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For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.



CAR Inc.

神州租車有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0699)

ISSUE OF US\$250,000,000 9.75% SENIOR NOTES DUE 2024

The Board hereby announces that, on 26 March 2021, the Company entered into the Purchase Agreement with China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and J.P. Morgan Securities plc as Initial Purchasers and China CITIC Bank International Limited as Co-Manager in connection with the issue of the Notes.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S. None of the Notes will be offered to the public in Hong Kong or be placed to any connected persons of the Company.

The estimated net proceeds of the Notes Issue, after deduction of expenses, will amount to approximately US\$244.9 million, which the Company intends to use for repayment of existing indebtedness and general corporate purposes.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 23 March 2021 in respect of the Notes Issue.

The Board hereby announces that, on 26 March 2021, the Company entered into the Purchase Agreement with China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities plc as Initial Purchasers and China CITIC Bank International Limited as Co-Manager in connection with the issue of the Notes.

THE PURCHASE AGREEMENT

Date: 26 March 2021

Parties to the Purchase Agreement

- (a) the Company as the issuer of the Notes;
- (b) China International Capital Corporation Hong Kong Securities Limited as an Initial Purchaser;
- (c) Goldman Sachs (Asia) L.L.C. as an Initial Purchaser;
- (d) J.P. Morgan Securities plc as an Initial Purchaser; and
- (e) China CITIC Bank International Limited as Co-Manager.

China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and J.P. Morgan Securities plc are the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners in respect of the offer and sale of the Notes and the Initial Purchasers of the Notes. China CITIC Bank International Limited is the Co-Manager in respect of the Notes Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities plc and China CITIC Bank International Limited is an independent third party and not a connected person of the Company.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered outside of the United States in compliance with Regulation S. None of the Notes will be offered to the public in Hong Kong or be placed to any connected persons of the Company.

PRINCIPAL TERMS OF THE NOTES

The following is a summary of certain provisions of the Notes and the Indenture. This summary is not complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

Notes offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$250 million, which will mature on 31 March 2024, unless earlier redeemed pursuant to the terms thereof.

Offering Price

The offering price of the Notes will be 99.366% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including 31 March 2021 at the rate of 9.75% per annum, payable semi-annually in arrears on 31 March and 30 September of each year, commencing on 30 September 2021.

Ranking of the Notes

The Notes are:

- (a) general obligations of the Company;
- (b) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- (c) *at least pari passu* in right of payment with the existing *pari passu* indebtedness and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);
- (d) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations under the Indenture;
- (e) effectively subordinated to all existing and future secured obligations of the Company to the extent of the value of the collateral serving as security therefor; and
- (f) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

Events of Default

The events of default under the Notes include, among others:

- (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest or additional amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (c) default in the performance or breach of certain covenants or the failure by the Company to make or consummate an offer to purchase in certain situations;
- (d) default by the Company or certain of its subsidiaries in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by Citicorp International Limited as trustee or the holders of 25% or more in aggregate principal amount of the Notes;

- (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having an aggregate outstanding principal amount of US\$15.0 million or more, whether such indebtedness now exists or is created hereafter;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$15.0 million (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) commencement of involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries, and where such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days, or an order for relief is entered against the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law;
- (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action; or
- (i) any Subsidiary Guarantor denying or disaffirming its obligations under its guarantees securing the obligations of the Notes or, except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect.

If an event of default (other than an event of default specified in (g) and (h) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of Notes then outstanding, may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs with respect to the Company or certain subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) guarantee indebtedness of the Company or certain of its subsidiaries;
- (e) sell assets;

- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (i) enter into transactions with shareholders or affiliates;
- (j) effect a consolidation or merger; and
- (k) engage in any business other than permitted business.

Optional Redemption

At any time on or after 31 March 2023, the Company may on any one or more occasions redeem the Notes, in whole or in part, at a redemption price equal to 103.65625% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the relevant redemption date.

At any time and from time to time prior to 31 March 2023, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

USE OF PROCEEDS FOR THE NOTES ISSUE

The estimated net proceeds of the Notes Issue, after deduction of expenses, will amount to approximately US\$244.9 million, which the Company intends to use for repayment of existing indebtedness and general corporate purposes.

LISTING AND RATING

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes are expected to receive a rating of "Caal" by Moody's Investors Service, Inc. and "B-" (preliminary) by Standard & Poor's Ratings Services.

GENERAL

As disclosed in the joint announcement dated 4 March 2021 issued by the Offeror and the Company in relation to close of offers and results of the offers, an application for withdrawal of listing of the Shares will be made. For the avoidance of doubt, the Board would like to emphasize that the delisting application will relate only to the Shares and will not relate to the Notes proposed to be issued.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	CAR Inc., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Indenture”	the written agreement to be entered into between the Company and Citicorp International Limited as trustee that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date;
“Initial Purchasers”	China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and J.P. Morgan Securities plc;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the 9.75% senior notes due 2024 in the aggregate principal amount of US\$250,000,000 to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“Offeror”	Indigo Glamour Company Limited;
“Purchase Agreement”	the purchase agreement dated 26 March 2021 entered into between the Company and the Initial Purchasers in relation to the Notes Issue;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Share(s)”	the ordinary share(s) of US\$0.00001 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the Notes will guarantee the Company’s obligations under the Notes;
“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended; and
“US\$”	United States dollars, the lawful currency of the United States of America.

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

Hong Kong, 26 March 2021

As at the date of this announcement, the Board of Directors comprises Ms. Yifan Song as Executive Director; Mr. Hongfei Yu, Mr. Xuan Yan, Mr. Stephen Le Ee Boon, Mr. Jun Xu and Ms. Shengping Yu as Non-executive Directors; and Mr. Sam Hanhui Sun, Mr. Wei Ding and Mr. Li Zhang as Independent Non-executive Directors.