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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)

**DISCLOSABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board announces that, on 28 January 2021, Tibet Intelligent Aviation, a subsidiary indirectly and wholly owned by the Company, subscribed for the Wealth Management Product in a principal amount of RMB10,000,000 issued by CR Trust.

LISTING RULE IMPLICATIONS

As the highest applicable percentage in respect of the subscription of the Wealth Management Product and the 27 January Subscriptions in aggregate is more than 5% but less than 25%, the subscription of the Wealth Management Product constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

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On 28 January 2021, Tibet Intelligent Aviation entered into a capital trust contract with CR Trust in relation to the subscription of Wealth Management Product in an amount of RMB10,000,000. The principal terms are as follows:

Date of subscription	28 January 2021
Product name	Fund-raising Trust Programme No. 1 of CR Trust ● Xinbo Jinqu (信博進取)
Parties	(1) Tibet Intelligent Aviation; and (2) CR Trust
Principal under subscription	RMB10,000,000
Term of investment	A maximum of three (3) years from the date of the subscription, subject to mandatory redemption by CR Trust during the first year upon return of the Wealth Management Product meeting certain threshold as of the assessment dates in the first year of the investment term as stipulated under the terms of the Wealth Management Product.
Product type and risk level	A non principal-guaranteed product, the non principal-guaranteed Beneficiary Certificate Product with floating yield issued by CSC Financial Co., Ltd. (中信建投證券股份有限公司) (Beneficiary certificate No. 075 of CSC “Jinubao (進取寶)” -A01006, the series of which represents Xueqiu beneficiary certificates (雪球收益憑證) or beneficiary certificates improved by the Xueqiu coupling index (雪球結合指數)) in which the trust programme invests and the product which CSC Financial regards as of medium-to-high risk
Contingent annual yield	No fixed or guaranteed yield, provided that the highest annualized yield for the first year will be 20%.
Early termination	Provided that no mandatory redemption has been triggered during the first year of the investment term, Tibet Intelligent Aviation has the right (but not the obligation) to require CR Trust to redeem the Wealth Management Product in full on the designated day of each month during the second and third years of the investment term.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Directors are of the view that: (i) the subscription of Wealth Management Product is funded by the Group’s surplus cash reserves and will not affect the Group’s working capital position or operations; and (ii) appropriate wealth management is beneficial for enhancing capital utilization and increasing the probability of generating income with idle funds. The subscription of Wealth Management Product is funded by internally generated funds.

Accordingly, the Directors consider that the subscription of the Wealth Management Product is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As the underlying investments of the funds invested in the Wealth Management Product are product(s) sold by CSC Financial, and the counterparty to the 27 January Subscriptions was CSC Financial, the Company considered it appropriate to aggregate the subscription of the Wealth Management Product with the 27 January Subscriptions for the purpose of determining the applicable percentage ratios under Chapter 14 of the Listing Rules.

As the highest applicable percentage in respect of the subscription of the Wealth Management Product and the 27 January Subscriptions in aggregate is more than 5% but less than 25%, the subscription of the Wealth Management Product constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE GROUP AND TIBET INTELLIGENT AVIATION

The Group is a provider which mainly offers products, professional solutions and services related to infrastructure technology in the PRC and overseas.

Tibet Intelligent Aviation is a subsidiary indirectly and wholly owned by the Company.

INFORMATION ON CR TRUST

CR Trust is an institution providing integrated financial services and established under the laws of the PRC and is qualified to conduct its business as stipulated in its operator's license for financial institutions in the PRC with sufficient power, authorization and legal rights to own its assets and operate its business. To the best of knowledge, information and belief of the Directors after making all reasonable enquiries and based on the public information available to the Company, CR Trust and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“27 January Subscription”	the subscription of wealth management products by Tibet Intelligent Aviation on 27 January 2021 as disclosed in the Company's announcement dated 27 January 2021
“Board”	The board of directors
“Company”	China ITS (Holdings) Co., Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Director(s)”	Directors of the Company
“Wealth Management Product”	The Fund-raising Trust Programme No. 1 of CR Trust ● Xinbo Jinqu (信博進取) launched by CR Trust, details of which are set out in this announcement
“Beneficiary Certificate Product”	A non principal-guaranteed beneficiary certificate product with floating yield sold by CSC Financial Co., Ltd. (中信建投證券股份有限公司) (Beneficiary certificate No. 075 of CSC “Jinqubao (進取寶)” -A01006), details of which are set out in this announcement
“Group”	The Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司)
“CSC Financial”	CSC Financial Co., Ltd. (中信建投證券股份有限公司)
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	Our shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tibet Intelligent Aviation”	Tibet Intelligent Aviation Transportation Technology Co., Ltd., a company established under the laws of the PRC and a subsidiary indirectly and wholly owned by the Company
“%”	per cent

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

Beijing, 28 January 2021

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