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深圳中航集團股份有限公司 CATIC SHENZHEN HOLDINGS LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00161)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board hereby inform the Shareholders and potential investors that the Group has expected the results of the Group for the year ended 31 December 2010 may increase significantly as compared with net loss recorded for the year ended 31 December 2009.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by CATIC Shenzhen Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company hereby inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the results of the Group as at 31 December 2010 may increase significantly as compared to those for the corresponding period in 2009 and would achieve turnaround. The Board believes that the significant growth in our business for the year ended 31 December 2010 is mainly attributable to:

1. benefited from the upturn of external market environment, as well as the higher utilization rate of the production capacity of its subsidiary Shanghai Tianma Microelectronics Company Limited (“**Shanghai Tian Ma**”), the results of Tian Ma Microelectronics Co., Ltd. (“**Tian Ma**”), a subsidiary of the Company, has achieved turnaround;
2. benefited from the recovery of the global economy, the market atmosphere of the printed circuit board and related industry revived, as well as timely adjustment made to its market strategy and focus, the results of Shenzhen Shennan Circuit Co., Ltd (“**Shennan Circuit**”), a subsidiary of the Company, has increased significantly;

3. benefits from the stable increase in overall consumption amid the stable economy environment of PRC, as well as various aggressive measures implemented by the company, the results of Fiyta Holdings Limited (“**Fiyta**”), a subsidiary of the Company, achieved stable growth;
4. the Group has adopted fair value model to measure its investment properties since 1 January 2009, as the market price went up, the fair value of the Group’s investment property has increased in 2010; and
5. Shenzhen CATIC Resources Co., Ltd. (“**CATIC Resources**”), a subsidiary of the Company, has sold its shareholding interests in two of its coal mine companies in May 2010, and recorded an investment gain.

As the Company is still in the process of preparing and finalizing the audited consolidated accounts of the Group for the year ended 31 December 2010, the information contained in this announcement is only based on the preliminary assessment by the Company’s management team according to the management accounts of the Group which have not been confirmed nor audited by the Company’s auditors. The results of the Company for the year ended 31 December 2010 is expected to be announced in March 2011. Shareholders of the Company and potential investors should read the Group’s financial results announcement for the year ended 31 December 2010 carefully.

The information contained in this announcement is only based on the preliminary estimates of the Company and has not been audited by its auditors. Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

By Order of the Board
CATIC Shenzhen Holdings Limited
Wu Guang Quan
Chairman

Shenzhen, the PRC, 1 March 2011

As at the date of this announcement, the Board comprises of a total of 13 Directors, Mr. Wu Guang Quan, Mr. You Lei, Mr. Lai Wei Xuan, Mr. Sui Yong, Mr. Liu Rui Lin and Mr. Xu Dong Sheng as executive directors; Mr. Cheng Bao Zhong, Mr. Qiu Shen Qian, Mr. Li Cheng Ning and Mr. Wang Bin Bin as non-executive Directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Liu Xian Fa as independent non-executive Directors.