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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)

TRANSFER OF SHARES BY A SUBSTANTIAL SHAREHOLDER

This announcement is made by CAR Inc. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company received after trading hours on October 9, 2015 a notification from Grand Union Investment Fund, L.P. (“**Grand Union**”), a substantial shareholder of the Company, stating that on October 9, 2015, Grand Union executed a share purchase agreement (the “**Share Purchase Agreement**”) with UCAR Technology Inc. (优車科技有限公司) (“**UCAR**”) for the transfer (the “**Transfer**”) of 125,400,000 shares of the Company held by Grand Union to UCAR (the “**Transferred Shares**”). The purchase price for the Transferred Shares is HK\$13.50 per share, which represents an approximate 8% premium over the average daily closing price of the Company’s shares in the preceding 30 days and an approximate 15% discount of the average daily closing price of the Company’s shares in the preceding six months.

Pursuant to the terms of the Share Purchase Agreement, as soon as possible after the completion of the Transfer (the “**Completion**”) but no later than November 30, 2015, Mr. Erhai Liu, one of the directors of the Company nominated by Grand Union, is expected to resign from his positions as a non-executive director of the Company, a member of the audit and compliance committee of the Company (the “**Audit and Compliance Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”); and a person designated by UCAR will be nominated for appointment by the board of directors of the Company (the “**Board**”) as a non-executive director of the Company and as a member of the Audit and Compliance Committee and the Remuneration Committee.

As at the date of this announcement, Grand Union holds approximately 28.97% of the total issued share capital of the Company, and UCAR does not hold any shares in the Company; and the Transferred Shares represent approximately 5.28% of the total issued share capital of the Company. Immediately following the Completion, assuming there is no other change in the share capital of the Company, Grand Union will continue to be a substantial shareholder of the Company holding approximately 23.69% of the total issued share capital of the Company, while UCAR will hold approximately 5.28% of the total issued share capital of the Company. The Company does not expect the Transfer to have any material impact on the business or operations of the Company.

UCAR is a limited liability company incorporated and organized under the laws of the Cayman Islands on December 1, 2014 and it is a chauffeured car service provider. Reference is made to the Company's announcement dated September 17, 2015 in relation to the Company's subscription of series B preferred shares in UCAR (the "**Subscription**"). Following the completion of the Subscription on September 25, 2015 and on the assumption that all preferred shares of UCAR are fully converted into ordinary shares based on the conversion ratio of 1:1, the Company holds approximately 9.85% of the total issued and outstanding shares of UCAR. Please refer to the Company's announcement dated September 17, 2015 for the detailed information of UCAR.

If there is any further update to the composition of the Board, the Company will make further announcement to keep its shareholders and potential investors informed.

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

Hong Kong, October 12, 2015

As at the date of this announcement, the Board comprises Mr. Charles Zhengyao Lu as executive director; Mr. Linan Zhu, Mr. Erhai Liu, Mr. Hui Li, and Mr. Narasimhan Brahmadesam Srinivasan as non-executive directors; Mr. Sam Hanhui Sun, Mr. Wei Ding, Mr. Li Zhang, and Mr. Lei Lin as independent non-executive directors.