

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

Form 8-K/A  
(Amendment No. 1)

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

February 20, 2019  
Date of Report (Date of earliest event reported)

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

<u>Cayman Islands</u> (State or other jurisdiction of incorporation)	<u>333-220510</u> (Commission File Number)	<u>N/A</u> (I.R.S. Employer Identification No.)
<u>Suite 1306, 13/E, AIA Central, 1 Connaught Road, Central, Hong Kong</u> (Address of Principal Executive Offices)		<u>N/A</u> (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.

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## 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.

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## 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](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 ordinary shares in respect of the proposed transaction. Information about CM Seven Star’s directors and executive officers and their ownership of CM Seven Star’s ordinary shares 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.

## EXPLANATORY NOTE

CM Seven Star Acquisition Corporation filed a Current Report on Form 8-K on February 20, 2019 (the “Original Form 8-K”) to disclose a presentation to be used in meetings with investors commencing February 21, 2019. This Amendment No. 1 on Form 8-K/A is being filed solely for the purpose of filing the presentation as Exhibit 99.1. This Amendment No. 1 does not change any disclosures contained in the Original Form 8-K.

## Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Investor Presentation dated February 2019</a>

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## 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: February 20, 2019

CM SEVEN STAR ACQUISITION CORPORATION

By:     /s/ Sing Wang    

Name: Sing Wang

Title: Chief Executive Officer

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



Investor Presentation  
February 2019

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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.

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(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.

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# Transaction Overview



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

USD 211mn 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 (~44% pro-forma initial ownership)<sup>4</sup>
- Significant earnouts tied to financial and stock performance
- 0.7x '20E sales and 8.2x '20E Adj. EBITDA<sup>5</sup>
- Minimum USD5mn 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. Trust amount as of September 30, 2018 plus \$0.10 per share funded in January 24, 2019 to extend the period to consummate the business combination  
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

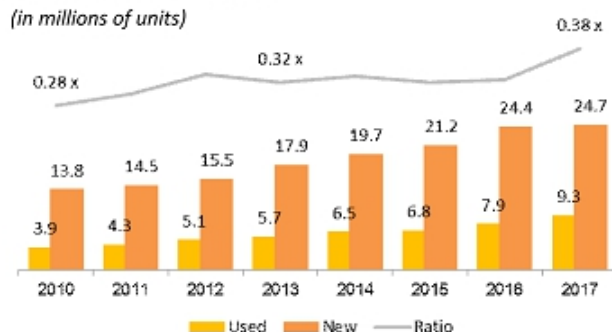
- In January 2019, CM Seven Star and Kaixin secured USD30.5 million of financing to fund Kaixin's growth strategy
- USD23mn convertible loan agreement from Kunlun Tech Limited
  - ✓ First tranche of the loan for USD20mn was funded into Kaixin in January 2019, and the remaining USD3mn will be funded by January 31, 2020
  - ✓ The loan carries People's Bank of China interest rate and will automatically convert into CM Seven Star units upon completion of the business combination at \$10.00 per unit
- USD7.5mn subscription agreement by an accredited investor
  - ✓ CM Seven Star will sell 750,000 units at \$10.00 per unit at the closing of the business combination

- 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

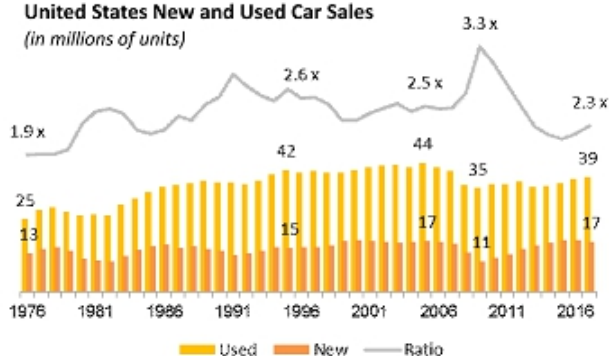
# 1 The Chinese Used Car Market is in its Infancy

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)

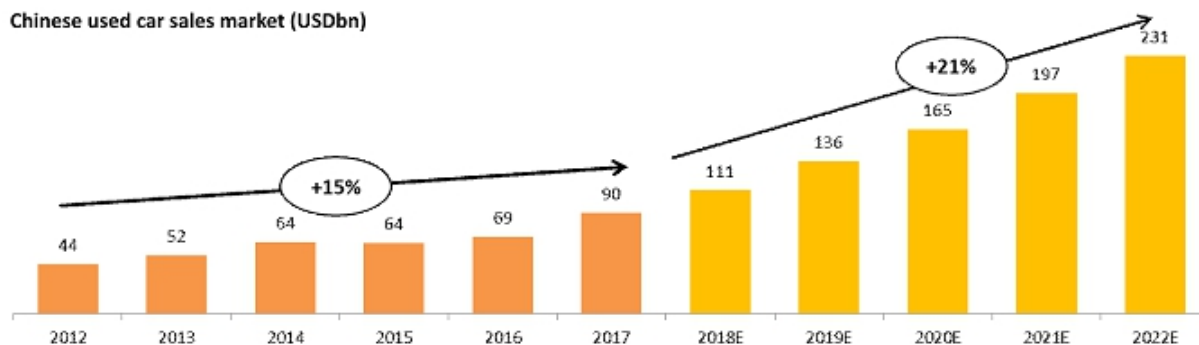


Total car parc (million of units, 2017)	200	185
Cars per capita (units, 2017)	0.6	0.1
New car sales (million of units, 2017)	17.3	24.7
Used car sales (million of units, 2017)	41.5	9.3
Used car to total car parc ratio	0.21 x	0.05 x
Used car to new car sales ratio	2.4 x	0.4 x

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

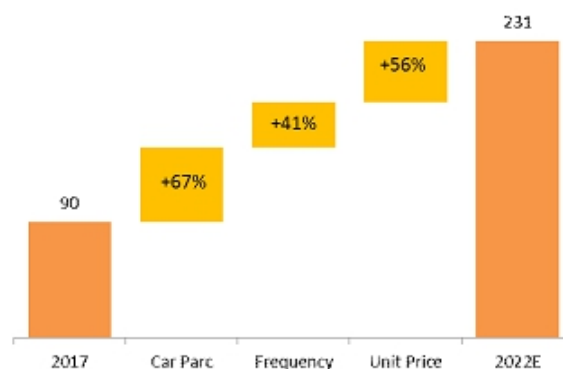
# 1 High Growth Market Poised to Accelerate

Chinese used car sales market (USDbn)



### 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, ChinaBaoguo, iResearch. All data references passenger car only; 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

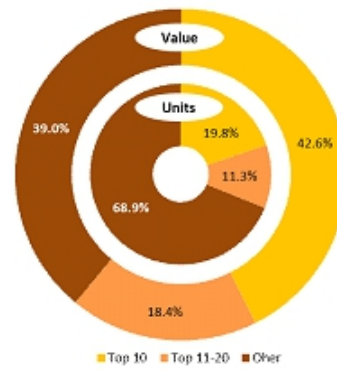
## 2 Focused on Highest Value Segment

### Premium Market Focus:

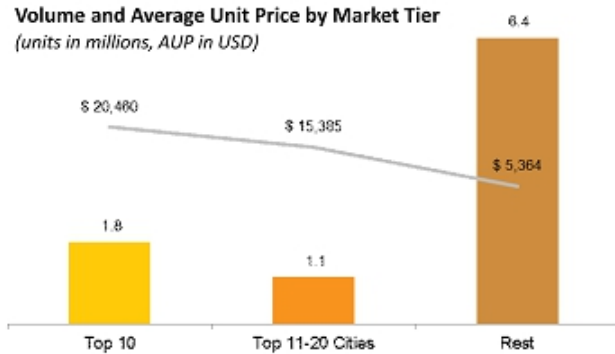
- Highest growth segment of market
- Disproportionate value
- Geographically concentrated with ability to profitably serve other markets with newly relaxed inter-province registration rules
- Better margins and opportunities for more ancillary business

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

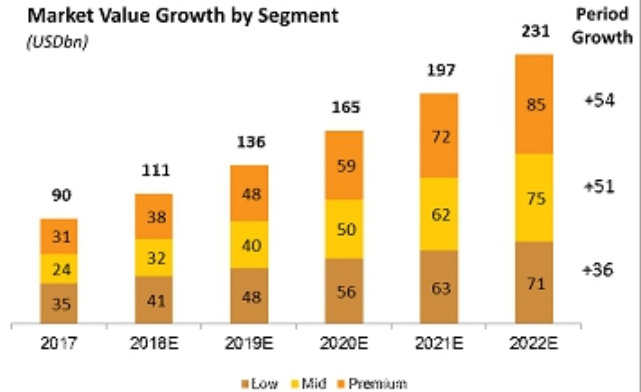
2017 Chinese Used Car Market by City



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



Market Value Growth by Segment  
(USDbn)



Source: China Automobile Dealers Association, Chejiahao, iResearch. All data references passenger car only; RMB figures converted to USD at FX of 6.89 RMB/1.00 USD as of November 2<sup>nd</sup>, 2018

### 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

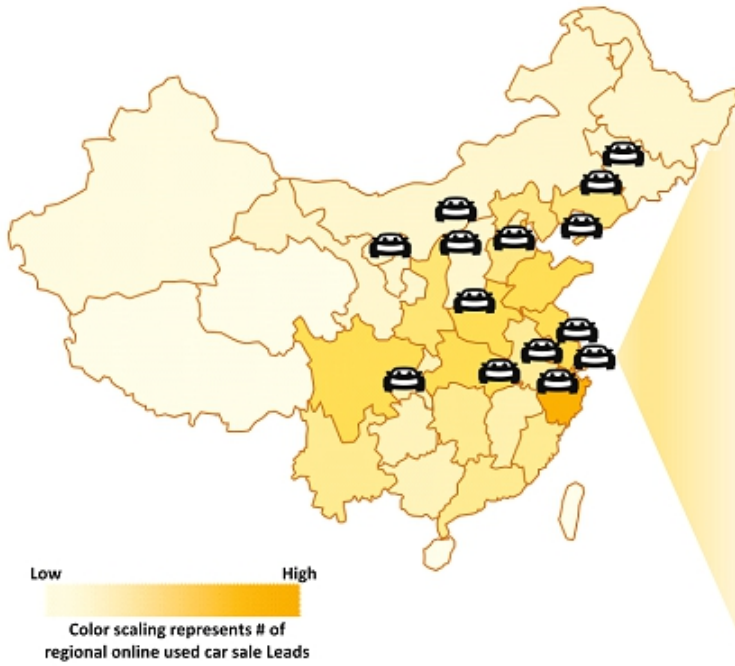
### Kaixin's solution:

- 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

#### Kaixin's KSOD Network and Hub-and-Spoke Expansion Model



#### Self-Owned Dealer (KSOD)<sup>1</sup>



#### Affiliated Network Dealer (KAND)<sup>1</sup>



Source: Management information; Kaixin proprietary data analytics  
 1. Economic splits between Kaixin and its partners for KSOD and KAND represent the current agreements



### 3 Business Model Overview

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

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

- Locations focused on key premium car markets aiming to secure the largest, most profitable segment with the highest potential to generate returns
- Innovative JV structure to partner with regional, successful and fully aligned entrepreneurs, operating KSOD as central hubs for affiliates within strategically targeted regions

##### Affiliated Network Dealer (KAND)

- Independent smaller dealerships within the area of KSODs, serving as natural extensions for better market coverage with complementary product offering
- Affiliates benefit from established brand, scale, capital, and systems while KSODs enjoy better sourcing and inventory management. Synergistic platform with improved cost structure

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

- Kaixin's "internet gene" at core of network to utilize big data to cross sell multiple high gross margin services
- Currently offering focused on facilitating consumer financing to 500+ dealerships nationwide
- Complete after-sales service ecosystem plan initiated in late 2018 covering insurance, extended warranty, and repairs & maintenance



Source: Management information

### 3 Development Roadmap

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



#### Business model

2015	2017	2018	2019
<b>Renren Fenqi &amp; Jinkong</b> <ul style="list-style-type: none"> <li>Obtained leasing, factoring license</li> <li>Initiated dealer floor plan financing</li> <li>Listed first ABS on SSE</li> <li>Expanded floor plan financing to 1,000+ dealers in 50+ cities</li> </ul>	<b>Kaixin Auto</b> <ul style="list-style-type: none"> <li>Determined to operate in the premium used car market by providing capital, tech and marketing support to dealers</li> <li>Launched dealer JV partnership in top markets, operated as the largest premium used car dealership network in China</li> </ul>	<b>Kaixin Auto</b> <ul style="list-style-type: none"> <li>Commenced affiliated dealership model in Wuhan</li> <li>Establishing expansion plan for national dealership network</li> <li>Multiple capital sources to fund expansion</li> </ul>	<b>Kaixin Auto</b> <ul style="list-style-type: none"> <li>Consumer financing solutions and auto services operations fully launched with expansion plan leveraging existing KSOD / KAND hub-and-spoke</li> <li>Repair and maintenance network to increase customer touch points</li> </ul>

#### Key takeaway from each stage

<ul style="list-style-type: none"> <li>Gained deep insight on used car market across the country</li> <li>Understood the importance of controlling the underlying financial asset</li> </ul>	<ul style="list-style-type: none"> <li>Focused business on premium used car sales</li> <li>Optimized big data insight</li> </ul>	<ul style="list-style-type: none"> <li>Identified dealer network expansion strategy as growth driver</li> </ul>	<ul style="list-style-type: none"> <li>Capitalize on higher trade-in frequency of premium car segment with high-touch customer service</li> </ul>
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Source: Management information

### 3 Expansion Strategy

#### Significant growth opportunities with current model

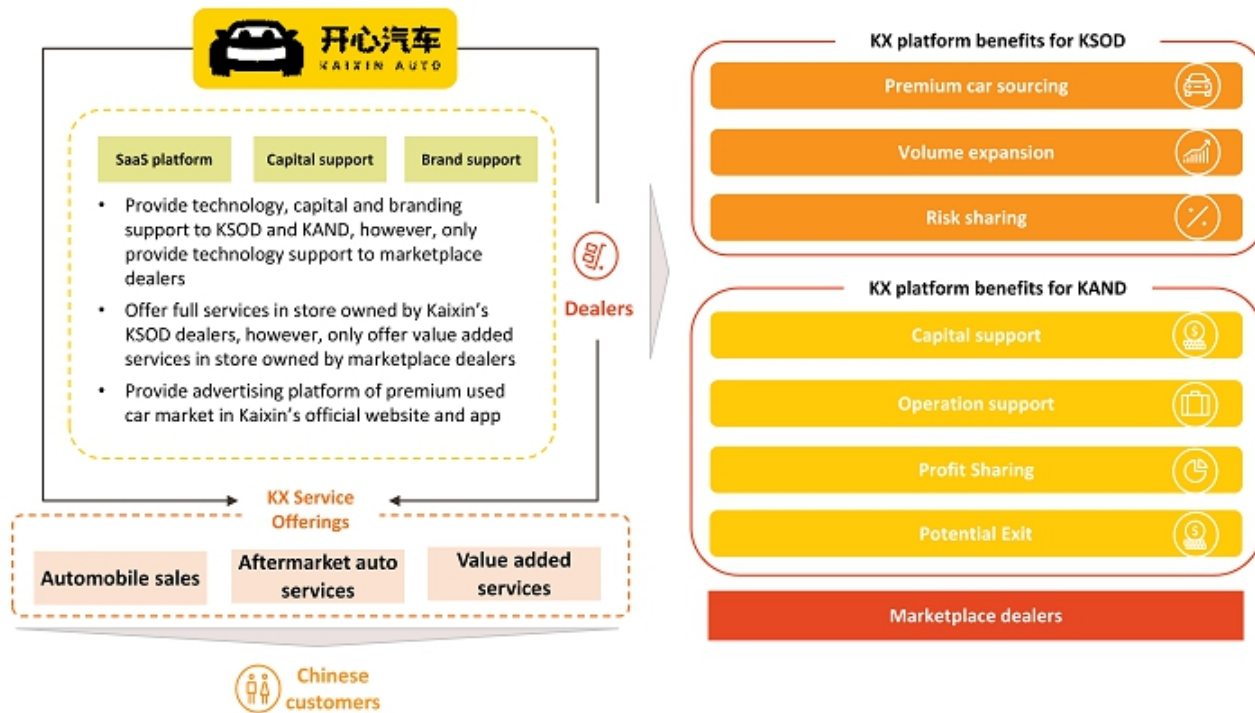


Source: Projections based on management budget. Converted to USD at 6.89 RMB/1.00 USD as of November 2<sup>nd</sup>, 2018. Number of units sold, GMV, revenues, loans facilitated, and gross margin are rounded and approximately. GMV, units sold and gross margin do not include Jinan JV, to be disposed before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

1. KSOD/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 Kaikin 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

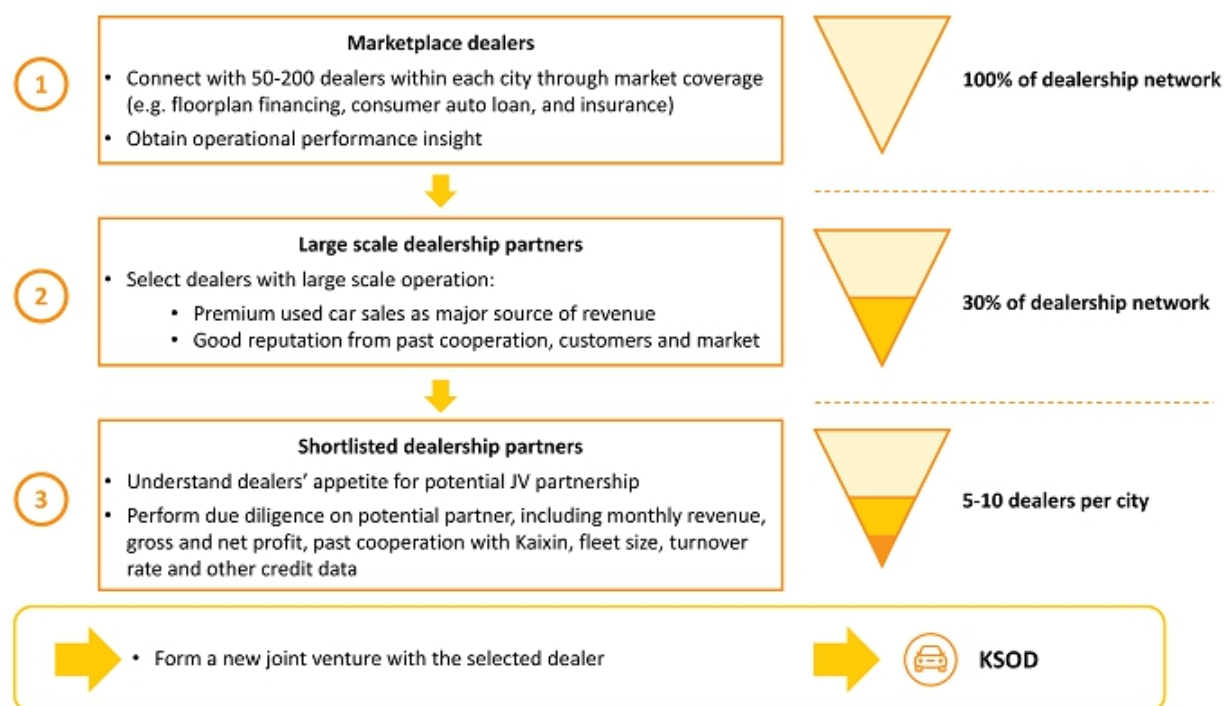
Model enables traditional car dealer intermediaries with technology, capital and brand, to expand and leverage their business



Source: Management information

### 3 Self-Owned Dealership Selection Process

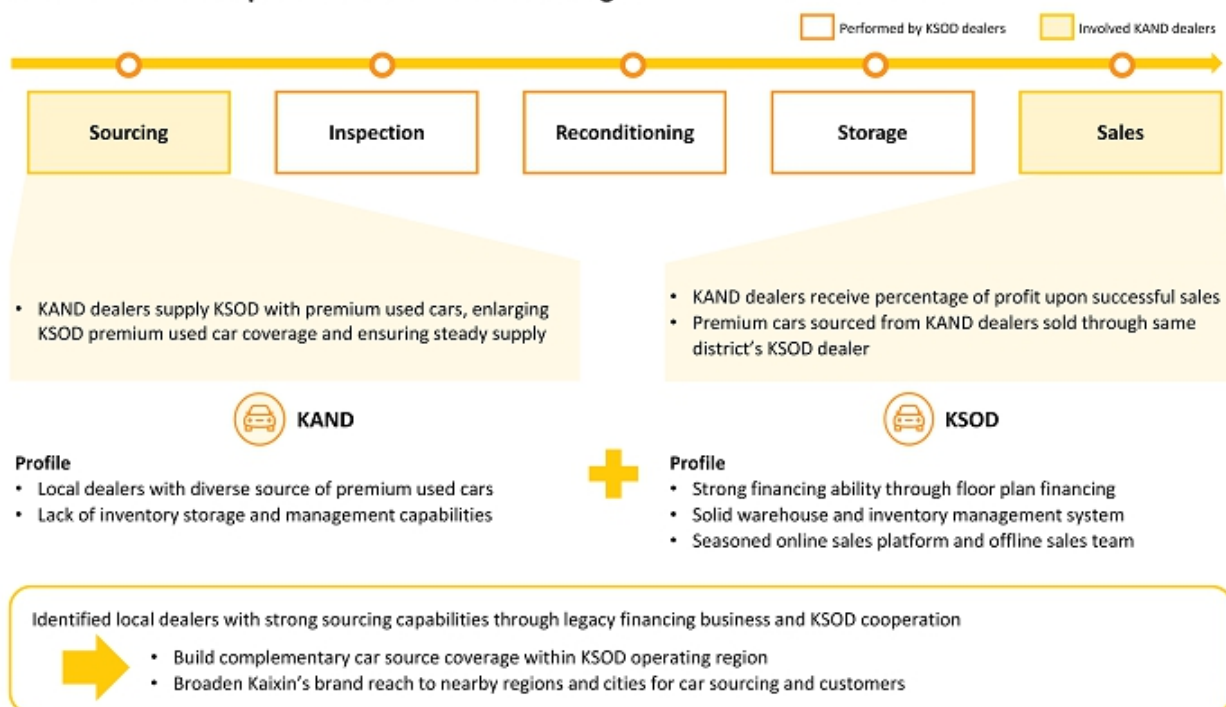
#### Dealer selection process in a targeted city



Source: Management information

### 3 Affiliated Dealership Model

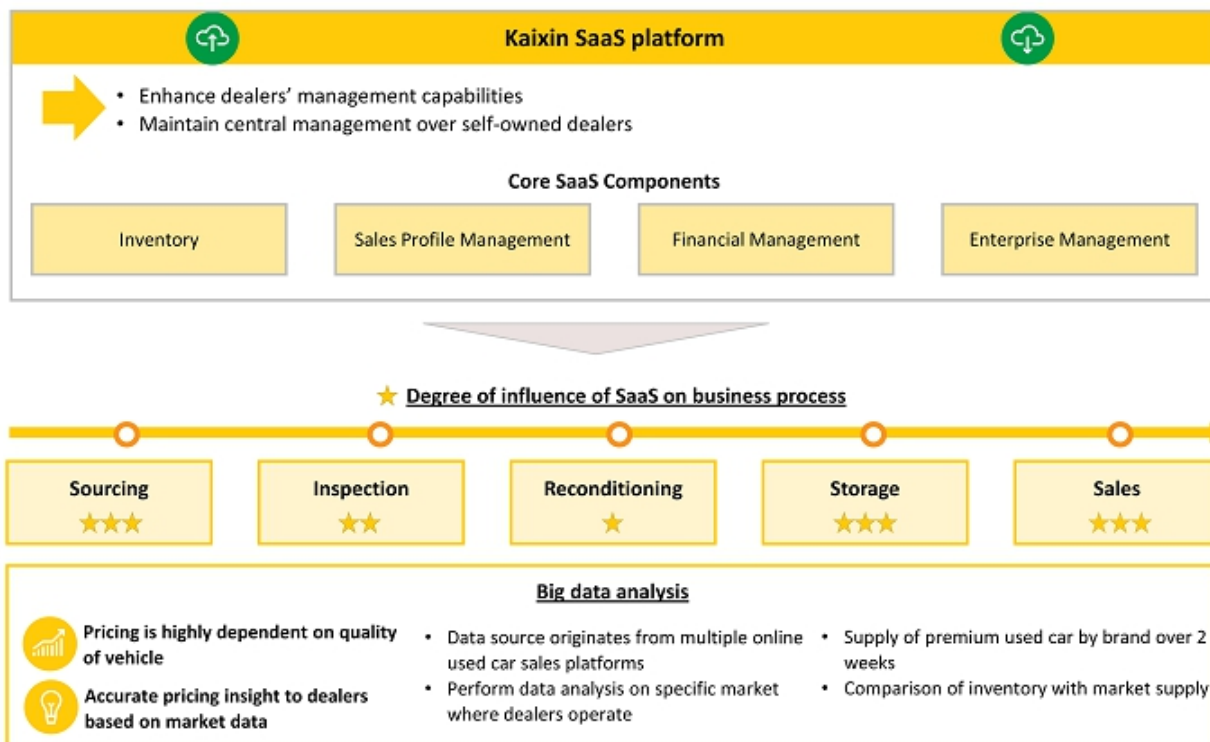
#### Affiliated dealership model to tackle car sourcing and increase KSOD revenue



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 an online video community for premium car owners

**Customer acquisition flow**

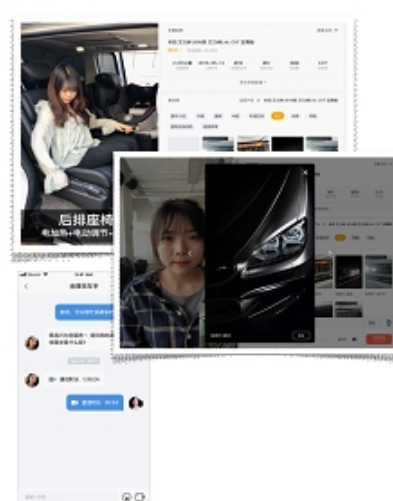
**Personalized News Feed based on Interest**



**Self-serve eCommerce platform with wide selection**



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



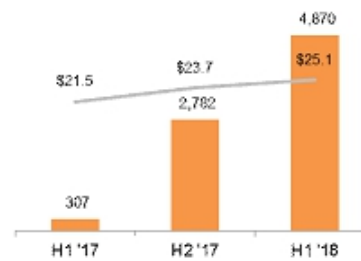
Source: Management information



#### 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'000)



#### 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>

(USDmn)

**Sources**

Trust Proceeds <sup>3</sup>	211.4
Convertible Loan & PIPE	30.5
Stock Consideration	330.0
<b>Total Sources</b>	<b>\$571.9</b>

**Uses**

Rollover Equity	330.0
Cash to balance sheet	230.1
Fees & Expenses	11.8
<b>Total Uses</b>	<b>\$571.9</b>

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

(USDmn, except per share data)

Shares outstanding	64.8
Share price	10.25
<b>Market Cap</b>	<b>\$663.8</b>
Total debt <sup>4</sup>	38.5
Cash	(230.1)
<b>Enterprise Value</b>	<b>\$472.2</b>
<b>Transaction Multiple<sup>5</sup></b>	
2019 Adj. EBITDA (USD35.4mn)	16.1x
2020 Adj. EBITDA (USD81.8mn)	8.2x

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

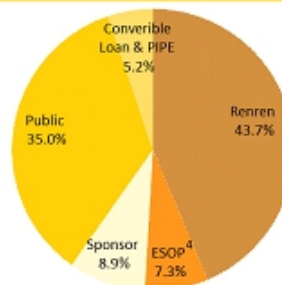
3. Trust amount as of September 30, 2018 plus \$0.10 per share funded in January 24, 2019 to extend the period to consummate the business combination

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. Existing Kaixin total net debt as of June 30, 2018

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

### Ownership Summary



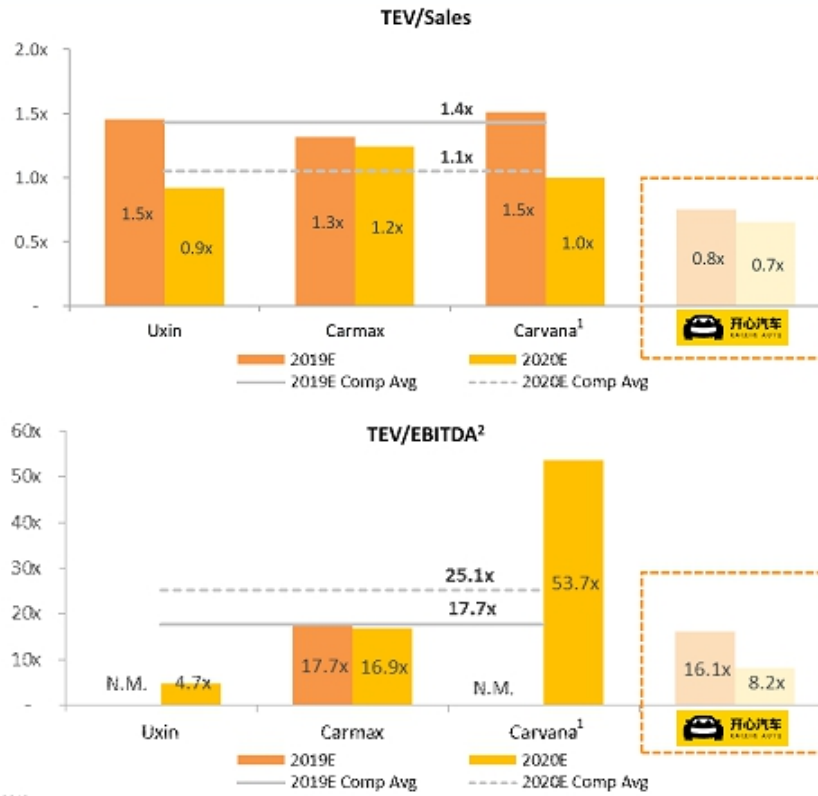
### Earnout<sup>1</sup>

(USDmn, 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 February 8, 2019

1. Includes total number of Class A and Class B common stock outstanding
2. Adjusted EBITDA for Kaixin

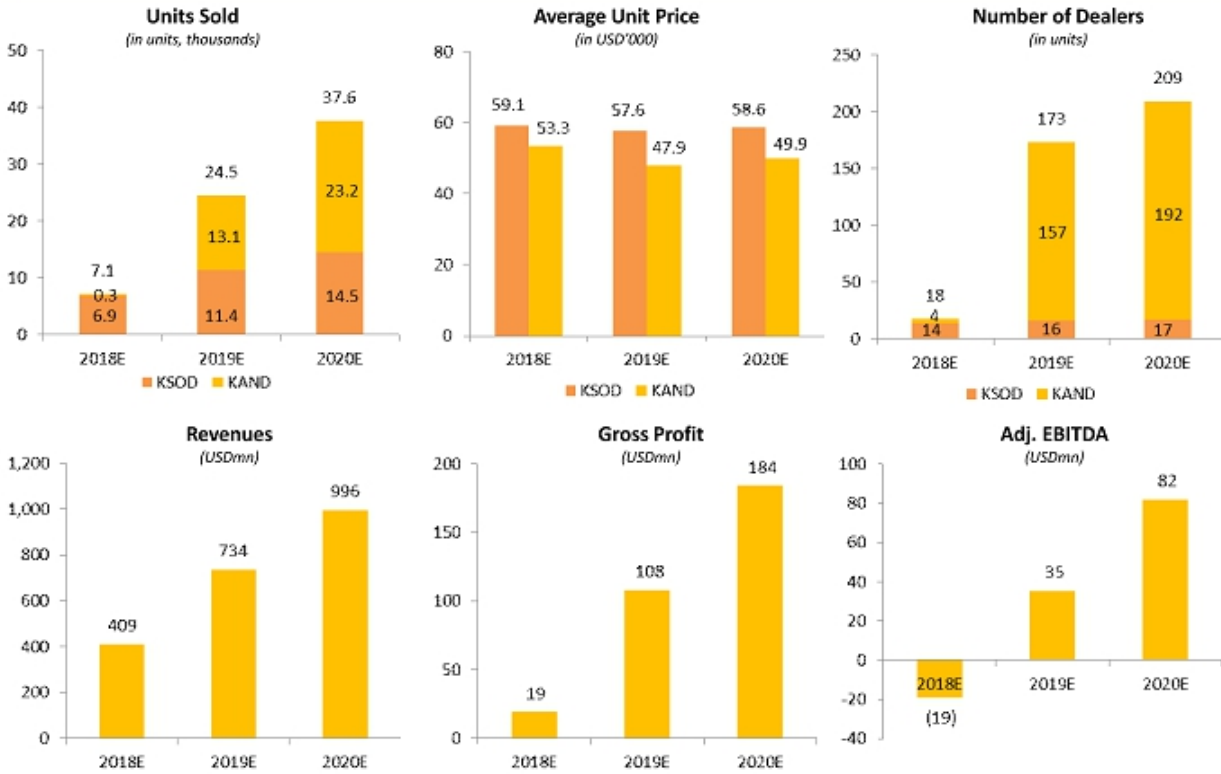
## 5,6 Comparable Analysis

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	
Enterprise Value	USD453mn	N/A	N/A	USD1.1bn	USD24.2bn	USD5.5bn <sup>2</sup>
Car Revenue Recognition	KSOD: Gross KAND: Net	Gross	Net	Net	Gross	Gross
Gross Merchandise Value (2017A)	USD95mn <sup>3</sup>	N/A	N/A	<b>GMV: USD6,918mn</b> Used Car (2C): 60% Used Car (2B): 40%	<b>GMV: USD16,574mn</b> Used Car: 87% Wholesale Car : 13%	<b>GMV: USD825mn</b> Used Car : 97% Wholesale Car: 3%
Revenue Breakdown (2017A)	<b>Revenue: USD117mn<sup>3</sup></b> Used Car (2C): 76% 2C Loan Facilitation: 23% Others: 1%	N/A	N/A	<b>Revenue: USD299mn</b> Used Car (2C): 12% Used Car (2B): 27% 2C Loan Facilitation: 48% <sup>4</sup> Others: 13%	<b>Revenue: USD17,120mn</b> Used Car: 84% Wholesale Car : 13% Others: 3%	<b>Revenue: USD859mn</b> Used Car: 93% Wholesale Car: 3% Others: 4%
2018E-2020E Revenue CAGR	57.0%	N/A	N/A	59.7%	6.3%	66.6%
Gross Merchandise Value Margin (2017A)	5.0-7.0% <sup>5</sup>	N/A	N/A	Used Car (2C): 0.8% <sup>5</sup> Used Car (2B): 2.9% <sup>5</sup>	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): USD15k/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 and consensus forecast data are as of February 8, 2019

1. Fiscal year ends on February 28<sup>th</sup>
2. Includes total number of Class A and Class B common stock outstanding
3. Gross Merchandise Value and Revenue of Kaixin does not include Jnan JV which to be disposed before closing of business combination
4. Uxin is exposed to credit risk as it is required to provide guarantees to its third-party financing partners on all consumer auto loans facilitated through its 2C business, while Kaixin is not
5. GMV Margin of Kaixin represent normalized range (2017 was a ramp-up year)
6. Uxin's Gross Merchandise Value margins are not directly comparable to those of Kaixin's, CarMax's and Carvana's due to car revenue recognition method differences

# Key Operating & Financial Metrics<sup>1</sup>



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  
 1. Projection assumptions of Kaixin do not include Jinan JV, to be disposed before closing of business combination

# Near Term Revenue & EBITDA Growth

## Revenues



### Comments

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

## EBITDA



### Comments

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

Source: Management Information

# Indicative Current Unit Economics and ROIC<sup>1</sup>

KSOD																																
<table border="1"> <thead> <tr> <th colspan="2">Revenue Streams</th> </tr> </thead> <tbody> <tr> <td>Used Car Sales:</td> <td>5.0-7.0%</td> </tr> <tr> <td>Loan facilitation<sup>2</sup>:</td> <td>0.6-1.7%</td> </tr> <tr> <td>Insurance<sup>3</sup>:</td> <td>0.3-0.4%</td> </tr> <tr> <td><b>Total:</b></td> <td><b>5.9-9.1%</b></td> </tr> </tbody> </table>		Revenue Streams		Used Car Sales:	5.0-7.0%	Loan facilitation <sup>2</sup> :	0.6-1.7%	Insurance <sup>3</sup> :	0.3-0.4%	<b>Total:</b>	<b>5.9-9.1%</b>	-	<table border="1"> <thead> <tr> <th colspan="2">OPEX</th> </tr> </thead> <tbody> <tr> <td>Sales &amp; Admin:</td> <td>(1.0%)</td> </tr> <tr> <td>Rental &amp; Office:</td> <td>(0.6%)</td> </tr> <tr> <td>Others:</td> <td>(1.0%)</td> </tr> <tr> <td><b>Total:</b></td> <td><b>(2.6%)</b></td> </tr> </tbody> </table>		OPEX		Sales & Admin:	(1.0%)	Rental & Office:	(0.6%)	Others:	(1.0%)	<b>Total:</b>	<b>(2.6%)</b>	X	<table border="1"> <thead> <tr> <th>Inventory Turns</th> </tr> </thead> <tbody> <tr> <td>On Average <b>6X</b></td> </tr> </tbody> </table>	Inventory Turns	On Average <b>6X</b>	=	<table border="1"> <thead> <tr> <th>Annual ROIC</th> </tr> </thead> <tbody> <tr> <td><b>20-39%</b></td> </tr> </tbody> </table>	Annual ROIC	<b>20-39%</b>
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## Future Unit Economic Improvement Factors

- **Revenue expansion:**
  - Improve used car sales margin from increasing pricing power and market share
  - Additional revenue streams from VAASS offerings with limited marginal cost
- **Cost efficiency improvement through economy of scale**
- **ROIC improvement through incorporation of leverage**

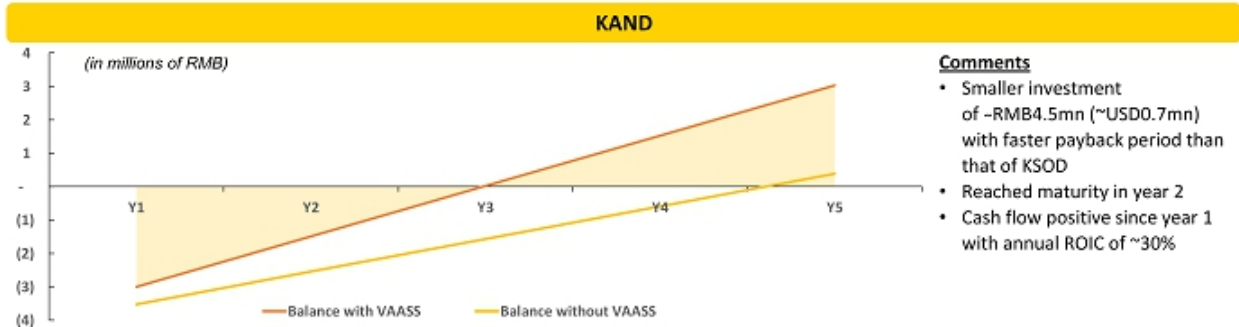
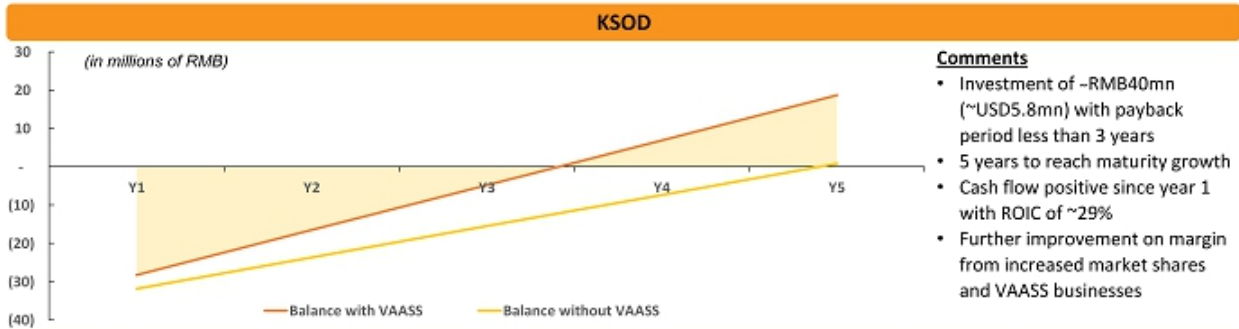
Source: Management Information

1. Indicative ROIC calculation does not include interest, tax and corporate overhead allocated from the Kaixin group level, nor does it consider the leverage effect from capital contribution of bank debt financing
2. Assumptions: ASP of used car USD44K-73K; penetration rate of 20-40%; loan to car value ratio of 70%; loan facilitation rebate 4-6% of loan amount
3. Assumptions: ASP of used car USD44K-73K; penetration rate of 20-40%; insurance facilitation rebate of RMB5,000 (USD726) per transaction
4. Current revenue share scheme of 80%/20% revenue split between KSOD and KAND's partner
5. KAND operating expenses are incurred by Kaixin only after the dealership business reaches certain volume



# Dealership Investment and Return<sup>1,2</sup>

Dealership payback period to be further shortened through the deployment of leverage<sup>3</sup>



Source: Management information

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

2. Underlying assumptions used in the calculation of investment and return are based on the average value of the range specified in the footnote on page 27 of this presentation

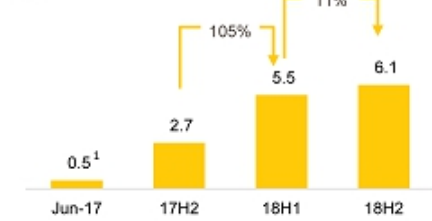
3. Investment and return calculations do not take into account the leverage effect

# Case Study: KSOD & KAND

## KSOD – Chongqing

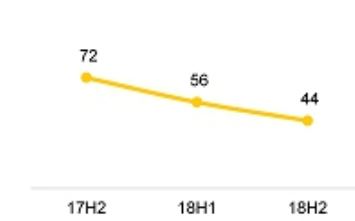
### Average Monthly GMV

(USDmn, %)



### Inventory Turnover

(Days)



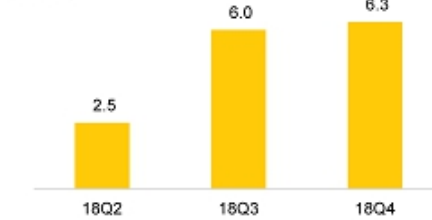
#### Comments

- Since Kaixin acquired the dealership, this KSOD quickly expanded its outlets from 1 to 3 thanks to Kaixin's capital support and the full implementation of the SaaS with its big data analytics
- This KSOD has since secured and solidified a leading position in its market for used car
- In addition, its Inventory turnover improved from 72 to 44 days

## KAND – Wuhan

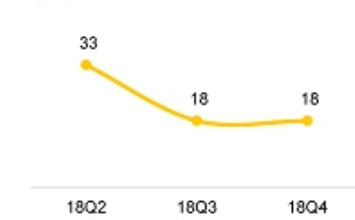
### GMV

(USDmn)



### Inventory Turnover

(Days)



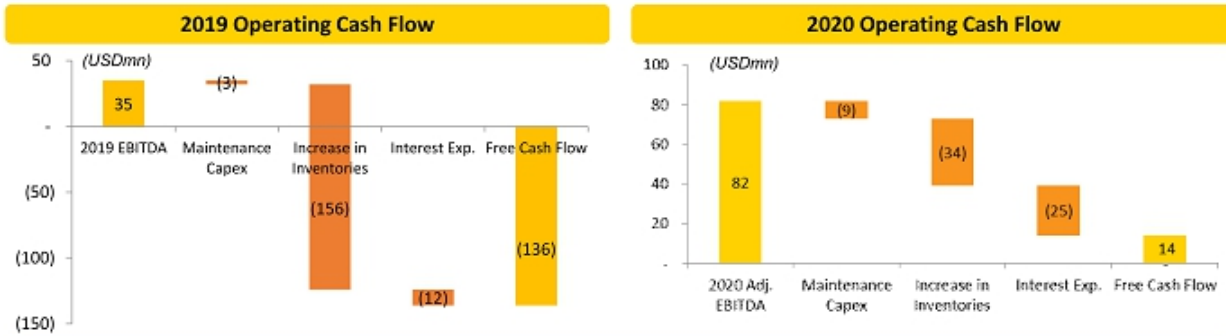
#### Comments

- Initiated KAND business and quickly increased from 1 to 4 affiliates
- Financial and operation results has exceed expectations and set an encouraging future to expand this business
- KAND businesses also significantly improved inventory turnover from 33 to 18 days

Source: Management Information

1. Started operations on June 17th, 2017. Represents revenue generated during the month of June 2017
2. RMB figures converted to USD at FX of 6.89 RMB/1.00 USD as of November 2nd, 2018

# Capital Expansion and Funding Pipeline



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



**Total pipeline: RMB 2,170mn (USD 314.9mn) + USD 209mn<sup>3</sup>**

Source: Management information based on assumptions and existing facilities  
 1. All financing will rollover continuously to serve its operating cash  
 2. RMB figures converted to USD at FX of 6.89 RMB/1.00 USD as of November 2<sup>nd</sup>, 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