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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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of China ITS (Holdings) Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has recently conducted competitive negotiation for the selection of the Company’s auditor for the year 2019. On April 29, 2019, the Board resolved not to propose a resolution at the upcoming annual general meeting (the “**AGM**”) of the Company to appoint Ernst & Young, the current auditor of the Company, as the auditor of the Company after the expiry of its current term at the conclusion of the AGM. Accordingly, Ernst & Young will retire as the auditor of the Company with effect from the conclusion of the AGM and will not be re-appointed.

The Board further resolved, based on the outcome of the said competitive negotiation and with the recommendation from the audit committee of the Company, to propose an ordinary resolution at the AGM to approve the appointment of Mazars CPA Limited as the auditor of the Company to hold office from the conclusion of the AGM to the conclusion of the next annual general meeting of the Company. This proposed appointment is subject to the approval of the shareholders of the Company at the AGM.

Ernst & Young has confirmed that there are no matters relating to its retirement that needs to be brought to the attention of the shareholders of the Company. The Board has confirmed that there is no disagreement between Ernst & Young and the Company and there are no matters in respect of the proposed change of auditor that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude to Ernst & Young for its professional services and support during the tenure.

A circular in relation to the matters to be resolved at the AGM, including the proposed appointment of Mazars CPA Limited as the Company's auditor, together with a notice of the AGM, will be dispatched to the shareholders of the Company in due course.

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

Beijing, April 29, 2019

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. Tim Tianwei Zhang, Mr. Ye Zhou and Mr. Wang Dong.