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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)

China ITS (Holdings) Co., Ltd.

CNY210,000,000

10.0% Guaranteed Bonds due 2015

(Stock Code: 85908)

PURCHASE AND CANCELLATION OF BONDS

This announcement is made by China ITS (Holdings) Co., Ltd. (the “**Company**”) pursuant to Rule 37.48(a) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited. Reference is made to the announcement of the Company dated 1 November 2012 regarding the issue of the 10.0% guaranteed bonds due 2015 in the original principal amount of RMB210,000,000 (the “**Bonds**”) by the Company and the announcements of the Company dated 30 May 2013, 10 January 2014 and 20 February 2014.

The Company announces that on 29 April 2014 and 30 April 2014, it has further purchased part of the Bonds in the principal amount of RMB20,000,000 and RMB13,000,000, respectively (collectively, the “**Purchased Bonds**”). The board of directors of the Company considers that the purchase of the Purchased Bonds will reduce the Company’s future financial expenses and lower its financial gearing level, and hence the purchase is in the interest of the Company and its shareholders as a whole. All the Purchased Bonds were cancelled on 16 May 2014 by the removal of the relevant bondholder(s)’s name(s) from the relevant register and the cancellation of the corresponding certificates.

As a result of the cancellation of the Purchased Bonds, the aggregate principal amount of Bonds which have been cancelled amounted to RMB94,000,000, representing approximately 44.76% of the original principal amount of the Bonds of RMB210,000,000. The outstanding principal amount of the Bonds (after the cancellation of the Purchased Bonds) as at the date of this announcement is RMB116,000,000.

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

Hong Kong, 19 May 2014

As at the date of this announcement, the executive directors of the Company are Mr. Liao Jie, Mr. Jiang Hailin, Mr. Wang Jing, Mr. Lu Xiao, Mr. Pan Jianguo, Mr. Lv Xilin, and the independent non-executive directors of the Company are Mr. Zhou Chunsheng, Mr. Choi Onward and Mr. Sun Lu.