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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 foreign-invested joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 00694)

**ANNOUNCEMENT**  
**CONTINUING CONNECTED TRANSACTIONS**  
**SECURITY INSPECTION EQUIPMENT**  
**LEASING FRAMEWORK AGREEMENT**

**SECURITY INSPECTION EQUIPMENT LEASING FRAMEWORK AGREEMENT**

On 17 December 2024, the Company and the Parent Company entered into the Security Inspection Equipment Leasing Framework Agreement, pursuant to which the Company (as lessee) agreed to lease the Security Inspection Equipment from the Parent Company (as lessor) for a term of three years commencing from 17 December 2024 to 16 December 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. As such, the Parent Company is a connected person of the Company. Therefore, in accordance with the guidance of the Stock Exchange regarding lease transactions adopting IFRS 16, the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Correspondingly, the Company is required to set annual caps on the total value of right-of-use assets relating to leases to be entered into by the Company as lessee in each year or period under the Security Inspection Equipment Leasing Framework Agreement.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the highest annual cap for the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement is more than 0.1% but less than 5%, the Security Inspection Equipment Leasing Framework Agreement and the transactions contemplated thereunder (including the annual caps) are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

On 17 December 2024, the Company and the Parent Company entered into the Security Inspection Equipment Leasing Framework Agreement, pursuant to which the Company (as lessee) agreed to lease the Security Inspection Equipment from the Parent Company (as lessor) for a term of three years commencing from 17 December 2024 to 16 December 2027.

## **MATERIAL TERMS OF THE SECURITY INSPECTION EQUIPMENT LEASING FRAMEWORK AGREEMENT**

The material terms of the Security Inspection Equipment Leasing Framework Agreement are set out below:

### ***Date***

17 December 2024

### ***Parties***

- (a) the Company (as lessee); and
- (b) the Parent Company (as lessor).

### ***Term***

The Security Inspection Equipment Leasing Framework Agreement is for a term of three years commencing from 17 December 2024 to 16 December 2027.

### ***Subject matter and scope of leased assets***

The Company agreed to lease from the Parent Company the Security Inspection Equipment comprising assets for the purpose of security inspection at Beijing Capital Airport, such as dual-view carry-on baggage X-ray machines (including softwares), dual-view checked baggage X-ray machines (including softwares), trace explosives detectors, liquid items detectors, metal detection gates, handheld metal detectors, and millimeter-wave security gates.

The Security Inspection Equipment Leasing Framework Agreement is a framework agreement only. The Parties will subsequently enter into definitive leasing agreements in respect of, among other things, the scope and pricing of relevant Security Inspection Equipment, settlement method and payment terms. Such terms shall be consistent with the principles and terms set out in the Security Inspection Equipment Leasing Framework Agreement. In the event of any conflict between the terms of such definitive leasing agreements and the Security Inspection Equipment Leasing Framework Agreement, the terms of the Security Inspection Equipment Leasing Framework Agreement shall prevail.

### ***Consideration and payment***

The amount of leasing fees payable by the Company to the Parent Company pursuant to the definitive leasing agreements to be entered into under the Security Inspection Equipment Leasing Framework Agreement shall be determined by arm's length negotiations between the Parties with reference to the following formula:

$$\text{Leasing fees} = \text{depreciation of the Security Inspection Equipment (Note 1)} + \text{cost of capital (Note 2)} + \text{related taxes (Note 3)}$$

*Notes:*

- (1) This represents the depreciation of the Security Inspection Equipment charged to the Company as calculated based on the original cost of the Parent Company's procurement of the Security Inspection Equipment.
- (2) This represents the cost of capital incurred by the Parent Company for its fund raising for the purpose of procurement of the Security Inspection Equipment.
- (3) The related taxes include stamp duty and value-added tax in respect of the Security Inspection Equipment.

Furthermore, the transactions contemplated under the definitive leasing agreements shall be conducted in the following manner: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms and on terms not less favourable than those offered by independent third parties for leasing similar equipment; and (iii) subject to compliance with the relevant requirements of the Listing Rules (including annual caps) and applicable laws and regulations, the Security Inspection Equipment Leasing Framework Agreement and the definitive leasing agreements contemplated thereunder.

The Company shall pay leasing fees to the Parent Company every 12 months in accordance with the definitive leasing agreements to be entered into by the Parties, and if new leased assets are added within the payment cycle, payments shall be made according to the terms of the definitive leasing agreements.

### ***Renewal and termination***

The Parties may separately discuss whether the leasing of the Security Inspection Equipment will continue based on actual circumstances six months prior to the expiry of the term of the Security Inspection Equipment Leasing Framework Agreement. Subject to compliance with the relevant requirements of the Listing Rules and all other applicable laws and regulations, the Security Inspection Equipment Leasing Framework Agreement may be renewed by the Parties in writing.

### *Other material rights and obligations of the Parties*

The Parent Company is entitled to review the Company's proposals on refurbishment, repair or modification of the Security Inspection Equipment, and shall bear the relevant expenses that have been incurred in relation to the modification, repair and update of the Security Inspection Equipment and approved by the Parent Company in writing.

The Company shall be responsible for the daily repair and maintenance (other than major repairs), security protection, property management, civil defense engineering management, and flood safety of the Security Inspection Equipment, and the Company shall bear the related operating costs.

In the absence of written consent from the Parent Company, the Company shall not alter the existing use of the Security Inspection Equipment. Furthermore, the Company shall not sublet the Security Inspection Equipment. The Company shall not transfer, mortgage, or otherwise dispose of the Security Inspection Equipment in any manner that may affect the Parent Company's ownership of the leased assets.

### **HISTORICAL TRANSACTION AMOUNTS**

As this is the first time for the Company to lease the Security Inspection Equipment from the Parent Company, there are no historical transaction amounts available for disclosure in respect of the leasing fees for such equipment.

### **ANNUAL CAPS**

Pursuant to IFRS 16, the leases to be entered into by the Company as lessee under the Security Inspection Equipment Leasing Framework Agreement will be recognised as right-of-use assets. The annual caps are set on the estimated total value of the right-of-use assets relating to the definitive leasing agreements expected to be entered into by the Company for each year or period during the term of the Security Inspection Equipment Leasing Framework Agreement, which are calculated with reference to the estimated amount of aggregate annual leasing fees under the definitive leasing agreements to be entered into by the Parties during the term of the Security Inspection Equipment Leasing Framework Agreement, discounted by the Company's incremental borrowing rate. An incremental borrowing rate of 3.06% is applied to compute the present value of the right-of-use assets recognised by the Company as a result of the entry into the Security Inspection Equipment Leasing Framework Agreement.

The annual caps based on the estimated total value of right-of-use assets contemplated under the Security Inspection Equipment Leasing Framework Agreement are as follows:

|             | <b>For the period<br/>from<br/>17 December 2024<br/>to 31 December<br/>2024<br/>(RMB)</b> | <b>For the year<br/>ending<br/>31 December<br/>2025<br/>(RMB)</b> | <b>For the year<br/>ending<br/>31 December<br/>2026<br/>(RMB)</b> | <b>For the period<br/>from<br/>1 January 2027<br/>to 16 December<br/>2027<br/>(RMB)</b> |
|-------------|---|---|---|---|
| Annual caps | 3,810,000   | 33,020,000  | 32,020,000  | 25,880,000  |

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

- (i) the related costs of the Security Inspection Equipment to be leased by the Company;
- (ii) the estimated lease term for each batch of the Security Inspection Equipment to be leased by the Company during the term of the Security Inspection Equipment Leasing Framework Agreement; and
- (iii) the incremental borrowing rate of 3.06% to be applied for the recognition of the Security Inspection Equipment as right-of-use assets.

## **PRICING POLICY**

The relevant departments of the Company that are responsible for the signing of individual definitive leasing agreements will cross-check whether the relevant terms (including the calculation and payment terms of the leasing fees) of such definitive leasing agreements in respect of each batch of Security Inspection Equipment are in accordance with the principles set out in the Security Inspection Equipment Leasing Framework Agreement.

In addition, the relevant staff of the Company will compare the level of fees offered by at least two counterparties in respect of the leasing or procurement of equipment of similar nature as the Security Inspection Equipment to be leased to the Company under the relevant definitive leasing agreements, and will report the comparison results to their supervisors and ensure that the level of leasing fees payable by the Company in respect of the relevant batch of the Security Inspection Equipment will not be higher than those offered by other independent third parties.

## **INTERNAL CONTROL ON PRICING**

The Company has implemented a management system to monitor the pricing standards for the transactions under the Security Inspection Equipment Leasing Framework Agreement to ensure that such terms are on normal commercial terms. Such system is described as follows:

1. Prior to entering into the Security Inspection Equipment Leasing Framework Agreement, the relevant departments of the Company are responsible for gathering information on the level of fees offered by independent third parties in respect of the leasing or procurement of equipment of similar nature as the Security Inspection Equipment.
2. Prior to entering into the definitive leasing agreements and the implementation of the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement, the principal officer(s) in the relevant department shall lodge applications within the Company, which are subject to a preliminary review conducted by the managers of the above respective departments of the Company, followed by a final review at the general manager office meetings in accordance with the internal control policies of the Company. After completion of the above internal review procedures, the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement shall be considered and approved by the Board.
3. The independent non-executive Directors have reviewed the Security Inspection Equipment Leasing Framework Agreement and will continue to review the transactions contemplated thereunder 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 Security Inspection Equipment Leasing Framework 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 Security Inspection Equipment Leasing Framework 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 shall 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 OF THE SECURITY INSPECTION EQUIPMENT LEASING FRAMEWORK AGREEMENT**

The Security Inspection Equipment is able to enhance the security operation capability and improve the quality and efficiency of operations of Beijing Capital Airport. In light of the applicable laws and regulations of the PRC, the Security Inspection Equipment is required to be procured by the Parent Company in batches and owned by it.

The Parties have agreed to enter into the Security Inspection Equipment Leasing Framework Agreement to facilitate the Company's daily operations and management of Beijing Capital Airport to ensure the stability of airport operations as a whole. Such leasing arrangement is also conducive to the Company's evaluation of potential acquisition of the Security Inspection Equipment as and when appropriate.

If the Company proceeds with acquisition of the Security Inspection Equipment in the future, the Company will comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules as and when necessary.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Security Inspection Equipment Leasing Framework Agreement is entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and the transactions contemplated thereunder (including the annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The Company is principally engaged in the operation of Beijing Capital Airport and the provision of related services.

The Parent Company is principally engaged in the provision of ground support 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 Security Inspection Equipment Leasing Framework 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 transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement and have abstained from voting on the Board resolutions to approve the Security Inspection Equipment Leasing Framework 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. As such, the Parent Company is a connected person of the Company. Therefore, in accordance with the guidance of the Stock Exchange regarding lease transactions adopting IFRS 16, the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Correspondingly, the Company is required to set annual caps on the total value of right-of-use assets relating to leases to be entered into by the Company as lessee in each year or period under the Security Inspection Equipment Leasing Framework Agreement.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the highest annual cap for the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement is more than 0.1% but less than 5%, the Security Inspection Equipment Leasing Framework Agreement and the transactions contemplated thereunder (including the annual caps) are subject to the reporting, annual review and announcement requirements, but are 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:

|                           |  |
|---------------------------|--|
| “associates”              | has the meaning ascribed to it under the Listing Rules |
| “Beijing Capital Airport” | Beijing Capital International Airport                  |
| “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 foreign-invested 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   |
| “IFRS”                          | International Financial Reporting Standard   |
| “Independent Shareholder(s)”    | the Shareholders other than the Parent Company, its associates and any other Shareholder who has a material interest in the transactions contemplated under the Security Inspection Equipment Leasing Framework Agreement  |
| “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 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   |
| “Security Inspection Equipment” | the leased assets contemplated under the Security Inspection Equipment Leasing Framework Agreement, details of which are disclosed in the sub-section headed “Subject matter and scope of leased assets” under the section headed “Material terms of the Security Inspection Equipment Leasing Framework Agreement” of this announcement |

|   |  |
|---|--|
| “Security Inspection Equipment Leasing Framework Agreement” | the leasing framework agreement dated 17 December 2024 entered into between the Company and the Parent Company in relation to the lease of the Security Inspection Equipment from the Parent Company to the Company for a term of three years commencing from 17 December 2024 to 16 December 2027 |
| “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  
17 December 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*