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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

AIRSIDE PASSENGER SHUTTLE BUS SERVICES AGREEMENT

AIRSIDE PASSENGER SHUTTLE BUS SERVICES AGREEMENT

The Board announces that on 2 January 2024, the Company entered into the Airside Passenger Shuttle Bus Services Agreement with the Bus Company, pursuant to which the Company agreed to engage the Bus Company for the provision of the Airside Shuttle Bus Services, including (i) airside shuttle bus services with eight new-energy wide-bodied vehicles on a round-the-clock basis; and (ii) services of on-board security guards and security supervisors based on the operational safety requirements of the relevant airside shuttle buses, for a term commencing from 2 January 2024 (being the date of execution of the Airside Passenger Shuttle Bus Services Agreement) to 30 June 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is the controlling shareholder of the Company, holding approximately 58.96% of the issued share capital of the Company. The Parent Company also owns 51% of the equity interest in the Bus Company. As such, the Bus Company is an associate of the Parent Company and, therefore, a connected person of the Company. Accordingly, the Airside Passenger Shuttle Bus Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 to 14A.83 of the Listing Rules, the transactions contemplated under the Airside Passenger Shuttle Bus Services Agreement are aggregated with the transactions contemplated under the Landside Shuttle Bus Services Agreement and treated as if they were one transaction.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Airside Passenger Shuttle Bus Services Agreement, when aggregated with the transactions contemplated under the Landside Shuttle Bus Services Agreement, is more than 0.1% but less than 5%, the Airside Passenger Shuttle Bus Services Agreement and the transactions contemplated thereunder (including the annual caps) are subject to the reporting, annual review and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

AIRSIDE PASSENGER SHUTTLE BUS SERVICES AGREEMENT

Background

In order to further enhance the quality of services and operational efficiency of the airside passenger transportation between terminals of Beijing Capital Airport, the Company proposed to engage the Bus Company to provide the Airside Shuttle Bus Services and entered into the Airside Passenger Shuttle Bus Services Agreement with the Bus Company to regulate the provision of such services upon commencement of operations of the new airside shuttle buses.

The Board announces that on 2 January 2024, the Company entered into the Airside Passenger Shuttle Bus Services Agreement with the Bus Company, pursuant to which the Company agreed to engage the Bus Company for the provision of the Airside Shuttle Bus Services, including (i) airside shuttle bus services with eight new-energy wide-bodied vehicles on a round-the-clock basis; and (ii) services of on-board security guards and security supervisors based on the operational safety requirements of the relevant airside shuttle buses, for a term commencing from 2 January 2024 (being the date of execution of the Airside Passenger Shuttle Bus Services Agreement) to 30 June 2025.

Material terms of the Airside Passenger Shuttle Bus Services Agreement

Date

2 January 2024

Parties

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

Term

The term of the Airside Passenger Shuttle Bus Services Agreement is commencing from the date of execution of the Airside Passenger Shuttle Bus Services Agreement (i.e., 2 January 2024) to 30 June 2025.

Scope of services

Pursuant to the Airside Passenger Shuttle Bus Services Agreement, the Company agreed to engage the Bus Company for the provision of the Airside Shuttle Bus Services between terminal buildings at Beijing Capital Airport on a round-the-clock basis using eight new-energy wide-bodied vehicles, in order to facilitate the airside passenger transportation between terminals of Beijing Capital Airport, and coordinate with the automated people mover system for quick response in case of any failure or decrease in efficiency of the system. The Airside Shuttle Bus Services shall be equipped with 76 on-board security guards and four security supervisors based on the operational safety requirements of the airside shuttle buses.

Consideration and payment

Pursuant to the Airside Passenger Shuttle Bus Services Agreement, the service fees for the provision of the Airside Shuttle Bus Services payable by the Company to the Bus Company shall be determined by the Parties in accordance with (i) the fees relating to, among other things, usage, maintenance and insurance for the eight new-energy wide-bodied shuttle buses and the management fees relating to vehicle operations; (ii) the labour costs and personnel-related management fees incurred by the Bus Company to implement the Airside Shuttle Bus Services; and (iii) relevant taxes.

The service fees shall be paid by the Company to the Bus Company on a quarterly basis. At the end of each quarter, the Company shall issue a service acceptance form based on the results of the performance appraisals conducted by the Company pursuant to the Airside Passenger Shuttle Bus Services Agreement.

The Bus Company shall request payment of service fees from the Company by presenting a service acceptance form to be issued by the Company, official invoice and payment request. Based on the performance appraisal results, the Company shall be entitled to deduct corresponding amounts from the amount of service fees requested by the Bus Company, and pay the actual amount of service fees incurred for the period to the Bus Company.

Other material rights and obligations of the Parties

The material rights and obligations of the Company under the Airside Passenger Shuttle Bus Services Agreement include the following:

- (1) the Company shall provide the Bus Company with the necessary conditions for the Bus Company's fulfillment of its obligations under the Airside Passenger Shuttle Bus Services Agreement; and
- (2) the Company shall have the right to conduct performance appraisals of the provision of the Airside Shuttle Bus Services in accordance with the terms of the Airside Passenger Shuttle Bus Services Agreement, in order to assess the quality of services provided by the Bus Company.

The material rights and obligations of the Bus Company under the Airside Passenger Shuttle Bus Services Agreement include the following:

- (1) the Bus Company shall ensure the reasonable arrangement for deployment of vehicles to satisfy the need for continuous operations of the Airside Shuttle Bus Services on a round-the-clock basis, taking into consideration factors such as the vehicles' battery levels, mileage, routine maintenance and repairs, in order to ensure that the actual operational capacity satisfies the Company's service requirements;
- (2) the Bus Company shall operate the Airside Shuttle Bus Services between the terminals of Beijing Capital Airport in accordance with the programs stipulated by the Company, and the Company shall have the right to adjust the programs from time to time according to its actual needs. The Bus Company shall reasonably arrange operation resources to actively cooperate with the Company to implement the relevant transportation safeguards;
- (3) the Bus Company shall ensure safety in the course of the provision of the Airside Shuttle Bus Services and avoid incidents of property damage or personal injury; and
- (4) the Bus Company shall keep accurate records of the implementation of the Airside Shuttle Bus Services, and submit written reports on its operations of such services to the Company on a monthly basis.

Historical transaction amounts

As this is the first time for the Bus Company to provide airside passenger transportation services to the Company, there are no historical transaction amounts available for disclosure in respect of the service fees for the provision of Airside Shuttle Bus Services from the Bus Company.

Annual caps

The Company expects that the annual caps of the total service fees payable by the Company to the Bus Company during the term of the Airside Passenger Shuttle Bus Services Agreement are as follows:

	For the year ending 31 December 2024 (RMB)	For the six months ending 30 June 2025 (RMB)
Annual caps	13,832,700	6,916,400

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

- (i) the increase in scope of services and number of employees during the service period in the future, due to national policy requirements, renovation of resources, optimisation of operation processes, enhancement of passenger services and security, and other objective requirements at the terminals of Beijing Capital Airport;
- (ii) the reasonable adjustments of labour costs during the service period in the future; and
- (iii) the reasonable adjustments of management fees and relevant taxes.

Pricing policy

The service fees to be charged by the Bus Company under the Airside Passenger Shuttle Bus Services Agreement were determined by the Parties upon arm's length negotiation based on the factors stated in the section headed "Consideration and payment" of this announcement.

Through price consultation and negotiation, the Company confirms that the service fees to be charged by the Bus Company for the provision of the Airside Shuttle Bus Services at Beijing Capital Airport is not higher than the market price and labour costs for the provision of similar services by other independent third parties.

The Company has also considered the rates of management fees charged by the Bus Company for the provision of vehicle transportation services to independent third parties under similar service agreements. In comparison, the rate of management fees payable by the Company to the Bus Company under the Airside Passenger Shuttle Bus Services Agreement (which is approximately 5%) is not higher than the rates of management fees charged by the Bus Company to other independent third parties under similar service agreements.

Internal control on pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Airside Passenger Shuttle Bus 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 Airside Passenger Shuttle Bus Services Agreement, the relevant departments of the Company are responsible for gathering information in relation to and conducting cross-checks against (i) the contract prices for similar vehicles and the service fees for similar services offered by at least two independent third parties in Beijing; and (ii) the management fee rate charged by the Bus Company to other independent third parties for the provision of comparable vehicle transportation services.

2. Prior to the implementation of the transactions contemplated under the Airside Passenger Shuttle Bus 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 Airside Passenger Shuttle Bus Services Agreement was considered and approved by the Board.
3. The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the Airside Passenger Shuttle Bus 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 Airside Passenger Shuttle Bus 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 Airside Passenger Shuttle Bus 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 (as the case may be) in accordance with the requirements of the Listing Rules.

Reasons for and benefits of entering into the Airside Passenger Shuttle Bus Services Agreement

The Bus Company is capable of providing quick response to the Company's operational plans (as adjusted from time to time) within a relatively short period of time. At the same time, the Bus Company has strong professional advantage in passenger transportation, passenger guidance and providing assistance to wheelchair-bound passengers. For the above reasons, the Company considers that the provision of the Airside Shuttle Bus Services by the Bus Company would help the Company further enhance the quality and safeguard the operational efficiency of existing services at Beijing Capital Airport.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Airside Passenger Shuttle Bus 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 reached after arm's length negotiations and fair and reasonable, and the transactions contemplated under the Airside Passenger Shuttle Bus 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 Bus Company is principally engaged in, among other things, inter-provincial and inter-county passenger transportation services, air ticket sales agency and labour services. The equity interests of the Bus Company are owned by the Parent Company as to 51% and the Agency Service Center of the Civil Aviation Administration of China (the Agency Service Bureau under the Civil Aviation Administration of China*) (中國民用航空局機關服務中心(中國民用航空局機關服務局)) as to 49%, and the ultimate beneficial owner of the Bus Company is the Civil Aviation Administration of China.

BOARD'S APPROVAL

The Airside Passenger Shuttle Bus 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 Bus 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 Airside Passenger Shuttle Bus Services Agreement entered into by the Company and the Bus Company. Therefore, none of the Directors has abstained from voting at the Board meeting to approve the Airside Passenger Shuttle Bus 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. The Parent Company also owns 51% of the equity interest in the Bus Company. As such, the Bus Company is an

associate of the Parent Company and, therefore, a connected person of the Company. Accordingly, the Airside Passenger Shuttle Bus Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 to 14A.83 of the Listing Rules, the transactions contemplated under the Airside Passenger Shuttle Bus Services Agreement are aggregated with the transactions contemplated under the Landside Shuttle Bus Services Agreement and treated as if they were one transaction.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Airside Passenger Shuttle Bus Services Agreement, when aggregated with the transactions contemplated under the Landside Shuttle Bus Services Agreement, is more than 0.1% but less than 5%, the Airside Passenger Shuttle Bus Services Agreement and the transactions contemplated thereunder (including the annual caps) are 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:

“Airside Passenger Shuttle Bus Services Agreement”	the airside shuttle bus services agreement dated 2 January 2024 entered into between the Company and the Bus Company in relation to the provision of airside shuttle bus services between terminal areas for passengers at Beijing Capital Airport
“Airside Shuttle Bus Services”	the new airside shuttle bus services to be provided by the Bus Company to the Company pursuant to the Airside Passenger Shuttle Bus Services Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Capital Airport”	Beijing Capital International Airport of the PRC
“Board”	the board of Directors
“Bus Company”	Beijing Civil Aviation Airport Bus Co., Ltd.* (北京民航機場巴士有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Parent Company
“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
“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 Airside Passenger Shuttle Bus Services Agreement
“Landside Shuttle Bus Services Agreement”	the landside shuttle bus services agreement dated 13 December 2021 entered into between the Company and the Bus Company in relation to the provision of complimentary landside shuttle bus services from the Bus Company for passengers in the eastern and western terminal areas of Beijing Capital Airport for a term of three years commencing from 15 December 2021, details of which were set out in the announcements of the Company dated 13 December 2021 and 15 December 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 with limited liability and the controlling shareholder of the Company
“Parties”	the Company and the Bus 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 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
2 January 2024

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*