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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

INFORMATION SYSTEMS ENTRUSTED MANAGEMENT AGREEMENT

AND

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PURCHASE

OF SERVICES FRAMEWORK AGREEMENT

INFORMATION SYSTEMS ENTRUSTED MANAGEMENT AGREEMENT

The Board announces that on 22 January 2024, the Company and the Parent Company entered into the Information Systems Entrusted Management Agreement, pursuant to which the Parent Company agreed to entrust the Company to provide the Systems Management Services in relation to the information systems of the Parent Company, for a term of three years commencing from 22 January 2024 (being the date of execution of the Information Systems Entrusted Management Agreement) to 21 January 2027.

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, and is therefore a connected person of the Company. Accordingly, the Information Systems Entrusted Management 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 in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Information Systems Entrusted Management Agreement is more than 0.1% but less than 5%, the Information Systems Entrusted Management 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.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PURCHASE OF SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 22 December 2023 regarding, among other things, the continuing connected transactions in relation to the Purchase of Services Framework Agreement (the “**Purchase of Services Framework Announcement**”). Unless otherwise defined, capitalised terms used in this section shall have the meanings ascribed to them in the Purchase of Services Framework Announcement.

In addition to the information provided in the Purchase of Services Framework Announcement, the Board would like to provide supplemental information in this announcement regarding the basis of determination of the annual caps under the Purchase of Services Framework Agreement.

INFORMATION SYSTEMS ENTRUSTED MANAGEMENT AGREEMENT

Background

The Board announces that on 22 January 2024, the Company and the Parent Company entered into the Information Systems Entrusted Management Agreement, pursuant to which the Parent Company agreed to entrust the Company to provide the Systems Management Services in relation to the information systems of the Parent Company, for a term of three years commencing from 22 January 2024 (being the date of execution of the Information Systems Entrusted Management Agreement) to 21 January 2027.

Material terms of the Information Systems Entrusted Management Agreement

Date

22 January 2024

Parties

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

Services

Pursuant to the Information Systems Entrusted Management Agreement, the Parent Company agreed to entrust the Company to provide operations, maintenance and management services for the information systems of the Parent Company. The scope of the Systems Management Services to be provided by the Company shall include but are not limited to the following:

- (1) operations and maintenance of the information systems of the Parent Company, including the operations and maintenance of system hardwares and softwares, applications, networks and infrastructure;
- (2) network and information security services, including daily network security management in relation to the Parent Company's systems, network and equipment, and the provision of network security protection services during the critical assurance periods, including the periods for support of the Spring Festival, the "Two Meetings", major national conferences and other special periods;
- (3) management, operations and maintenance of the dedicated network used by the Parent Company;
- (4) implementation of the Parent Company's new system construction projects, the upgrade and revamp of its existing systems, and the provision of daily technical support and daily development services in relation to the Parent Company's existing systems; and
- (5) providing security evaluation and certification services in relation to the information systems which have been entrusted to the Company for operations and maintenance pursuant to the Information Systems Entrusted Management Agreement.

Term

The Information Systems Entrusted Management Agreement is for a term of three years commencing from 22 January 2024 (being the date of execution of the Information Systems Entrusted Management Agreement) to 21 January 2027.

Consideration and payment

The entrusted management fees (inclusive of tax) payable by the Parent Company to the Company for the provision of the Systems Management Services shall comprise a fixed portion and a variable portion.

The fixed portion of the entrusted management fees payable by the Parent Company to the Company comprises entrusted management fees in respect of the provision of services by the Company relating to (i) the operations and maintenance of information systems; (ii) network and information security

services; and (iii) dedicated network services. The fixed portion of the entrusted management fees (inclusive of tax) payable by the Parent Company to the Company will amount to RMB17,950,000 per year.

The variable portion of the entrusted management fees payable by the Parent Company to the Company comprises entrusted management fees in respect of the provision of services by the Company relating to (i) system construction and development support; and (ii) classified protection, evaluation and certification services for information systems. The variable portion of the entrusted management fees shall be calculated based on the actual utilisation of personnel or systems for the provision of the relevant services to the Parent Company and the corresponding unit prices as set out in the Information Systems Entrusted Management Agreement. The estimated annual amount of the variable portion of entrusted management fees (inclusive of tax) payable by the Parent Company to the Company is RMB2,500,000 per year.

The entrusted management fees are payable by the Parent Company to the Company on a quarterly basis. Within 20 working days after the end of each quarter, the Parties shall mutually confirm the actual amount of entrusted management fees payable by the Parent Company for the preceding quarter in writing, which shall comprise (i) RMB4,487,500, which amounts to 25% of the fixed portion of the annual entrusted management fee; and (ii) the actual amount payable in relation to the variable portion of the entrusted management fee for the preceding quarter.

Material rights and obligations of the Parties

The material rights and obligations of the Parent Company are set out as follows:

1. the Parent Company shall provide the Company with all resources involved under the Information Systems Entrusted Management Agreement, and disclose all relevant information and circumstances pertaining to the performance of the Information Systems Entrusted Management Agreement in a complete and truthful manner;
2. the Parent Company shall provide all necessary work authorisations and assistance to the Company for its performance of obligations under the Information Systems Entrusted Management Agreement. During the term of the Information Systems Entrusted Management Agreement, the Parent Company shall not reclaim any resources unless otherwise agreed under the Information Systems Entrusted Management Agreement;
3. the Parent Company shall be responsible for establishing an appraisal mechanism, under which the Parent Company shall have the right to assess the Systems Management Services provided by the Company;
4. the Parent Company shall have the right to supervise and inspect the Systems Management Services provided by the Company, and provide suggestions for rectification or improvement; and

5. the Parent Company shall have the right to partially adjust the scope of service upon mutual agreement by the Parties and complete assessment of the workload by the Company.

The material rights and obligations of the Company are set out as follows:

1. the Company shall provide the Systems Management Services in accordance with the Parent Company's instructions and the management regulations and systems established by the Parent Company (as amended by the Parent Company from time to time) in relation to security, service and operations, and strictly adhere to all relevant laws, regulations, rules and policies of the PRC to avoid engaging in any illegal or non-compliant activities. The Company shall bear the legal liabilities and economic losses caused by its own violation of the relevant rules and policies of the Parent Company;
2. the Company shall carry on the relevant services within the entrusted scope and accept the Parent Company's management advice, supervision and inspection of its work, and maintain proper records of the Systems Management Services for the Parent Company's reference and inspection;
3. the Company shall continuously strive to improve its management and service quality, ensure the security of the Parent Company's resources and use its best endeavour to safeguard the Parent Company's interests, and seek to preserve and enhance the value of the Parent Company's resources;
4. the Company shall, on its own initiative, provide timely information to the Parent Company in the event that, during the course of its provision of the Systems Management Services, it becomes aware of any abnormal events, risks and hazards that may pose a threat to the Parent Company's interests; and
5. the Company is permitted to subcontract relevant individual business under the Systems Management Services to third-party service providers. The Company shall adhere to relevant regulations, rules and policies of the Company and select high-quality third-party service providers in a fair manner, enter into separate business contracts with the selected third-party service providers, and ensure that such third-party service providers will not further subcontract the same services. The Company shall promptly report to the Parent Company the relevant information of third-party service providers engaged under separate business contracts.

Historical transaction amounts

The Company did not conduct any similar transaction with the Parent Company in relation to entrusted information systems management services in the past.

Annual caps

The Company expects that the annual caps for the transactions contemplated under the Information Systems Entrusted Management Agreement are as follows:

	For the period from 22 January 2024 to 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (RMB'000)	For the year ending 31 December 2026 (RMB'000)	For the period from 1 January 2027 to 21 January 2027 (RMB'000)
Annual caps	25,000	25,000	25,000	6,250

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

- (i) the estimated amount of entrusted management fees payable by the Parent Company to the Company for the provision of the Systems Management Services, including the fixed portion of RMB17,950,000 and the variable portion currently estimated to be RMB2,500,000 per year;
- (ii) a reasonable buffer to allow for the possible adjustment in the details of the scope of the Systems Management Services in accordance with the Information Systems Entrusted Management Agreement due to national policy requirements and enhancement of internet and information security as well as other objective requirements within the next three years ending 21 January 2027; and
- (iii) a reasonable buffer to allow for the possible fluctuation in the actual utilisation of personnel or systems and the corresponding unit prices regarding the variable portion of the entrusted management fees.

Pricing policy

The entrusted management fees under the Information Systems Entrusted Management Agreement are determined with reference to the costs and expenses to be borne by the Company, including but not limited to the labour costs and other relevant fees, and reasonable profit margin. The Company has completed an enquiry procedure in relation to the costs and expenses for the services to be provided by the Company under the Information Systems Entrusted Management Agreement, confirming that the entrusted management fees are no less favorable than those paid by the Parent Company in respect of the engagement of independent third parties for the provision of the same type of services. It is currently estimated by the Company that such costs and expenses will be covered by the entrusted management fees payable by the Parent Company under the Information Systems Entrusted Management Agreement, and therefore the Company considers that the entrusted management fees are fair and reasonable.

Internal control on pricing

The Company has implemented a management system to monitor the pricing standards for the transactions under the Information Systems Entrusted Management Agreement and to ensure that such terms are on normal commercial terms. Such system is described as below:

1. Prior to entering into the Information Systems Entrusted Management Agreement, the relevant departments of the Company conducted cross-checks against the fees charged by other independent third parties for similar services.
2. Prior to the implementation of the transactions contemplated under the Information Systems Entrusted Management Agreement, the principal officer(s) in the relevant department shall lodge an application within the Company, which will be subject to a 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 relevant internal control policies of the Company. After the above internal review process has been completed, the transactions contemplated under the Information Systems Entrusted Management Agreement shall 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 Information Systems Entrusted Management 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 Information Systems Entrusted Management 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 Information Systems Entrusted Management 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 Information Systems Entrusted Management Agreement

The Parent Company currently engages different service providers to manage its various information systems. The Company has extensive experience in the operations, maintenance and management of such information systems at Beijing Capital Airport. Therefore, the Parent Company has decided to consolidate the relevant information systems management services and entrust the Company to provide such services to enhance its operation efficiency. At the same time, the entering into of the Information Systems Entrusted Management Agreement will provide an additional source of income for the Company.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Information Systems Entrusted Management 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 negotiation and are fair and reasonable, and the transactions contemplated under the Information Systems Entrusted Management Agreement are in the interest of the Company and its 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. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, 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.

Board's Approval

The Information Systems Entrusted Management Agreement and the transactions contemplated thereunder, including the annual caps, were approved by the Board.

As at the date of this announcement, Mr. Wang Changyi (executive Director and the chairman of the Board), Mr. Han Zhiliang (executive Director), Mr. Jia Jianqing (non-executive Director), Mr. Song Kun (non-executive Director) and Mr. Du Qiang (non-executive Director) concurrently serve as director or senior management of the Parent Company. Therefore, the above Directors are deemed or may be perceived to have a material interest in the Information Systems Entrusted Management Agreement and have abstained from voting on the resolutions of the Board approving the Information Systems Entrusted Management Agreement and the transactions contemplated thereunder, including the annual caps. Save as disclosed above, no other Directors have a material interest in the Information Systems Entrusted Management Agreement and the transactions contemplated thereunder and have abstained from voting on the resolutions of the Board approving the same, 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, and is therefore a connected person of the Company. Accordingly, the Information Systems Entrusted Management 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 in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Information Systems Entrusted Management Agreement is more than 0.1% but less than 5%, the Information Systems Entrusted Management 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.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PURCHASE OF SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 22 December 2023 regarding, among other things, the continuing connected transactions in relation to the Purchase of Services Framework Agreement (the "**Purchase of Services Framework Announcement**"). Unless otherwise defined, capitalised terms used in this section shall have the meanings ascribed to them in the Purchase of Services Framework Announcement.

In addition to the information provided in the Purchase of Services Framework Announcement, the Board would like to provide the following supplemental information regarding the basis of determination of the annual caps under the Purchase of Services Framework Agreement.

In line with the factors as disclosed on page 6 of the Purchase of Services Framework Announcement, the annual caps under the Purchase of Services Framework Agreement were determined with reference to the following factors:

- (i) the scope of services under the Purchase of Services Framework Agreement has expanded as compared with the services previously provided under the Former Purchase of Services Framework Agreement. The annual caps under the Purchase of Services Framework Agreement are expected to increase given the additional scope of services as set out on pages 3 and 4 of the Purchase of Services Framework Announcement, in particular, the new business monitoring services at the terminal security centres and provision of temporary storage and lost and found services at the terminals. Therefore, the historical transaction amounts under the Former Purchase of Services Framework Agreement are not the only determinative factors in setting the annual caps under the Purchase of Services Framework Agreement;
- (ii) for reasons as disclosed on page 6 of the Purchase of Services Framework Announcement, namely national policy requirements, renovation of resources, optimisation of operation processes, enhancement of passenger services, security and fire safety as well as other objective requirements at the terminals of Beijing Capital Airport, it is expected that a wider scope of services will be procured, and an increased number of employees will be required, from the Aviation Services Company for the next three years ending 31 December 2026 under the Purchase of Services Framework Agreement;
- (iii) based on the estimation of services to be procured under the Purchase of Services Framework Agreement, it is expected that the estimated amount of annual service fees to be paid by the Company is of approximately RMB86,300,000 for the next three years ending 31 December 2026; and
- (iv) a buffer of approximately 10% (i.e. approximately RMB8,700,000 per year) considering the possible increase in specific scope of services and number of employees in accordance with the Purchase of Services Framework Agreement within the next three years due to national policy requirements, renovation of resources, optimisation of operation processes, enhancement of passenger services, security and fire safety as well as other objective requirements at the terminals of Beijing Capital Airport and the possible reasonable adjustments of labour costs, cost of materials, management fees and relevant taxes for each of the next three years ending 31 December 2026, which is then added to the estimated amount of annual service fees to arrive at the current annual caps of RMB95,000,000.

The above information is supplemental to and should be read in conjunction with the Purchase of Services Framework Announcement. Save as specified herein, the above information does not affect other information and contents set out in the Purchase of Services Framework Announcement.

DEFINITIONS

In this announcement, unless otherwise specified or 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 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
“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 Information Systems Entrusted Management Agreement
“Information Systems Entrusted Management Agreement”	the entrusted management agreement dated 22 January 2024 entered into between the Company (as the entrusted party) and the Parent Company (as the entrusting party) for the provision of the Systems Management Services by the Company to the Parent Company
“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 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 share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Systems Management Services”	the operations, maintenance and management services to be provided by the Company to the Parent Company pursuant to the Information Systems Entrusted Management Agreement in relation to the information systems of the Parent Company, including but not limited to operations and maintenance of information systems, network and information security services, network services, system construction and daily system development support, and classified protection, evaluation and certification services for information systems
“%”	per cent

By order of the Board
Li Bo
Secretary to the Board

Beijing, the PRC
22 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>.

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