Kaixin Holdings Announces Intended Acquisition of Honglu Technology to Optimize AI Applications

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BEIJING, Oct. 28, 2025 (GLOBE NEWSWIRE) -- Kaixin Holdings (“Kaixin” or the “Company”) (NASDAQ: KXIN) today announced the signing of a term sheet to acquire Honglu Technology, a leading Chinese AI animation company. Kaixin plans to issue new shares to acquire a 51% stake in Honglu Technology. This transaction marks a deep collaboration between the two parties, focusing on the global development of the "AI + Animation" ecosystem and on promoting AI innovation in animation production.

Honglu Technology is dedicated to innovation and R&D in animation technology, including the transition from traditional animation to computer-generated graphics and the application of emerging technologies such as rendering, animation algorithms, and AI research. The company strives to provide high-quality, engaging animated content and to advance the animation industry continuously. Its core business includes 3D animated series, shorts, and feature films. Its expansion efforts include image licensing, virtual idols, and one-click comics, aiming to build a comprehensive IP industry chain. Honglu Technology boasts of strengths in five key areas:

1. Technical Advantage

Full-range coverage of the 3D animation production process, stunning visuals from the UE5 Unreal Engine, AI technology R&D capabilities, and dual production lines for MAYA and Unreal Engine.

2. Team Advantage

The core team has over 10 years of industry experience across the entire production process and has produced nearly 5,000 hours of S-rated anime series.

3. Content Sources Advantage

Strategic partnership with Youku Entertainment and suppliers of high-quality S-rated anime series.

4. IP Advantage

Ownership of both original IP and novel copyright IP, a large fan base, the ability to continuously generate IP, with a wide range of derivative products, forming an integrated ecosystem.

5. Qualifications Advantage

Honglu Technology has registered 19 software patents, including the Character Design Production System v1.0, Expression Capture Processing Platform v1.0, and Honglu Asset Management Software v1.0. It also holds a high-level patent for "Animation, Comics, and Costume Design," an integrated system for displaying and capturing costumes in animation. This demonstrates its strong technical capabilities.

6. Network Advantage

Xuanji Technology, the creator of nationally recognized anime IPs such as "Qin's Moon," "Douluo Dalu," and "Tian Xing Jiu Ge," possesses top-tier IP operation capabilities, sophisticated 3D production technology, and a vast fan base. Honglu’s deep partnership with Xuanji Technology provides its platform with unprecedented strategic depth. At the same time, Youku, Tencent, and iQiyi — the three major video giants in China— have all established deep partnerships with Honglu Technology, creating an ecosystem-wide bond based on a shared vision.

In addition, since the previously intended acquisition of Xingcan did not meet mutual expectations, Kaixin and Xingcan agreed to terminate the pursuit of the acquisition. Kaixin will continue to optimize AI application scenarios and strive to become an AI-driven technology company.

About Kaixin Holdings

Kaixin Holdings is committed to transitioning into an AI-driven tech business located in China. XINGCAN utilizes AI technologies to develop and operate online live streaming education platforms and packages, serving both domestic and international audiences. Through the proposed acquisition, Kaixin enters the AI education business and aims to expand its AI capacity into new areas to create more growth opportunities.

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" or other similar expressions. 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 announcement and in the attachments is as of the date of this announcement, and Kaixin does not undertake any obligation to update

any forward-looking statement, except as required under applicable law.

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