with the rules and operational requirements of these regulatory authorities. In addition, capital risks can be reduced through the implementation of the risk control measures stipulated under the Financial Services Agreement. The Company is expected to benefit from the Finance Company's better understanding of the operations of the Company, which will facilitate more expedient and efficient services than those rendered by other commercial banks in the PRC.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Financial Services Agreement is entered into on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of which are fair and reasonable and reached after arms' length negotiation, and the transactions contemplated under the Financial Services Agreement are in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

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

The Finance Company is a non-bank financial institution approved by the National Administration of Financial Regulation. It is principally engaged in the provision of financial services to the Parent Company as well as its subsidiaries and associated companies (including the Company). As at the date of this announcement, the Finance Company serves more than 200 customers.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the equity interests of the Finance Company are directly owned as to 90% by the Parent Company, 5% by Beijing Airport Commercial and Trading, and 5% by Beijing Airport Media. Each of Beijing Airport Commercial and Trading and Beijing Airport Media is a wholly-owned subsidiary of the Parent Company.

## **BOARD'S APPROVAL**

The Financial 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 between the Company and the Finance 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 Financial Services Agreement entered into by the Company and the Finance Company. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Financial Services 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 Finance Company is a subsidiary of the Parent Company, the Finance Company is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder 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 maximum daily balance of deposits (including the interest accrued thereon) under the Financial Services Agreement is more than 0.1% but less than 5%, the provision of deposit services by Finance Company to the Company under the Financial Services Agreement is subject to the reporting, annual review and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The loan services which may be provided by Finance Company to the Company under the Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Company. Given that such financial assistance is on normal commercial terms or on terms similar to or more favourable than those offered by independent third parties for comparable services in the PRC, which is not secured by the assets of the Company, it is exempt from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.



As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the service fees payable by the Company to Finance Company for the provision of Other Financial Services by Finance Company to the Company under the Financial Services Agreement is more than 0.1% but less than 5%, the provision of Other Financial Services by Finance Company to the Company under the Financial Services Agreement is subject to the reporting, annual review and announcement requirements, but 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Airport Commercial and Trading”	Beijing Capital Airport Commercial and Trading Company Limited* (北京首都機場商貿有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Parent Company
“Beijing Airport Media”	Capital Airports Holdings Media Company Limited* (首都機場集團傳媒有限公司) (formerly known as Beijing Capital Airport Advertising Company Limited* (北京首都機場廣告有限公司)), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Parent Company
“Beijing Capital Airport”	Beijing Capital International Airport of the PRC
“Board”	the board of Directors
“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 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
“Finance Company”	Beijing Capital Airport Group Finance Company Limited* (首都機場集團財務有限公司), a direct and indirect wholly-owned subsidiary of the Parent Company

“Financial Services Agreement”	the cooperation agreement dated 28 December 2023 entered into between the Finance Company and the Company in respect of the provision of various financial services by the Finance Company to the Company
“Former Financial Services Agreement”	the cooperation agreement dated 23 November 2020 entered into between the Finance Company and the Company in respect of the provision of various financial services by the Finance Company to the Company
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the registered share capital of the Company
“Independent Shareholders”	the Shareholders other than the Parent Company, its associates and any other Shareholder who has a material interest in the transactions contemplated under the Financial Services Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Financial Services”	the financial services (other than deposit services and loan services) that may be provided by the Finance Company to the Company under the Financial Services Agreement, including but not limited to fund settlement and collection and payment services, bill discounting services, and financial advisory services
“Parent Company”	Capital Airports Holdings Co., Ltd.* (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 Finance Company
“PBOC”	People’s Bank of China
“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 share 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

**Li Bo**

*Secretary to the Board*

Beijing, the PRC  
28 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*