

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

January 24, 2019
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 has filed and 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) 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 1.01 Entry into a Material definitive Agreement

The disclosure contained in Item 2.03 is incorporated by reference in this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On January 24, 2019 CM Seven Star Acquisition Corporation (the “Company”) issued an unsecured promissory note in the aggregate principal amount of up to \$1,100,000 (the “Note”) to Shareholder Value Fund, the Company’s initial public offering sponsor (“SVF”). The Company may request funds from SVF under the Note from time to time. The Note does not bear interest and matures upon closing of a business combination by the Company. In the event that the company does not close a business combination, the note will not be repaid.

On January 24, 2019 CM Seven Star Acquisition Corporation (the “Company”) issued unsecured promissory notes in the aggregate principal amount of \$2,063,629.30 (the “Notes”) to SVF and Kaixin Auto Group in exchange for those entities depositing such amount into the Company’s trust account in order to extend the amount of time it has available to complete a business combination. The Notes do not bear interest and mature upon closing of a business combination by the Company. In addition, the Notes may be converted by the holder into units of the Company identical to the units issued in the Company’s initial public offering at a price of \$10.00 per unit.

Item 8.01 Other Events

The Company issued the release filed herewith on January 25, 2019. The materials attached as Exhibit 99.1 are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|-----------------------------|-------------------------------------------------------------|
| <u>99.1</u> | <u>Press Release dated January 25, 2019</u> |

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: January 25, 2019

CM SEVEN STAR ACQUISITION CORPORATION

By: /s/ Stephen N. Cannon
Name: Stephen N. Cannon
Title: Chief Financial Officer

CM Seven Star Acquisition Corporation Extends Period to Complete Business Combination with Renren Inc.’s Kaixin Auto Group, a Transaction Valued at Approximately \$454 million

BEIJING, January 25, 2019 (GLOBE NEWSWIRE) -- CM Seven Star Acquisition Corporation (“CM7Star” or the “Company”) (NASDAQ:CMSS), a blank check company formed for the purpose of entering into a business combination with one or more businesses, today announced that it received a notice from its sponsor, Shareholder Value Fund (the “Sponsor”), to extend the time required for the Company to complete its proposed business combination with Kaixin Auto Group (“Kaixin”), a leading premium used car dealership network in China owned by, Renren Inc. (“Renren”) (NYSE:RENN) for an additional three-months, ending April 30, 2019. Promptly after delivering the notice, the Sponsor, or its designees, and Kaixin deposited an aggregate amount of approximately \$2.1 million, representing \$0.10 per public share, into the Company’s trust account pursuant to the terms of the investment management trust agreement entered into by the Company at the time of the Company’s initial public offering and pursuant to the terms of the definitive share exchange agreement previously entered into by the Company and Kaixin.

On November 6, 2018, CM7Star announced it had entered into a definitive share exchange agreement with Kaixin and its owner, Renren, to acquire 100% of Kaixin’s equity holdings for an initial consideration of approximately 28.3 million CM7Star shares, subject to certain indemnification arrangements, in a transaction valued at approximately \$454 million. For further information about such transaction, please refer to CM7Star’s SEC filings.

About CM Seven Star Acquisition Corporation

In October of 2017, CM Seven Star Acquisition Corporation, a Cayman Islands exempted limited liability company completed its initial public offering. Sponsored by Shareholder Value Fund, a Cayman fund controlled by its Board of Directors, which has selected CM Asset Management (Hongkong) Company Limited (“CMAM”) to serve as the investment manager for the fund. CMAM is a wholly owned subsidiary of China Minsheng Financial Holding Corporation Limited, a HKSE listed Company. CM7Star was formed as a blank check company for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or similar business combination with one or more businesses or entities. CM7Star’s efforts to identify a prospective target business will not be limited to a particular industry or geographic location.

About Renren Inc.

Renren Inc. (NYSE: RENN) operates a social networking service (SNS) business, used auto business and SaaS business. Renren's American depositary shares, each of which represents fifteen Class A ordinary shares, trade on NYSE under the symbol "RENN".

About Kaixin Auto Group

Founded in 2015 as a venture into China's used car financing market by its corporate parent Renren Inc., Kaixin Auto Group is a leading premium used car dealership in China. Supported by the rapid growth of China's used car market and leveraging its own hybrid business model that offers both strong online and offline presence, Kaixin has transformed from a tech-enabled financing platform into a nationwide dealer network that combines self-owned and affiliated dealers as well as value added and after-sale services.

Forward-Looking Statements

This press release contains, and certain oral statements made by representatives of CM Seven Star Acquisition Corporation, Kaixin Auto Group, Renren Inc. and their respective affiliates, from time to time may contain, “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. CM Seven Star Acquisition Corporation’s and Kaixin Auto Group’s actual results may differ from their expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “might” and “continues,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, CM Seven Star Acquisition Corporation’s, Kaixin Auto Group’s and Renren Inc.’s expectations with respect to future performance and anticipated financial impacts of the business combination, the satisfaction of the closing conditions to the business combination and the timing of the completion of the business combination. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results. Most of these factors are outside the control of CM Seven Star Acquisition Corporation, Kaixin Auto Group or Renren Inc. and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the share exchange agreement relating to the proposed business combination; (2) the outcome of any legal proceedings that may be instituted against CM Seven Star Acquisition Corporation, Kaixin Auto Group or Renren Inc. following the announcement of the share exchange agreement and the transactions contemplated therein; (3) the inability to complete the business combination, including due to failure to obtain approval of the shareholders of CM Seven Star Acquisition Corporation or other conditions to closing in the share exchange agreement; (4) delays in obtaining or the inability to obtain necessary regulatory approvals (including approval from insurance regulators) required to complete the transactions contemplated by the share exchange agreement; (5) the occurrence of any event, change or other circumstance that could give rise to the termination of the share exchange agreement or could otherwise cause the transaction to fail to close; (6) the inability to obtain or maintain the listing of the post-acquisition company’s ordinary shares on NASDAQ following the business combination; (7) the risk that the business combination disrupts current plans and operations as a result of the announcement and consummation of the business combination; (8) the ability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably and retain its key employees; (9) costs related to the business combination; (10) changes in applicable laws or regulations; (11) the possibility that Kaixin Auto Group or the combined company may be adversely affected by other economic, business, and/or competitive factors; and (12) other risks and uncertainties to be identified in CM Seven Star Acquisition Corporation’s proxy statement (when available) relating to the business combination, including those under “Risk Factors” therein, and in other filings with the Securities and Exchange Commission (“SEC”) made by CM Seven Star Acquisition Corporation, Kaixin Auto Group and Renren Inc. CM Seven Star Acquisition Corporation, Kaixin Auto Group and Renren Inc. caution that the foregoing list of factors is not exclusive. CM Seven Star Acquisition Corporation and Kaixin Auto Group caution readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. None of CM Seven Star Acquisition Corporation, Kaixin Auto Group and Renren Inc. undertakes or accepts any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, subject to applicable law. The information contained in any website referenced herein is not, and shall not be deemed to be, part of or incorporated into this press release.

No Offer or Solicitation

This press release is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities pursuant to the proposed transactions or otherwise, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

No Assurances

There can be no assurance that the proposed business combination will be completed, nor can there be any assurance, if the business combination is completed, that the potential benefits of combining the companies will be realized. The description of the business combination contained herein is only a summary and is qualified in its entirety by reference to the definitive agreements relating to the business combination, copies of which will be filed by CM Seven Star Acquisition Corporation with the SEC as an exhibit to a Current Report on Form 8-K.

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CM Seven Star Acquisition Corporation, Kaixin Auto Group, Renren Inc., 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 Acquisition Corporation ordinary shares in respect of the proposed transaction. Information about CM Seven Star Acquisition Corporation's directors and executive officers and their ownership of CM Seven Star Acquisition Corporation's ordinary shares is set forth in CM Seven Star Acquisition Corporation'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.

For investor and media inquiries, please contact:

In China:
The Piacente Group, Inc.
Ross Warner
Tel: +86 (10) 5730-6201
Email: Kaixin@tpg-ir.com

In the United States:
The Piacente Group, Inc.
Jean Marie Young
Tel: +1-212-481-2050
Email: Kaixin@tpg-ir.com
