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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)**

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR,  
CHAIRMAN OF THE REMUNERATION COMMITTEE,  
MEMBER OF THE AUDIT COMMITTEE AND  
THE NOMINATION COMMITTEE  
AND  
APPOINTMENT OF CHAIRMAN OF THE REMUNERATION  
COMMITTEE**

The board (the “**Board**”) of directors (the “**Directors**”) of China ITS (Holdings) Co., Ltd. (the “**Company**”) announces that Mr. Sun Lu has tendered his resignation as an independent non-executive Director, the chairman of the remuneration committee (the “**Remuneration Committee**”), a member of the audit committee (the “**Audit Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Board with effect from 29 April 2016 in order to focus on his other business engagement.

Following the resignation of Mr. Sun, Mr. Choi Onward, an independent non-executive Director and a member of the Remuneration Committee, has been appointed as the chairman of the Remuneration Committee with effect from 29 April 2016 in place of Mr. Sun.

Mr. Sun has confirmed that he has no disagreement with the Board and that there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to Mr. Sun for his valuable contributions to the Company during his tenure of office.

Following the resignation of Mr. Sun, the Board only comprises two independent non-executive Directors, namely Mr. Zhou Chunsheng and Mr. Choi Onward, and the Audit Committee only comprises two members. Hence the Company does not meet the requirements under Rule 3.10(1) and Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Further, each of the Audit Committee, the Remuneration Committee and the Nomination Committee only

comprises two members, the number of which falls below the minimum number prescribed under the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, respectively.

The Company will use its best endeavours to identify an appropriate person to be appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee within three months from the date of Mr. Sun's resignation in accordance with Rule 3.11 and 3.23 of the Listing Rules. Further announcement will be made by the Company upon fulfilment of the aforesaid requirements.

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

Beijing, 29 April 2016

*As at the date of this announcement, the executive Directors are Mr. Liao Jie, and Mr. Jiang Hailin, the non-executive Director is Mr. Tim Tianwei Zhang, and the independent non-executive Directors are Mr. Zhou Chunsheng and Mr. Choi Onward.*