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CAR Inc.

神州租車有限公司

Indigo Glamour Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 699)

JOINT ANNOUNCEMENT

(1) PRE-CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY THE FINANCIAL ADVISERS ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED SHARES OF THE COMPANY HELD BY QUALIFYING SHAREHOLDERS AND TO CANCEL ALL OF THE OUTSTANDING OPTIONS OF THE COMPANY

(2) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND

(3) IRREVOCABLE UNDERTAKINGS BY CERTAIN SHAREHOLDERS TO ACCEPT THE SHARE OFFER

Financial Advisers to the Offeror

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

J.P.Morgan

**J.P. Morgan Securities
(Asia Pacific) Limited**

INTRODUCTION

The Offeror and the Company jointly announce that the Financial Advisers, on behalf of the Offeror, firmly intend, subject only to the satisfaction or waiver of the Pre-Conditions, to make voluntary conditional cash offers (i) to acquire all of the outstanding Shares in the issued share capital of the Company held by the Qualifying Shareholders; and (ii) to cancel all of the outstanding Options.

TERMS OF THE POSSIBLE VOLUNTARY GENERAL CASH OFFERS

The Offers will be made by the Financial Advisers on behalf of the Offeror, on the following basis:

The Share Offer

For each Offer Share HK\$4.0 in cash

The Share Offer will be extended to all Qualifying Shareholders in accordance with the Takeovers Code. The Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Share Offer becomes unconditional.

The Option Offer

As at the Announcement Date, the Company has a total of 127,284,004 Options outstanding, consisting of the following:

- (a) 6,049,090 Pre-IPO Tranche A Options with an exercise price of US\$0.058,
- (b) 10,199,316 Pre-IPO Tranche B Options with an exercise price of US\$0.174,
- (c) 8,714,190 Pre-IPO Tranche C Options with an exercise price US\$0.174, and
- (d) 102,321,408 Post-IPO Options with an exercise price of HK\$6.360 (of which 31,202,788 Options are currently unvested, and will automatically vest if the Share Offer is made and becomes unconditional).

As each Option entitles the Optionholder to subscribe for one new Share, the exercise of all Options in full would result in the issue of 127,284,004 new Shares, representing approximately 6.00% of the issued share capital of the Company as at the Announcement Date and approximately 5.66% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Financial Advisers, on behalf of the Offeror, will make appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

(A) *In respect of the Pre-IPO Tranche A Options with an exercise price of US\$0.058:*

For cancellation of each such Pre-IPO Tranche A Option HK\$3.550 in cash

(B) *In respect of the Pre-IPO Tranche B Options with an exercise price of US\$0.174:*

For cancellation of each such Pre-IPO Tranche B Option HK\$2.651 in cash

(C) *In respect of the Pre-IPO Tranche C Options with an exercise price of US\$0.174:*

For cancellation of each such Pre-IPO Tranche C Option HK\$2.651 in cash

(D) *In respect of the Post-IPO Options with an exercise price of HK\$6.360*

For cancellation of each such Post-IPO Option HK\$0.001 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Option Cancellation Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Post-IPO Options is above the Share Offer Price, the outstanding Post-IPO Options are out-of-money and the Option Cancellation Price for the cancellation of each outstanding Post-IPO Option is set at a nominal value of HK\$0.001. As the Pre-IPO Tranche A Options, Pre-IPO Tranche B Options and Pre-IPO Tranche C Options have their exercise prices in US\$, we have determined the cancellation price on the basis of a US\$ to HK\$ exchange rate of US\$1:HK\$7.7537, being the spot rate quoted at 5:00 p.m. Hong Kong time on the Last Trading Day on Bloomberg.

The Option Offer will be conditional upon the Share Offer becoming unconditional. Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched, as far as practicable, contemporaneously with the despatch of the Composite Document.

FINANCIAL RESOURCES

If none of the Options are exercised before the closing of the Offers and assuming no Dividend Adjustment is made, the consideration payable under the Share Offer will be approximately HK\$8,490 million and the consideration for the cancellation of all Options under the Option Offer will amount to approximately HK\$72 million, amounting to a total value of approximately HK\$8,562 million, assuming full acceptance of the Share Offer.

If all Options (including the currently unvested Options) are exercised prior to the Offer Closing Date, the Company will have to issue 127,284,004 new Shares, representing approximately 5.66% of the enlarged issued share capital of the Company. Assuming that the Share Offer is then accepted in full (including all Shares issued and allotted as a result of the exercise of the Options), the maximum value of the Share Offer will increase to approximately HK\$8,999 million. In that case, no amount will be payable by the Offeror under the Option Offer and the Company will receive an aggregate subscription price of approximately HK\$679,001,558 from the exercise of all of the Options.

The Offeror intends to finance the cash consideration required for the Offers (including costs and expenses relating to the Offers payable by the Offeror) with equity commitments from one or more funds managed by MBK Partners.

The Financial Advisers are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations on full acceptance of the Offers.

PRE-CONDITIONS TO THE OFFERS

The making of the Offers is subject to the satisfaction of the following Pre-Conditions:

- (a) the Offeror having received unconditional PRC antitrust approval necessary for the consummation of the Offers;
- (b) no default having occurred or occurring (or any event or circumstance having occurred or occurring that, with the delivery of notice or passage of time, could become a default) under any of the bonds or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders, and (if applicable) all required consents or waivers having been obtained in respect of any default or any event of default that may have occurred or that may occur under any of the bonds or material debt facilities of the Group, and such consents and waivers not having been rescinded and remaining in full force and effect; and
- (c) the consummation of the Offers not triggering any “Change of Control” (as defined in the relevant bond instrument or material debt facility) or default provision under any bond instrument or material debt facility or breaching any other provision under any of the bond instruments or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders.

The Pre-Conditions set out in paragraphs (a) to (c) above may be waived, either in whole or in part, either generally or in respect of any matter, at the sole discretion of the Offeror. With respect to Pre-Conditions (b) and (c), the Company will use its best efforts to obtain any and all necessary consents and waivers from bondholders and lenders of the Group’s material debt facilities.

The Offeror and the Company will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied. If the Pre-Conditions are not satisfied or waived on or before the Pre-Conditions Long Stop Date, the Offers will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

WARNING: The Pre-Conditions must be satisfied or waived (to the extent any of them can be waived as set forth above) before the making of the Offers. The making of the Offers is therefore only a possibility and all references to the Offers in this announcement are references to the possible Offers which will be implemented if and only if the Pre-Conditions are satisfied or waived. Accordingly, Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them.

CONDITIONS TO THE OFFERS

The Share Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Offer Closing Date (or such later time or date as the Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in the Offeror holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Offer Closing Date (or, if earlier, the Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares and no indication being received on or before the Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of Offeror or the Offeror Concert Parties;
- (c) no event having occurred or existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the consummation of the Offers void, unenforceable, illegal or impractical (or which would impose any material and adverse conditions or obligations with respect to the Offers);
- (d) since 31 December 2019, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Offers);
- (e) since this announcement, there not having been any instituted or remaining outstanding litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Offers;

- (f) no dividend or other distribution (whether in cash or in kind) during the Offer Period having been declared, made or paid by the Company to the Shareholders; and
- (g) no default occurring (or any event or circumstance occurring that, with the delivery of notice or passage of time, could become a default) under any of the bonds or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders.

The Offeror reserves the right to waive all or any of the Conditions to the Share Offer set out above, either in whole or in part, either generally or in respect of any particular matter, except for Conditions (a) and (c) which may not be waived. If any of the Conditions are not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Share Offer will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Share Offer if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Share Offer.

In addition to the Conditions set out above, the Offers are made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Offer Shares acquired under the Share Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the Share Offer becomes unconditional.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Share Offer must also remain open for acceptance for at least fourteen (14) days after the Offers becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.

UCAR SHARE PURCHASE AGREEMENT

Reference is made to the inside information announcement of the Company dated November 10, 2020 in relation to the UCAR Share Sale (the “**UCAR Share Sale Announcement**”). On 10 November 2020, the UCAR Sellers and the Offeror entered into a share purchase agreement in connection with the acquisition of 442,656,855 Shares (representing approximately 20.86% of the issued capital of the Company as at the Announcement Date) by the Offeror from the UCAR Sellers at a price of HK\$4.0 per Share for a total consideration of HK\$1,770,627,420.0. The completion of the UCAR Share Sale is subject to the satisfaction or waiver of certain conditions precedent as referred to in the UCAR Share Sale Announcement. Upon completion of the UCAR Share Sale, the Offeror and the Offeror Concert Parties will hold 442,656,855 Shares, representing approximately 20.86% of the total issued share capital of the Company as at the Announcement Date.

IRREVOCABLE UNDERTAKING

On the Announcement Date, the Undertaking Shareholders delivered to the Offeror the Irrevocable Undertaking, under which the Undertaking Shareholders have agreed to accept, or procure the acceptance of, the Share Offer in respect of all of the IU Shares (amounting to 563,583,025 Offer Shares, representing approximately 26.55% of the issued share capital of the Company as at the Announcement Date) owned by them.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

Pursuant to Section 88 of the Cayman Islands Companies Law and Rule 2.11 of the Takeovers Code, if the Offeror, within four (4) months of the posting of the Composite Document, has received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares, the Offeror will privatise the Company by exercising its right to compulsorily acquire those Offer Shares not already acquired by the Offeror under the Share Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Cayman Islands Companies Law required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Offer Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

LISTING STATUS

Upon the closing of the Offers, if the level of acceptances in respect of the Share Offer for compulsory acquisition is not met, the Shares will remain listed on the Stock Exchange. However, if less than 21.6% of the issued Shares (being the minimum public float applicable to the Company) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained, in that case, the Offeror will take appropriate steps to restore the public float.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established for the purpose of making a recommendation to the Qualifying Shareholders and Optionholders as to whether the Offers are fair and reasonable and as to acceptance. The Independent Board Committee comprises all the non-executive Directors, namely Mr. Linan ZHU and Mr. Leping YAN, and all three independent non-executive Directors, namely Mr. Sam Hanhui SUN, Mr. Wei DING and Mr. Li ZHANG, none of whom has any direct or indirect interest in the Offers. An Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee on the Offers as soon as practicable.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) the Forms of Acceptance, to the Qualifying Shareholders and Optionholders within 7 days after the satisfaction or waiver of the Pre-Conditions. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within the timeframe described above.

WARNING

As the making of the Offers is subject to the satisfaction or waiver of the Pre-Conditions, the making of the Offers is therefore only a possibility and all references to the Offers in this announcement are references to the possible Offers which will be implemented if and only if the Pre-Conditions are satisfied or waived. Accordingly, Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them.

Shareholders, Optionholders and potential investors should be aware that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions (as set out in “Conditions to the Offers” in this joint announcement), and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The availability of the Offers to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Composite Document.

Notice to US investors

The Share Offer will be made for the securities of a Cayman Islands company and is subject to Hong Kong disclosure and other procedural requirements, which are different from those of the United States securities laws. In addition, US holders of Shares should be aware that this document has been prepared in accordance with Hong Kong format and style, which differs from United States format and style. The Share Offer will be extended into the United States pursuant to the applicable US tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong). Accordingly, the Share Offer will be subject to Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which differ from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Share Offer by a US holder of Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Share Offer.

It may be difficult for US holders of Shares to enforce their rights and any claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. In addition, most of the assets of the Offeror and the Group are located outside the United States. US holders of Shares may not be able to sue a non-US company or its officers or directors in a non-US court for any violations of the securities laws of the United States. Further, it may be difficult for US holders of Shares to effect service of process within the United States upon the Offeror or the Company or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United States.

In accordance with the normal Hong Kong practice and pursuant to Rule 14e-5(b) of the US Exchange Act, the Offeror hereby discloses that it or its affiliates or its nominees, or their respective brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices provided that (i) any such purchase or arrangement complies with applicable law and is made outside the United States, and (ii) if applicable the Share Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the SFC website at <http://www.sfc.hk/>.

PART A: THE OFFERS

1. Introduction

The Offeror and the Company jointly announce that the Financial Advisers, on behalf of the Offeror, firmly intend, subject only to the satisfaction or waiver of the Pre-Conditions, to make voluntary conditional cash offers (i) to acquire all of the outstanding Shares in the issued share capital of the Company held by the Qualifying Shareholders; and (ii) to cancel all of the outstanding Options.

The Share Offer

For each Offer Share HK\$4.0 in cash

The Share Offer will be extended to all Qualifying Shareholders in accordance with the Takeovers Code. The Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after the Share Offer becomes unconditional.

The Option Offer

As at the Announcement Date, the Company has a total of 127,284,004 Options outstanding, consisting of the following:

- (a) 6,049,090 Pre-IPO Tranche A Options with an exercise price of US\$0.058,
- (b) 10,199,316 Pre-IPO Tranche B Options with an exercise price of US\$0.174,
- (c) 8,714,190 Pre-IPO Tranche C Options with an exercise price US\$0.174, and
- (d) 102,321,408 Post-IPO Options with an exercise price of HK\$6.360 (of which 31,202,788 Options are currently unvested, and will automatically vest if the Share Offer is made and becomes unconditional).

As each Option entitles the Optionholder to subscribe for one new Share, the exercise of all Options in full would result in the issue of 127,284,004 new Shares, representing approximately 6.00% of the issued share capital of the Company as at the Announcement Date and approximately 5.66% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Financial Advisers, on behalf of the Offeror, will make appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options in exchange for cash on the following basis:

- (A) *In respect of the Pre-IPO Tranche A Options with an exercise price of US\$0.058:*

For cancellation of each such Pre-IPO Tranche A Option HK\$3.550 in cash

(B) *In respect of the Pre-IPO Tranche B Options with an exercise price of US\$0.174:*

For cancellation of each such Pre-IPO Tranche B Option HK\$2.651 in cash

(C) *In respect of the Pre-IPO Tranche C Options with an exercise price of US\$0.174:*

For cancellation of each such Pre-IPO Tranche C Option HK\$2.651 in cash

(D) *In respect of the Post-IPO Options with an exercise price of HK\$6.360*

For cancellation of each such Post-IPO Option HK\$0.001 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Option Cancellation Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Post-IPO Options is above the Share Offer Price, the outstanding Post-IPO Options are out-of-money and the Option Cancellation Price for the cancellation of each outstanding Post-IPO Option is set at a nominal value of HK\$0.001. As the Pre-IPO Tranche A Options, Pre-IPO Tranche B Options, and Pre-IPO Tranche C Options have their exercise prices in US\$, we have determined the cancellation price on the basis of a US\$ to HK\$ exchange rate of US\$1:HK\$7.7537, being the spot rate quoted at 5:00 p.m. Hong Kong time on the Last Trading Day on Bloomberg.

The Option Offer will be conditional upon the Share Offer becoming unconditional. Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched, as far as practicable, contemporaneously with the despatch of the Composite Document.

2. The Share Offer Price and comparisons of value

The Share Offer Price of HK\$4.0 per Offer Share under the Share Offer (without taking into account the effect of any Dividend Adjustment) represents:

- (a) a premium of approximately 17.99% over the closing price of HK\$3.39 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 22.32% over the average closing price of approximately HK\$3.27 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 31.36% over the average closing price of approximately HK\$3.05 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 52.17% over the average closing price of approximately HK\$2.63 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 55.79% over the average closing price of approximately HK\$2.57 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day; and

- (f) a premium of approximately 102.88% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$1.97 per Share as at 30 June 2020, calculated based on the interim report of the Company for the six months ended 30 June 2020 and a RMB/HK\$ exchange rate of RMB1:HK\$1.0970 (being the rate published by Bloomberg on 30 June 2020).

3. Pre-Conditions to the Offers

The making of the Offers is subject to the satisfaction of the following Pre-Conditions:

- (a) the Offeror having received unconditional PRC antitrust approval necessary for the consummation of the Offers;
- (b) no default having occurred or occurring (or any event or circumstance having occurred or occurring that, with the delivery of notice or passage of time, could become a default) under any of the bonds or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders, and (if applicable) all required consents or waivers having been obtained in respect of any default or any event of default that may have occurred or that may occur under any of the bonds or material debt facilities of the Group, and such consents and waivers not having been rescinded and remaining in full force and effect; and
- (c) the consummation of the Offers not triggering any “Change of Control” (as defined in the relevant bond instrument or material debt facility) or default provision under any bond instrument or material debt facility or breaching any other provision under any of the bond instruments or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders.

The Pre-Conditions set out in paragraphs (a) to (c) above may be waived, either in whole or in part, either generally or in respect of any matter, at the sole discretion of the Offeror. With respect to Pre-Conditions (b) and (c), the Company will use its best efforts to obtain any and all necessary consents and waivers from bondholders and lenders of the Group’s material debt facilities.

The Offeror and the Company will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied. If the Pre-Conditions are not satisfied or waived on or before the Pre-Conditions Long Stop Date, the Offers will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

WARNING: The Pre-Conditions must be satisfied or waived (to the extent any of them can be waived as set forth above) before the making of the Offers. The making of the Offers is therefore only a possibility and all references to the Offers in this announcement are references to the possible Offers which will be implemented if and only if the Pre-Conditions are satisfied or waived. Accordingly, Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them.

4. Conditions to the Offers

The Share Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Offers having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Offer Closing Date (or such later time or date as the Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in the Offeror holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Offer Closing Date (or, if earlier, the Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares and no indication being received on or before the Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of Offeror or the Offeror Concert Parties;
- (c) no event having occurred or existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the consummation of the Offers void, unenforceable, illegal or impractical (or which would impose any material and adverse conditions or obligations with respect to the Offers);
- (d) since 31 December 2019, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Offers);
- (e) since this announcement, there not having been any instituted or remaining outstanding litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Offers;
- (f) no dividend or other distribution (whether in cash or in kind) during the Offer Period having been declared, made or paid by the Company to the Shareholders; and
- (g) no default occurring (or any event or circumstance occurring that, with the delivery of notice or passage of time, could become a default) under any of the bonds or material debt facilities of the Group which has not been irrevocably consented to or waived by the relevant lenders or bondholders.

The Offeror reserves the right to waive all or any of the Conditions to the Share Offer set out above, either in whole or in part, either generally or in respect of any particular matter, except for Conditions (a) and (c) which may not be waived. If any of the Conditions are not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Share Offer will lapse.

With respect to Condition (f), if any dividend or other distribution or return of capital (whether in cash or in kind) is declared, made or paid in respect of the Shares on or before the Closing Date and the Offeror elects to waive this Condition and proceed with the Share Offer, the Share Offer Price will be reduced by an amount equal to all or any part of the amount or value of such dividend (such amount, "Dividend Adjustment"), distribution and/or return of capital, in which event any reference in this announcement, the Composite Document or any other announcement or document to the Share Offer Price will be deemed to be a reference to the Share Offer Price as so reduced.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Share Offer if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Share Offer.

In addition to the Conditions set out above, the Offers are made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Offer Shares acquired under the Share Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends and other distributions, if any, declared, made or paid after the Share Offer becomes unconditional.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Share Offer must also remain open for acceptance for at least fourteen (14) days after it becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Share Offer open for acceptance beyond this 14-day period.

Warning: Completion of the Offers is subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the issue of this announcement does not in any way imply that the Offers will be completed. The transactions contemplated by the Offers may or may not proceed. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the securities in of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

5. Value of the Offer

As at the Announcement Date, there are 2,122,454,581 Shares in issue. On the basis of the Share Offer Price of HK\$4.0 per Offer Share, the Share Offer is currently valued at approximately HK\$8,489,818,324.

As at the Announcement Date, under the Pre-IPO Share Option Scheme, there are 6,049,090 Pre-IPO Tranche A Options outstanding, 10,199,316 Pre-IPO Tranche B Options outstanding and 8,714,190 Pre-IPO Tranche C Options outstanding. As at the Announcement Date, under the Post-IPO Share Option Scheme, there are 102,321,408 Post-IPO Options granted, of which 31,202,788 Options of the Post-IPO Options are currently unvested, and will automatically vest if the Share Offer is made and becomes unconditional.

If none of the Options are exercised before the closing of the Offers and assuming no Dividend Adjustment is made, the consideration payable under the Share Offer will be approximately HK\$8,490 million and the consideration for the cancellation of all Options under the Option Offer will amount to approximately HK\$72 million, amounting to a total value of approximately HK\$8,562 million, assuming full acceptance of the Share Offer.

If all Options (including the currently unvested Options) are exercised prior to the closing of the Offers, the Company will have to issue 127,284,004 new Shares, representing approximately 5.66% of the enlarged issued share capital of the Company. Assuming that the Share Offer is then accepted in full (including all Shares issued and allotted as a result of the exercise of the Options), the maximum value of the Share Offer will increase to approximately HK\$8,999 million. In that case, no amount will be payable by the Offeror under the Option Offer and the Company will receive an aggregate subscription price of approximately HK\$679,001,558 from the exercise of all of the Options.

6. Confirmation of financial resources

The Offeror intends to finance the cash consideration required for the Offers (including costs and expenses relating to the Offers payable by the Offeror) with equity commitments from one or more funds managed by MBK Partners.

The Financial Advisers are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations on full acceptance of the Offers.

7. UCAR Share Purchase Agreement

On 10 November 2020, the UCAR Sellers and the Offeror entered into a share purchase agreement in connection with the acquisition of 442,656,855 Shares (representing approximately 20.86% of the issued capital of the Company as at the Announcement Date) by the Offeror from the UCAR Sellers at a price of HK\$4.0 per Share for a total consideration of HK\$1,770,627,420.0. The completion of the UCAR Share Sale is subject to the satisfaction or waiver of certain conditions precedent as referred to in the UCAR Share Sale Announcement. Upon completion of the UCAR Share Sale, the Offeror and the Offeror Concert Parties will hold 442,656,855 Shares, representing approximately 20.86% of the total issued share capital of the Company as at the Announcement Date.

8. Irrevocable Undertaking

On the Announcement Date, the Undertaking Shareholders delivered to the Offeror the Irrevocable Undertaking, under which the Undertaking Shareholders have agreed to accept, or procure the acceptance of, the Share Offer in respect of all of the IU Shares (amounting to 563,583,025 Offer Shares, representing approximately 26.55% of the issued shares of the Company as at the Announcement Date) owned by them.

Consideration:

Each of the Undertaking Shareholders has irrevocably undertaken to the Offeror to accept the Share Offer in respect of its respective IU Shares at the Share Offer Price.

No withdrawal:

Each of the Undertaking Shareholders has irrevocably undertaken that it will not, prior to the earlier of the closing or lapsing of the Share Offer, withdraw any acceptance of the Share Offer in respect of its respective IU Shares and will, where applicable, procure that no rights to withdraw any such acceptance are exercised.

Negative pledge:

Each of the Undertaking Shareholders has irrevocably undertaken to the Offeror that it will not, prior to the earlier of the closing or lapsing of the Share Offer, sell, transfer, or encumber in any way any of its respective IU Shares or accept any other offer in respect of any IU Shares.

Lapse of Irrevocable Undertaking:

The Irrevocable Undertaking will lapse only if the Share Offer lapses or is withdrawn in accordance with the Takeovers Code and the Offeror announces that it does not intend to proceed with the Share Offer.

As at the Announcement Date, apart from the Irrevocable Undertaking, the Offeror and the Offeror Concert Parties have not received any indication or irrevocable commitment from any Qualifying Shareholder to accept or reject the Share Offer.

9. Information on the Offeror

The Offeror is a limited liability company incorporated under the laws of the Cayman Islands. The Offeror is wholly-owned by MBK Partners Fund IV.

MBK Partners Fund IV is an exempted limited partnership established under the laws of the Cayman Islands, and is a private investment fund managed by MBK Partners GP IV, L.P.

The general partner of MBK Partners Fund IV is MBK Partners GP IV, L.P., and the general partner of MBK Partners GP IV, L.P. is MBK GP IV, Inc., affiliates of one of Asia's largest private equity sponsors, MBK Partners.

Founded in 2005, MBK Partners is one of the largest private equity funds in Asia with over US\$22 billion of capital under management. MBK Partners focuses on North Asia and has developed expertise in various industries, including consumer and retail, telecommunications and media, financial services, healthcare, logistics and industrials. The aggregate revenues of MBK Partners' 41 portfolio companies exceed US\$44.1 billion. MBK Partners has 76 investment professionals across five offices in North Asia.

10. Reasons for and Benefits of the Offers

For the Company: a proposal to facilitate a necessary transformation of the business amid a challenging environment for the car rental industry

As one of the leading companies within the car rental industry in China, the Company has been facing significant challenges as, *inter alia*, uncertainties in the external environment resulted in dampened enthusiasm for travelling and consumption. Although the Company has introduced, for example, a number of promotional packages and various digital marketing campaigns to mitigate the historical low car rental demand, the Company's financial performance has remained under pressure.

Despite the current challenges, the Offeror is committed to the Company's long-term prospects. However, in order for the Company to remain competitive in the fierce competition in the car rental sector in the face of these challenges, it must continue to innovate technologies and explore new and creative business models to ensure continuous provision of quality auto-related services, which will require significant investment over a number of years. Given the downward trend in the Company's share price and low liquidity in the Shares, however, the listed status of the Company is no longer a viable source of funding for the necessary investments.

Furthermore, the car rental markets in the PRC remain fragmented owing to a large total addressable market, high capital intensity and industry disruption from various service models. The Offeror believes through MBK Partners' strong industry expertise and strong financial position, the transaction will allow the Company to be well-positioned to benefit from the long-term growth trends in the PRC.

This transaction will also bring stability to the Company's shareholding base, which in turn will help stabilise the Company's business operations and support rating agencies' views on the Company's outlook and ability to meet its obligations, which were negatively impacted by movements in the shareholding structure of the Company.

For the Shareholders: an attractive opportunity to realize their investment in the Company at a compelling premium amid the challenging environment

The Share Offer provides an attractive opportunity for the Shareholders to monetize their investment at a compelling premium to the current market price of the Company. The Share Offer Price of HK\$4.0 per Offer Share represents a premium of approximately 17.99% over the closing price of HK\$3.39 per Share as quoted on the Stock Exchange on the Last Trading Day.

The average daily trading volume of the Shares for the 6 months up to and including the last trading day prior to the Announcement Date was approximately 11,513,872 Shares per day, representing only approximately 0.54% of the total number of Shares issued and outstanding as at the Last Trading Day. The low trading volume of the Shares makes it difficult for Shareholders to execute substantial sales of Shares on-market without adversely affecting the price of the Shares.

The Share Offer, in contrast, provides an opportunity for Shareholders to monetize their investments in the Company immediately for cash at a compelling premium without any downward pressure on the Share price.

11. Intentions of the Offeror with regard to the Group

Following the successful completion of the Offers, the Offeror intends to maintain the Group's existing principal activities, improve efficiency and create shareholder value. In particular, the Offeror will assist the Group in reviewing and optimising its debt structure and ensuring adequate liquidity for the Group's business activities.

12. Compulsory Acquisition and Withdrawal of Listing

Pursuant to Section 88 of the Cayman Islands Companies Law and Rule 2.11 of the Takeovers Code, if the Offeror, within four (4) months of the posting of the Composite Document, has received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares, the Offeror will privatise the Company by exercising its right to compulsorily acquire those Offer Shares not already acquired by the Offeror under the Share Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, the Company will become a direct wholly owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Cayman Islands Companies Law required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Offer Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

13. Listing status of the Company

Upon the closing of the Offers, if the level of acceptances in respect of the Share Offer for compulsory acquisition is not met, the Shares will remain listed on the Stock Exchange. However, if less than 21.6% of the issued Shares (being the minimum public float applicable to the Company) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained, in that case, the Offeror will take appropriate steps to restore the public float.

14. Effect of accepting the Share Offer

By validly accepting the Share Offer, each Qualifying Shareholder will sell to the Offeror its Offer Shares, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Share Offer becomes unconditional.

15. Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Qualifying Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the stamp duty on behalf of accepting Qualifying Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

The Offeror will pay the buyer's ad valorem stamp duty in relation to the Share Offer on its own behalf.

No stamp duty is payable in connection with the Option Offer.

16. Overseas shareholders

The making of (i) the Share Offer to the Qualifying Shareholders; and (ii) the Option Offer to the Optionholders, who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Qualifying Shareholders and Optionholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Qualifying Shareholder who wishes to accept the Share Offer and each such Optionholder who wishes to accept the Option Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Qualifying Shareholder or Optionholder in such relevant jurisdictions.

It is the responsibility of any overseas Qualifying Shareholders and overseas Optionholder wishing to take any action in relation to the Share Offer and Option Offer, respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by such Qualifying Shareholders or Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror, and their respective advisers, including the Financial Advisers, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Composite Document to overseas Qualifying Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or Shareholders), the Composite Document will not be despatched to such overseas Qualifying Shareholders or such overseas Optionholders.

For that purpose, the Company will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such overseas Qualifying Shareholders or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to such overseas Qualifying Shareholders and overseas Optionholders, as the case may be.

17. Taxation and independent advice

Qualifying Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Share Option or the Option Offer. It is emphasised that none of the Offeror, the Company and the Financial Advisers or any of their respective directors, officers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer or the Option Offer.

18. Settlement of consideration

Settlement of the consideration under the Offers will be made as soon as possible, but in any event within seven business days (as defined in the Takeovers Code) after (i) the date of receipt of a complete and valid acceptance in respect of the Offers or (ii) the Offer Unconditional Date, whichever is the later.

19. Interests in Shares, Options and derivatives

As at the Announcement Date, the Offeror and the Offeror Concert Parties do not hold any Shares.

Immediately after completion of the UCAR Share Sale, assuming no Option will be exercised and there will be no other change to the issued share capital of the Company after the Announcement Date, the Offeror and the Offeror Concert Parties will in aggregate hold 442,656,855 Shares, representing approximately 20.86% of the total issued Shares. Such Shares, together with the IU Shares, represent approximately 47.41% of the issued share capital of the Company as at the Announcement Date.

Details of holdings, borrowings or lendings of, and dealings in, the Shares, convertible securities, warrants, options or derivatives of the Company held by or entered into by other parts of the J.P. Morgan group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of other parts of the J.P. Morgan group) will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Company if the holdings, borrowings, lendings, or dealings of the other parts of the J.P. Morgan group are significant and in any event, such information will be disclosed in the Composite Document. The statements in this joint announcement as to holdings, borrowings or lendings of, or dealings in, the Shares, convertible securities, warrants, options or derivatives of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of members in such other parts of the J.P. Morgan group.

Save as aforesaid, as at the Announcement Date:

- (a) there is no existing holding of voting rights and rights over Shares which is owned or controlled or directed by the Offeror or any of the Offeror Concert Parties (save for those entities controlling, controlled by or under the same control as the Financial Advisers that are exempt principal traders or exempt fund managers);
- (b) there is no existing holding of voting rights and rights over Shares in respect of which the Offeror or any of the Offeror Concert Parties (save for those entities controlling, controlled by or under the same control as the Financial Advisers that are exempt principal traders or exempt fund managers) holds convertible securities, warrants or options (including any Options);
- (c) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any of the Offeror Concert Parties (save for those entities controlling, controlled by or under the same control as the Financial Advisers that are exempt principal traders or exempt fund managers);
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (e) there is no agreement or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Pre-Condition or a Condition;
- (f) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any of the Offeror Concert Parties (save for those entities controlling, controlled by or under the same control as the Financial Advisers that are exempt principal traders or exempt fund managers) has borrowed or lent; and
- (g) there is no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror or the Offeror Concert Parties, or (b) the Company, its subsidiaries or associated companies.

20. Composite Document

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) the Forms of Acceptance, to the Qualifying Shareholders and Optionholders within 7 days after the satisfaction or waiver of the Pre-Conditions. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within the timeframe described above.

Qualifying Shareholders and Optionholders are encouraged to read the Composite Documents carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee in respect of the Offers, before deciding whether or not to accept the Offers.

PART B: GENERAL

1. Independent Board Committee

The Independent Board Committee has been established for the purpose of making a recommendation to the Qualifying Shareholders and Optionholders as to whether the Offers are fair and reasonable and as to acceptance. The Independent Board Committee comprises all the non-executive Directors, namely Mr. Linan ZHU and Mr. Leping YAN, and all three independent non-executive Directors, namely Mr. Sam Hanhui SUN, Mr. Wei DING and Mr. Li ZHANG, none of whom has any direct or indirect interest in the Offers. An Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee on the Offers as soon as practicable.

2. Information on the Group

The Company is incorporated in the Cayman Islands with limited liability, the issued shares of which have been listed on the Main Board of the Stock Exchange since 19 September 2014 with the stock code 699.

The Group is one of the largest car rental companies in the PRC, offering car rental and fleet rental services to individual and corporate customers. As of 30 June 2020, the total fleet size was 132,221, including 5,000 vehicles leased from a financial institution. The Group is dedicated to providing an enjoyable and reliable car rental service. As of 30 June 2020, the Group had an extensive network of 2,882 directly operated service locations including 424 stores and 2,458 self-served locations in 171 major cities in all provinces in China. The Group's network is further supplemented by 210 service locations in 159 small cities operated by its franchises. The Group's service locations are strategically deployed to cover major transportation hubs, such as airports and train stations, key tourist destinations, major business districts and residential communities. The Group provides superior car rental experience by offering customers a wide vehicle selection, decent vehicle condition, a "hassle-free" rental process and 24/7 service in every city where the Group operates. The Group's total customer base grew more than 19 times from approximately 450,000 as of December 31, 2011 to over 8,700,000 as of 30 June 2020.

3. Dealings disclosure

The respective associates of the Offeror and the Company, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of each of the foregoing, are hereby reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING:

As the making of the Offers is subject to the satisfaction or waiver of the Pre-Conditions, the making of the Offers is therefore only a possibility and all references to the Offers in this Announcement are references to the possible Offers which will be implemented if and only if the Pre-Conditions are satisfied or waived. Accordingly, Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them.

Completion of the Offers is subject to the Conditions being fulfilled or waived (as applicable). Accordingly, the issue of this announcement does not in any way imply that the Offers will be completed. The transactions contemplated by the Offers may or may not proceed. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the securities in of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code;
“Announcement Date”	means 13 November 2020, being the date of this announcement;
“associate(s)”	has the meaning ascribed to it in the Takeovers Code;
“Board”	means the board of directors of the Company;
“Cayman Islands Companies Law”	means the Companies Law (2020 Revision) of the Cayman Islands, Chapter 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time;
“Company”	means CAR Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 699);
“Composite Document”	means the composite document to be jointly issued, subject to satisfaction or waiver of the Pre-Conditions, by the Offeror and the Company to the Qualifying Shareholders and the Optionholders in connection with the Offers in accordance with the Takeovers Code;
“Condition(s)”	means the condition(s) to the Offers, as set out under the section headed “Conditions of the Offers” in Part A of this announcement;
“Conditions Long Stop Date”	means the date which is 60 calendar days after the posting of the Composite Document, unless the date has been extended by the Offeror with the consent of the Company;
“Disinterested Shares”	means all Shares other than those held by the Offeror and the Offeror Concert Parties;
“Dividend Adjustment”	has the meaning ascribed to it in the section 4 of this announcement headed “4. <i>Conditions to the Offer</i> ”;

“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Financial Advisers”	means (in alphabetical order) Goldman Sachs and J.P. Morgan, financial advisers to the Offeror;
“Forms of Acceptance”	means the forms of acceptance and transfer/cancellation in respect of the Offers;
“Goldman Sachs”	means Goldman Sachs (Asia) L.L.C., a company incorporated in Delaware with limited liability and licensed under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	means the independent board committee of the Company established by the Board to make a recommendation to the Qualifying Shareholders and Optionholders in respect of the Offers;
“Irrevocable Undertaking”	means the irrevocable undertaking given by the Undertaking Shareholders on 13 November 2020 to accept, or procure the acceptance of, the Share Offer in respect of all of the relevant IU Shares, as described in more detail in Part A of this announcement;
“IU Shares”	means the total of 563,583,025 Shares representing approximately 26.55% of the issued share capital of the Company as at the Last Trading Day being the aggregate of (i) 562,668,025 Shares held by Grand Union Investment Fund, L.P., representing its entire interest in the Company and approximately 26.51% of the issued share capital of the Company as at the Last Trading Day; and (ii) 915,000 Shares held by Legion Elite Limited, representing its entire interest in the Company and approximately 0.04% of the issued share capital of the Company as at the Last Trading Day;
“J.P. Morgan”	means J.P. Morgan Securities (Asia Pacific) Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO;
“Last Trading Day”	means 13 November 2020, being the last trading day of Shares prior to the issuance of this announcement;

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer Closing Date”	means the date to be stated in the Composite Document as the first offer closing date of the Share Offer or any subsequent offer closing date of the Share Offer as may be extended or revised in accordance with the Takeovers Code;
“Offer Period”	means the period commencing on the date of publication of this announcement up to and including the Offer Closing Date;
“Offer Share(s)”	means the Shares, other than those already held by the Offeror;
“Offer Unconditional Date”	means the date on which the Share Offer becomes or is declared unconditional in all respects;
“Offeror”	means Indigo Glamour Company Limited;
“Offeror Concert Parties”	means parties acting in concert with the Offeror in relation to the Company, including the Financial Advisers (except members of each of the Financial Advisers’ group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) who are presumed to be acting in concert with the Offeror in relation to the Company;
“Offers”	means collectively, the Share Offer and the Option Offer;
“Option Cancellation Price”	means the relevant price offered in relation to the cancellation of each Option as set out under the section headed “The Option Offer” in Part A of this announcement;
“Option Offer”	means the voluntary conditional cash offer by the Financial Advisers on behalf of the Offeror to cancel all of the outstanding Options in accordance with the terms and conditions set out in the Composite Document, and any subsequent revision or extension of such offer;
“Option(s)”	means the outstanding, vested and unvested, share option(s), each relating to one Share, granted under the Share Option Schemes from time to time;
“Optionholders”	means the holders of the Options from time to time;
“Post-IPO Options”	means the share options relating to the Shares granted under the Post-IPO Share Option Scheme from time to time;
“Post-IPO Share Option Scheme”	means the share option scheme adopted by the Company on April 5, 2016, as amended from time to time;
“PRC”	means the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and the Republic of Taiwan);

“Pre-Conditions”	means each of the pre-conditions to the making of the Offers, as set out under the section headed “Pre-Conditions to the Offers” in Part A of this announcement;
“Pre-Conditions Long Stop Date”	means 14 May 2021, being the date falling six months after the date of this announcement, or such later date as the Offeror may announce;
“Pre-IPO Share Option Scheme”	means the share option scheme adopted by the Company on June 15, 2014 and amended on July 30, 2014;
“Pre-IPO Tranche A Options”	means the fully vested share option(s) relating to the Shares granted under the Pre-IPO Share Option Scheme at an exercise price of US\$0.058;
“Pre-IPO Tranche B Options”	means the fully vested share option(s) relating to the Shares granted under the Pre-IPO Share Option Scheme at an exercise price of US\$0.174;
“Pre-IPO Tranche C Options”	means the fully vested share option(s) relating to the Shares granted under the Pre-IPO Share Option Scheme at an exercise price of US\$0.174;
“Qualifying Shareholders”	means all Shareholders other than the Offeror;
“Relevant Authorities”	means appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Offer”	means the pre-conditional voluntary conditional cash offer by the Financial Advisers on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in the Composite Document, and any subsequent revision or extension of such offer;
“Share Offer Price”	means the price per Offer Share at which the Offer will be made in cash, being HK\$4.0 per Offer Share, less the Dividend Adjustment (if any);
“Share Option Schemes”	means, collectively, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme;
“Share(s)”	means the ordinary share(s) of US\$0.00001 each in the share capital of the Company;
“Shareholder(s)”	means a registered holder of Share(s);

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“Takeovers Code”	means The Code on Takeovers and Mergers published by the SFC and administered by the Executive;
“trading day”	means a day on which the Stock Exchange is open for the business of dealings in securities;
“UCAR Sellers”	means UCAR Inc., UCAR Limited, UCAR Service Limited and UCAR Technology Inc.;
“UCAR Share Sale”	the proposed acquisition of 442,656,855 Shares by the Offeror from the UCAR Sellers pursuant to the terms and conditions of the share purchase agreement dated 10 November 2020 between the UCAR Sellers and the Offeror;
“Undertaking Shareholders”	means Legion Elite Limited and Grand Union Investment Fund, L.P.;
“US”	means the United States of America;
“US\$”	means US dollar(s), the lawful currency of the US.

By Order of the Board of
Indigo Glamour Company Limited
Kenichiro Kagasa
Director

By Order of the Board of
CAR Inc.
Yifan Song
Executive Director

Hong Kong, 13 November 2020

(a) Mr. Kenichiro KAGASA, being the sole director of the Offeror, and (b) Mr. Michael ByungJu Kim, being the sole director of MBK GP IV, Inc. (the general partner of the limited partnership which wholly owns the Offeror), jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the Announcement Date, the Board of Directors comprises Ms. Yifan Song as Executive Director; Mr. Linan Zhu 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the directors of the Company have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.