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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)**

**US\$500,000,000 6.125% SENIOR NOTES DUE 2020**

**(Notes Stock Code: 5870)**

## **EXCHANGE OFFER FOR THE EXISTING SENIOR NOTES DUE 2020**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

On April 23, 2019, the Company commenced the Exchange Offer with respect to its outstanding US\$500,000,000 6.125% senior notes due 2020 (ISIN: US14074LAA35 (144A)/XS1163232900 (Reg S); Common Code: 116415097 (144A)/ 116323290 (Reg S)) held by non-U.S. persons outside the United States. The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum.

The Company has mandated Credit Suisse as Sole Dealer Manager in relation to the Exchange Offer. The Company has also mandated D.F. King as Information and Exchange Agent. For detailed descriptions of the terms and conditions of the Exchange Offer, the Eligible Holders should refer to the Exchange Offer Memorandum.

The Company is expecting to conduct a concurrent offering of additional New Notes or a separate series of senior notes with substantially the same terms as the New Notes (except the interest rate and maturity date). Any Concurrent New Money Issuance will be on terms and conditions acceptable to the Company in its sole discretion. A further announcement will be made in respect of such concurrent offering (if any).

**Shareholders, Holders and potential investors should note that completion of the Exchange Offer is subject to the fulfilment or waiver of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer Memorandum and summarised in this announcement. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer with or without conditions.**

**The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer. As the Exchange Offer may or may not proceed, shareholders, Holders and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.**

**PLEASE NOTE: The Exchange Offer is available only to investors who are not U.S. persons (as defined in Regulation S) and are outside the United States, and as a result, is not being conducted in a manner eligible for the exchange and tender procedures of DTC. U.S. PERSONS (AS DEFINED IN REGULATION S) AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.**

## **THE EXCHANGE OFFER**

The Company is offering to exchange any and all of its outstanding Existing Notes held by Eligible Holders in accordance with the terms and conditions as set out in the Exchange Offer Memorandum and as summarised under the “Summary of Terms of Exchange Offer” section below.

The Exchange Offer is subject to certain conditions as described in the Exchange Offer Memorandum, including an affirmative determination by the Company that effecting the Exchange Offer is in its best interests.

Notwithstanding anything to the contrary contained herein, but subject to applicable law, the Company may extend, withdraw or terminate the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date and amend, modify or waive any of the terms and conditions of the Exchange Offer.

The Company is expecting to conduct a concurrent offering of additional New Notes or a separate series of senior notes with substantially the same terms as the New Notes (except the interest rate and maturity date) (the “**Concurrent New Money Issuance**”). Any Concurrent New Money Issuance will be on terms and conditions acceptable to the Company in its sole discretion. A further announcement will be made in respect of such concurrent offering (if any).

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in, the United States or to or for the account or benefit of any U.S. person (as defined under Regulation S). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to or for the account or benefit of any U.S. person (as defined under Regulation S) or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees (if any) with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and the related guarantees (if any) have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of any U.S. person.

## **SUMMARY OF TERMS OF THE EXCHANGE OFFER**

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange any and all of its outstanding Existing Notes for the Exchange Consideration (as defined below).

Holdings validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration) and will release and discharge the Company from any and all claims such Holders may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

## **Exchange Consideration**

For each US\$1,000 principal amount of outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder of such series of the Existing Notes will receive:

- (a) the applicable New Notes Consideration (as detailed below);
- (b) the applicable Cash Consideration (as detailed below) (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards);
- (c) Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) which will be payable in cash; and
- (d) subject in each case to the requirement that any series of New Notes issued to any Eligible Holder be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof, in the event that such Eligible Holder is entitled to receive any New Notes in a principal amount that is not an integral multiple of US\$1,000, cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the New Notes equal to the principal amount of the New Notes not issued (after rounding downward the amount of the New Notes to the nearest multiple of US\$1,000).

## **New Notes Consideration**

For each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder shall receive US\$1,000 in aggregate principal amount of the New Notes.

## **Cash Consideration**

For each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder will receive a cash consideration (the “**Cash Consideration**”) with respect to such Existing Notes. The Company expects to announce the Cash Consideration at the same time as it announces the minimum yield and tenor of the New Notes on or about April 29, 2019.

The Company plans to pay the Cash Consideration out of its own internal funds.

## SUMMARY TIMETABLE

<b>Date</b>	<b>Event</b>
April 23, 2019	Commencement of the Exchange Offer and announcement on the website of Stock Exchange, the Exchange Website and through Euroclear or Clearstream, as applicable.  Exchange Offer Memorandum delivered to Eligible Holders who are non-U.S. persons outside the United States.
On or about April 29, 2019	Announcement of minimum yield and tenor for the New Notes and the Cash Consideration.
May 3, 2019 (4:00 p.m., London time)	Exchange Expiration Deadline. This being the last date and time on which Holders who validly tender Existing Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for holders of the Existing Notes to participate in the Exchange Offer.
As soon as practicable after the Exchange Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Exchange Expiration Deadline, and the final total aggregate principal amount of the New Notes to be issued to investors in exchange for the Existing Notes validly tendered, accepted and exchanged, and the final interest rates of the New Notes.
On or about May 7, 2019 or as soon as practicable after the Exchange Expiration Deadline	Launch and pricing of the Concurrent New Money Issuance (if any).
On or about May 10, 2019	Settlement and issuance of the New Notes and other senior notes (if any), delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.
On or about May 11, 2019	Listing of the New Notes on the Stock Exchange.

## **PROCEDURES FOR TENDERING EXISTING NOTES**

**PLEASE NOTE: The Exchange Offer is available only to investors who are not U.S. persons (as defined in Regulation S) and are outside the United States, and as a result, is not being conducted in a manner eligible for the exchange and tender procedures of DTC. U.S. PERSONS (AS DEFINED IN REGULATION S) AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.**

To participate in the Exchange Offer, an Eligible Holder must validly tender its Existing Notes for exchange pursuant to the Exchange Offer prior to the Exchange Expiration Deadline pursuant to the procedures described in the Exchange Offer Memorandum.

Each of the Existing Notes being tendered for exchange may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The aggregate principal amount of the New Notes to be issued to any holder will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof; provided that, if an Eligible Holder shall elect to partially exchange its Existing Notes into New Notes, the principal amount of each retained Existing Note must be in a minimum principal amount of US\$200,000.

Instructions in connection with the Exchange Offer are irrevocable, unless withdrawal thereof is required by applicable law. A separate instruction should be submitted on behalf of each beneficial owner.

## **CONDITIONS TO THE EXCHANGE OFFER**

The obligation of the Company to consummate the Exchange Offer is conditional upon the following:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- substantially simultaneously with the consummation of the Exchange Offer, the consummation of the Concurrent New Money Issuance;
- an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in the Company's best interests; and
- the satisfaction or waiver of the conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

## **USE OF PROCEEDS**

The Company will not receive any cash proceeds from the Exchange Offer.

## **PURPOSE OF THE EXCHANGE OFFER**

The principal purpose of the Exchange Offer and the Concurrent New Money Issuance is to extend the maturity profile of the Company's foreign-currency denominated debt and improve its debt structure, enabling the Company to develop more steadily, strengthen its balance sheets and cash flows management and to mitigate the potential impact of the PRC foreign-exchange controls on servicing offshore debt.

If the Concurrent New Money Issuance is consummated, the Company intends to use the net cash proceeds from the Concurrent New Money Issuance to refinance existing indebtedness and for general corporate purposes.

## **FURTHER DETAILS**

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

D.F. King has been appointed as the Information and Exchange Agent. To contact D.F. King in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7230 or via email at CARInc@dfkingltd.com.

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/CARInc>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above contact points.

## **INFORMATION ON THE GROUP**

The Group is a leading auto mobility provider in China, offering car rental and fleet rental services to individual and corporate customers. The principal activities of the Group include car rental, fleet rental, and sales of used rental vehicles.

## **GENERAL**

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Company or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for each series of the Existing Notes and/or the New Notes, changes in the business and financial condition of the Company and its subsidiaries, changes in the car rental industry and changes in the capital markets in general.

The distribution of the Exchange Offer Memorandum is restricted by law in certain jurisdictions. Persons who come into possession of the Exchange Offer Memorandum are required to inform themselves of and to observe any of these restrictions. The Exchange Offer Memorandum does not constitute, and may not be used in connection with, an offer to buy Existing Notes or New Notes or a solicitation to sell the Existing Notes by anyone in any jurisdiction in which such an offer or solicitation is not authorised or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or a solicitation. The Company will not accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.



No assurance can be given that the Exchange Offer will be completed and the Company reserves the right, at its sole and absolute discretion, to extend, withdraw or terminate the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date and amend, modify or waive any of the terms and conditions of the Exchange Offer.

**Shareholders, Holders and potential investors should note that completion of the Exchange Offer is subject to the fulfilment or waiver of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer Memorandum and summarised in this announcement. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer with or without conditions.**

**The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer. As the Exchange Offer may or may not proceed, shareholders, Holders and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Accrued Interest”	accrued and unpaid interest on the Existing Notes validly tendered and accepted for exchange, which will be payable in cash;
“Board”	the board of Directors;
“Company”	CAR Inc., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Clearstream”	Clearstream Banking S.A.;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“D.F. King”	D.F. King Ltd.;
“Directors”	the directors of the Company;

“Eligible Holders”	holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S) in exchange for their Existing Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S) with the Existing Notes held through Euroclear and Clearstream;
“Euroclear”	Euroclear bank SA/NV;
“Exchange Expiration Deadline”	4:00 p.m., London time, on May 3, 2019, unless extended or earlier terminated at the sole discretion of the Company;
“Exchange Offer”	the exchange offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the exchange offer memorandum dated April 23, 2019;
“Exchange Website”	<a href="https://sites.dfkingltd.com/CARInc">https://sites.dfkingltd.com/CARInc</a> , the website set up by the Information and Exchange Agent for the purpose of hosting the documents relating to the Exchange Offer;
“Existing Notes”	the Company’s outstanding US\$500,000,000 6.125% Senior Notes due February 4, 2020 (ISIN: US14074LAA35 (144A)/XS1163232900 (Reg S), Common Code: 116415097 (144A)/ 116323290 (Reg S));
“Group”	the Company and its subsidiaries;
“Holders”	holder(s) of the Existing Notes and “Holder” means any one of them;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Information and Exchange Agent”	D.F. King, the information and exchange agent for the Exchange Offer;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Notes”	the senior notes in which the Company is offering to exchange its outstanding Existing Notes for;
“PRC”	the People’s Republic of China, for the purpose of this announcement (unless otherwise indicated), excluded Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Settlement Date”	the date of settlement which is expected to occur on or before May 10, 2019, unless the Exchange Offer is extended or earlier terminated;
“Sole Dealer Manager”	Credit Suisse, as the sole dealer manager of the Exchange Offer;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended; and
“US\$”	United States dollars, the lawful currency of the United States of America.

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

Hong Kong, April 23, 2019

*As at the date of this announcement, the Board of Directors of the Company comprises Ms. Yifan Song as Executive Director; Mr. Charles Zhengyao Lu, Mr. Linan Zhu, Ms. Xiaogeng Li and Mr. Zhen Wei as Non-executive Directors; and Mr. Sam Hanhui Sun, Mr. Wei Ding, Mr. Li Zhang as Independent Non-executive Directors.*