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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)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING AND INFORMATION ON THE PAYMENT OF INTERIM DIVIDENDS**

Reference is hereby made to the interim results announcement of CATIC Shenzhen Holdings Limited (the "Company") dated 19 August 2011.

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "EGM") of the Company will be held at the conference room of the Company at Level 25, Hangdu Building, CATIC Zone, Shennan Road Central, Futian District, Shenzhen, Guangdong Province, the People's Republic of China, at 10:00 a.m. on 16 November 2011 (Wednesday) for the following purposes:

To consider and approve the following ordinary resolution:

"To approve the recommendation of the board of directors of the Company in relation to the distribution of an interim dividend for the six months ended 30 June 2011 and authorize the board of directors of the Company to distribute the said interim dividend."

### **INFORMATION OF THE PAYMENT OF INTERIM DIVIDENDS**

#### **Withholding of Enterprise Income for Non-resident Enterprise Shareholders**

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅法》) and the "Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅實施條例》), both effective as from 1 January 2008, any PRC domestic enterprise which declares and pays dividend to a non-resident enterprise shareholder (i.e. a corporate shareholder) in respect of any financial period beginning from 1 January 2008 shall withhold and pay enterprise income tax on behalf of such shareholder. The obligation to withhold and pay the enterprise income tax shall rest with the dividend payer.

Interim dividend to be distributed to non-individual H Shareholders (including HKSCC Nominees Limited, corporate nominees or trustees, and other entities or organisations that are considered as non-resident enterprise shareholders) whose names appeared in the H Shareholders' register on the H Share Record Date (being 5 December 2011) will be subject to a 10% income tax to be withheld by the Company.

### **Withholding of Personal Income Tax for Individual H Shareholders**

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the "SAT Notice") dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange Letter") dated 4 July 2011, the Company is required to withhold and pay the individual income tax in respect of the 2011 Interim Dividends paid to the Individual H Shareholders (the "Individual H Shareholders"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

The Company will withhold and arrange for the payment of the withholding tax pursuant to the above the SAT Notice and the Stock Exchange Letter and other relevant laws and regulation, including the "Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative)" (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) (the "Tax Treaties Notice"). The Company will determine the country of domicile of the Individual H Shareholders based on the registered addresses as recorded in the register of members of the Company on 5 December 2011 (the "Registered Address(es)"). The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements. Details of arrangements are as follows:

- For Individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If the relevant Individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant

shareholder shall submit the information required under the Tax Treaties Notice in person to the Company's H share registrar, Hong Kong Registrars Limited on or before 1 December 2011. Upon examination and approval of such information by competent tax authorities, the Company will assist in refunding the additional amount of tax withheld and paid.

- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.

If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the Individual H Shareholder shall notify and provide relevant supporting documents in person to the Company's H share registrar, Hong Kong Registrars Limited on or before 1 December 2011.

Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

**Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares of the Company.**

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

Shenzhen, the PRC, 30 September 2011

*Notes:*

**1. Eligibility for attending the EGM**

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 14 October 2011 shall have the right to attend the EGM after complying with the necessary registration procedures. Holders of H Shares of the Company who intend to attend the EGM must deliver all instruments of transfer, accompanied by the relevant share certificates, to the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:30 p.m. on 14 October 2011.

## **2. Registration procedures for the EGM**

- (a) A shareholder of the Company or his proxy should produce proof of identity when attending the EGM.
- (b) Shareholders of the Company intending to attend the EGM should return the reply slip (together with any required registration documents) to the Company on or before 26 October 2011.
- (c) Shareholders of the Company may send the above reply slip to the Company's legal address in person, by post or by facsimile.

## **3. Proxy**

- (a) A Shareholder of the Company eligible to attend the EGM is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company.
- (b) A proxy shall be appointed by written instrument signed by the appointor or his attorney. If the form of proxy is signed by the attorney of the appointer, the power of attorney or other authorization document(s) of such attorney should be notarized.
- (c) To be valid, the holders of domestic shares, the power of attorney or other authorization document(s) which have been notarized together with the completed form of proxy, must be delivered to the legal address of the Company not less than 24 hours before the time designated for the holding of the EGM or not less than 24 hours before the time appointed for taking the poll. In order to be valid, for holders of H Shares, the above documents must be delivered to Hong Kong Registrars Limited (Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) within the same period.
- (d) A shareholder of the Company who has appointed more than one proxy shall only vote on a poll.

## **4. Closure of Register of Members of the Company**

The register of H Shares of the Company will be closed from 17 October 2011 to 16 November 2011, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the meeting, all instruments of transfer, accompanied by the relevant share certificates, must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 October 2011.

In addition, the register of H Shares of the Company will also be closed on 1 December 2011 to 5 December 2011, during which no transfer of Shares will be effected. In order to qualify for the interim dividend, if approved at the EGM, all instruments of transfer, accompanied by the relevant share certificates, must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 30 November 2011.

## 5. Dividends

For the six months ended 30 June 2011, the board of directors of the Company has recommended the distribution of an interim dividend of RMB 3 cents per share. The interim dividend for the period will be paid on 30 December 2011 to all the shareholders whose name appear in the registers of members of the Company at the close of business on 5 December 2011 subject to the approval by the shareholders of the Company at the EGM. The register of H shares of the Company will be closed from 1 December 2011 to 5 December 2011 (both days inclusive). In order to qualify for the interim dividend, all instruments of transfer, accompanied by the relevant share certificates must be delivered to the H share registrar of the Company, Hong Kong Registrars Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:30 p.m. on 30 November 2011. According to the articles of association of the Company, the dividend distributed to the shareholders of domestic shares will be paid in RMB. The dividend distributed to the shareholders of H shares will be paid in HKD by reference to the exchange rate, which is the average of the closing exchange rate for converting RMB into HKD quoted by the People's Bank of China for five working days preceding the day on which the interim dividend is declared.

6. The duration of the EGM is expected not to last for more than half a day. Attendants who attend the above meetings shall arrange for travel, food and accommodation at their own cost.

*Legal address of the Company:*

Level 25, Hangdu Building, CATIC Zone, Shennan Road Central, Futian District, Shenzhen, Guangdong Province, the People's Republic of China

Tel.: 0755-8368 8956

Fax: 0755-8368 8209

Postal code: 518031

*As of the date of this announcement, the Board of the Company comprises 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. Wang Bin Bin and Mr. Li Cheng Ning as non-executive Directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Liu Xian Fa as independent non-executive Directors.*