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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
SUPPLEMENTAL ANNOUNCEMENT**

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).

Reference is made to the Company’s positive profit alert announcement dated 16 March 2022 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board wishes to further inform the Shareholders and potential investors of the Company that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the Reporting Year and the information currently available, the Company expects that the Group will record a profit before taxation of no less than RMB120.0 million for the Reporting Year, as compared with a loss before taxation of RMB142.7 million for the year ended 31 December 2020. Profit before taxation increased significantly as compared to the same period last year, which is mainly attributable to (i) a greater growth in gross profit for the Reporting Year as compared with the same period last year due to a significant increase in revenue in the electric power sector and a relatively higher gross profit margin in that sector for the Reporting Year; and (ii) a significant decrease in impairment loss for the Reporting Year as compared with the same period last year.

The Company is still in the process of preparing the Group's annual results for the Reporting Year. The above information is only based on the preliminary assessment of the unaudited consolidated 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. The annual results of the Group for the Reporting Year may be subject to further adjustment(s) and may be different from the information contained in this announcement. Further details of the Group's performance will be announced in the annual results for the Reporting Year to be published by the Company.

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

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

Beijing, 21 March 2022

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.