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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)

**SUPPLEMENTAL ANNOUNCEMENT ON AUDITED ANNUAL RESULTS
ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcements of China ITS (Holdings) Co., Ltd. (the “**Company**”) dated 31 March 2021 and 16 April 2021 in relation to the unaudited annual results (the “**2020 Unaudited Annual Results**”) and audited results (the “**2020 Audited Annual Results**”), respectively, of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2020. Unless otherwise stated, terms defined in the announcement of the Company dated 16 April 2021 shall have the same meanings when used in this announcement.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the 2020 Unaudited Annual Results Announcement was neither audited nor agreed with Mazars CPA Limited as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to the differences between the financial information contained in the 2020 Unaudited Annual Results and the 2020 Audited Annual Results. Set forth below are the principal details and

reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

Items for the year ended 31 December 2020	Disclosure in the Audited Annual Results Announcement <i>RMB'000</i>	Disclosure in the Unaudited Annual Results Announcement <i>RMB'000</i>	Difference <i>RMB'000</i>	<i>Notes</i>
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Impairment losses on financial and contact assets, net	(76,205)	(73,822)	(2,383)	1
Income tax expense	(23,121)	(14,064)	(9,057)	2
Loss for the year	(165,867)	(154,428)	(11,439)	1,2
Attributable to:				
Owners of the Company	(177,104)	(184,982)	7,878	1,2
Non-controlling interests	11,237	30,554	(19,317)	1,2

Items at 31 December 2020	Disclosure in the Audited Annual Results Announcement <i>RMB'000</i>	Disclosure in the Unaudited Annual Results Announcement <i>RMB'000</i>	Difference <i>RMB'000</i>	<i>Notes</i>
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Pledged deposits — non-current	—	70,000	(70,000)	3
Prepayments, deposits and other receivables	437,911	418,589	19,322	1, 3
Amounts due from related parties	36,616	44,990	(8,374)	3
Pledged deposits — current	172,024	114,347	57,677	3
Contract liabilities, other payables and accruals	(688,715)	(688,033)	(682)	3
Amounts due to related parties	(325)	—	(325)	3
Income tax payable	(50,050)	(36,890)	(13,160)	2
Deferred tax liabilities	(4,783)	(8,886)	4,103	2
Reserves	(1,730,863)	(1,726,005)	(4,858)	1,2
Non-controlling interests	(106,231)	(122,528)	16,297	1,2

Items for the year ended 31 December 2020	Disclosure in the Audited Annual Results Announcement RMB'000	Disclosure in the Unaudited Annual Results Announcement RMB'000	Difference RMB'000	Notes
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Notes to consolidated financial statements

Note 4 Operating segment information

— Segment results — Railway business	(118,681)	(155,314)	36,633	1, 4
— Segment results — Total	(86,787)	(123,420)	36,633	1, 4
— Change in fair value of contingent consideration	(6,479)	6,479	(12,958)	6
— Corporate and other unallocated income and expenses	(29,356)	(3,338)	(26,018)	4, 6
— Loss before tax	(142,746)	(140,364)	(2,382)	1

Notes:

1. The difference of RMB2,383,000 represents provision for impairment of deposit paid for a project.
2. The difference of RMB9,057,000 represents adjustments on current and deferred taxes for the Group's operations in Myanmar. Figures and disclosures in Note 7 to consolidated financial statements have also been amended to reflect the adjustments.
3. The differences represent reclassifications of accounts.
4. The differences represent adjustment/reclassification of items in respect of segments.
5. Having considered the significance of the measurement period adjustments in respect of the business combination on the consolidated financial statements, a new note has been added in Note 14 to the consolidated financial statements.
6. The difference represents wrong side of figure (for change in fair value of contingent consideration) stated in the 2020 unaudited annual results announcement.

Save as disclosed in this further announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, all other information contained, in material aspects, in the 2020 Unaudited Annual Results remains unchanged.

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

Beijing, 20 April 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.