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If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer or other bank manager, solicitor, professional accountant or other professional adviser.

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
RE-ELECTION OF DIRECTORS
PROPOSED AMENDMENTS TO THE EXISTING ARTICLES
AND ADOPTION OF THE NEW ARTICLES
PROPOSED DECLARATION OF FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China ITS (Holdings) Co., Ltd. to be held at 1:30 p.m. on Monday, 27 May 2024 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC is set out on pages 18 to 23 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.

29 April 2024

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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 Monday, 27 May 2024 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC
“Articles”	the existing seventh amended and restated 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 (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

DEFINITIONS

“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
“Final Dividend”	a dividend of HK\$0.0227 per Share for the year ended 31 December 2023 recommended by the Board
“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
“Joyful”	Joyful Business Holdings Limited, one of the Controlling Shareholders

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“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”	19 April 2024, 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
“New Articles”	the eighth amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the Annual General Meeting
“Pride Spirit”	Pride Spirit Company Limited, one of the Controlling Shareholders
“Proposed Amendments”	proposed amendments to the Articles as set out in Appendix II to this circular
“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
“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

29 April 2024

To the Shareholders,

Dear Sirs,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED AMENDMENTS TO THE EXISTING ARTICLES
AND ADOPTION OF THE NEW ARTICLES
PROPOSED DECLARATION OF FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

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:

- (i) granting of the Repurchase Mandate and the Share Issue Mandate;
- (ii) the re-election of Directors;
- (iii) the Proposed Amendments to the existing Articles and the proposed adoption of the New Articles; and
- (iv) the declaration of the Final Dividend.

The notice of the Annual General Meeting is set out on pages 18 to 23 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.

LETTER FROM THE BOARD

On the basis of 1,697,691,124 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 339,538,224 Shares under the Issue Mandate and repurchase a maximum of 169,769,112 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 I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles, Mr. Liao Jie and Mr. Wang Dong will retire from office as Directors by rotation at the Annual General Meeting. Being eligible, Mr. Liao Jie 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. Liao Jie

Mr. Liao Jie (廖杰), 58, is the chairman of the Board (the “**Chairman**”) and an executive Director, responsible for formulating strategy of the Company. He was appointed as the executive Director and the chief executive officer of the Company (the “**Chief Executive Officer**”) on 24 August 2011 and was responsible for the overall business operations and mergers and acquisitions of the Company. On 9 July 2012, Mr. Liao has been elected as the Chairman and retired from his position as the Chief Executive Officer. Mr. Liao is also one of the controlling shareholders of the Company (the “**Controlling Shareholder**”), and serves as a director of China ITS Co., Ltd. (“**Holdco**”, one of the Controlling Shareholders), Best Partners Development Limited (“**Best Partners**”, one of the Controlling Shareholders), and Joyful Business Holdings Limited (“**Joyful Business**”, one of the Controlling Shareholders). Mr. Liao has been appointed as a director of Visual China Group Co., Ltd. (formerly known as Far East Industrial Stock Co., Ltd., a company listed on the Shenzhen Stock Exchange, stock code: 000681, “**Visual China**”) from 9 May 2014 and the chairman of Visual China from 29 May 2014. Mr. Liao became a director of Beijing RHY Technology Development Co., Ltd. (National Equities Exchange and Quotations of the PRC, stock code: 873761) in May 2002, responsible for strategic planning and operational management in the expressway segment and retired from the directorship when he started serving as a senior advisor of the Board of the Company on business strategy and operational direction of the Group in January 2008. Mr. Liao has served as the Chairman of Beijing RHY Technology Development Co., Ltd. since July 2020.

Prior to joining the Company, Mr. Liao served as a senior engineer of Nortel Canada in 1995. From 1996, he spent a total of four years in North America running an international IT supply chain business before returning to the PRC in 1999. In 1999, Mr. Liao and his family founded Beijing Bailian Youli Information Technology Co., Ltd. (the

LETTER FROM THE BOARD

investment holding company prior to the establishment of Bailian Youli (Beijing) Investment Co., Ltd.), which invested and co-founded Visual China, CSDN Group Limited and the Group.

Mr. Liao holds a master's degree in applied science from the University of Toronto, and a bachelor degree in industrial automation from the Huazhong University of Science and Technology. Mr. Liao has a long established understanding of the businesses of the Group and deep industry expertise, as a result of which he can help the Group to reshape its business model, achieve operational excellence and diversify our business mix across different transport industry segments.

Save as disclosed above, Mr. Liao 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.

As at the Latest Practicable Date, Mr. Liao was deemed to be interested in 105,758,203 Shares held by Joyful Business Company Limited, a company wholly-owned by Mr. Liao.

Mr. Liao has entered into a service contract with the Company as an executive Director for three years commencing on 26 May 2022 (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. Liao received a remuneration of RMB1,500,000 and director's fee of RMB0 from the Group for the year ended 31 December 2023. The remuneration had been determined with reference to his duties, responsibilities with the Company and the market rate for his position. Mr. Liao is the son of Mr. Liao Daoxun and Ms. Wu Yurui, who are two of the Controlling Shareholders.

Save as disclosed above, as at the Latest Practicable Date, Mr. Liao does 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. Liao 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. Liao'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 disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Wang Dong

Mr. WANG Dong (王冬), 48, 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. Mr. Wang has served as the managing director of ORG International Holdings Limited since August 2023. Prior to joining ORG International Holdings Limited, Mr. Wang was the financial controller of the Company from January 2007 to September 2009, and worked at PricewaterhouseCoopers Zhong Tian LLP from July 1998 to December 2006. He left PricewaterhouseCoopers as a senior manager in the audit department. From October 2009

LETTER FROM THE BOARD

to November 2023, Mr. Wang served 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 from February 2014 to November 2023. 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. From May 2017 to May 2023, Mr. Wang served as an independent director of Shaanxi Baoguang Vacuum Electric Device Co., Ltd. (Shanghai Stock Exchange stock code: 600379).

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; and (ii) a director of Jiangsu Wortact Group Co., Ltd. (National Equities Exchange and Quotations of the PRC, stock code: 832139) since March 2023.

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 25 years of experience in accounting and finance and 17 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 2 June 2021 (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 received a director's fee of HK\$220,000 from the Company for the year ended 31 December 2023. 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.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE EXISTING ARTICLES AND ADOPTION OF THE NEW ARTICLES

The Board proposes to amend the existing Articles for the purposes of, among others, (i) updating and bringing the existing Articles in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; and (ii) better aligning the amendments of the existing Articles for house keeping purposes with the provisions of the Listing Rules. For the purposes of the Proposed Amendments, the Board proposes to adopt the New Articles which consolidates the Proposed Amendments in substitution for, and to the exclusion of the existing Articles in their entirety.

Details of the Proposed Amendments are set out in Appendix II to this circular. A special resolution will be proposed at the Annual General Meeting to approve the Proposed Amendments and adoption of the New Articles.

The Company has been advised by its legal advisers as to the Hong Kong laws that the Proposed Amendments conform with the applicable requirements of Appendix A1 to the Listing Rules and the Company has been advised by its legal advisers as to Cayman Islands laws that the Proposed Amendments do not violate the applicable laws of Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange.

The Proposed Amendments and the proposed adoption of the New Articles are subject to consideration and approval by the Shareholders by way of a special resolution to be proposed at the Annual General Meeting.

PROPOSED DECLARATION OF FINAL DIVIDEND

As disclosed in the announcement of the Company dated 28 March 2024, the Board has recommended the payment of a dividend of HK\$0.0227 per Share for the year ended 31 December 2023. Such dividend will be distributed from share premium of the Company. The Final Dividend is subject to approval by the Shareholders at the Annual General Meeting and a resolution will be put to the Shareholders for voting at the Annual General Meeting. Subject to the Shareholders' approval at the Annual General Meeting, the Final Dividend is expected to be paid before 31 August 2024.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held on at 1:30 p.m. on Monday, 27 May 2024 at Room V1, 6/F, Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, PRC is set out on pages 18 to 23 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

LETTER FROM THE BOARD

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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 22 May 2024 to Monday, 27 May 2024 (both days inclusive) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting. The record date for entitlement to attend and vote at the Annual General Meeting is Monday, 27 May 2024. 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 Tuesday, 21 May 2024.

RECOMMENDATION

The Directors believe that the proposals described in this circular in relation to (i) the granting of Share Issue Mandate and Repurchase Mandate, (ii) the re-election of Directors, (iii) the Proposed Amendments to the existing Articles and the proposed adoption of the New Articles, and (iv) the declaration of the Final Dividend 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.

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\$339,538.22 comprising 1,697,691,124 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 169,769,112 Shares pursuant to the Repurchase Mandate and allot and issue up to 339,538,224 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. GENERAL

The Directors 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.

The Company confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

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 38.05% 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 42.27% 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.184	0.141
May	0.155	0.130
June	0.142	0.116
July	0.142	0.112
August	0.146	0.112
September	0.157	0.123
October	0.150	0.112
November	0.145	0.118
December	0.130	0.105
2024		
January	0.127	0.108
February	0.138	0.110
March	0.164	0.129
April (up to and including the Latest Practicable Date)	0.195	0.145

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.

The details of the Proposed Amendments are as follows:

151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), ~~and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.~~
158. (1) Any Notice or document (including any "corporate communication" and "actionable corporate communication" within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and, subject to compliance with the Listing Rules, any such Notice and document may be given or issued by the following means:
- ...
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 158(54); ~~subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;~~
- (f) by publishing it on the Company's website or the website of the Designated Stock Exchange ~~to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company's computer network website or the website of the Designated Stock Exchange (as the case may be) (a "notice of availability");~~ or
- ...
- (2) ~~The notice of availability may be given by any of the means set out above other than by posting it on a website.~~

- (32) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (43) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (54) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.
- (65) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.

159. Any Notice or other document:

...

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice, document or publication placed on either the Company's website or the website of the Designated Stock Exchange, is deemed given or served by the Company ~~to a Member~~ on the day it first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules ~~following that on which a notice of availability is deemed served on the Member;~~
- (c) ~~if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;~~

- (~~d~~) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (~~e~~) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.

160. ...

- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the ~~notice~~ Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

...

NOTICE OF ANNUAL GENERAL MEETING



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)

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 Monday, 27 May 2024 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 2023.
2. (a) To re-elect Mr. Liao Jie as an 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.
5. To declare a final dividend of HK\$0.0227 per ordinary share of the Company for the year ended 31 December 2023, which shall be paid out of the share premium account of the Company.

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 resolutions:

ORDINARY RESOLUTIONS

6. 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 6A set out in this notice of annual general meeting (**“Resolution 6A”**) and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution 6A:

“Relevant Period” means the period from the passing of this Resolution 6A 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 6A by the passing of an ordinary resolution by the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. 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 6B**”) 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 6B, 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 6B, and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution 6B:

“**Relevant Period**” means the period from the passing of this Resolution 6B 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 6B 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).”

6. C. “**THAT** subject to the passing of Resolutions 6A and 6B, the general mandate referred to in Resolution 6B 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 6A 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 6C.”;

SPECIAL RESOLUTION

7. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments (“**Proposed Amendments**”) to the existing seventh amended and restated articles of association of the Company, the full text of which are set out in Appendix II to the Circular, be and are hereby approved;
- (b) the eighth amended and restated articles of association (a copy of which has been produced to the Meeting and initialled by the chairman of the Meeting for the purpose of identification, reflecting all the Proposed Amendments) (the “**New Articles**”) be and is hereby approved and adopted by the Company as the articles of association of the Company in substitution for and to the exclusion of the existing seventh amended and restated articles of association of the Company with immediate effect; and

NOTICE OF ANNUAL GENERAL MEETING

(c) any one of the Directors of the Company, the company secretary of the Company and/or the registered office provider of the Company (as applicable) be and is hereby authorised to do all things necessary in respect of the Proposed Amendments and the Company's adoption of the New Articles, including without limitation, attending to the necessary filings with the Registrars of Companies in the Cayman Islands and Hong Kong."

8. To transact any other business.

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

Beijing, 29 April 2024

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. Liao Jie 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 29 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

- (4) With reference to Resolutions 6A, 6B and 6C 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) The register of members of the Company will be closed from Wednesday, 22 May 2024 to Monday, 27 May 2024 (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 Tuesday, 21 May 2024.

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.