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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO EXTENSION OF LOAN**

EXTENSION OF LOAN

Reference is made to the announcement of the Company dated 17 July 2017 where it was announced that the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan in the principal amount of RMB30,000,000, bearing interest at a rate of 8% per annum for a period of 6 years.

The Board wishes to announce that on 10 August 2023 (after trading hours), the Lender entered into the Supplemental Loan Agreement with the Borrower to extend the repayment date of the Loan to 31 January 2024 with the other terms and conditions of the Loan Agreement remaining unchanged.

LISTING RULE IMPLICATIONS

This announcement is made pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Supplemental Loan Agreement constitutes a material variation to the terms and conditions of the Loan Agreement which was previously announced by the Company on 17 July 2017.

On the other hand, as the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the extension of the Loan under the Supplemental Loan Agreement exceeds 5% but is less than 25%, the extension of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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SUPPLEMENTAL LOAN AGREEMENT

The principal terms of the Loan Agreement as amended and supplemented by the Supplemental Loan Agreement are as follows:

- Date of the Supplemental Loan Agreement:** 10 August 2023 (after trading hours)
- Parties:**
- (a) Haotian Jiajie, an indirect wholly-owned subsidiary of the Company
 - (b) Ma Yue (馬越), an individual who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is a third party independent of and not connected with the Company and its connected persons
- Outstanding principal:** RMB30,000,000 (the “**Outstanding Principal**”)
- Interest:** 8% per annum
- Maturity date of the Loan:** 31 January 2024 (the “**Extended Maturity Date**”)
- Repayment:** The Borrower shall repay the Outstanding Principal together with the corresponding interest amounts in full by the Extended Maturity Date.
- Prepayment:** The Borrower may prepay all or any portion of the Outstanding Principal at any time before the Extended Maturity Date, in the event of partial prepayment, the interest of such part of the prepaid Outstanding Principal shall be paid together with the principal and shall not be further accumulated.

Security:

In light of the extension of the maturity date of the Outstanding Principal, the Lender, the Borrower and Yinghui Internet have entered into the Supplemental Share Pledge Agreement, pursuant to which the Pledged Shares currently pledged in favour of the Lender as security for the Borrower's obligations under the Loan Agreement shall be further pledged in favour of the Lender for the repayment obligations of the Borrower under the Supplemental Loan Agreement.

INFORMATION OF THE GROUP, THE BORROWER AND YINGHUI INTERNET**The Group**

The Group is a provider which mainly offers products, specialized solutions and services related to infrastructure technology in the PRC and overseas.

The Borrower

The Borrower, Ma Yue (馬越), together with parties acting in concert with him, controls the voting rights attached to approximately 24.24% of the issued shares of Forever Opensource. The Borrower is the actual controller (實際控制人) of Forever Opensource.

Yinghui Internet

Yinghui Internet is a company established under the laws of the PRC and primarily engaged in the technology development, technology consulting and other related services, and it holds 15.28% shares of Forever Opensource. The Borrower holds 60.73% equity interests of Yinghui Internet and the rest equity interests are directly and indirectly held by three individuals who are third parties independent of and not connected with the Company and its connected persons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower and Yinghui Internet and its ultimate beneficial owners, are third parties independent of and not connected with the Company and its connected persons.

REASONS FOR AND BENEFITS OF EXTENSION OF THE LOAN

The Supplemental Loan Agreement and the Supplemental Share Pledge Agreement were entered into by the Lender having regard to (i) extending the maturity date of the Loan allows the Company to further increase the rate of return of the internal idle funds which has already been previously drawn under the Loan Agreement; (ii) the repayment of the Outstanding Principal together with the corresponding interest amounts is able to be secured with the Pledged Shares; (iii) the Borrower has fully repaid the accrued interests under the Loan Agreement; and (iv) the extension of the repayment date of the Outstanding Principal will enable the Company, which indirectly holds 22.19% shares of Forever Opensource, to maintain good shareholder relationship with the Borrower.

The terms of the Supplemental Loan Agreement and the Supplemental Share Pledge Agreement were negotiated on an arm's length basis between the parties and the determination of the interest rate of the Outstanding Principal has taken into account the prevailing market interest rate.

In view of the above, the Board considers that the Supplemental Loan Agreement and the Supplemental Share Pledge Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of the Supplemental Loan Agreement and the Supplemental Share Pledge Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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DEFINITION

“Board”	the board of Directors
“Borrower”	Ma Yue (馬越), a third party independent of and not connected with the Company and its connected persons
“Company”	China ITS (Holdings) Co., Ltd. (中国智能交通系统 (控股) 有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Forever Opensource”	Forever Opensource Co., Ltd. (恒拓開源信息科技股份有限公司), a company incorporated in the PRC whose shares are traded on the Beijing Stock Exchange (stock code: 834415)
“Group”	the Company and its subsidiaries
“Haotian Jiajie” or “Lender”	Beijing Haotian Jiajie New Energy Co., Ltd.* (北京昊天佳捷新能源有限公司, formerly known as Beijing Haotian Jiajie Technology Co., Ltd.* (北京昊天佳捷科技有限公司)), a company established under the laws of the PRC, and a subsidiary indirectly and wholly owned by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	a loan of RMB30,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 15 July 2017 entered into between the Lender and the Borrower in relation to the provision of the Loan
“Pledged Shares”	an aggregate of 9,327,568 shares of Forever Opensource, comprising of 5,067,568 shares held by the Borrower and 4,260,000 shares held by Yinghui Internet
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary (ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Loan Agreement”	the supplemental loan agreement dated 10 August 2023 and entered into between the Lender and the Borrower in relation to the extension of the Loan
“Supplemental Share Pledge Agreement”	the supplemental share pledge agreement dated 10 August 2023 and entered into among the Lender, the Borrower and Yinghui Internet in relation to the extension of the Loan
“Yinghui Internet”	Beijing Yinghui Internet Technology Co., Ltd.* (北京盈輝互聯科技有限公司), a company incorporated in the PRC with limited liability, a third party independent of and not connected with the Company and its connected persons
“%”	per cent

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

Beijing, 10 August 2023

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. Ye Zhou, Mr. Wang Dong and Mr. Zhou Jianmin.

** For identification purposes only*