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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)

CONSENT SOLICITATION IN RELATION TO

(1) 6% SENIOR NOTES DUE 2021

(ISIN: XS1266590089; Common Code: 126659008; Note stock code: 5556)

(2) 6.5% SENIOR NOTES DUE 2021

(ISIN: XS1799588642; Common Code: 179958864; Note stock code: 85735)

AND

(3) 8.875% SENIOR NOTES DUE 2022

(ISIN: XS1991398352; Common Code: 199139835; Note stock code: 6017)

References are made to: (i) the announcements of CAR Inc. (the “**Company**”) dated August 3, August 4 and August 11, 2015 in relation to the issuance of the 6% senior notes due 2021 (the “**2021 USD Notes**”); (ii) the announcements of the Company dated March 22, March 27, April 4 and April 24 and May 2, 2018 in relation to the issuance of the 6.5% senior notes due 2021 (the “**2021 RMB Notes**”); (iii) the announcements of the Company dated May 8 and May 10, 2019 in relation to the issuance of the 8.875% senior notes due 2022 (the “**2022 Notes**”, together with the 2021 USD Notes and the 2021 RMB Notes, the “**Notes**”, and each a “**Series**”); and (iv) the announcement of the Company dated November 10, 2020 in connection with, amongst others, the proposed acquisition of certain shares of the Company by a company wholly-owned by MBK Partners Fund IV, L.P. from subsidiaries of UCAR Inc. (the “**MBKP Acquisition**”).

SOLICITATIONS

On November 16, 2020, the Company commenced the solicitations of consents (the “**Solicitations**”) from the holders (“**Holders**” and, each such holder, a “**Holder**”) of the Notes to the proposed amendments (the “**Proposed Amendments**”) of certain provisions of each indenture constituting relevant particular series of the Notes (each an “**Indenture**”, and collectively, the “**Indentures**”) including definitions of “Permitted Holders”, “Change of Control” and “Rating Decline”, in a manner more fully described in the consent solicitation statement dated November 16, 2020 (the “**Consent Solicitation Statement**”), which is summarized in this announcement below.

BACKGROUND AND PURPOSE OF THE CONSENT SOLICITATION

Each Indenture provides that under certain circumstances Citicorp International Limited, as trustee of each Series (the “**Trustee**”) and the Company, among others, may enter into a supplemental indenture amending certain provisions of the relevant Indenture with the consent of relevant Holders of not less than a majority in aggregate principal amount of the relevant Series then outstanding (the “**Required Consents**”).

The completion of the Solicitations will facilitate the completion of the MBKP Acquisition and reflect in the Indentures (as amended and supplemented) the Company’s updated capital structure upon completion of the MBKP Acquisition.

The purpose of the Solicitations is to adopt the Proposed Amendments, which seek to amend certain definitions in the Indentures.

Subject to the terms and conditions of the Solicitations as set out in the Consent Solicitation Statement, including the receipt of the Required Consents, the Company will make a payment (the “**Early Consent Payment**”) to Holders of any particular Series of Notes who validly deliver a consent to the Proposed Amendments with respect to such Series of Notes at or prior to the Early Consent Deadline (as defined below) and will make a payment (the “**Secondary Consent Payment**” and, together with the Early Consent Payment, the “**Consent Payments**”, each a “**Consent Payment**”) to Holders of any particular Series of Notes who validly deliver a consent to the Proposed Amendments with respect to such Series of Notes after the Early Consent Deadline but at or prior to the Expiration Time (as defined below). Holders who are entitled to receive an Early Consent Payment are not entitled to receive a Secondary Consent Payment. The details of the Consent Payment for each Series of Notes are set out in the following table.

Description of Debt Securities	ISIN	Common Code	Early Consent Payment (per US\$1,000 principal amount for the 2021 USD Notes and the 2022 Notes; per RMB10,000 principal amount for the 2021 RMB Notes)	Secondary Consent Payment
2021 USD Notes	XS1266590089	126659008	US\$3.50	US\$2.50
2021 RMB Notes	XS1799588642	179958864	RMB35.00	RMB25.00
2022 Notes	XS1991398352	199139835	US\$3.50	US\$2.50

The effectiveness of the Proposed Amendments to each Series is interconditional and all of the Proposed Amendments will be effective at the same time, provided that the Company may, in its sole discretion, waive the interconditionality for any Series so that the effectiveness of the Proposed Amendments to the relevant Series is not conditioned upon the effectiveness of any other Proposed Amendments contemplated in the Consent Solicitation Statement. However, the Proposed Amendments will only become operative on the date on which receipt by the Trustee of notification by way of an officers' certificate of the Company confirming (a) the occurrence of the Consent Payment Date (as defined below) and (b) the completion of the MBKP Acquisition.

If the Required Consents for each Series have been obtained at or prior to the Expiration Time, it is expected that the Consent Payment will be paid to consenting Holders: (a) within five (5) business days after the Expiration Time, provided all conditions described under "Conditions to the Consent Payments" below are met (or waived by the Company); and (b) to the extent such conditions are not met (or waived by the Company) within such period of time, within one (1) business day after all such conditions are met (or waived by the Company).

In the event that the Required Consents are not obtained at or prior to the Expiration Time in respect of any Series, any other condition set forth in the Consent Solicitation Statement is not satisfied or waived, or any of the Solicitations is terminated, the relevant Proposed Amendments will not become operative, and no Consent Payment will be made to Holders of the relevant Series.

No assurance can be given that the Solicitations will be completed and the Company reserves the right to extend, amend and terminate the Solicitations in its sole discretion at any time and for any reason, including but not limited to, failure to satisfy any condition to the Solicitations.

KEY DATES

The following table summarizes the anticipated key dates for the Solicitations. This summary is qualified in its entirety by more detailed information in the Consent Solicitation Statement and the Company's sole and absolute discretion on any extension or termination of any Solicitation.

Event Name	Timing	Description
Early Consent Deadline	4 p.m., London time, on November 23, 2020, unless extended or terminated by the Company in its sole discretion. If the Early Consent Deadline for any of the Solicitations is extended, the Early Consent Deadline in relation to different Notes may be on or at different dates or times.	The time at or prior to which Holders must validly deliver consents to the Proposed Amendments in order to be eligible to receive the Early Consent Payments.

Event Name	Timing	Description
Expiration Time	4 p.m., London time, on November 30, 2020, unless extended or terminated by the Company in its sole discretion. If the Expiration Time for any of the Solicitations is extended, the Expiration Time in relation to different Notes may be on or at different dates or times.	The time at or prior to which Holders must validly deliver consents to the Proposed Amendments in order to be eligible to receive the Secondary Consent Payments. For the avoidance of doubt, the Holders who receive an Early Consent Payment will not receive the Secondary Consent Payments.
Effective Time	The time at which the Required Consents have been received with respect to each Series (which, for the avoidance of doubt, may be at or prior to the Expiration Time).	The supplemental indentures will be executed as soon as practicable after the Effective Time, at which time the supplemental indentures will become effective (provided there are no laws, regulations, injunctions or actions or other proceedings, pending or threatened, which, in the case of any action or proceeding if adversely determined, would make unlawful or invalid or enjoin the implementation of the Proposed Amendments). However, the Proposed Amendments will only become operative on the date on which receipt by the Trustee of notification by way of an officers' certificate of the Company confirming (a) the occurrence of the Consent Payment Date and (b) the completion of the MBKP Acquisition.
Announcement of Solicitations Results	As soon as practicable after the earlier of the Effective Time or the Expiration Time of all Series.	The date on which the results of the Solicitations are announced by the Company.

Event Name	Timing	Description
Consent Payment Date	Within five (5) business days after the Expiration Time, provided all conditions described under “Conditions to the Consent Payments” are met (or waived by the Company). To the extent such conditions are not met (or waived by the Company) within such period of time, within one (1) business day after all conditions described under “Conditions to the Consent Payments” are met (or waived by the Company).	The date on which the Consent Payments will be paid to Holders who validly delivered consents to the Proposed Amendments at or prior to the Expiration Time, as determined by the Company in its sole discretion. The Company will not be obligated to pay any Consent Payment if any of the conditions to the Consent Payments is not met (or waived by the Company).

CONDITIONS TO THE CONSENT PAYMENTS

Within five (5) business days after the Expiration Time, the Consent Payments will be made by the Company or one or more of its affiliates, or an agent on their behalf, directly to the cash accounts of the clearing systems for credit to the direct participants for payments to Holders of the relevant Series of the Notes who have validly consented as set out herein, provided that the following conditions are satisfied (or waived by the Company):

- (a) receipt of the Required Consents for each Series of the Notes being validly delivered pursuant to the terms of the Solicitations on or prior to the Expiration Time;
- (b) the execution of the supplemental indenture of the relevant Series by, among others, the Company and the Trustee, and the supplemental indenture of the relevant Series being effective and not terminated;
- (c) (A) no change (or development involving a prospective change) shall have occurred or shall be threatened in the business, properties, assets, liabilities, financial conditions, operations, or results of operations of the Company and its subsidiaries (the “**Group**”), and (B) no change (or development involving a prospective change) shall have occurred in financial markets generally or affect the Group’s equity or any Series that, in the Company’s reasonable judgment in the case of either (A) or (B) above, is or may be adverse to the Group or has or may have a material adverse effect upon the contemplated benefits to the Group and/or any of the Group’s affiliates of the Solicitations; and
- (d) the absence of any laws, regulations, injunctions or actions or other proceedings, pending or threatened, which, in the case of any action or proceeding if adversely determined, would make unlawful or invalid or enjoin the implementation of the Proposed Amendments or the payment of the Consent Payments and if applicable, all requirements set out by any regulatory authority for the payment of the Consent Payments have been satisfied or waived.

To the extent the conditions above are not met (or waived by the Company) within five (5) business days after the Expiration Time, the Consent Payments will be made within one (1) business day after all conditions are met (or waived by the Company).

PROCEDURES FOR DELIVERING CONSENTS

To deliver a consent with respect to any particular Series, a Holder must validly deliver a consent prior to the Expiration Time pursuant to the procedures described in the Consent Solicitation Statement.

Holders may not revoke consents once given unless the Company is required by law to permit Holders to revoke or withdraw their consents. Notes for which consents are delivered will be blocked from being transferred until the earlier of: (i) the next business day following the relevant Expiration Time (which may be extended by the Company in its discretion); or (ii) the date on which the relevant Solicitation is terminated.

FURTHER DETAILS

For a detailed statement of the terms and conditions of the Solicitations, Holders should refer to the Consent Solicitation Statement.

The Company has mandated Houlihan Lokey Capital, Inc. and Houlihan Lokey (China) Limited as the Solicitation Agents in relation to the Solicitations and retained D.F. King Ltd. as the Information and Tabulation Agent.

Questions and requests for assistance in respect of the Solicitations may be directed to:

The Solicitation Agents

Houlihan Lokey Capital, Inc.
245 Park Avenue, 20th Floor
New York, New York 10167
USA
Telephone: +1 (212) 497-7864
Email: HL_Captain@HL.com

Houlihan Lokey (China) Limited
Suites 506-508, One International Finance Centre
1 Harbour View Street
Hong Kong, SAR
Telephone: +852 3551 2300
Email: HL_Captain@HL.com

The Information and Tabulation Agent

D.F. King Ltd.

In London
65 Gresham Street
London EC2V 7NQ
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Tel: +44 20 7920 9700

In Hong Kong
Suite 1601, 16th Floor, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +852 3953 7208
Email: carinc@dfkingltd.com

The Consent Solicitation Statement will be distributed in electronic format to Holders via the website: <https://sites.dfkingltd.com/CARInc>. Any requests for additional copies of the Consent Solicitation Statement should be directed to D.F. King Ltd. at the above points of contact.

INFORMATION ABOUT THE COMPANY

The Company is a leading auto mobility provider in China, offering car rental and fleet rental services to individual and corporate customers.

Further announcements in respect of the Solicitations will be made by the Company. As the Solicitations may or may not proceed, shareholders of the Company and potential investors 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, November 16, 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 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.