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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)

PROFIT WARNING REGARDING 2011 ANNUAL RESULTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the profit to be recorded by the Company for the year ending 31 December 2011 will decrease when compared with the profit recorded by the Company for the year ended 31 December 2010.

The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors.

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

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**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary estimation of the Company's management, the profit to be recorded by the Company for the year ending 31 December 2011 will decrease when compared with the profit recorded by the Company for the year ended 31 December 2010.

Based on the analysis of the information available, the deterioration in the Group's results was mainly due to delays in the signing of new contracts in both the railway and subway sectors, which is attributable to a series of negative events that occurred in these two sectors, such as a deadly crash of two trains in Wenzhou on July 23, 2011. Since then, the Ministry of Railway has ordered the slowing down of the speed of trains, announced a thorough review of the safety of the railway system, postponed approvals of new high-speed rail lines, as well as revisited the overall capital investment plan in infrastructure. Just two months later, two Shanghai Metro Line10 subway trains

collided on September 27, 2011. On the day following such event, the Ministry of Transport issued an emergency announcement announcing that a comprehensive review of the subway system in operation would commence immediately. It also requested local transport authorities to engage independent third parties to commence an evaluation of proposed new subway lines, and that new subway lines can only commence operation upon passing such safety evaluations. The aforesaid events also resulted in further slowing down of new projects approval and existing projects implementation in the subway sector.

The Company has yet to finalize the annual results of the Group for the year ending 31 December 2011. The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors. Further details of the financial information of the Group will be disclosed as and when the annual results of the Group for the year ending 31 December 2011 are released.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
China ITS (Holdings) Co., Ltd.
Jiang Hailin
Chairman

Beijing, November 16, 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Jiang Hailin, Mr. Liao Jie, Mr. Wang Jing, Mr. Lu Xiao, Mr. Pan Jianguo, Mr. Lv Xilin, and the independent non-executive Directors are Mr. Zhou Chunsheng, Mr. Choi Onward and Mr. Sun Lu.