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KAIXIN AUTO

Kaixin Auto Holdings Announces Entry into a Vehicles Supply Contract between Haitaоче Limited and China National Vehicles Import & Export Company

January 11, 2021

BEIJING, Jan. 11, 2021 (GLOBE NEWSWIRE) -- Kaixin Auto Holdings ("Kaixin" or the "Company") (NASDAQ: KXIN) today announced that Haitaоче Limited ("Haitaоче") has entered, through one of its subsidiaries, into a five-year vehicles supply contract (the "Vehicles Supply Contract") with China National Vehicles Imp & Exp Co., Ltd. ("CVC") on January 11, 2021. Kaixin entered into a definitive share purchase agreement with the shareholders of Haitaоче on December 31, 2020, pursuant to which Kaixin will acquire 100% of the share capital of Haitaоче from the shareholders of Haitaоче.¹

According to the terms of the Vehicles Supply Contract, CVC will meet the demands of Haitaоче and supply RMB2.0 billion (approximately US\$300 million) worth of consumer vehicles for resale through Haitaоче's networks in 2021, and the volume of supply will then increase by at least 20 percent annually during a five-year period, with a total contract amount of RMB 14.9 billion (approximately US\$2.3 billion). The execution of the Vehicles Supply Contract constitutes the beginning of a strategic partnership between Haitaоче and CVC.

In addition to CVS, Kaixin and Haitaоче are actively developing other partnerships to expand its auto supply sources in order to meet the demands of both the executed sales agreements and forecasted sales.

Haitaоче is a China-based online retail platform for imported automobiles. Haitaоче is committed to developing into China's leading innovative automotive retail trading platform. Having established good performance record and reputation in the field of import car sales in the past years, Haitaоче is expanding its sales system into the field of electric vehicles.

Established in the mid 1980's, CVC is a leading auto supplier in China, with rich resources in high quality electric vehicles, domestic cars, and imported cars at competitive price. It used to be the only company with the license to engage in imported vehicles business in China during some time period.

1. Details of the definitive share purchase agreement were disclosed by Kaixin in its 6K filing on 1/06/2021. Subject to the approval by Nasdaq and other closing conditions, the Company anticipates that the Acquisition will close by March 31, 2021

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Kaixin may also make written or oral forward-looking statements in its filings with the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Kaixin's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our goals and strategies; our future business development, financial condition and results of operations; the expected growth of the social networking site market in China; our expectations regarding demand for and market acceptance of our services; our expectations regarding the retention and strengthening of our relationships with used auto dealerships; our plans to enhance user experience, infrastructure and service offerings; competition in our industry in China; and relevant government policies and regulations relating to our industry. Further information regarding these and other risks is included in our other documents filed with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Kaixin does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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