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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)

POSITIVE PROFIT ALERT

This announcement is made by China ITS (Holdings) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts, the Company expects that the Group will record a net profit for the six months ended 30 June 2019 (the “**Interim Period**”) as compared to a net loss for the six months ended 30 June 2018.

The Company believes that the improvement in the Group’s financial performance for the Interim Period as compared to the six months ended 30 June 2018 was mainly attributable to (i) the gross profit for the Interim Period has increased significantly as compared to the same period in 2018; and (ii) the Group has adopted IFRS 9 since 1 January 2018, and the loss from changes in fair value of financial assets was relatively large for the six months ended 30 June 2018, while the loss from changes in fair value of financial assets was relatively small for the Interim Period.

The Company is still in the process of preparing the Group’s results for the Interim Period. The above information is only based on the preliminary assessment on the management accounts of the Group and the information currently available to the Company, and the same has not been confirmed, reviewed or audited by the auditors of the Company. It is expected that the Group’s results for the Interim Period will be announced in August 2019 in accordance with the Listing Rules.

Shareholders and investors are advised to exercise caution when dealing in securities of the Company.

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

Beijing, 9 August 2019

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