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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)

(Note stock code: 5556)

(Note stock code: 6017)

(Note stock code: 85735)

SUPPLEMENTAL PROFIT WARNING ANNOUNCEMENT

This announcement is made by CAR Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and 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 24 July 2020, in connection with the profit warning (the “**Announcement**”). Unless the context otherwise required, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to further inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Board, the Group is expected to incur a net loss at a range of RMB3,800 million to RMB4,300 million for the six months ended 30 June 2020, as compared to the net profit of RMB279 million for the six months ended 30 June 2019. The above loss was primarily attributable to the significant decrease in rental demand as a result of the outbreak of the novel coronavirus (COVID-19) in the PRC in the first half of 2020 which has adversely affected the rental revenue of the Group and the impairment of (a) the equity investment in UCAR; (b) trade receivables from UCAR and other customers; (c) the prepayment of the subscription price of the shares and convertible bonds to be issued by FDG Electric Vehicles Limited (a company listed on the main board of The Stock Exchange of Hong Kong Limited, stock code: 729); and (d) the residual values of vehicles manufactured by Beijing Borgward Auto Co., Ltd. with repurchase arrangements.

The Company has commenced the related work for the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and the information currently available. The related review work is yet to be completed, and will also be subject to the final review and confirmation by the Company’s audit and compliance committee. Accordingly, the actual results of the Group for the six months ended 30 June 2020 may differ from the information set out in this announcement.

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.
Yifan Song
Executive Director

Hong Kong, 10 August 2020

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