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**If you have sold or transferred** all your shares of China ITS (Holdings) Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES  
INCREASE IN AUTHORISED SHARE CAPITAL  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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This circular is despatched together with the Annual Report of China ITS (Holdings) Co., Ltd. which comprises, among the other things, the directors' report, the auditors' report, the Environmental, Social and Governance Report and the financial statements of China ITS (Holdings) Co., Ltd. for the year ended 31 December 2020.

A notice convening the annual general meeting of China ITS (Holdings) Co., Ltd. to be held at 1:30 p.m. on Wednesday, 2 June 2021 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

30 April 2021

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at 1:30 p.m. on Wednesday, 2 June 2021 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC
“Annual Report”	the annual report of the Company which comprises, among other things, the directors’ report, the Environmental, Social and Governance Report, the auditors’ report and the financial statements of the Company for the year ended 31 December 2020
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Best Partners”	Best Partners Development Limited, one of the Controlling Shareholders
“Board”	the board of Directors
“Chief Executive Officer”	the chief executive officer of the Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	China ITS (Holdings) Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1900)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	any person who has the power, directly or indirectly, to secure:  (i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Takeovers Code, as amended from time to time, being the level for triggering a mandatory offer) or more of the voting power at general meetings of the company; or  (ii) by means of controlling the composition of a majority of the board; or

## DEFINITIONS

(iii) by virtue of any powers conferred by the constitutional document of the company or any other corporation, that the affairs of the company are conducted in accordance with the wishes of such person

“Controlling Shareholders”	Mr. Liao Daoxun, Ms. Wu Yurui, Mr. Jiang Hailin, Mr. Liang Shiping, Ms. Wu Chunhong, Mr. Wang Jing, Mr. Zheng Hui, Mr. Zhang Qian, Mr. Guan Xiong, Ms. Wang Li, Mr. Zhao Lisen, Mr. Lv Xilin, Mr. Dang Kulun, Mr. Pan Jianguo, Mr. Jing Yang, Mr. Liao Jie, Best Partners, Joy Bright, Gouver, Holdco, Rockyjing, Huaxin, Kang Yang, Key Trade, Pride Spirit Joyful, and Sea Best
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Gouver”	Gouver Investments Limited, one of the Controlling Shareholders
“Group”	the Company and its subsidiaries at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of the present subsidiaries, the present subsidiaries of the Company or the business operated by the present subsidiaries or (as the case may be) its predecessor
“Holdco”	China ITS Co., Ltd., one of the Controlling Shareholders
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huaxin”	Huaxin Investments Limited, one of the Controlling Shareholders
“Issue Mandate”	a general mandate proposed to be granted to the Directors which would empower the Directors to exercise the power of the Company to allot, issue and deal with additional shares with a nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting
“ITS”	intelligent transportation system
“Joy Bright”	Joy Bright Success Limited, one of the Controlling Shareholders

## DEFINITIONS

“Joyful”	Joyful Business Holdings Limited, one of the Controlling Shareholders
“Kang Yang”	Kang Yang Holdings Limited, one of the Controlling Shareholders
“Key Trade”	Key Trade Holdings Limited, one of the Controlling Shareholders
“Latest Practicable Date”	23 April 2021, being the latest practicable date for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pride Spirit”	Pride Spirit Company Limited, one of the Controlling Shareholders
“Prospectus”	prospectus of the Company dated 30 June 2010
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors which would empower the Directors to exercise the power of the Company to purchase Shares with a nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting
“Rockyjing”	Rockyjing Investment Limited, one of the Controlling Shareholders
“Sea Best”	Sea Best Investments Limited, one of the Controlling Shareholders
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of a nominal value of HK\$0.0002 each in the issued share capital of the Company

## DEFINITIONS

“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares with a nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting and to extend the general mandate to allot and issue further Shares (if any) which may have been purchased under the Repurchase Mandate
“Share Option Scheme”	the post-IPO share option scheme, adopted by the Company on 18 June 2010
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



**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)**

***Executive Directors***

Mr. Liao Jie (*chairman of the Board*)  
Mr. Jiang Hailin (*Chief Executive Officer*)

***Independent non-executive Directors***

Mr. Ye Zhou  
Mr. Wang Dong  
Mr. Zhou Jianmin

***Registered Office***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Head Office in the PRC***

Building 204  
No. A10, Jiuxianqiao North Road  
Chaoyang District  
Beijing, China

***Principal place of business  
in Hong Kong***

8/F., Golden Star Building  
20–24 Lockhart Road  
Wanchai  
Hong Kong

30 April 2021

*To the Shareholders,*

Dear Sirs,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES  
INCREASE IN AUTHORISED SHARE CAPITAL  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information relating to the following proposals which, together with other ordinary business, will be proposed at the Annual General Meeting for consideration and, where appropriate, approval by the Shareholders:

## LETTER FROM THE BOARD

- (i) granting of the Repurchase Mandate and the Share Issue Mandate;
- (ii) increasing the authorised share capital of the Company; and
- (iii) the re-election of Directors.

The notice of the Annual General Meeting is set out on pages 14 to 18 of this circular.

### **PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES**

At the Annual General Meeting, ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors:

- (i) the Repurchase Mandate, which is the general mandate to purchase Shares with a nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting;
- (ii) the Share Issue Mandate, which is the general mandate to
  - (a) allot, issue and deal with additional Shares with a nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting; and
  - (b) extend the Issue Mandate with a nominal amount up to the aggregate nominal amount of the share capital repurchased by the Company pursuant to the Repurchase Mandate.

Such general mandates will continue in force until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the Shareholders in general meeting.

On the basis of 1,654,024,868 Shares in issue as at the Latest Practicable Date and assuming that (i) the resolutions approving the Issue Mandate and the Repurchase Mandate are passed at the Annual General Meeting; and (ii) no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to allot and issue a maximum of 330,804,973 Shares under the Issue Mandate and repurchase a maximum of 165,402,486 Shares under the Repurchase Mandate.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix to this circular.



## LETTER FROM THE BOARD

### PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$380,000 divided into 1,900,000,000 Shares of a par value of HK\$0.0002 each. As at the Latest Practicable Date, there were 1,654,024,868 issued Shares. In order to provide the Company with a greater flexibility to raise funds by allotting and issuing Shares for future development, as and when necessary, the Board proposes to increase the authorised share capital of the Company to HK\$1,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,100,000,000 Shares, which will rank *pari passu* with all existing shares. The proposed increase in authorised share capital is subject to the approval by the shareholders by way of an ordinary resolution at the Annual General Meeting.

### RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles, Mr. Ye Zhou and Mr. Wang Dong will retire from office as Directors by rotation at the Annual General Meeting. Being eligible, Mr. Ye Zhou and Mr. Wang Dong will offer themselves for re-election.

Pursuant to the Listing Rules, details of the aforesaid Directors to be re-elected are set out below:

#### Mr. Ye Zhou

**Mr. Ye Zhou (葉舟)**, 53, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. Mr. Ye was appointed as an independent non-executive Director on July 15, 2016. Mr. Ye is and has been the chief executive officer of ULSee Inc. since 2014. Prior to his current position at ULSee Inc., from 1994 to 1996, he was a senior product engineer of General Motors Company. From 1996 to 1997, Mr. Ye was the director of wireless communication department of UTStarcom Holdings Corp. From 1997 to 2006, Mr. Ye was the vice president of Asia Pacific region of UTStarcom Holdings Corp. From 2007 to 2016, Mr. Ye was the chief executive officer of CyWee Group Ltd..

Mr. Ye graduated from Pennsylvania State University with a master's degree in electrical engineering in 1994.

Save as disclosed above, Mr. Ye does not and has not held any directorships in any other public companies of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Ye has entered into a service contract with the Company as an independent non-executive Director for three years commencing on 31 May 2019 (renewable upon the end of the term), and is subject to retirement, rotation and re-election at the annual general meeting of the Company according to its article of association. Mr. Ye received a director's fee of HK\$220,000 from the Company for the year ended December 31, 2020. The remuneration had been determined with reference to his duties, responsibilities with the Company and the market rate for his position.

## LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, Mr. Ye is not interested in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr. Ye is independent from and is not related to any director, senior management, substantial or controlling shareholders of the Company, and there are no other matters concerning Mr. Ye's appointment that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### **Mr. WANG Dong**

**Mr. WANG Dong (王冬)**, 45, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee. Mr. Wang was appointed as Director on June 21, 2018. Since October 2009, Mr. Wang has been acting as the chief financial officer of ORG Technology Co., Ltd. (Shenzhen Stock Exchange stock code: 002701, formerly known as ORG Packaging Co., Ltd.), of which he has also been serving as a director and deputy general manager since February 2014. Prior to joining ORG Technology Co., Ltd., Mr. Wang was the financial controller of our Company from January 2007 to September 2009, and worked at PricewaterhouseCoopers from July 1998 to December 2006 who was a senior manager of audit department when he left PricewaterhouseCoopers. Mr. Wang was also an independent director of Visual China Group Co., Ltd. (Shenzhen Stock Exchange stock code: 000681) from June 2014 to October 2018. Visual China Group Co., Ltd. is an associate of Mr. Liao Jie and the controlling shareholders of the Company.

In addition, Mr. Wang has been appointed as (i) a director of Huangshan Novel Co., Ltd. (Shenzhen Stock Exchange stock code: 002014) since January 2016; (ii) an independent director of Shaanxi Baoguang Vacuum Electric Device Co., Ltd. (Shanghai Stock Exchange stock code: 600379) since May 2017.

Mr. Wang is a member of the Chinese Institute of Certified Public Accountants, a member of Chartered Institute of Management Accountants, an associate member of Association of International Accountants and Chartered Global Management Accountant. Mr. Wang graduated with a bachelor's degree in Marketing from Shandong University of Finance and Economics and a Finance MBA degree from the Chinese University of Hong Kong. Mr. Wang has more than 22 years of experience in accounting and finance and 14 years of experience in business management.

Save as disclosed above, Mr. Wang does not and has not held any directorships in any other public companies of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Wang has entered into a service contract with the Company as an independent non-executive Director for three years commencing on 21 June 2018 (renewable upon the end of the term), and is subject to retirement, rotation and re-election at the annual general meeting of the Company according to its article of association. Mr. Wang

## **LETTER FROM THE BOARD**

received a director's fee of HK\$220,000 from the Company for the year ended December 31, 2020. The remuneration had been determined with reference to his duties, responsibilities with the Company and the market rate for his position.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang is not interested in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr. Wang is independent from and is not related to any director, senior management, substantial or controlling shareholders of the Company, and there are no other matters concerning Mr. Wang's appointment that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### **ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting to be held on at 1:30 p.m. on Wednesday, 2 June 2021 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC is set out on pages 14 to 18 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, a resolution put to the vote of a general meeting shall be decided by poll.

### **RECOMMENDATION**

The Directors believe that the proposals described in this circular in relation to the granting of Share Issue Mandate and Repurchase Mandate and the re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

### **RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

**LETTER FROM THE BOARD**

**GENERAL**

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,  
For and on behalf of the Board  
**CHINA ITS (HOLDINGS) CO., LTD.**  
**LIAO JIE**  
*Chairman*

*This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal to permit the granting to the Directors of the Repurchase Mandate at the Annual General Meeting.*

## **1. THE LISTING RULES**

The Listing Rules contain provisions regulating the repurchase by companies whose primary listings are on the Stock Exchange of their securities. The following is a summary of certain provisions of the Listing Rules relating to repurchase of securities:

### **(a) Shareholders' Approval**

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

### **(b) Source of Funds**

Repurchases must be funded out of funds legally available for such purpose in accordance with the Company's memorandum and articles of association and the Companies Law of the Cayman Islands. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any repurchase by the Company may be made out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$330,804.97 comprising 1,654,024,868 Shares.

Subject to the passing of the relevant ordinary resolutions at the Annual General Meeting and assuming that no further Shares are issued and repurchased by the Company, the Directors will be authorised to repurchase up to 165,402,486 Shares pursuant to the Repurchase Mandate and allot and issue up to 330,804,973 Shares pursuant to the Issue Mandate.

## **3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the shares of the Company in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company

and its assets or its earnings per share of the Company or both and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

#### **4. FUNDING OF REPURCHASES**

In repurchasing the shares of the Company, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and articles of association and all applicable laws. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

The Repurchase Mandate, if exercised in full, may have a material adverse effect on the working capital or gearing position of the Company as compared with the position disclosed in the Company's most recent published audited accounts. The Directors, however, do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

#### **5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell the shares of the Company to the Company under the Repurchase Mandate to repurchase the shares of the Company in the event that it is granted by the Shareholders at the Annual General Meeting.

No core connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any shares of the Company to the Company, or that he has undertaken not to sell any shares of the Company held by him to the Company, in the event that the Repurchase Mandate is granted by the Shareholders at the Annual General Meeting.

#### **6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles so far as the same may be applicable.

#### **7. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase the shares of the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

The Board is aware of consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. As at the Latest Practicable Date, the Controlling Shareholders, beneficially owned 645,912,777 Shares, representing approximately 39.05% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate and assuming that no further Share are issued or repurchased prior to the date of the Annual General Meeting, the shareholding interest of the Controlling Shareholders in the Company would be increased to approximately 43.39% of the issued share capital of the Company. Such an increase would give rise to an obligation of the Controlling Shareholders to make a mandatory offer under Rule 26 of the Takeovers Code.

Currently, the Directors have no intention to exercise the powers of the Company to make any repurchases of the Shares of the Company. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code or which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

## 8. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange as quoted in the Stock Exchange's daily quotations sheets in each of the previous twelve months prior to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
April	0.164	0.140
May	0.180	0.137
June	0.185	0.151
July	0.179	0.136
August	0.188	0.142
September	0.186	0.146
October	0.180	0.142
November	0.180	0.150
December	0.167	0.147
<b>2021</b>		
January	0.260	0.154
February	0.290	0.198
March	0.255	0.211
April (up to and including the Latest Practicable Date)	0.229	0.170

## 9. SECURITIES PURCHASES MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



**China ITS (Holdings) Co., Ltd.**  
**中国智能交通系统(控股)有限公司**  
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**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Annual General Meeting**”) of the shareholders of China ITS (Holdings) Co., Ltd. (the “**Company**”) will be held at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC at 1:30 p.m. on Wednesday, 2 June 2021 for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive, consider and approve the audited financial statements, the directors’ report, the auditors’ report, the Environmental, Social and Governance Report of the Company and its subsidiaries for the year ended 31 December 2020.
2. (a) To re-elect Mr. Ye Zhou as an independent non-executive director of the Company;  
  
(b) To re-elect Mr. Wang Dong as an independent non-executive director of the Company.
3. To authorise the board (the “**Board**”) of directors (“**Directors**”) of the Company to fix the remuneration of the Directors.
4. To re-appoint Mazars CPA Limited as the auditor and to authorise Directors to fix their remuneration.



## NOTICE OF ANNUAL GENERAL MEETING

### AS SPECIAL BUSINESS

As special business, to consider and, if thought fit, to pass with or without amendments or modifications, the following ordinary resolutions:

### ORDINARY RESOLUTIONS

5. A. **“THAT:**

(a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.0002 each in the capital of the Company (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution number 5A set out in this notice of annual general meeting (**“Resolution 5A”**) and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution 5A:

**“Relevant Period”** means the period from the passing of this Resolution 5A until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or by any applicable law(s) to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 5A by the passing of an ordinary resolution by the shareholders in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

5. B. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution set out in this notice of annual general meeting (“**Resolution 5B**”) shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;
- (c) The aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution 5B, otherwise than pursuant to, (i) a Rights Issue (as hereinafter defined), (ii) any option scheme or similar arrangement for the time being adopted for grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of the Shares or rights to acquire the Shares, or (iii) any scrip dividend or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, shall not exceed of 20 per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 5B, and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution 5B:
  - “**Relevant Period**” means the period from the passing of this Resolution 5B until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or by any applicable law(s) to be held; or

## NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given to the Directors under this Resolution 5B by the passing of an ordinary resolution by the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to the holders of the Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. C. “**THAT** subject to the passing of Resolutions 5A and 5B, the general mandate referred to in Resolution 5B above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to the general mandate referred to in Resolution 5A above provided that such amount shall not exceed ten per cent (10%) of the existing issued share capital of the Company at the date of passing this Resolution 5C.”;
6. “**THAT**:
- (a) the authorised share capital of the Company be increased from HK\$380,000 divided into 1,900,000,000 Shares to HK\$1,000,000 divided into 5,000,000,000 Shares, by the creation of an additional 3,100,000,000 Shares (“**Authorised Share Capital Increase**”); and
- (b) any one of the Directors be and is hereby authorised for and on behalf of the Company to sign, execute, perfect and deliver all such documents, instruments and agreements and to do all such acts and things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and for the completion of the Authorised Share Capital Increase.”
7. To transact any other business.

By Order of the Board  
**China ITS (Holdings) Co., Ltd.**  
**LEUNG MING SHU**  
*Company Secretary*

Beijing, 30 April 2021

## NOTICE OF ANNUAL GENERAL MEETING

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

8F., Golden Star Building  
20–24 Lockhart Road  
Wanchai  
Hong Kong

*Notes:*

- (1) Any member entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member of the Company. All proxies, together with powers of attorney or other authorities, if any, under which they are signed or certified copies thereof, must be deposited with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Annual General Meeting or any adjournment thereof should she/he so wishes and in such event, the form of proxy shall be deemed to be revoked.
- (2) Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
- (3) With reference to Resolution 2 above, Mr. Ye Zhou and Mr. Wang Dong will, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in the circular of the Company dated 30 April 2021.
- (4) With reference to Resolutions 5A, 5B and 5C above, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares or securities pursuant to the relevant mandate.
- (5) A circular containing further information regarding, inter alia, the proposed resolutions in respect of the general mandates to repurchase Shares and to issue new Shares and the re-election of the Directors, will be delivered to the shareholders of the Company together with the Company's Annual Report for the year ended 31 December 2020.
- (6) The register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021 (both days inclusive) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfers of Share accompanied by the relevant share certificate must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 27 May 2021.

*As at the date of this notice, our Executive Directors are Mr. Liao Jie and Mr. Jiang Hailin and our Independent non-Executive Directors are Mr. Ye Zhou, Mr. Wang Dong and Mr. Zhou Jianmin.*