



Earnings Call Presentation

FY 2009 First Quarter

Wonder Auto Technology, Inc.
(NASDAQ: WATG)



Safe Harbor Statement



This presentation may contain forward-looking information about Wonder Auto Technology, Inc. and its wholly owned subsidiaries which are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "plan," "seek," "intend," or "anticipate" or the negative thereof or comparable terminology, and include discussions of strategy, statements about industry trends and Wonder Auto Technology, Inc.'s future performance, operations and products. This and other "Risk Factors" are contained in Wonder Auto Technology, Inc.'s public filings with the SEC. The Company assumes no obligation and does not intend to update any forward-looking statements, except as required by law.

Major Speakers



Mr. Qingjie Zhao, Chairman & CEO

Mr. Meirong Yuan, CFO

Mr. Rui Wang, CFO Assistant

Mr. He Sun, Investor Relations Officer



CEO Speech



"Good morning everyone! Thank you for joining us today and paying attention to the growth of our company. Significant changes have taken place in the world economy during the process of fighting against the financial crisis globally. For example,

- China's economy is recovering steadily.
- There is no doubt that China's auto industry will be world's leader.
- Therefore the US capital markets has begun to re-evaluate and focus on Chinese companies.
- The adjustments we made in our strategies to response to the financial crisis worked well as we expected. In a word, at the moment, our competitiveness is even greater than before the crisis."



China's auto industry



Auto sales in China vs. the US

Sales Volume 2009 (in million)



Favorable Policies



- 4 trillion RMB investment in infrastructure
- Subsidy of 5 billion RMB (Approx \$0.74B) on “Cars to countryside” program
- Reduction of Vehicle Purchase Tax to 5% from 10%
- Investment of 10 billion RMB (Approx \$1.48B) on developing alternative energy vehicle technology



Growth Potentials



- We see great growth opportunities for 2009 China's auto market. The followings are the growth drivers:
 - 11-12 million Auto Sales estimated for 2009
 - Improving Auto financing systems
 - Auto sales stimulation in the rural areas
 - Development on alternative energy vehicle technologies



Financial Highlights



Sales Revenue



(\$ In million)	2Q-09	2Q-08	Chg	Chg (YoY)
Total Sales	49.7	36.7	13.0	35.4%
Sales in China	43.2	31.5	11.7	37.1%



Gross Profit



(\$ In million)	2Q-09	2Q-08	Chg (YoY)
Gross Profit	12.2	9.5	28.4%
Gross Margin	24.6%	25.9%	



SG&A Expenses



(\$ In Million)	2Q-09	Common size	2Q-08	Common size	Chg (YoY)
Administrative expenses	2.8	5.5%	1.4	3.9%	92.6%
R&D	0.5	0.9%	0.3	0.79%	59.9%
Selling expenses	1.5	3.1%	1.0	2.7%	52.6%
Operating expenses	4.7	9.5%	2.7	7.4%	74.4%



Net Income & EPS



(\$)	2Q-09	2Q-08	Chg (YoY)
Net income	5.4m	5.3m	2.0%
EPS	0.20	0.20	2.0%
EPS without foreign exchange gain was 0.22 for 2Q09			



Cash flow



(\$ In millions)	2Q-09	2Q-08
Net cash flows (used in) provided by operating activities	14.4	1.7
Cash flows (used in) provided by investing activities	(9.2)	(16.4)
Net cash flows (used in) provided by financing activities	18.3	10.1



Closing Remarks



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In summary, we are pleased with our strong balance sheet and cash flow in this quarter, and we will continue to work diligently to optimize shareholder value by focusing on growing our business strategically. We believe that the growing China's economy and auto industry will provide us with sustainable drivers to support our continuing growth and profitability.





Thank You!

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