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KAIXIN AUTO

Six Strengths of WM Motor that Attracted Kaixin Auto Holdings to the Proposed Acquisition

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BEIJING, Sept. 20, 2023 (GLOBE NEWSWIRE) -- Kaixin Auto Holdings ("Kaixin" or the "Company") (NASDAQ: KXIN) today announced that it had identified several noteworthy strengths in WM Motor Holdings Limited ("WM Motor") that attracted the Company to the proposed acquisition. On September 11, Kaixin announced the non-binding acquisition term sheet with WM Motor to acquire 100% of equity of WM Motor. As a pioneer in bringing innovative smart EV technologies to China's mainstream auto market, WM Motor possesses six unique strengths.

1. Comprehensive product line. WM Motor has built a comprehensive SUV+ Sedan smart EV portfolio, including three SUVs (EX5/EX6/W6) and two sedans (E5 including E5 Pro/M7). From 2018 to 2022, its smart EV portfolio achieved mass production and was able to meet the needs of mainstream market users in China with over 100,000 vehicle sales.
2. Top-notch production facilities. WM Motor is China's first EV automaker to build its own production facilities and acquire two EV manufacturing licenses. WM Motor owns two Industry 4.0 intelligent factories in Wenzhou and Huanggang. The manufacturing facilities have a maximum annual production capacity of 250,000 vehicles and have realized full industrial chain digitization through the C2M flexible production model and the 100% automated assembly lines. In July 2020, WM Motor won the Zhan Lu Award, the first global industrial intelligence award, through the artificial intelligence algorithm of its WM-APS platform.
3. Extensive sales networks. By the end of 2021, WM Motor established an extensive sales network consisting of 621 partner stores, including 397 WM Spaces (for brand display only, no vehicle sales), 180 WM Stores, and 44 WM Stars (for both brand display and vehicle sales), covering 211 cities in China. The sales network provided customized services according to local users' preferences and online promotion channels.
4. Remarkable R&D achievements. WM Motor has developed several proprietary modular vehicle platforms, including Living Pilot autonomous driving (the W6 model is the first and only mass-produced model with L4 AVP capability in the world), Living Engine smart cockpit (the first operating system running on Qualcomm SA8155P chip with multi-modal and multi-screen HMI), Living Motion electric power system (in-house manufactured battery packs and proprietary BMS technology), and Ajax Chassis Platform. The Caesar Chassis Platform, currently under development, uses the world-leading next-generation SiC MOSFET technology that would be capable of reducing the fast-charge time (defined as the time it takes to charge a battery from 30% to 80% capacity) to 10 minutes, compared to the industry average of 30 minutes. Moreover, WM Motor's design studio in Shanghai was the only vehicle design center that won the "Shanghai Municipal Design Innovation Center" in 2021.
5. Rich after-sales services. The WM smart mobility app leverages the connection between its system and vehicles to offer a series of services that cover the whole user lifecycle, including sales, vehicle controls, continuous OTA upgrades, charging solutions, and other value-added after-sales services such as auto loan referrals, financial leasing, insurance support, and premium service subscriptions.
6. Experienced management and tech teams. The visionary WM Motor team has very rich international management experience and has made significant achievements in overseas expansion in the European Union, the Middle East, ASEAN, North America, and other regions.

About Kaixin Auto Holdings

Kaixin Auto Holdings is one of the primary dealership networks in the premium used car segment and new car sales in China. Supported by the rapid growth of China's used car market and leveraging its own hybrid business model that offers both a strong online and offline presence, Kaixin is in the process of transforming from a nationwide dealership network to one of the important players in China's electric vehicle market.

Safe Harbor Statement

This announcement may contain 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. Among other things, the business outlook for 2021 and quotations from management in this announcement, as well as Kaixin's strategic and operational plans, contain forward-looking statements. Kaixin may also make written or oral forward-looking statements in its filings with the U.S. Securities and Exchange Commission ("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; our expectations regarding demand for and market acceptance of our services; our expectations regarding the retention and strengthening of our relationships with 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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