



Developing New Energy EV Automobiles for Practical Every Day Use

Investor Presentation

January 2012
(OTC BB: ZAAP)



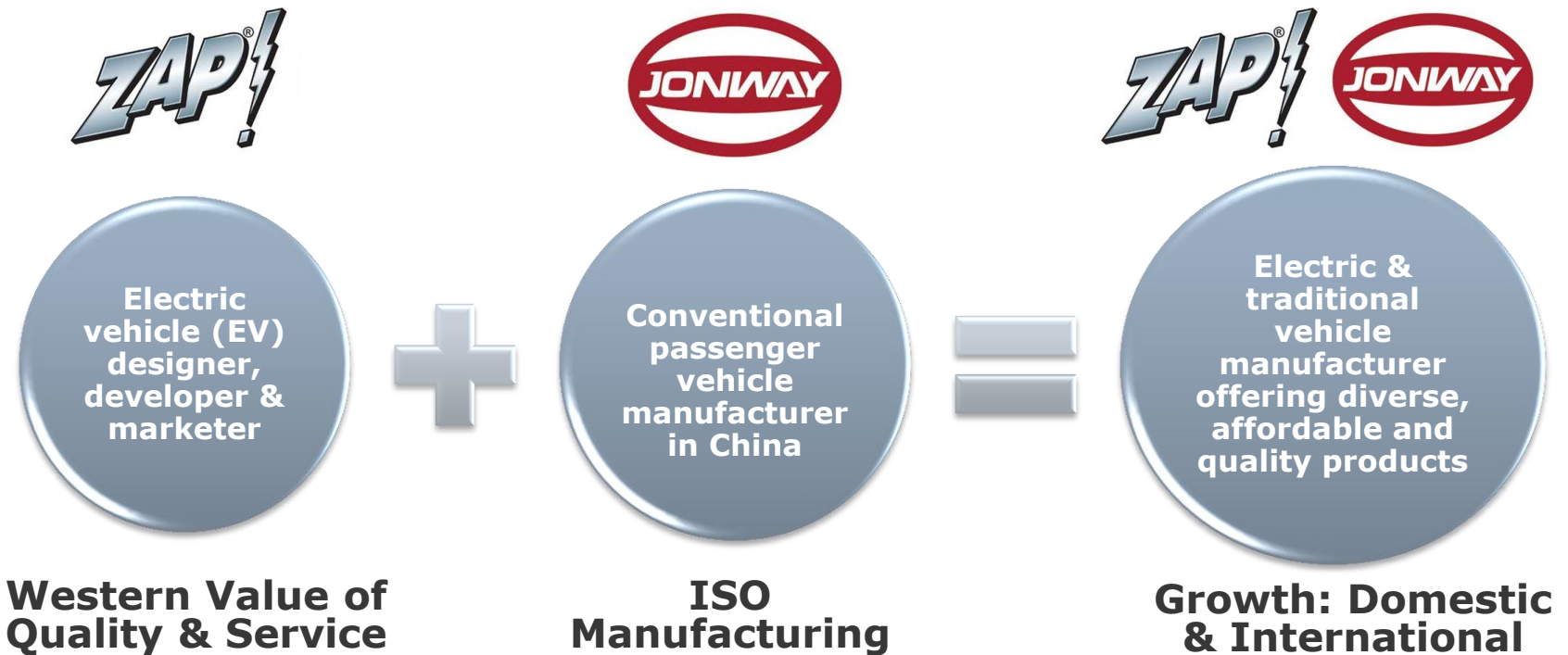


Forward Looking Statements

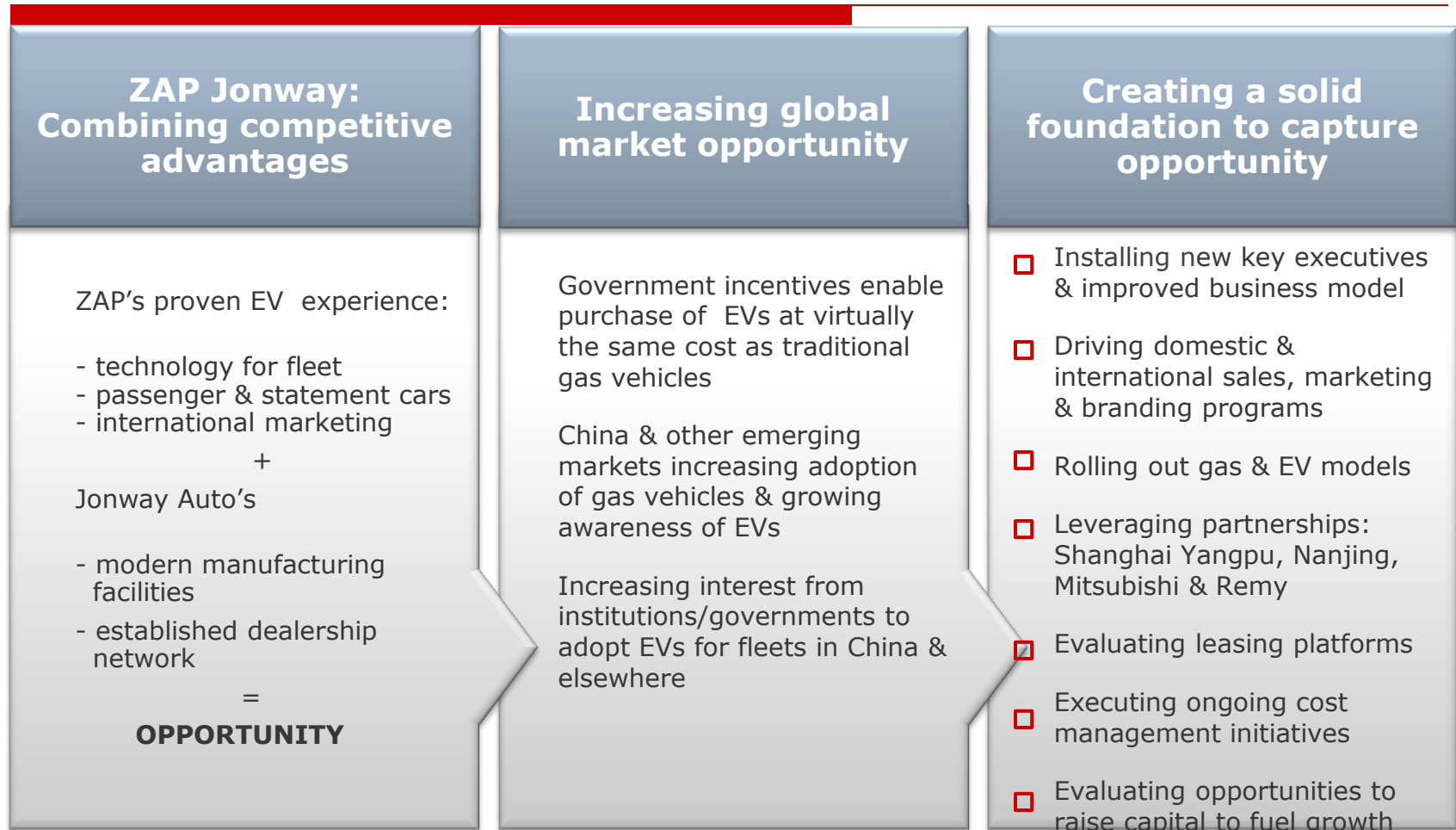
This presentation includes forward-looking statements that are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. While these statements are made to convey to the public the company's progress, business opportunities and growth prospects, readers and listeners are cautioned that such forward-looking statements represent management's opinion. Whereas management believes such representations to be true and accurate based on information and data available to the company at this time, actual results may differ materially from those described. The company's operations and business prospects are always subject to risk and uncertainties. Important factors that may cause actual results to differ are set forth in the company's periodic filings with the US Securities and Exchange Commission.

ZAP Jonway (ZAAP)

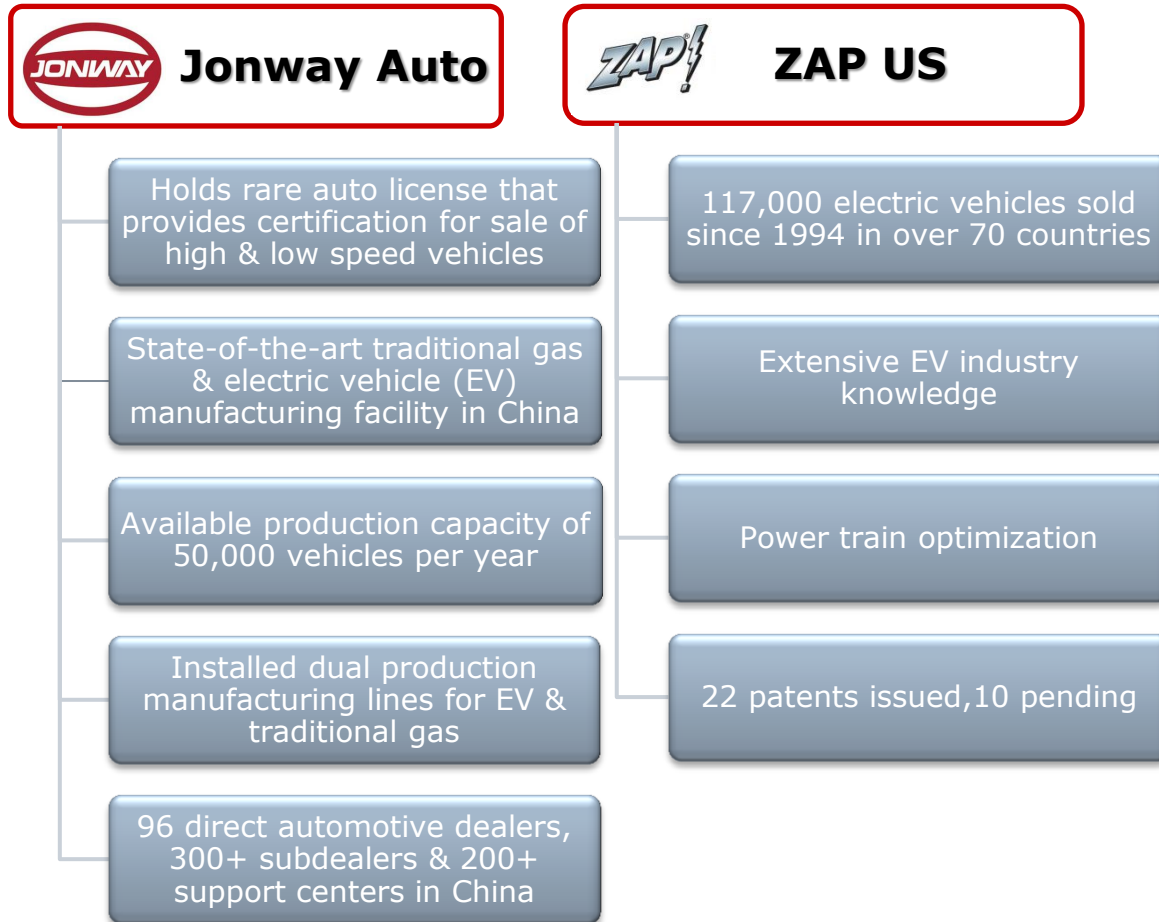
- ❑ Jan. '11: ZAP (US) acquired 51% of Jonway Automobile (China)
- ❑ Delivering the complementary strengths of 2 established entities
- ❑ Supported by Cathaya Capital investing \$36+M in ZAP since Aug. '09



Investment Rationale



Combining Competitive Advantages



Jonway ISO 9000 Manufacturing Facility

- Gas vehicles production
 - 2010: 7,500+
 - 2011(est.): 8,000+
- Chinese auto license, irrevocably granted
- Production facilities
 - Opened in 2009
 - ISO 9000 certified manufacturing
 - 50,000 units/year prod. capacity
 - 530+ employees
 - 100,000 sq meters(>1M sq ft) of factory space on 400 mu or 65.9 acres of land



Complementary Target Markets

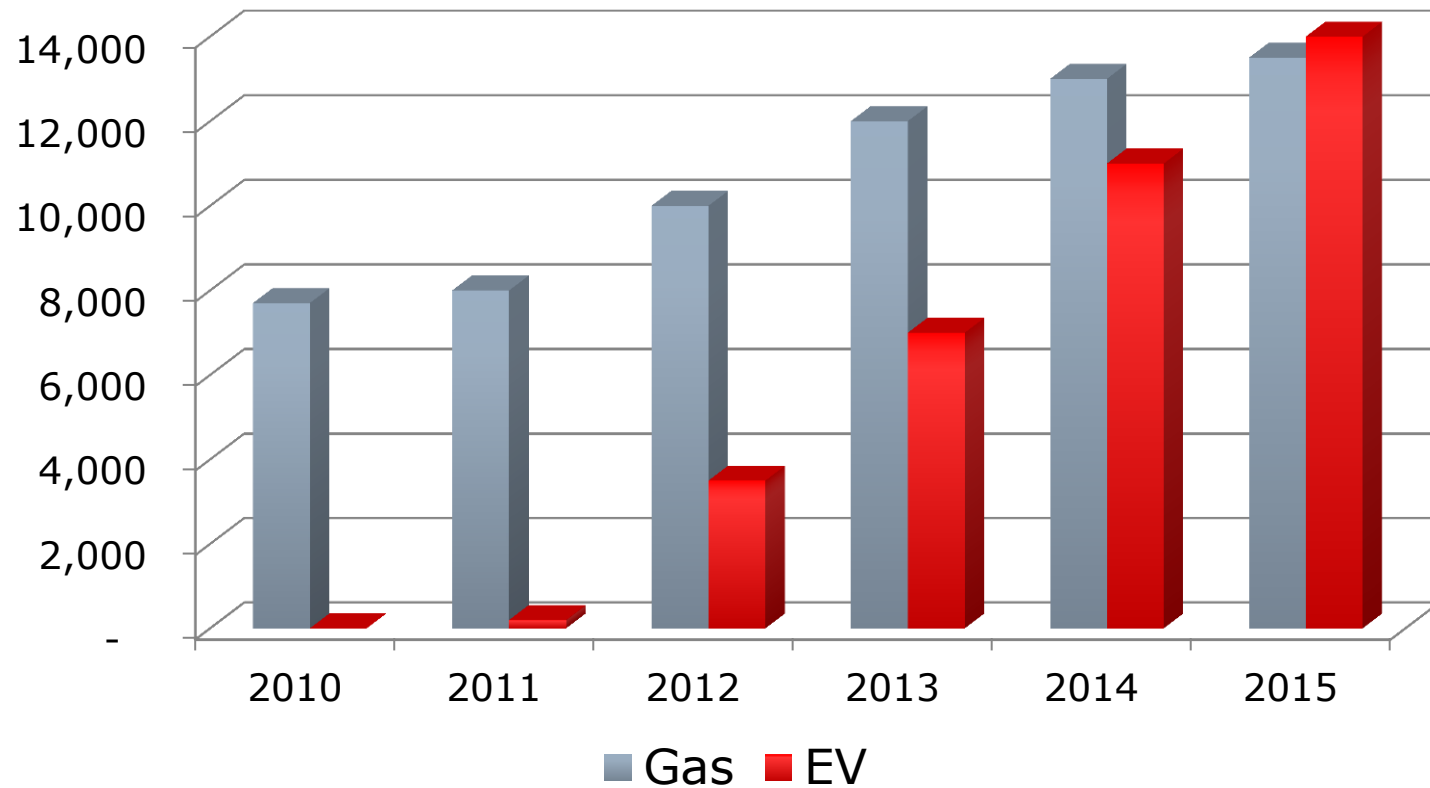
**Jonway
Gasoline
Vehicles**
*Consumer
Market*

- In-China distribution through direct dealership network
- Export through partnerships to targeted regions
- Sell through dealerships

**ZAP Jonway
EV**
*Business &
Government*

- Corporate commercial fleets
- Government/sponsored distribution
- Fleets: Taxis & utility vehicles
- Sell direct: B to G or B to B

Estimated Gas & Electric Vehicle Growth Plan



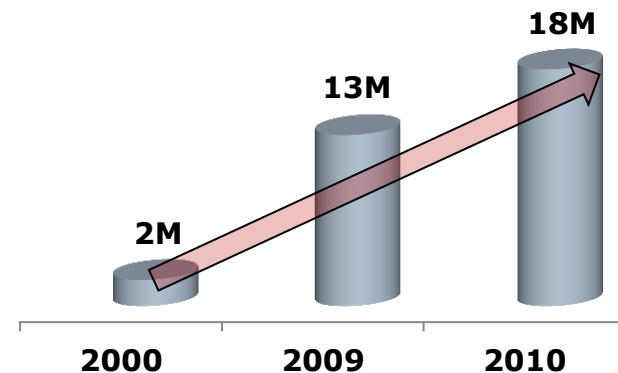
Company estimates

China: Largest EV Market in the World

Chinese Automotive Market: Key Facts

- ❑ Chinese population = 1.3 billion
- ❑ Over 90% of Chinese-produced vehicles are consumed in China
- ❑ Only 5% of Chinese households currently have a vehicle

China Vehicles Sales Growth



Restriction on # of gasoline vehicles owned per family
No restriction on EVs

Regulations Drive Market Opportunities

China EV Incentives

- US\$9,000 (60,000 RMB) per sedan from central government
- Additional US\$9,000 (60,000 RMB) from many local city governments (Shanghai, Beijing, Hangzhou, etc.)
- Total EV incentive is up to US\$18,000 per EV SUV, van or sedan
- Special auto loans and leasing programs are available for EV's from local Chinese banks

Shanghai Green City Project

- Partnership to demonstrate EV technologies in the business, academic & technology hub of Shanghai
- Signed commitment with Yangpu area of Shanghai to turn all local government vehicles to EV
- Charging Stations Installed in Knowledge Innovation Center (KIC)
- Bay Area Council facilitated formation of Green City Project Partnership

Revitalized Management

Dr. Priscilla M. Lu

Chairman of ZAP Jonway

- ❑ Recognized high technology investment professional with extensive experience in Silicon Valley
- ❑ Managing partner & founder of Cathaya Funds, PE equity fund focusing on international business alliances in China
- ❑ Provided \$35M funding for the majority acquisition of Jonway Automobile for ZAP

Steven Schneider

Co-Chief Executive Officer, US

- ❑ Extensive experience in the research, engineering, integration and development of electric drive systems for the newly emerging electric vehicle and alternative fuel transportation industry
- ❑ Led effort in re-engineering the SMART Car to pass U.S. safety standards & establish company on the NYSE

Wang "Alex" Gang

Co-Chief Executive Officer, China

- ❑ Significant manufacturing management experience & international market development and management. Member of the Zhejiang Council & the After 70's Elite Club in Taizhou, China.
- ❑ Educated at the University of Sunderland in the United Kingdom with a degree in business administration.

Benjamin Zhu

Chief Financial Officer

- ❑ Extensive finance and accounting experience with leadership roles with Foton Auto Group as deputy finance head and as an audit manager with Deloitte and Price Waterhouse Coopers.
- ❑ Holds China CPA certificate & graduated from Southwest University of Finance and Economics.

Zhang Da Qi

GM of Sales & Operations

- ❑ Over 20 years experience in leading sales & marketing, research & development & auto plant operations
- ❑ Served as EVP at Hua Tai Auto & VP Zotye Auto where he grew car sales from ~10k to ~50k in one year
- ❑ Started career with Xiali Auto, an important business unit of FAW, China's largest auto manufacturer

Growth Strategy

Driving domestic and international sales

- Building sales capabilities & distribution channels: Electric and gas vehicles
 - Enhancing sales leadership with recent hire of Zhang Da Qi as GM of Sales & Operations
 - Relocating sales & customer support centers to Hangzhou, a growing technology hub in China
 - Evaluating leasing platform
 - Establishing key partnerships to enhance distribution channels
 - Expanding into international markets, particularly SE Asia
- Launching new models and branding programs
- Capitalizing on market potential for EVs in China & US
 - Introducing innovative new EVs to the Chinese markets
 - Targeting Chinese fleet/government markets (taxis, utility vehicles, etc.)
 - Capitalizing on Chinese EV incentives

Building Foundation for EV Production

- Enhancing manufacturing production readiness with rigorous qualification of suppliers, developing quality & safety control metrics
- Developing compliancy to EV type approval and certification
 - Extensive road tests for multiple vehicles
 - Compliancy in safety and endurance testing in manufacturing production
 - Detailed documentation of design
 - Competency in specific EV technologies
- Multi-stage process for certifying new products
 - Qualifying parts & suppliers
 - Whole vehicle analysis (Safety, Stability, Performance)
 - Addressing increased type approval & certification requirements
 - Tackling new processes & procedures for EV license issuance (currently planned for Feb, 2012)

Target Product Rollout Road Map



New 5-Door A380



Gasoline Van



A380 SUV New Mold



A280 SUV



4Q2011

1Q2012

2Q2012

3Q2012

4Q2012



5-Door A380 EV SUV



EV Van



3-Door A380 EV SUV



Alias EV Collection Car



A280 EV SUV



Leveraging Partnerships with Technology Leaders

Using World Class Power Train with 5-year warranty



For Gasoline Vehicles

- Powertrain, automatic transmission & component supply agreement
- Provides quality, reliability and durability to ZAP Jonway's auto line
- Considered best in the industry warranty, recently updated to five years



For Electric Vehicles

- Supply & Development Agreement
- Integration of Remy Motors for all new EV development
- Localization of EV Power Train Control Subsystem



Green City Project Partnerships

Green Cities Supplying EV Infrastructure: Providing Packages for Consumer EV Use

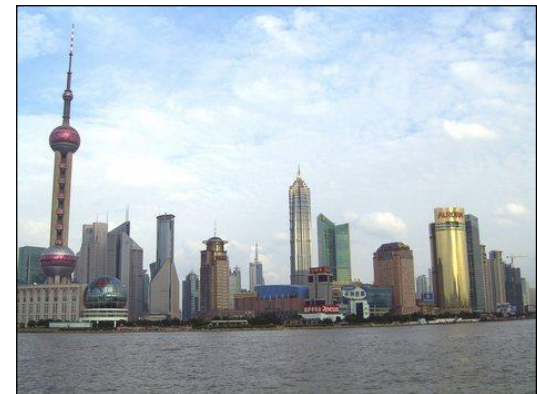
Shanghai YangPu Supported by Shui On Development

- ❑ A380EV delivery to party Secretary Chen Yin
- ❑ Bay Area Council facilitated formation of Green City Project Partnership
- ❑ Set up EV transportation & infrastructure for YangPu District

Supported by Shui On Development in Shanghai YangPu

- ❑ Business & Technology Hub of Shanghai
- ❑ 14 Universities
- ❑ Charging stations installed in Shui On Development Knowledge Innovation Center (KIC)

Nanjing to follow



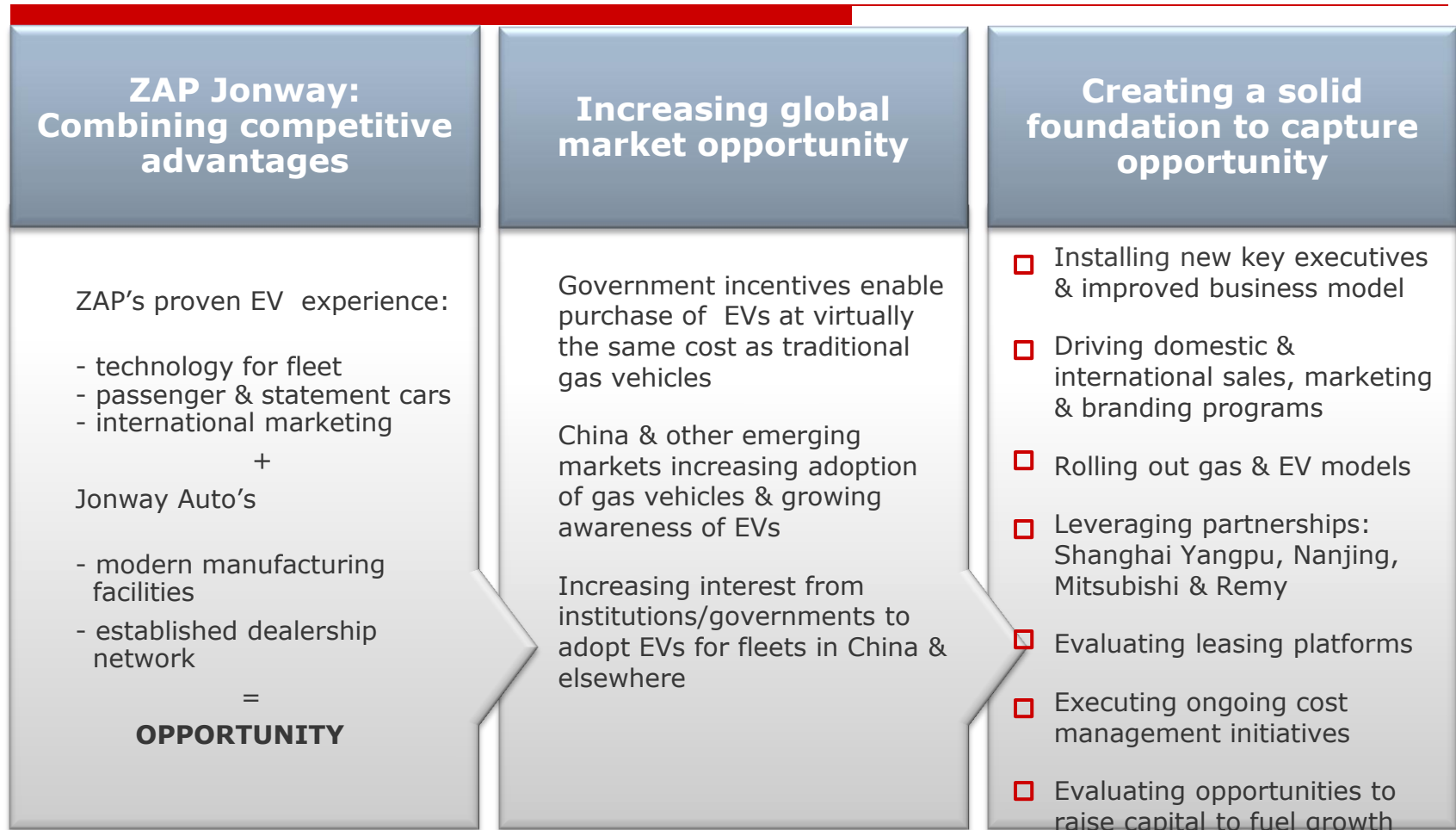
Competitive Landscape

US Publicly Listed, China-based EV Companies

Attributes	ZAP Jonway	KANDI
EV Battery Capabilities	20-year History	None
Unit for Delivery	Fully-functioning EV	Shell without Battery
Vehicle Speed*	High and Low	Low Only
Chinese Auto License*	YES	NO
Technology Partners	REMY, Mitsubishi	None

* Auto license is required to sell high speed vehicles in China.

Investment Rationale





(OTC BB: ZAAP)

Focused on offering quality, cost-effective technologies to differentiate ZAP Jonway from the competition

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