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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)

ISSUE OF US\$500,000,000 6.125% SENIOR NOTES DUE 2020

Reference is made to the announcement of the Company dated January 5, 2015 in respect of the Notes Issue.

On January 28, 2015, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Credit Suisse, Standard Chartered Bank and Deutsche Bank in connection with the issue of US\$500 million 6.125% senior notes due 2020.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered (i) in the United States to qualified institutional buyers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A of the U.S. Securities Act and (ii) outside the United States in compliance with Regulation S under the U.S. Securities Act. 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\$486.5 million, which the Company intends to use for capital expenditure and other general corporate purposes, including refinancing outstanding indebtedness, to enhance its capital structure.

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 January 5, 2015 in respect of the Notes Issue.

The Board is pleased to announce that on January 28, 2015, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Credit Suisse, Standard Chartered Bank and Deutsche Bank in connection with the issue of US\$500 million 6.125% senior notes due 2020.

THE PURCHASE AGREEMENT

Date: January 28, 2015

Parties to the Purchase Agreement

- (a) the Company as the issuer of the Notes;
- (b) certain subsidiaries of the Company as Subsidiary Guarantors of the Company's obligations under the Notes;
- (c) Credit Suisse;
- (d) Standard Chartered Bank; and
- (e) Deutsche Bank.

Credit Suisse and Standard Chartered Bank are joint global coordinators, joint lead managers and joint bookrunners and Deutsche Bank is a joint lead manager and joint bookrunner in respect of the offer and sale of the Notes. Credit Suisse, Standard Chartered Bank and Deutsche Bank are also the Initial Purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Credit Suisse, Standard Chartered Bank and Deutsche Bank 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 (i) in the United States to qualified institutional buyers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A of the U.S. Securities Act and (ii) outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong or be placed to any connected person 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\$500 million which will mature on February 4, 2020, unless earlier redeemed pursuant to the terms thereof.

Offering Price

The offering price of the Notes will be 98.944% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including February 4, 2015 at the rate of 6.125% per annum, payable semi-annually in arrears, commencing on August 4, 2015.

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 all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law);
- (d) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations under applicable law;

- (e) effectively subordinated to secured obligations of the Company to the extent of the value of the assets serving as security therefor; and
- (f) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

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 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 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.

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

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) On or after February 4, 2018, the Company may on any one or more occasions redeem all or any part of the Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on February 4 of the years indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date:

| Year | Redemption Price |
|---------------------|------------------|
| 2018 | 103.0625% |
| 2019 and thereafter | 101.53125% |

- (2) At any time prior to February 4, 2018, 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 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including), the redemption date.
- (3) At any time and from time to time prior to February 4, 2018, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 106.125% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Use of Proceeds for the Notes Issue

The estimated net proceeds of the Notes Issue, after deduction of expenses, will amount to approximately US\$486.5 million, which the Company intends to use for capital expenditure and other general corporate purposes, including refinancing outstanding indebtedness, to enhance its capital structure.

Recent Development

The Final Offering Memorandum discloses the recent development of our Group as set out below.

On January 6, 2015, one of the Company's wholly-owned subsidiaries entered into a trust loan agreement in the ordinary course of business, the terms of which are similar to the Group's existing trust loan agreements. Under this trust loan agreement, the subsidiary is entitled to draw down up to RMB600.0 million for a term of two years, and the subsidiary has drawn down RMB600.0 million as of the date of the Final Offering Memorandum.

On January 23, 2015, one of the Company's wholly-owned subsidiaries further entered into a capital leasing agreement in the ordinary course of business, the terms of which are similar to the Group's existing capital leasing agreements. Under this capital leasing agreement, the subsidiary is entitled to draw down up to RMB300.0 million for a term of two years, and the subsidiary has not drawn down any amount as of the date of the Final Offering Memorandum.

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 Ba1 by Moody's, BB+ by S&P, and BB+ by Fitch.

DEFINITIONS

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

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| "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" | has the meaning ascribed to it under the Listing Rules; |
| "Credit Suisse" | Credit Suisse Securities (Europe) Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes; |

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| “Deutsche Bank” | Deutsche Bank AG, Singapore Branch, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes; |
| “Directors” | the directors of the Company; |
| “Final Offering Memorandum” | the final offering memorandum dated January 28, 2015 to be issued in relation to the Notes; |
| “Fitch” | Fitch Inc. and its affiliates; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Indenture” | the written agreement to be entered into between the Company, the Subsidiary Guarantors as guarantors 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” | Credit Suisse, Standard Chartered Bank and Deutsche Bank; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Moody’s” | Moody’s Investors Service, Inc. and its affiliates; |
| “Notes” | the 6.125% senior notes due 2020 in the aggregate principal amount of US\$500 million to be issued by the Company; |
| “Notes Issue” | the issue of the Notes by the Company; |
| “PRC” | the People’s Republic of China; |
| “Purchase Agreement” | the purchase agreement dated January 28, 2015 entered into between the Company, the Subsidiary Guarantors, Credit Suisse, Standard Chartered Bank and Deutsche Bank in relation to the Notes Issue; |
| “S&P” | Standard & Poor’s Ratings Service and its affiliates; |

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| “Standard Chartered Bank” | Standard Chartered Bank, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes; |
| “Subsidiary Guarantors” | certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company’s obligations under the Notes; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “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.
Charles Zhengyao Lu
Chairman and CEO

Hong Kong, January 29, 2015

As at the date of this announcement, the Board of Directors of the Company comprises Charles Zhengyao Lu as Executive Director, Linan Zhu, Erhai Liu, Hui Li, and Narasimhan Brahmadesam Srinivasan as Non-executive Directors, Sam Hanhui Sun, Wei Ding, Li Zhang, and Lei Lin as Independent Non-executive Directors.