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CAR Inc.

神州租車有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0699)

TRANSFER OF EXISTING SHARES AMONG SHAREHOLDERS OF THE COMPANY

This announcement is made by CAR Inc. (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated March 14, 2016 in relation to, among others, the potential acquisitions by UCAR Technology Inc. (“**UCAR**”) of shares in the Company.

1. Hertz Transfer

The board of directors of the Company (the “**Board**”) has been informed by Hertz Holdings Netherlands B.V. (“**Hertz Holdings**”), a substantial shareholder of the Company, that Hertz Holdings has entered into an agreement with UCAR on March 14, 2016 to sell 203,554,310 shares (the “**Shares**”) of the Company (the “**Hertz Transfer**”) to UCAR. The Hertz Transfer will be conducted at a price of HK\$9.1584 per Share. The Shares to be sold by Hertz represent approximately 8.50% of the total issued share capital of the Company as at the date of this announcement.

Immediately before the completion of the Hertz Transfer, Hertz Holdings is interested in approximately 10.23% of the total issued share capital of the Company. Immediately upon completion of the Hertz Transfer assuming there is no other change in the share capital of the Company, the shareholding of Hertz Holdings will be reduced to approximately 1.73% of the total issued share capital of the Company.

Immediately upon completion of the Hertz Transfer, Hertz Holdings will cease to be a substantial shareholder of the Company. Hertz Holdings has agreed to take all the required and necessary actions (as applicable), such that as soon as possible after the completion of the Hertz Transfer but no later than March 31, 2016, Mr. James Peter Mueller, a director of the Company as nominated by Hertz Holdings, will resign from his position as a director of the Company. If there is any further update to the composition of the Board, the Company will make further announcement to keep its shareholders and potential investors informed.

2. Mr. Lu Transfer

The Board has also been informed by Mr. Charles Zhengyao Lu (“**Mr. Lu**”), a substantial shareholder and the executive director and chairman of the Company, that Mr. Lu has entered into an agreement with UCAR on March 14, 2016, pursuant to which Mr. Lu has agreed to sell, or procure his affiliates to sell, 370,470,545 shares of the Company, which represents approximately 15.47% of the total issued share capital of the Company as at the date of this announcement, to UCAR (the “**Mr. Lu Transfer**”). Based on the information provided by Mr. Lu, the Mr. Lu Transfer will be conducted at a price of HK\$9.1584 per Share. The completion of the Mr. Lu Transfer is subject to the fulfilment of the closing condition.

As at the date of this announcement, UCAR is interested in approximately 5.24% of the total issued share capital of the Company. Immediately upon completion of the Hertz Transfer and the Mr. Lu Transfer, assuming there is no other change in the share capital of the Company, the shareholding of UCAR will be increased to approximately 29.21% of the total issued share capital of the Company and UCAR will become a substantial shareholder of the Company. Mr. Lu will remain the executive director and chairman of the Company following completion of the Hertz Transfer and the Mr. Lu Transfer. Mr. Lu is also a director of UCAR.

UCAR is a limited liability company incorporated and organized under the laws of the Cayman Islands on December 1, 2014 and it is a chauffeured car service provider. Reference is made to the Company’s announcement dated September 17, 2015 in relation to the Company’s subscription of series B preferred shares in UCAR (the “**Subscription**”). Following the completion of the Subscription on September 25, 2015 and on the assumption that all preferred shares of UCAR are fully converted into ordinary shares based on the conversion ratio of 1:1, the Company will hold approximately 9.35% of the total issued and outstanding shares of UCAR on a fully diluted basis. Please refer to the Company’s announcement dated September 17, 2015 for the detailed information of UCAR.

As disclosed in the announcement of the Company dated December 18, 2015, UCAR has also implemented a corporate restructuring (which was completed in January 2016) to transfer its chauffeured car services business to Huaxia United Science & Technology Co., Ltd. Huaxia United Science & Technology Co., Ltd. has subsequently changed its name to UCAR Inc. (神州優車股份有限公司). As disclosed in the announcement of the Company dated March 14, 2016, Mr. Lu has entered into an acting in concert agreement on March 14, 2016 with certain existing shareholders of UCAR Inc. Upon entering into such acting in concert agreement, Mr. Lu becomes the actual controller of UCAR Inc, and Mr. Lu and other shareholders acting in concert with him hold approximately 49.68% in total of the shares in UCAR Inc.

The Company does not expect the Hertz Transfer and/or the Mr. Lu Transfer to have any material impact on the business or operations of the Company.

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

By Order of the Board
CAR Inc.
Charles Zhengyao LU
Chairman and CEO

Hong Kong, March 14, 2016

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Charles Zhengyao Lu as Executive Director; Mr. Linan Zhu, Mr. James Peter Mueller, Ms. Xiaogeng Li, and Mr. Zhen Wei as Non-executive Directors; Mr. Sam Hanhui Sun, Mr. Wei Ding, Mr. Lei Lin, and Mr. Joseph Chow as Independent Non-executive Directors.