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China ITS (Holdings) Co., Ltd.

中国智能交通系统(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1900)

**UPDATE ON DELAY IN SETTLEMENT
OF THE OUTSTANDING AMOUNTS**

Reference is made to the announcements of China ITS (Holdings) Co., Ltd. (the “**Company**”) dated 9 April 2018, 3 May 2018 and 2 July 2018 and the circular of the Company dated 6 September 2018 (the “**Circular**”), the announcement of the Company dated 1 July 2019 (the “**Announcement**”) and the announcement of the Company dated 8 May 2020. Unless otherwise stated, terms defined in the Circular and the Announcement shall have the same meanings when used in this announcement.

As disclosed in the Announcement, the Outstanding Amounts and the interest accrued thereon as at 30 June 2019 totaled approximately RMB340.8 million (consisting of the principal amount of approximately RMB316.1 million and accrued interest amount of approximately RMB24.7 million). The Company would like to update the Shareholders and potential investors that as at the date of this announcement, RMB34.2 million of the Outstanding Amounts has been settled, out of which RMB19.4 million and RMB14.8 million were paid by the Purchaser Group on 23 June 2020 and 28 June 2020, respectively.

The Company has been continuing its negotiation with the Purchaser Group and its assessment of the feasibility of different proposals. The Company would like to further update the Shareholders and potential investors that it and the Purchaser Group need more time to reach consensus on the proposal for further varying the payment terms of the Outstanding Amounts and to negotiate its terms. Accordingly, the Directors currently expect that the terms of the Proposed Amendment will be finalized on or before 31 August 2020.

By Order of the Board
China ITS (Holdings) Co., Ltd.
Mr. Liao Jie
Chairman

Beijing, 30 June 2020

As at the date of this announcement, our executive Directors are Mr. Liao Jie and Mr. Jiang Hailin, and our independent non-executive Directors are Mr. Ye Zhou, Mr. Wang Dong and Mr. Zhou Jianmin.