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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China ITS (Holdings) Co., Ltd. (the “**Company**”) will be held on Wednesday, 29 February 2012 at 3 p.m. at 17th Floor, West Tower, World Financial Center, Beijing, PRC for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

AS ORDINARY RESOLUTIONS

- (1) “THAT the grant of an option to Mr. Lu Xiao to subscribe for 6,959,432 shares of the Company under the share option scheme adopted by the Company on 18 June 2010 on the terms set out in the circular issued by the Company on 13 February 2012 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorized to take all such steps as may be necessary or desirable to give effect to the grant.”
- (2) “THAT the grant of an option to Mr. Lv Xilin to subscribe for 6,402,677 shares of the Company under the share option scheme adopted by the Company on 18 June 2010 on the terms set out in the circular issued by the Company on 13 February 2012 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorized to take all such steps as may be necessary or desirable to give effect to the grant.”
- (3) “THAT the grant of an option to Mr. Liao Jie to subscribe for 40,735,874 shares of the Company under the share option scheme adopted by the Company on 18 June 2010 on the terms set out in the circular issued by the Company on 13 February 2012 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorized to take all such steps as may be necessary or desirable to give effect to the grant.”

(4) “THAT subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares with a nominal value of HK\$0.0002 each in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 18 June 2010 (the “**Share Option Scheme**”) and any other share option scheme(s) as may from time to time be adopted by the Company:

- a) approval be granted for the refreshment of the general limit in respect of the grant of options to subscribe for shares of the Company under the Share Option Scheme and any other share option scheme(s) of the Company provided that (i) the total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this resolution; and (ii) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or exercised options and those options referred to in resolutions (1) to (3) as set out in the notice convening this meeting provided that such resolutions have been passed) will not be counted for the purpose of calculating the 10% refreshed limit; and
- b) the directors of the Company be authorised to offer or grant options pursuant to the Share Option Scheme and any other share option scheme(s) of the Company within the 10% refreshed limit and to exercise all powers of the Company to allot and issue shares upon the exercise of such options.”

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

Beijing, 13 February 2012

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
3. All connected persons and HoldCo Concert Parties will abstain from voting at the EGM in respect of resolution no. (1) and (2).
4. Mr. Liao and his associates will abstain from voting at the EGM in respect of resolution no. (3).
5. The ordinary resolution as set out above will be determined by vote of poll.

As at the date of this notice, our Executive Directors are Mr. Jiang Hailin, Mr. Liao Jie, Mr. Wang Jing, Mr Lu Xiao, Mr. Pan Jianguo and Mr. Lv Xilin, and our Independent non-Executive Directors are Mr. Zhou Chunsheng, Mr. Choi Onward and Mr. Sun Lu.