

30 November 2021

The Board of Directors
Geely Automobile Holdings Limited
Room 2301
23/F, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with the instructions from Geely Automobile Holdings Limited (the “**Company**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value as at 31 August 2021 (the “**Valuation Date**”) of 100% equity interest in ZEEKR Intelligent Technology Holding Limited (“**ZEEKR**” or the “**Target Company**”), being the Target Company as defined in the circular of the Company dated 30 November 2021. The report which follows is dated 30 November 2021 (the “**Report Date**”).

The purpose of this valuation is for the Company’s internal reference and inclusion in its public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

BACKGROUND

The Company announced to set up ZEEKR with Zhejiang Geely Holding Group Company Limited (“**Geely Holding**”) on 23 March 2021. ZEEKR and its subsidiaries are principally engaged in the business relating to design, research and development, sales, and after-sale services of new energy vehicles (including the intelligent electronic vehicles manufactured and marketed under the ZEEKR Brand) and other ancillary business incidental or related thereto, or derived therefrom.

ZEEKR has announced its first car model, “001” on 15 April 2021 and delivery was estimated to be in October 2021. The Target Company was in its pre-revenue stage as at the Valuation Date. Extract of the financial information of the Target Company, provided by the management of the Company and the Target Company (the “**Management**”), is shown as below:

For the period from the
date of incorporation to
31 August 2021
(RMB million)

Revenue	—
Consolidated loss attributable to shareholders of the Target Company	(107)
Total Assets (as at the Valuation Date)	5,256
Shareholders' Equity (as at the Valuation Date)	1,893

ZEEKR entered into a share purchase agreement with five investors (the “**Pre-A Share Purchase Agreement**”) on 27 August 2021 (the “**Transaction Date**”) and issued, in aggregate, 126,470,585 Pre-A preferred shares (“**Pre-A Preferred Shares**”), at the total consideration of US\$500 million (the “**Recent Transaction**”). Each of the investors is an independent third party of the Company and the Target Company.

SOURCES OF INFORMATION

In conducting our valuation of 100% equity interest of the Target Company, we have reviewed information including, but not limited to:

- Background of the Target Company and relevant information;
- The Pre-A Share Purchase Agreement;
- The latest shareholders agreement of the Target Company (the “**Shareholders Agreement**”);
- Historical financial information of the Target Company for the period from the date of incorporation to 31 August 2021; and
- Other operation and market information in relation to the business of the Target Company.

We have held discussions with management of the Management and conducted market research from public sources to assess the reasonableness and fairness of information provided. We assumed such information to be reliable and legitimate, and we have relied to a considerable extent on the information provided in arriving at our conclusion of value.

BASIS OF OPINION

We have conducted our valuation in accordance with International Valuation Standards issued by International Valuation Standards Council (“**IVSC**”). The valuation procedures employed include a review of legal status and economic condition of the Target Company and an assessment of key assumptions, estimates and representations made by the proprietor or the operation of the Target Company. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;

- The nature of the business;
- The financial condition of the Target Company;
- Market-driven investment returns of companies engaged in similar lines of business;
- Financial and business risk of the business;
- Consideration and analysis on the micro and macro economy affecting the business of the Target Company; and
- Assessment of the liquidity of the business of the Target Company.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Target Company.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present in the assets, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the unique characteristics of the Target Company, there are substantial limitations for the income approach and the cost approach for the valuation. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive. Detailed operational information and long-term financial projections with observable inputs are also needed to arrive at an indication of value but such information is not available as at the Valuation Date. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the Target Company's business.

In view of the above, we have adopted the market approach for the valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used.

In this Valuation Report, the market value of 100% equity interest in the Target Company was developed through the application of the prior transaction method under the market approach. The prior transaction method utilizes information on arms-length transactions involving the subject asset taken place close to the valuation date to arrive at an indication of value. The Recent Transaction is deemed as timely and on an arm's length basis as it took place on 27 August 2021 with independent third parties. Considering that the Recent Transaction involved the issuance of Pre-A Preferred Shares which carry different economic or control rights, that are disproportionate to their shareholder ownership percentage, from the ordinary shares, the back-solve method is applied to adjust the transaction price of the Recent Transaction to arrive at the implied total equity value of the Target Company.

In addition, to capture the market movement between the Transaction Date and the Valuation Date, we further adjusted the implied total equity value with the percentage changes in the share prices of the comparable companies. Percentage changes in share prices is considered the most appropriate in capturing the market movement given that the Transaction Date and the Valuation Date is reasonably closed.

MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions in determining the market value of the equity interest in the Target Company have been made:

- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- We have assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have assumed the accuracy of the financial and operational information provided to us by the Company and relied to a considerable extent on such information in arriving at our opinion of value; and

- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

SUMMARY OF MARKET APPROACH

Analysis of the Recent Transaction

As discussed in the earlier section of this report, the Recent Transaction involved the issuance of 126,470,585 Pre-A Preferred Shares at the total consideration of US\$500 million. The capital structure immediately after the transaction is as follows:

Equity Class	Number of Outstanding Shares	Shareholding (%)
Ordinary Shares	2,150,000,000	94.44
Pre-A Preferred Shares	126,470,585	5.56
Total	2,276,470,585	100

Pre-A Preferred Shares carry different economic or control rights from the ordinary shares. The back-solve method is required to adjust the transaction price of the Recent Transaction. To apply back-solve method, we have constructed an equity allocation model as detailed below.

As per the Shareholders Agreement, Pre-A preferred shareholder is entitled a liquidation right. In the event of liquidation, Pre-A preferred shareholders have the priority in the distribution of ZEEKR's asset over the ordinary shareholders. As such, the total equity value of the Target Company shall be allocated to each equity class on different basis under 2 scenarios, namely the liquidation scenario and non-liquidation scenario. We then arrived at the probability-weighted value of each class of shares by assigning a probability to each scenario with the probabilities of the liquidation scenario and non-liquidation scenario assumed to be 6.8% and 93.2% respectively.

Non-liquidation Scenario

Under the non-liquidation scenario, the total equity value of the Target Company is allocated to each class of shares on an as-if-fully converted basis.

Liquidation Scenario

Under the liquidation scenario, the value of each equity class is derived by adopting the Black-Scholes option pricing model ("OPM"). OPM treats each class of shares as a call option with distinct claim on the total equity value of the Target Company. Each class of shares is modelled as a call option as it gives its owner the right, but not the obligation, to buy the underlying total equity value at a predetermined exercise price. The exercise price of the option is based on a comparison with the total equity value of the Target Company, which is determined based on the liquidation preference amount of different classes of shares under the liquidation scenario.

The modelling of each class of share as call options on the total equity value is as follows:

1. If total equity value is less than the total liquidation preference amount (i.e. US\$0 to US\$500 million) of the Pre-A Preferred Shares, the total equity value will be distributed solely to Pre-A Preferred Shares, the value of ordinary shares is zero.
2. If total equity value is more than the total liquidation preference amount of Pre-A Preferred Shares but lower than the situation mentioned in (3) below (i.e. US\$500 million to US\$9,000 million), the total equity value will be distributed to Pre-A Preferred Shares first up to the total liquidation preference amount and the remaining will be distributed to the ordinary shares (i.e. the ordinary shares will be worth one dollar for each dollar of total equity value in excess of the total liquidation preference amount); and
3. If the proceeds sharing amount of Pre-A Preferred Shares exceeds its liquidation preference amount, the investor may then opt to give up its liquidation right and opt to share the proceeds rateably, in which event the total equity value will be distributed rateably to each class of shares.

The formula of OPM in calculating the price of a call option is as follows:

$$\text{Price of a call option} = S * N(d_1) - K * e^{-rt} * N(d_2)$$

Where:

$$d_1 = [\ln (S/K) + (R + V^2/2)*T]/(V * \sqrt{T})$$

$$d_2 = d_1 - V * \sqrt{T}$$

N = normal distribution

S = current value of total equity of the subject company

K = strike price of the option

e = exponential

T = life to expiration of the option

R = risk free interest rate corresponding to the life of the option

V = expected volatility in the value of the subject company

The following parameters are adopted in the OPM:

Item	Parameter adopted	Note
Strike price of the options	Option 1: US\$0 Option 2: US\$500 million Option 3: US\$9,000 million	It is determined based on the liquidation preference amount of Pre-A Preferred Shares.
Life to expiration	5 years	It is the expected time to the occurrence of an exit event. The life to expiration is referenced to the target initial public offering (“IPO”) date as stated in the Shareholders Agreement, which is approximately 5 years from the Transaction Date and after which the Target Company and its shareholders will further discuss on the exit arrangement in case of no IPO.
Risk free interest rate	0.43%	Since the shares are priced in US\$, the risk free interest rate is determined based on the yield of US Treasury Active Curve with a maturity life equal to the expected time to a liquidation event or IPO event as at the Transaction Date.
Expected volatility	61.35%	It is based on the average annualized standard deviation of the historical stock prices of listed comparable companies.

After constructing the equity allocation model as illustrated in the above, the back-solve method is then applied. By iteration, the implied total equity value of ZEEKR as at the Transaction Date is then derived such that the corresponding value of the Pre-A Preferred Share equals to the transaction price. The implied total equity value from the Recent Transaction is computed at US\$8,714 million.

Calculation of market value from percentage changes in share prices

In determining the percentage change in share price, a list of comparable companies was identified. The selection criteria include the followings:

- The companies are principally engaged in the development of new energy vehicles;
- The comparable companies are searchable in S&P Capital IQ;
- The comparable companies are publicly listed in major stock exchanges;
- The comparable companies are in their pre-revenue stage; and

- Sufficient data, including but not limited to share prices as at the Valuation Date of the comparable companies is available.

As sourced from S&P Capital IQ, an exhaustive list of comparable companies satisfying the above criteria was obtained. The details of the comparable companies which are considered as fair and representative samples are listed below:

Stock Code	Company Name	Share Price as at 27 August 2021 (US\$)	Share Price as at 31 August 2021 (US\$)	Percentage Change (%)	Company Description
NasdaqGS: NKLA	Nikola Corporation	10.13	10.43	2.96	Nikola Corporation engages in the development and integration of energy and transportation solutions in the United States. The company operates in two business units: Truck and Energy. The Truck business unit develops and commercializes battery-electric (BEV) and fuel cell electric (FCEV) Class 8 trucks for the short, medium, and long haul trucking sector. It also offers hydrogen-electric vehicles, electric vehicle drivetrains, vehicle components, and energy storage systems. The Energy business unit develops and constructs a network of hydrogen fueling stations for FCEV customers. The company was founded in 2015 and is headquartered in Phoenix, Arizona.
NasdaqGS: ARVL	Arrival	11.13	11.77	5.75	Arrival primarily focuses on the design, assembly, and distribution of commercial electric vehicle vans and buses worldwide. The company was founded in 2015 and is based in Howald, Luxembourg.
NasdaqGS: ELMS	Electric Last Mile Solutions, Inc.	7.74	7.96	2.84	Electric Last Mile Solutions, Inc., a commercial electric vehicle solutions company, focuses on designing, engineering, manufacturing, and customizing electric last mile delivery and utility vehicles. The company is headquartered in Troy, Michigan.
NasdaqGM: FFIE	Faraday Future Intelligent Electric Inc.	9.51	10.09	6.10	Faraday Future Intelligent Electric Inc. engages in the design, development, manufacture, engineering, sale, and distribution of electric vehicles and related products in the United States and internationally. The company was founded in 2014 and is headquartered in Gardena, California.
NasdaqGS: RIDE	Lordstown Motors Corp.	6.48	6.58	1.54	Lordstown Motors Corp. operates as an automotive company. It develops, manufactures, and sells Endurance, an electric full-size pickup truck for fleet customers. The company was founded in 2019 and is based in Lordstown, Ohio.
Average:				3.84	

CALCULATION OF VALUATION RESULT

Under the prior transaction method, the market value depends on the implied total equity value from the Recent Transaction and the percentage changes in share price of its comparable companies as at the Valuation Date. The average of the percentage change of share price was adopted in the valuation, then multiplied by the implied total equity value of the Target Company as at the Transaction Date to determine the market value of the equity interest in the Target Company as at the Valuation Date.

The calculation of the market value of the equity interest in the Target Company as at the Valuation Date is as follows:

		Amount
Implied total equity value of the Target Company as at the Transaction Date (US\$ million)	A	8,714
Average percentage change in share price (%)	B	3.84
Market value of 100% equity interest in the Target Company as at the Valuation Date (US\$ million)	C = A * (1+B)	9,048

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and JLL.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as at, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, it has come to our attention that the outbreak of Novel Coronavirus disease (COVID-19) has caused significant disruption to economic activities around the world. This disruption has increased the risk of the financial assumptions not being achieved. It may also have a negative impact towards investment sentiment, and hence any form of required rate of return as well as liquidity of any asset. As at the report date, it is uncertain how long the disruption will last and to what extent it will affect the economy. As a result, it has caused volatility and uncertainty that values may change significantly and unexpectedly even over short periods. The period required to negotiate a transaction may also extend considerably beyond the normally expected period, which would also reflect the nature and size of the asset. Readers are reminded that we do not intend to provide an opinion of value as at any date after the Valuation Date in this report.

This report is issued subject to our Limiting Conditions as attached.

INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of the Target Company as at the Valuation Date is reasonably stated at the amount of **US\$9,048,000,000**.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited



Simon M.K. Chan

Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS) where he now serves on their North Asia Valuation Practice Group. He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

LIMITING CONDITIONS

1. In the preparation of this report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our report was used as part of the analysis of the Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Target Company rests solely with the Company.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The board of directors and the management of the Company have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from the Company. Such kind of additional work may incur without prior notification to the Company.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the report is subject to the terms of the engagement agreement entered between the Company and us and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Target Company.
9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.
10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not be liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This report is confidential to the Company and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as at the Valuation Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.
12. Where a distinct and definite representation has been made to us by parties interested in the Target Company, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. The Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of our services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if we have been advised of their possible existence.
14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist. We do not conduct or provide such kind of assessments and have not considered the potential impact to the Target Company. Readers are encouraged to obtain a professional assessment on the effect on the value of the asset due to environmental, structural, engineering, auditing matters.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company and other sources. Actual transactions involving the Target Company might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time.
17. The board of directors, management, staff, and representatives of the Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.