

United States  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 8-K

Current Report  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

December 11, 2018

Date of Report (Date of earliest event reported)

**CM Seven Star Acquisition Corporation**  
(Exact Name of Registrant as Specified in its Charter)

**Cayman Islands**

(State or other jurisdiction of incorporation)

**333-220510**

(Commission File Number)

**N/A**

(I.R.S. Employer Identification No.)

**Suite 1306, 13/F, AIA Central, 1 Connaught Road,  
Central, Hong Kong**

(Address of Principal Executive Offices)

**N/A**

(Zip Code)

Registrant's telephone number, including area code: + 852 3796 2750

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## IMPORTANT NOTICES

### Important Notice Regarding Forward-Looking Statements

This Current Report on Form 8-K contains certain “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended. Statements that are not historical facts, including statements about the pending transaction between CM Seven Star Acquisition Corporation (“CM Seven Star”), Renren Inc. (“Renren”) and Kaixin Auto Group (“Kaixin”) and the transactions contemplated thereby, and the parties’ perspectives and expectations, are forward-looking statements. Such statements include, but are not limited to, statements regarding the proposed transaction, including the anticipated initial enterprise value and post-closing equity value, the benefits of the proposed transaction, integration plans, expected synergies and revenue opportunities, anticipated future financial and operating performance and results, including estimates for growth, the expected management and governance of the combined company, and the expected timing of the transactions. The words “expect,” “believe,” “estimate,” “intend,” “plan” and similar expressions indicate forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to various risks and uncertainties, assumptions (including assumptions about general economic, market, industry and operational factors), known or unknown, which could cause the actual results to vary materially from those indicated or anticipated.

Such risks and uncertainties include, but are not limited to: (i) risks related to the expected timing and likelihood of completion of the pending transaction, including the risk that the transaction may not close due to one or more closing conditions to the transaction not being satisfied or waived, such as regulatory approvals not being obtained, on a timely basis or otherwise, or that a governmental entity prohibited, delayed or refused to grant approval for the consummation of the transaction or required certain conditions, limitations or restrictions in connection with such approvals; (ii) risks related to the ability of CM Seven Star and Kaixin to successfully integrate the businesses; (iii) the occurrence of any event, change or other circumstances that could give rise to the termination of the applicable transaction agreements; (iv) the risk that there may be a material adverse change with respect to the financial position, performance, operations or prospects of Kaixin or CM Seven Star; (v) risks related to disruption of management time from ongoing business operations due to the proposed transaction; (vi) the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of CM Seven Star’s common stock; (vii) the risk that the proposed transaction and its announcement could have an adverse effect on the ability of Kaixin and CM Seven Star to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on their operating results and businesses generally; (viii) the risk that the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; and (ix) risks associated with the financing of the proposed transaction. A further list and description of risks and uncertainties can be found in CM Seven Star’s Annual Report on Form 10-K for the fiscal year ending December 31, 2017 filed with the SEC, in CM Seven Star’s quarterly reports on Form 10-Q filed with the SEC subsequent thereto and in the proxy statement on Schedule 14A that will be filed with the SEC by CM Seven Star in connection with the proposed transaction, and other documents that the parties may file or furnish with the SEC, which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements relate only to the date they were made, and CM Seven Star, Renren, Kaixin, and their subsidiaries undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made except as required by law or applicable regulation.

## Additional Information and Where to Find It

In connection with the transaction described herein, CM Seven Star will file relevant materials with the Securities and Exchange Commission (the “SEC”), including a proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, CM Seven Star will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the transaction. INVESTORS AND SECURITY HOLDERS OF CM SEVEN STAR ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTION THAT CM SEVEN STAR WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CM SEVEN STAR, KAIXIN AND THE TRANSACTION. The preliminary proxy statement, the definitive proxy statement and other relevant materials in connection with the transaction (when they become available), and any other documents filed by CM Seven Star with the SEC, may be obtained free of charge at the SEC’s website ([www.sec.gov](http://www.sec.gov)) or by writing to CM Seven Star at Suite 1306, 13/F, AIA Central, 1 Connaught Road, Central, Hong Kong.

### Participants in Solicitation

CM Seven Star, Kaixin, Renren, and their respective directors, executive officers and employees and other persons may be deemed to be participants in the solicitation of proxies from the holders of CM Seven Star common stock in respect of the proposed transaction. Information about CM Seven Star’s directors and executive officers and their ownership of CM Seven Star’s common stock is set forth in CM Seven Star’s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC, as modified or supplemented by any Form 3 or Form 4 filed with the SEC since the date of such filing. Other information regarding the interests of the participants in the proxy solicitation will be included in the proxy statement pertaining to the proposed transaction when it becomes available. These documents can be obtained free of charge from the sources indicated above.

### Item 8.01 Other Events

CM Seven Star Acquisition Corporation intends to use the attached presentation in meetings with investors commencing December 12, 2018. The materials attached as Exhibit 99.1 are incorporated by reference herein.

### Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Presentation dated December 2018</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 11, 2018

CM SEVEN STAR ACQUISITION CORPORATION

By: /s/ Sing Wang  
Name: Sing Wang  
Title: Chief Executive Officer

# CM Seven Star Acquisition Corp. Business Combination with Kaixin Auto Group



Investor Presentation  
December 2018

## Important Notice Regarding Forward-Looking Statements and Non-GAAP Measures

This presentation contains certain “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended. Statements that are not historical facts, including statements about the pending transaction between CM Seven Star Acquisition Corporation (“CMSS”), Renren Inc. (“Renren”) and Kaixin Auto Group (“Kaixin”) and the transactions contemplated thereby, and the parties, perspectives and expectations, are forward-looking statements. Such statements include, but are not limited to, statements regarding the proposed transaction, including the anticipated initial enterprise value and post-closing equity value, the benefits of the proposed transaction, integration plans, expected synergies and revenue opportunities, anticipated future financial and operating performance and results, including estimates for growth, the expected management and governance of the combined company, and the expected timing of the transactions. The words “expect,” “believe,” “estimate,” “intend,” “plan” and similar expressions indicate forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to various risks and uncertainties, assumptions (including assumptions about general economic, market, industry and operational factors), known or unknown, which could cause the actual results to vary materially from those indicated or anticipated.

Such risks and uncertainties include, but are not limited to: (i) risks related to the expected timing and likelihood of completion of the pending transaction, including the risk that the transaction may not close due to one or more closing conditions to the transaction not being satisfied or waived, such as regulatory approvals not being obtained, on a timely basis or otherwise, or that a governmental entity prohibited, delayed or refused to grant approval for the consummation of the transaction or required certain conditions, limitations or restrictions in connection with such approvals; (ii) risks related to the ability of CMSS and Kaixin to successfully integrate the businesses; (iii) the occurrence of any event, change or other circumstances that could give rise to the termination of the applicable transaction agreements; (iv) the risk that there may be a material adverse change with respect to the financial position, performance, operations or prospects of Kaixin or CMSS; (v) risks related to disruption of management time from ongoing business operations due to the proposed transaction; (vi) the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of CMSS’s common stock; (vii) the risk that the proposed transaction and its announcement could have an adverse effect on the ability of Kaixin and CMSS to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on their operating results and businesses generally; (viii) risks related to successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected;

(ix) the risk that the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; and (x) risks associated with the financing of the proposed transaction. A further list and description of risks and uncertainties can be found in CMSS's Annual Report on Form 10-K for the fiscal year ending December 31, 2017 filed with the SEC, in CMSS's quarterly reports on Form 10-Q filed with the SEC subsequent thereto and in the proxy statement on Schedule 14A that will be filed with the SEC by CMSS in connection with the proposed transaction, and other documents that the parties may file or furnish with the SEC, which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements relate only to the date they were made, and CMSS, Renren, Kaixin, and their subsidiaries undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made except as required by law or applicable regulation.

This presentation includes non-GAAP financial measures including adjusted EBITDA and adjusted EBITDA margin. They are measures that provide supplemental information that CMSS and Kaixin believe are useful to analysts and investors to evaluate ongoing results of operations, when considered alongside GAAP measures such as net income, operating income and gross profit. Adjusted EBITDA excludes the financial impact of items management does not consider in assessing the ongoing operating performance of CMSS, Kaixin, or the combined company, and thereby facilitates review of its operating performance on a period-to-period basis. Other companies may have different capital structures or different lease terms, and comparability to the results of operations of CMSS, Kaixin or the combined company may be impacted by the effects of acquisition accounting on its depreciation and amortization. As a result of the effects of these factors and factors specific to other companies, CMSS and Kaixin believe adjusted EBITDA provides helpful information to analysts and investors to facilitate a comparison of their operating performance to that of other companies. The presentation of adjusted EBITDA in these materials should not be construed as an inference that Kaixin's future results will be unaffected by unusual or non-recurring items.

## **Additional Information and Where to Find It**

In connection with the transaction described herein, CMSS will file relevant materials with the Securities and Exchange Commission (the "SEC"), including a proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, CMSS will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the transaction. INVESTORS AND SECURITY HOLDERS OF CMSS ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTION THAT CMSS WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CMSS, KAIXIN AND THE TRANSACTION. The preliminary proxy statement, the definitive proxy statement and other relevant materials in connection with the transaction (when they become available), and any other documents filed by CMSS with the SEC, may be obtained free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)).

## **Participants in Solicitation**

CMSS, Kaixin, Renren, and their respective directors, executive officers and employees and other persons may be deemed to be participants in the solicitation of proxies from the holders of CMSS common stock in respect of the proposed transaction. Information about CMSS's directors and executive officers and their ownership of CMSS's common stock is set forth in CMSS's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC, as modified or supplemented by any Form 3 or Form 4 filed with the SEC since the date of such filing. Other information regarding the interests of the participants in the proxy solicitation will be included in the proxy statement pertaining to the proposed transaction when it becomes available. These documents can be obtained free of charge from the sources indicated above.

# Transaction Overview



## CM Seven Star Acquisition Corp<sup>(1)</sup>

\$209 million in trust capital<sup>(2)</sup>

Sing Wang is CEO and sponsored by a fund managed by a subsidiary of China Minsheng Financial Holding Corporation



## Kaixin Auto Group

A Leading Chinese Used Car Dealership Group owned by Renren, invested by Softbank



Kaixin Auto Group  
(NASDAQ: KXIN)

### Key Transaction Highlights

- Approximately 28.3 million shares initial consideration<sup>(3)</sup>
- Renren rolling 100% of its equity (~46% pro-forma initial ownership)<sup>(4)</sup>
- Significant earnouts tied to financial and stock performance
- 0.7x '20E sales and 8.0x '20E Adj. EBITDA<sup>(5)</sup>
- Minimum \$5 million cash closing condition
- Expected closing Q1 '19

(1) CM Seven Star is sponsored by SVF, a Fund managed by CMAM, a wholly owned subsidiary of CMFH

(2) As of September 30, 2018

(3) Does not include approximately 4.7 million shares reserved under a management equity incentive plan ("ESOP"), a portion of which will be issued at closing

(4) Assumes no redemptions from trust proceeds

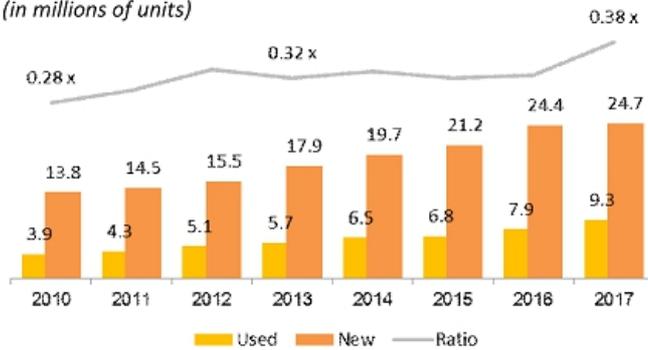
(5) Based on management estimates

- 1 Exposure to Huge and Rapidly Growing Market
- 2 Focused on High Value Segment
- 3 Differentiated Business Model
- 4 Experienced Management Team
- 5 Discounted Valuation to Comps
- 6 Earnouts Tied to Business and Stock Price Performance
- 7 Trust Proceeds to Fund Expansion

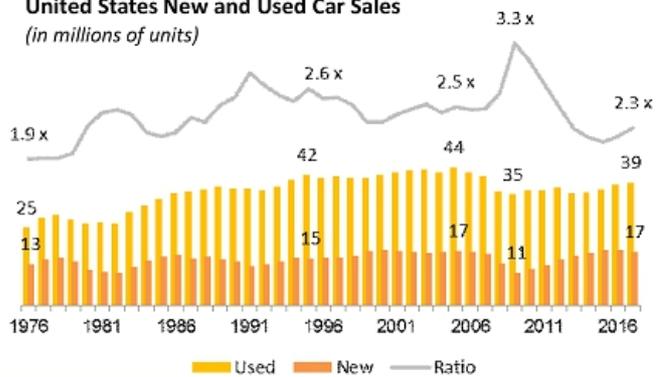
# 1 The Chinese Used Car Market is in its Infancy

China has the second largest car parc and the highest new car sales in the world, but the used car market remains underpenetrated by comparison to the US market

**China New and Used Car Sales**  
(in millions of units)



**United States New and Used Car Sales**  
(in millions of units)

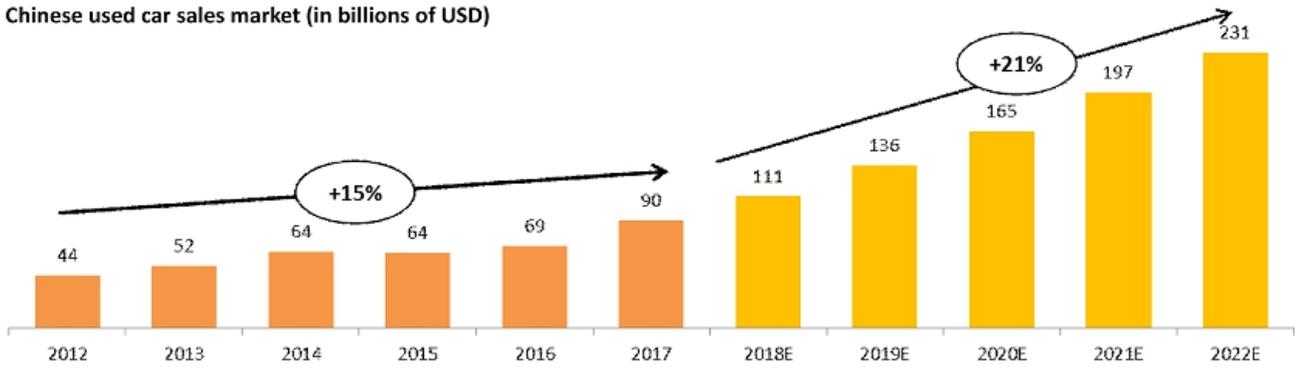


<b>Total car parc (million of units, 2017)</b>	200	185
<b>Cars per capita (units, 2017)</b>	0.6	0.1
<b>New car sales (million of units, 2017)</b>	17.3	24.7
<b>Used car sales (million of units, 2017)</b>	41.5	9.3
<b>Used car to total car parc ratio</b>	0.21 x	0.05 x
<b>Used car to new car sales ratio</b>	2.4 x	0.4 x

Source: US Bureau of Transportation Statistics, China Association of Automobile Manufacturers, China National Bureau of Statistics, iResearch. All data references passenger car only

# 1 High Growth Market Poised to Accelerate

Chinese used car sales market (in billions of USD)



### Key Growth Drivers:

- Growing new car sales and total car parc
- Increasing vehicle change frequency
- Rising average selling price
- Improved quality control and pricing transparency helps consumer confidence
- Improved access to financing with lower LTV
- Relaxation of inter-provincial registrations



Source: China Automobile Dealers Association, Chinabaogao, iResearch. All data references passenger car only  
 Note: Historical RMB figures converted to USD at the annual average exchange rate for their respective year. FX used for converting estimate RMB figures of 6.93 RMB/1.00 USD

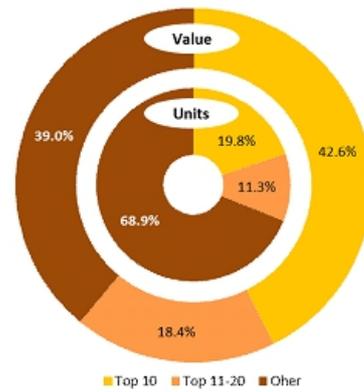
## 2 Focused on Highest Value Segment

### Premium Market Focus:

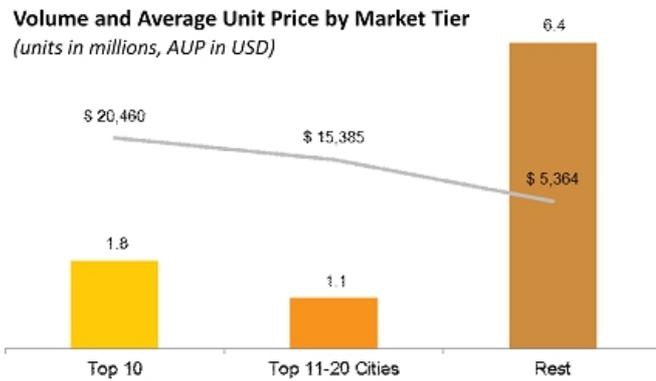
- Highest growth segment of market
- Disproportionate value
- Geographically concentrated with ability to profitably serve other markets with newly relaxed inter-province registration rules
- Better margins and opportunities for more ancillary business

While each top 10 city captures only 1-3% of volume, they represent 3-7% of total market value

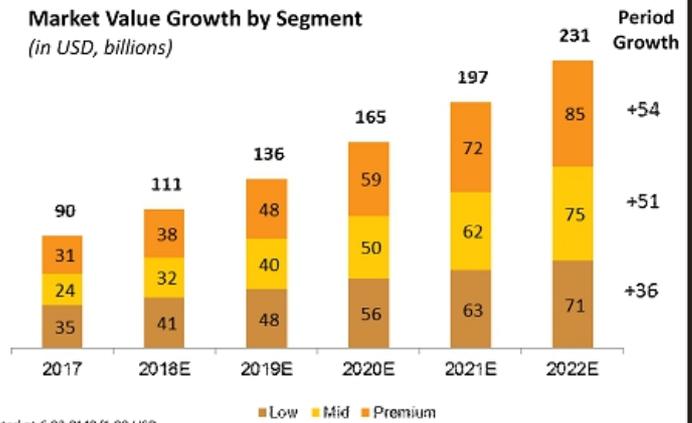
2017 Chinese Used Car Market by City



Volume and Average Unit Price by Market Tier  
(units in millions, AUP in USD)



Market Value Growth by Segment  
(in USD, billions)



Source: China Automobile Dealers Association, Chejiahao, iResearch. All data references passenger car only  
Note: Average Unit price converted to USD at FX of 6.89 RMB/1.00 USD as of November 2, 2018. Estimates converted at 6.93 RMB/1.00 USD

### 3 Differentiated Business Model

#### Key market characteristics:

- China's used car market is huge and rapidly growing to become the largest in the world
- Premium segment provides greatest growth in value and is concentrated in top markets
- China's used car market remains highly fragmented, with 80% of volume through mom & pops
- Lacking scale leads to inefficient sourcing, poor price transparency, inconsistent quality and consumer skepticism
- Financing options are limited

#### Market evolution requires:

- **Brand:** Recognized brand to instill trust and facilitate marketing
- **Scale:** Better sourcing, inventory management, ability to provide value added services
- **Capital:** Consolidate dealers, grow inventory, value added service capability, financing
- **Technology:** Enhance user experience, manage inventory, pricing insight, marketing

#### Kaixin's solution:

- Second mover advantage as existing China models have not found the success of US dealers
- Leverage established brand with online credibility
- Use big data for advantage in sourcing, pricing, marketing, management systems
- Acquire owned dealerships in high value and return markets
- Further consolidate market and provide capital, technology and scale to affiliated dealers
- Drive value added services to further monetize transactions, improve margins and returns, maximize customer and affiliated dealer retention

Source: Management information

### 3 Business Model Overview

#### Leading used car dealership for the premium segment

##### Self-Owned Dealer (KSOD)



- Locations focused on key premium car markets
- Aim to secure largest, most profitable, highest return
- Partner with successful, local, and fully aligned entrepreneurs
- Self-owned dealers operate as hubs for affiliates within specific region

##### Affiliated Network Dealer (KAND)



- Smaller dealerships affiliated within areas of KSOD
- Independence with profit sharing
- Network benefits from brand, scale, capital, systems, and experience
- Dealers enjoy better sourcing, inventory management, profitability

##### Value Added and After Sale Services (VAASS)

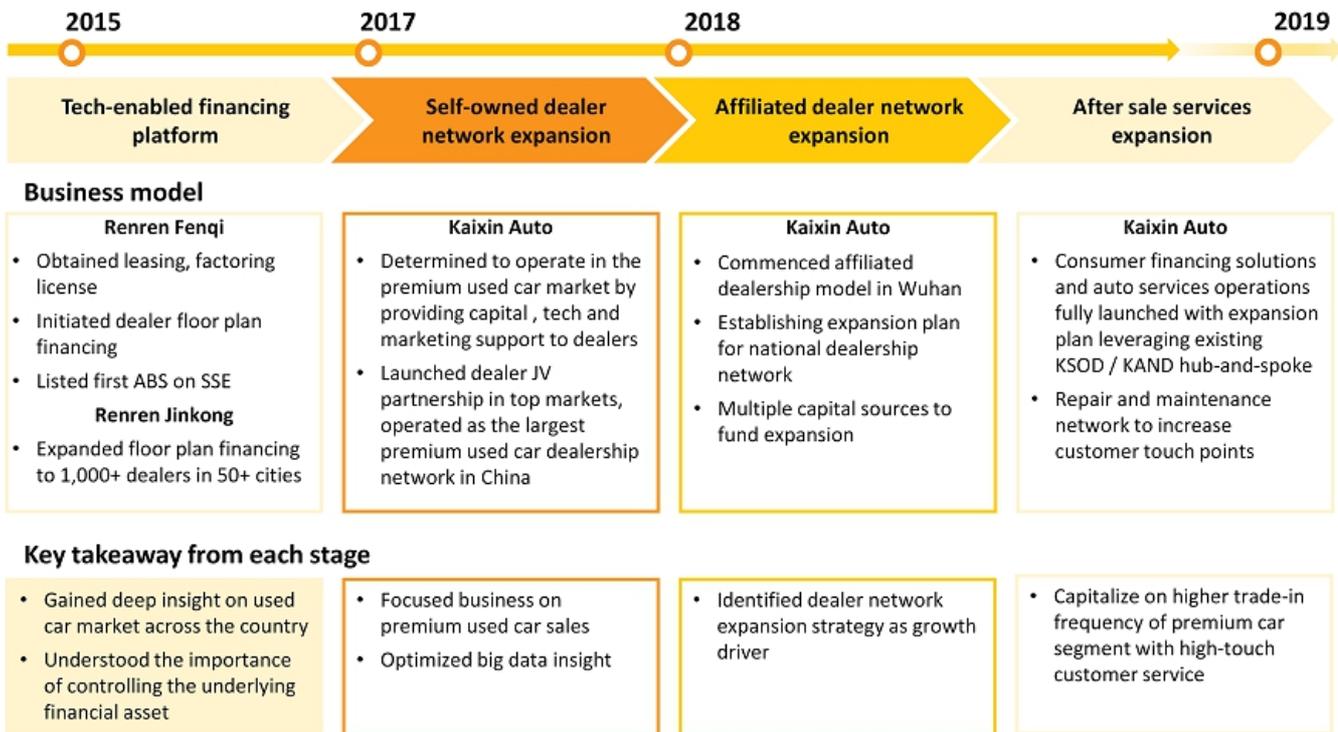
- Kaixin's "internet gene" at core of network and big data to cross sell multiple high gross margin services
- Provide consumer financing, insurance, and extended warranty products
- Complete after-sale services increase revenue, margin and customer retention



Source: Management information

### 3 Development Roadmap

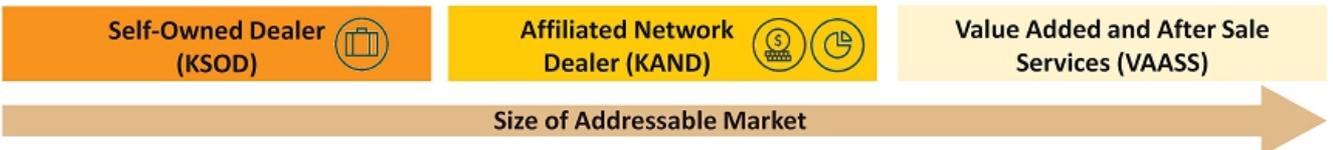
Transformed from a financing platform to a leading used car dealership network



Source: Management information

### 3 Expansion Strategy

#### Significant growth opportunities with current model



- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Network covers 14 cities, including center key premium markets</li> <li>• Plan to acquire additional dealers to cover all key premium markets</li> <li>• Ramp up of unit sales through existing network and increase market share</li> </ul> | <ul style="list-style-type: none"> <li>• Fragmented market with ~200,000 dealers nationwide</li> <li>• Addressable market for consolidation ~150,000, mostly mom and pop shops</li> <li>• Expand geographic reach, consolidate the market to gain share</li> </ul> | <ul style="list-style-type: none"> <li>• Leverage network and data to innovate and provide extended services</li> <li>• Expand products and services to a wider customer base and enhance customer satisfaction and loyalty</li> </ul> |
|---|--|--|



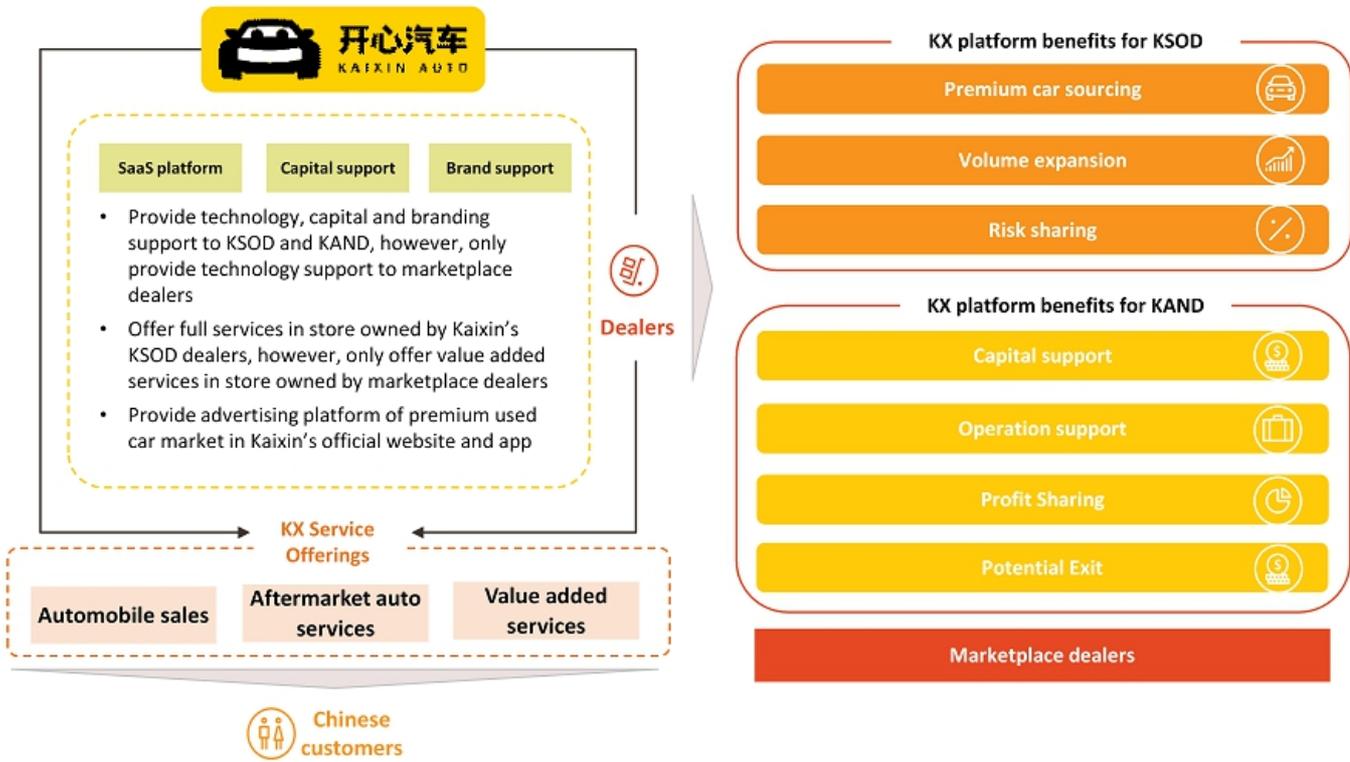
Note: Projections based on management budget. Converted to USD at 6.89 RMB/1.00 USD as of November 2, 2018. Number of units sold, GMV, revenues, loans facilitated, and gross margin are rounded and approximately. GMV, units sold and gross margin do not include Jinan JV, to be disposed before closing of business combination

1. KOSD/KAND gross margin based on GMV for comparability purposes; KAND business revenue is recognized on net basis, thus the accounting gross margin is 100%, the numbers shown are margins based on GMV, of which Kaixin and KANDS share on the 80%/20% basis, respectively

2. VAASS' gross margin for the entire business division. Most of current business represents B2C financing, as an origination fee, that carries 100% margin while after sales books +40% margin

### 3 Creating a Strong Dealer Network

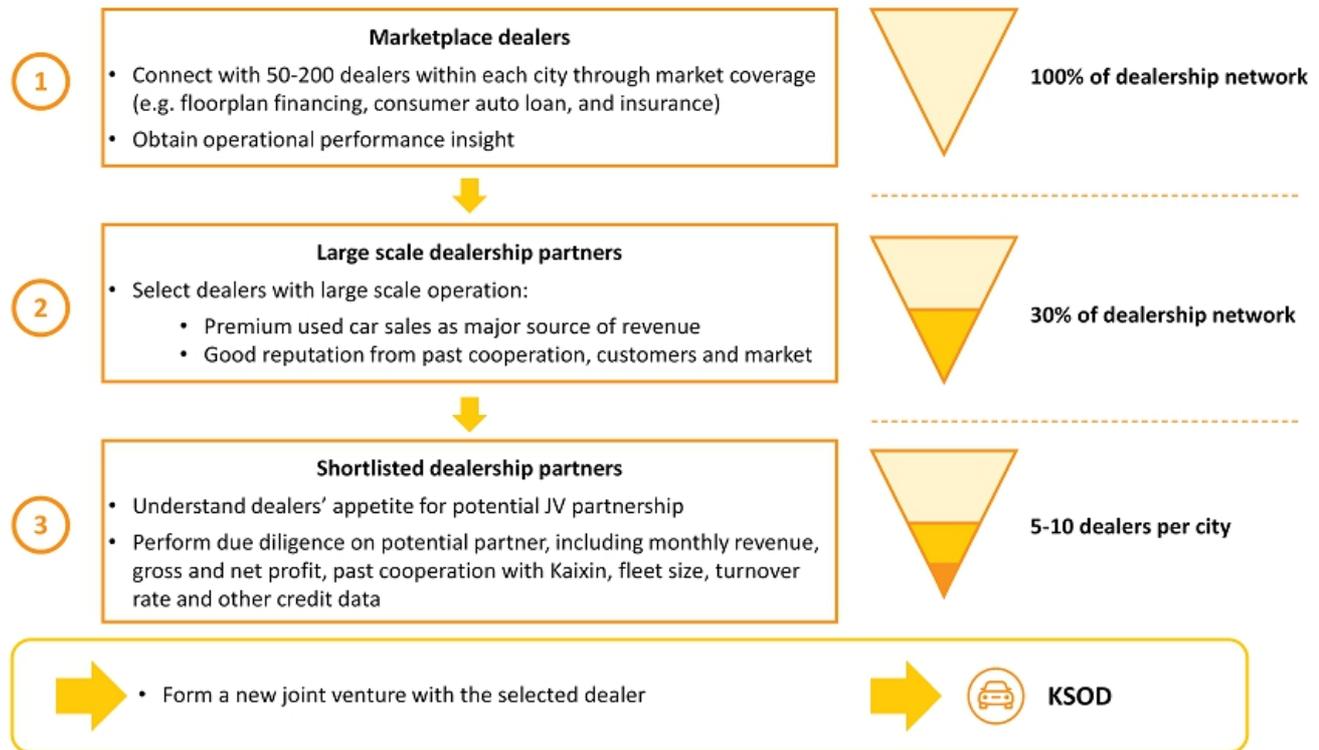
Model enables traditional car dealer intermediaries with technology, capital and brand, to expand and leverage their business



Source: Management information

### 3 Self-Owned Dealership Selection Process

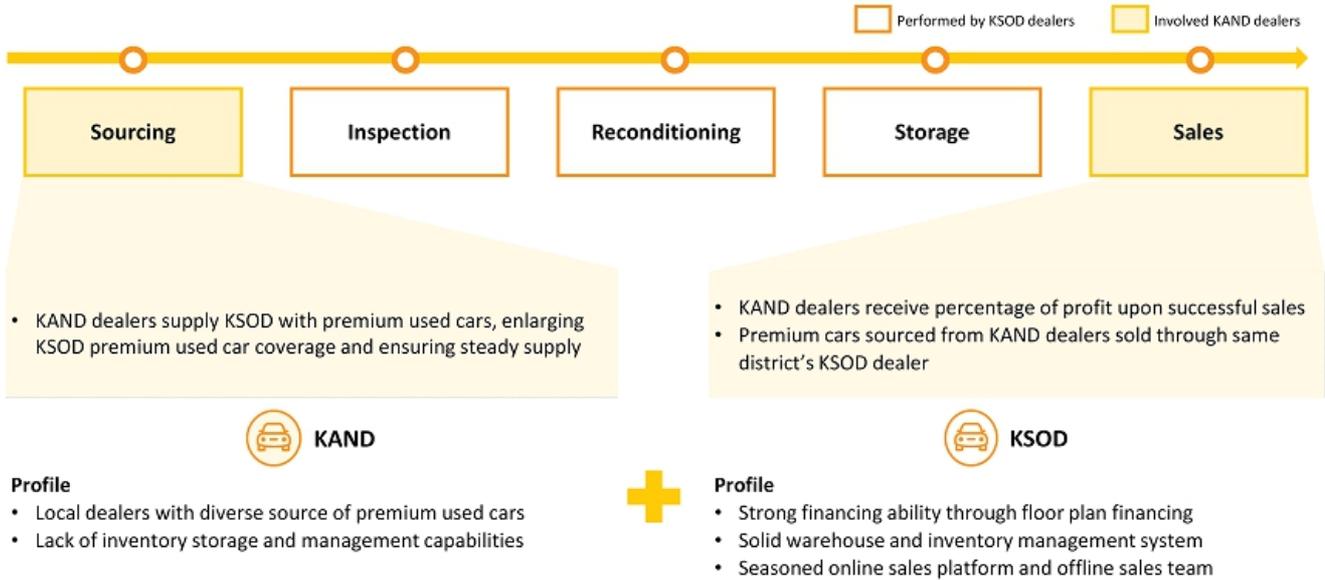
#### Dealer selection process in a targeted city



Source: Management information

### 3 Affiliated Dealership Model

#### Affiliated dealership model to tackle car sourcing and increase KSOD revenue



Identified local dealers with strong sourcing capabilities through legacy financing business and KSOD cooperation



- Build complementary car source coverage within KSOD operating region
- Broaden Kaixin's brand reach to nearby regions and cities for car sourcing and customers

Source: Management information

### 3 SaaS Enabled Platform

Kaixin offers dealers access to SaaS management technology and market data analysis



Source: Management information

### 3 Ecommerce Platform

Kaixin's internet gene enhances the retail platform through its globally direct sales (SDR) engine and the development of a video online community for premium car owners

#### Customer acquisition flow

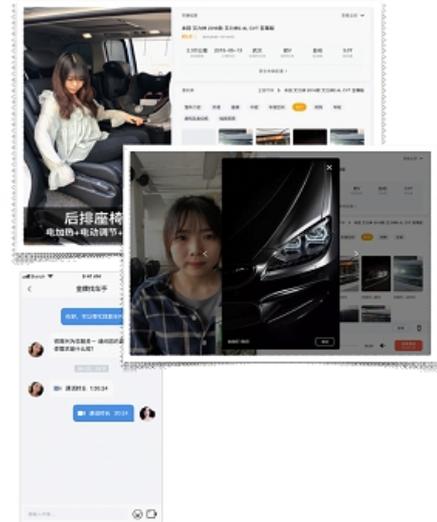
Personalized News Feed based on Interest



Self-serve eCommerce platform with wide selection



Real-time online help to find the right vehicle through chat, live video feed, virtual test drive



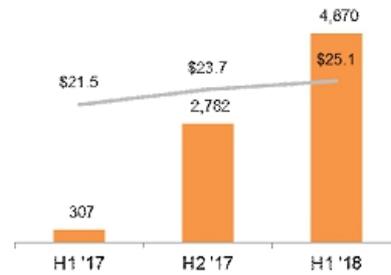
Source: Management information

### 3 VAASS Enhances Revenue, Customer Engagement

#### Value Added Services – Financing and Insurance

- Kaixin acts as market facilitator to originate consumer auto credit and insurance solutions on behalf of financial partners
- Not involved in underwriting process, taking no credit risk and providing no credit guarantees
- Broadens customer base and gains market insight
- Fee of 1%-3% of the loan amount provides high margin, ancillary revenue stream

Number of loans originated and average loan size  
(USD in thousands)



#### After Sales Services – Repair & Maintenance

- Kaixin has recently initiated repair and maintenance services to extend customer retention, enhance satisfaction and increase their loyalty
- Increases customer touch points, deepening relationship, particularly with buyers of premium cars
- Expected to generate profitable added revenue stream in the medium term

Source: Management information

# 4 Management Team: Internet + Auto + Finance



**Joseph Chen**  
Chairman



**Chen Ji**  
Chief Executive Officer



**Thomas Ren**  
Chief Financial Officer



**Jun Ma**  
Chief Technology Officer



## Business Operations



**Jinfeng Xie**  
Chief Operating Officer



**Kai Wang**  
Director Consumer Finance



**Li Cai**  
Director Risk Management



## Capital Operations



**Lin Zhu**  
VP Capital Markets



**Jintao Yu**  
Director Business Development



## Support Operations



**Xiaoguang Li**  
VP Marketing



**Yan Yue**  
Director Human Resources



## Estimated Sources and Uses <sup>(1,2)</sup>

(in millions of USD)

Sources		Uses	
Trust proceeds <sup>(3)</sup>	209.4	Rollover equity	330.0
Stock consideration	330.0	Cash to balance sheet	199.6
		Fees & expenses	9.7
<b>Total sources</b>	<b>\$539.4</b>	<b>Total uses</b>	<b>\$539.4</b>

## Implied Initial Valuation <sup>(1,2,3)</sup>

(in millions of USD, except per share data)

Shares outstanding	61.4	<b>Transaction Multiples <sup>(5)</sup></b>
Share price	10.00	15.6 x '19E Adj. EBITDA (\$35.2)
<b>Market cap</b>	<b>\$614.4</b>	8.0 x '20E Adj. EBITDA (\$81.3)
Total debt	50.6	
Cash	(211.8)	
<b>Enterprise value</b>	<b>\$453.2</b>	

1. RMB figures converted to USD at FX of 6.89 RMB/1.00 USD as of November 2, 2018

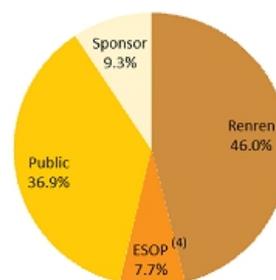
2. Assumes no redemptions from trust proceeds

3. As of September 30, 2018

4. Denotes approximately 4.7 million total shares reserved under a management equity incentive plan (only a portion of these shares will be issued at closing)

5. Includes earnout shares issued based on the achievement of financial projections

## Ownership Summary



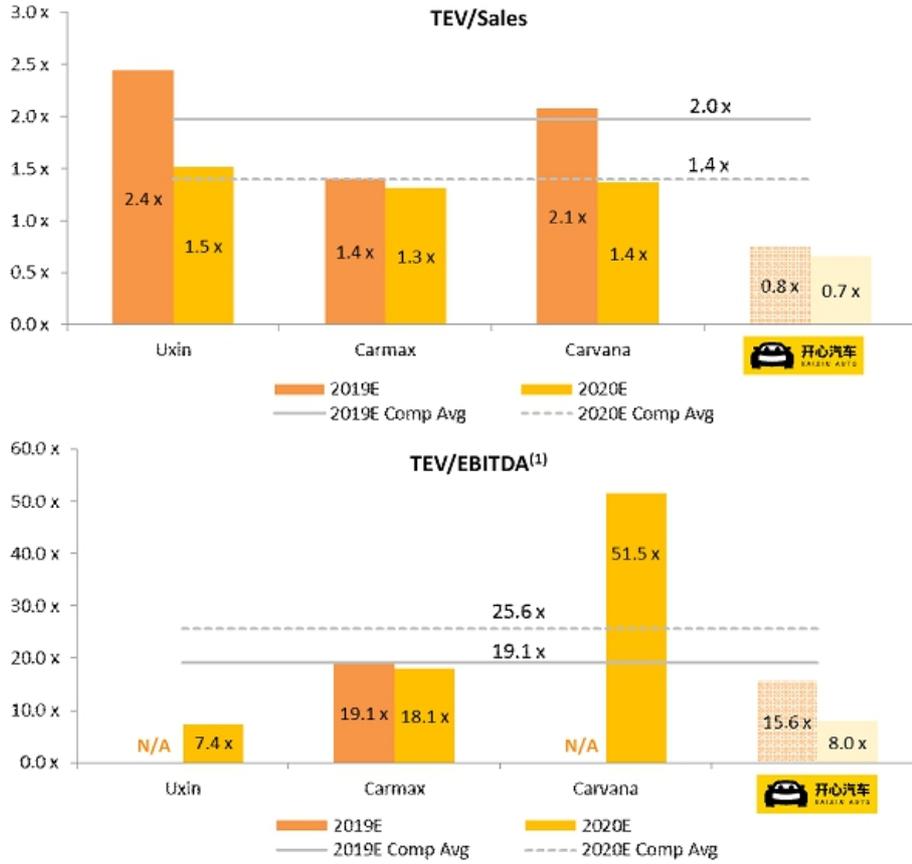
## Earnout <sup>(1)</sup>

(in millions of USD, share data in millions)

Metric	2019		2020	
	Threshold	Shares	Threshold	Shares
Revenue	\$725.7	1.95	-	-
Adj. EBITDA (low)	21.8	3.90	49.3	4.875
Adj. EBITDA (high)	29.0	7.80	69.7	9.750

- 2019 earnout shares will be awarded if during 15 month after the closing, the stock price > \$13.00 (for any 60 days during a period of 90 trading days)
- All earnout shares will be awarded if during 30 month after the closing, the stock price > \$13.50 (for any 60 days during a period of 90 trading days)
- Shares are issued proportionally between low/high thresholds

## 5.6 Comparable Valuation



Source: Capital IQ at close of November 2, 2018  
1. Adjusted EBITDA for Kaixin

## 5,6 Comparable Analysis

Key Metrics	China				U.S.	
	 Kaixin	 Car King	 Guazi	 Uxin	 Carmax <sup>1</sup>	 Carvana
TAM (2017 A)		9.3mn units / USD87bn			39.2mn units / USD764bn	
Valuation	USD454mn	N/A	N/A	c.USD1.9bn	c.USD25.9bn	c.USD7.2bn
Car Revenue Recognition	KSOD: Gross KAND: Net	Gross	Net	Net	Gross	Gross
Gross Merchandise Value (2017A)	USD95mn <sup>2</sup>	N/A	N/A	<b>GMV: USD6,641mn</b> Used Car (2C): 40% Used Car (2B): 60%	<b>GMV: USD16,574mn</b> Used Car: 87% Wholesale Car : 13%	<b>GMV: USD825mn</b> Used Car : 97% Wholesale Car: 13%
Revenue Breakdown (2017A)	<b>Revenue: USD117mn<sup>2</sup></b> Car Sales (2C): 76% Loan Financing: 23% Others: 1%	N/A	N/A	<b>Revenue: USD299mn</b> Used Car (2C): 12% Used Car (2B): 27% 2C Loan Facilitation: 48% Others: 13%	<b>Revenue: USD16,637mn</b> Used Car: 80% Wholesale Car : 12% Others: 8%	<b>Revenue: USD859mn</b> Used Car: 93% Wholesale Car: 3% Others: 4%
2018E-2020E Revenue CAGR	57.0%	N/A	N/A	64.6%	6.9%	65.4%
Gross Merchandise Value Margin (2017A)	KSOD: 5%-6% <sup>3</sup> KAND: 6%-6.5% <sup>4</sup>	N/A	N/A	Used Car (2C): 3.0% <sup>5</sup> Used Car (2B): 0.9%	Used Car: 10.9% Wholesale Car: 18.0%	Used Car: 4.1% Wholesale Car: 6.5%
Average selling price (2017A)	USD51k/Car	USD19k-22k/Car	c.USD10k/Car	<b>Overall: USD11k/Car</b> Used Car (2C): USD14k/Car Used Car (2B): USD8k/Car	<b>Overall: USD15k/Car</b> Used Car: USD20k/Car Wholesale Car: USD5k/Car	<b>Overall: USD16k/Car</b> Used Car: USD18k/Car Wholesale Car: USD4k/Car

Source: Company information, expert interviews, desktop research, Capital IQ market data as of November 2, 2018

1. Fiscal year ends at February 28<sup>th</sup>

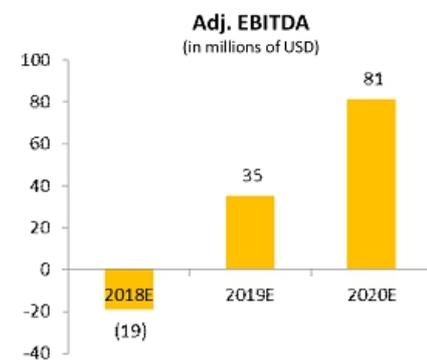
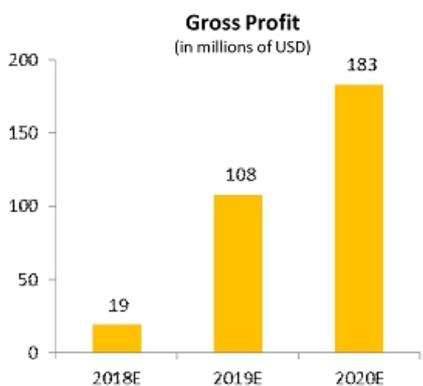
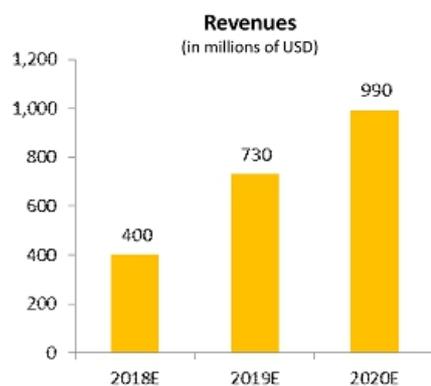
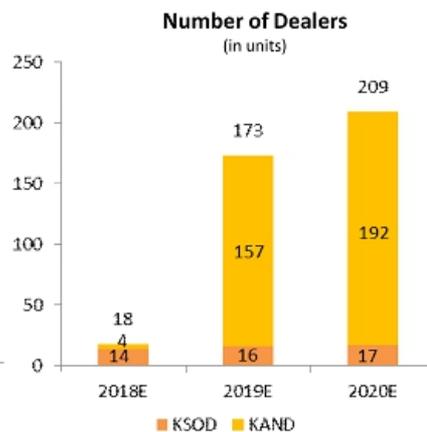
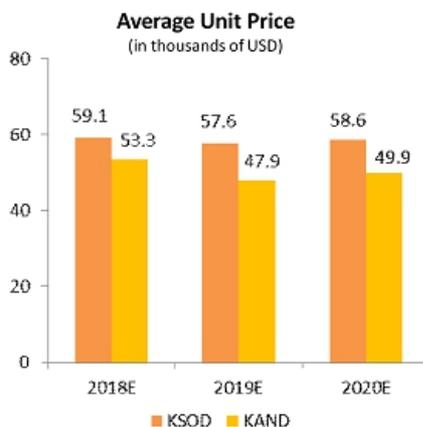
2. Gross Merchandise Value and Revenue of Kaixin does not include Jinan JV, to be disposed before closing of business combination

3. GMV Margin of Kaixin represent normalized range (2017 was a ramp-up year)

4. KAND business revenue is recognized on net basis, thus the accounting gross margin is 100%. Numbers shown are margins based on GMV of which Kaixin and KANDs share on the 80%/20% basis, respectively

5. Uxin's gross margin includes the result of its 2C loan facilitation business in which Uxin takes credit risk by providing guarantee on full repayment of principal and accrued and unpaid interest to its financing partners

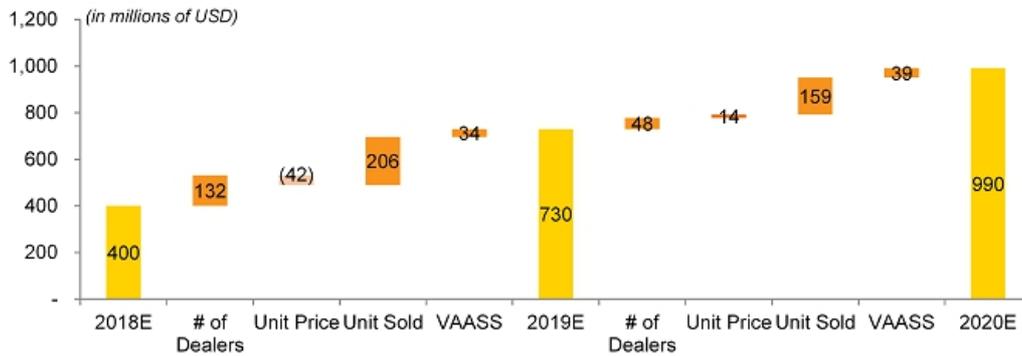
# Key Operating & Financial Metrics



Source: Projections are based on management budget and converted to USD at the exchange rate of RMB 6.89/USD 1.00 as of November 2, 2018  
 Note: Projection assumptions of Kaixin do not include Jinan JV, to be disposed before closing of business combination

# Near Term Revenue & Adj. EBITDA Growth

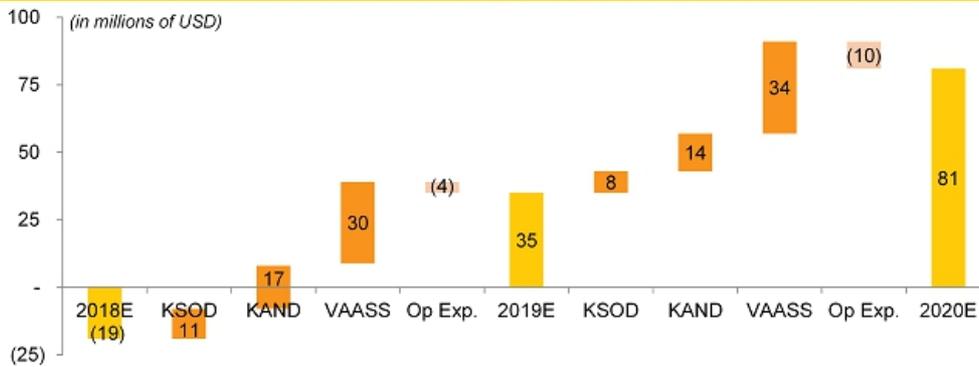
## Revenues (USD millions)



### Comments

- Increase number of KAND locations
- Higher volume sold per KSOD due to better sourcing from affiliates
- Rollout of VAASS throughout the network

## Adj. EBITDA (USD millions)



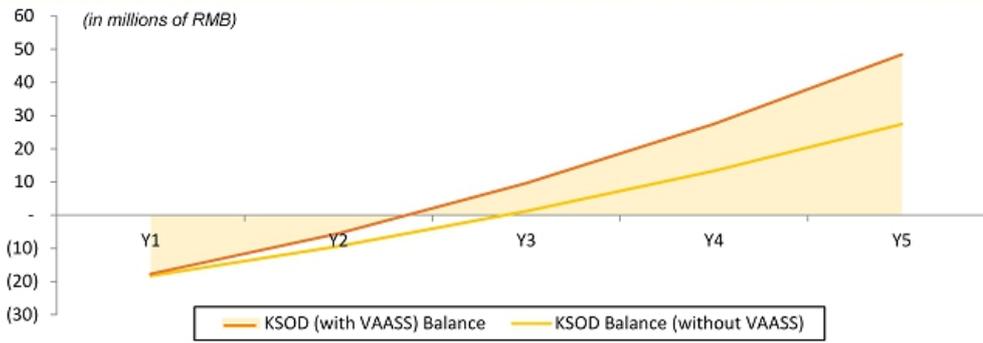
### Comments

- Existing KSOD are maturing, turning cash flow positive
- Significant margin from VAASS business

Source: Projections are based on management budget and converted to USD at the exchange rate of RMB 6.89/USD 1.00 as of November 2, 2018

# Dealership Unit Economics

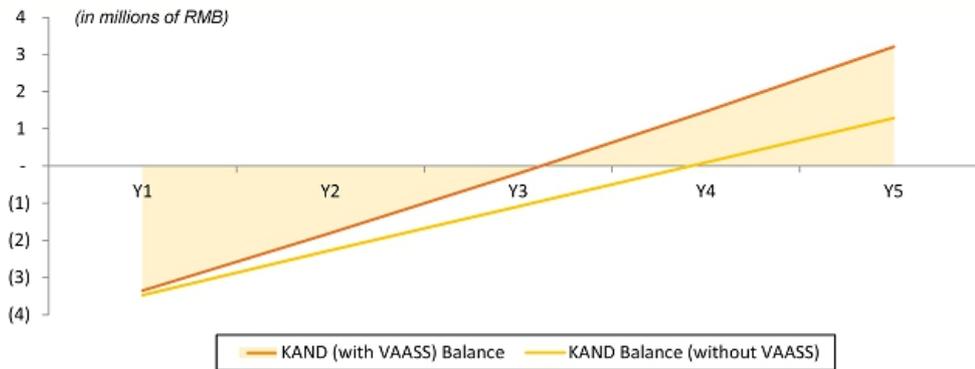
## KSOD



### Comments

- Investment of ~RMB\$23mn paid back in less than 3 years
- Cash flow positive from year 1, standardized ROIC of ~30%
- 5 years to reach maturity growth
- Increase margin from VAASS businesses

## KAND



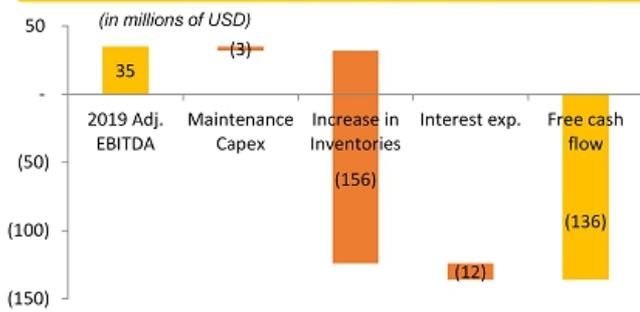
### Comments

- Smaller investment of ~RMB\$4.5mn per new affiliate
- Cash flow positive from year 1, standardized ROIC of ~25%
- Reached maturity and stable profitability in year 2

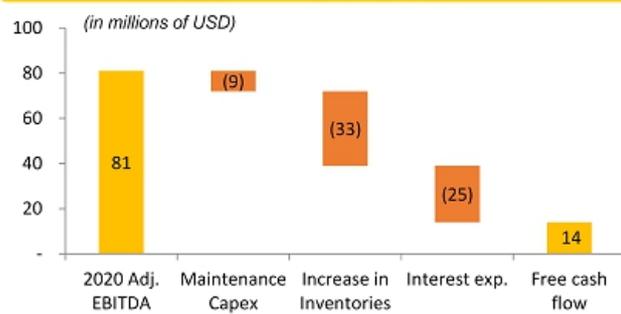
Source: Management information

# Capital Expansion and Funding Pipeline

### 2019 Cash Flow<sup>2</sup>



### 2020 Cash Flow<sup>2</sup>



## Substantial Funding Capital Available to Accelerate Growth<sup>1,2</sup>

### 2018

Beijing Bank:	105 million	●●
Shanghai Bank:	150 million	●●
Dianrong:	5 million	●●
SAIC Anji:	10 million	●●
Ping'An Factoring:	5 million	●
<b>Total:</b>	<b>RMB 275 million</b>	
	<b>(USD 39.9 million)</b>	

### 2019

Shanghai HuaRui Bank:	300 million	●●
Hengfeng Bank:	400 million	●●
Tailong Bank:	200 million	●●
Ji Lin Jiu Tai Industry and Comm. Bank:	75 million	●●
ABN/ABS:	400 million	●●●
<b>Total:</b>	<b>RMB 1,375 million</b>	
	<b>(USD 199.6 million)</b>	

### 2020

Channel A:	200 million	●●●
Channel B:	200 million	●●●
Channel C:	200 million	●●●
<b>Total:</b>	<b>RMB 600 million</b>	
	<b>(USD 87.1 million)</b>	

● KSOD  
● KAND  
● VAASS

SPAC: <sup>3</sup>	209 million	●●●
<b>Total:</b>	<b>USD 209 million</b>	

**Total pipeline: RMB 2,250 million (USD 326.6 million) + USD 209 million<sup>3</sup>**

Source: Management information based on current assumptions of funding negotiations and subject to changes in the future

1. All financing will rollover continuously to serve as operating cash

2. RMB figures converted to USD at FX of 6.89 RMB/1.00 USD as of November 2, 2018

3. Assumes no redemptions from trust proceeds

- **Largest player in premium pre-owned car segment; significant and rapid growth potential in this industry**
- **Highly scalable business model through “Affiliate Network” growth**
- **Well positioned to capitalize on growth in large cities and also expand to smaller markets – goal to establish nationwide dealer network**
- **Technology platform optimizes dealer operations and utilizes big data to provide insight into market dynamics and identify opportunities**
- **Significant opportunity for robust growth in revenue at attractive margin translates into profitable growth in 2019**

*Source: Management information*