



Wonder Auto Technology, Inc.

(NASDAQ: WATG)

March 2011



Safe Harbor Statement



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Company Introduction

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Company Overview



A Leading Manufacturer of Automotive Safety Parts, Suspension Products and Engine Components in China

Market Position

- > China's 2nd largest alternators and starters manufacturer
- > China's largest local brand of auto safety products manufacturer
- > One of the largest manufacturers of engine valves and tappets in China

Customer

- > Broad and reputable customer base in China and international markets, incl. VW, GM, Ford, Hyundai, BYD, Chery, Mitsubishi (engine), Yu chai (engine), Weichai (engine), etc.

Operation

- > Facilities in Beijing, Shenyang, Jinzhou and Jinan, China
- > Proprietary and customized production lines and low-cost supplier network
- > Over 330 R&D professionals and 191 patents

Key Financials

(US\$ M)	2007	2008	2009	2010E
> Rev.:	\$102.1	\$141.2	\$211.0	\$307.0E
> NI ⁽¹⁾ :	\$14.5	\$19.6	\$24.0	\$37.5E ⁽²⁾
> Gross profit rose 48.2% year-over-year to approximately \$20.7 million in 3Q 2010.				

Key Milestones

2010

- > Acquired Jinzhou Jinheng, a leading auto safety system supplier in China

2009

- > Successfully developed from 4 KW to 60 KW power train for electric vehicles

2008

- > Entered engine valves & tappets business through acquisition of Jinan Worldwide
- > Acquired peripheral component suppliers, Karham and Hanhua

2007

- > Switched listing to the NASDAQ
- > Entered rods & shafts business through acquisition of Jinzhou Wanyou

2006

- > Step into high speed growing period with the strong support from U.S. capital market

1996

- > Founded in Jinzhou, China

Note: (1) 2007 net income adds back a non-cash "make-good" provision charge of \$18.3 million; 2008 and 2009 net income adds back stock-based compensation of \$0.7million and \$1.17million, respectively. (2) Stock-based compensation cost does not accounted in NI of 2010E

Diversified Product Categories

Wonder Auto Product Portfolio

Starter & Alternator



- > Part of engine system
- > Annual capacity – 6.5 million units
- > 10 series with over 390 models

Auto Safety Product



- > Passive auto safety system
- > Annual capacity – 2M airbags and 2.2M seatbelts
- > Airbag:160 models & Seatbelt:18 models

Electric Motor



- > Motor system for electric cars
- > Annual capacity – 400K units
- > Applied to AEVs

Engine Valve & Tappet



- > Used in internal combustion engines
- > Annual capacity - 40 million units
- > 15 series with over 2,000 models

Rod & Shaft



- > Used in shock absorbers of suspension systems
- > Annual capacity – 40 million units
- > 5 series with over 2,000 models



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A Leading Manufacturer of Auto Electrical Parts ,Engine Components and Auto Safety System in China, with Over 40% CAGR Growth Rate in the Past Five Years.

Located in the Largest Auto Market of the World with High Speed of Growth, even possibly in the Next 30 Years.

Customer Base Including Every Top Auto Makers in China and Several Major Manufacturers in the World.

Independent and Upgraded R&D Capabilities to Provide Technical Solutions to the Worldwide Customers .

Designing, Developing and Manufacturing the Electric Driven Motors of AEV, and Approaching the Condition of Marketization.

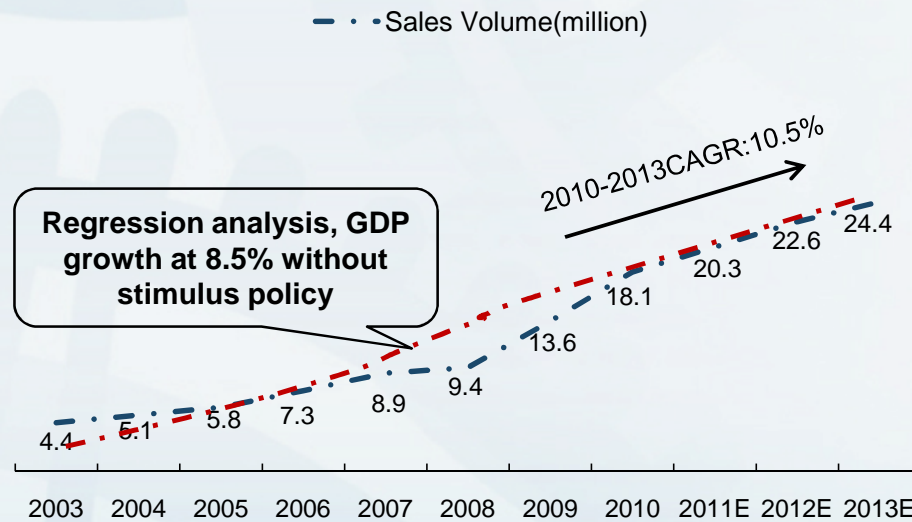
Experienced Management Team to Maintain WATG's Operation with Clear Finance History.

Attractive China Auto Market with Promising Growth Opportunities



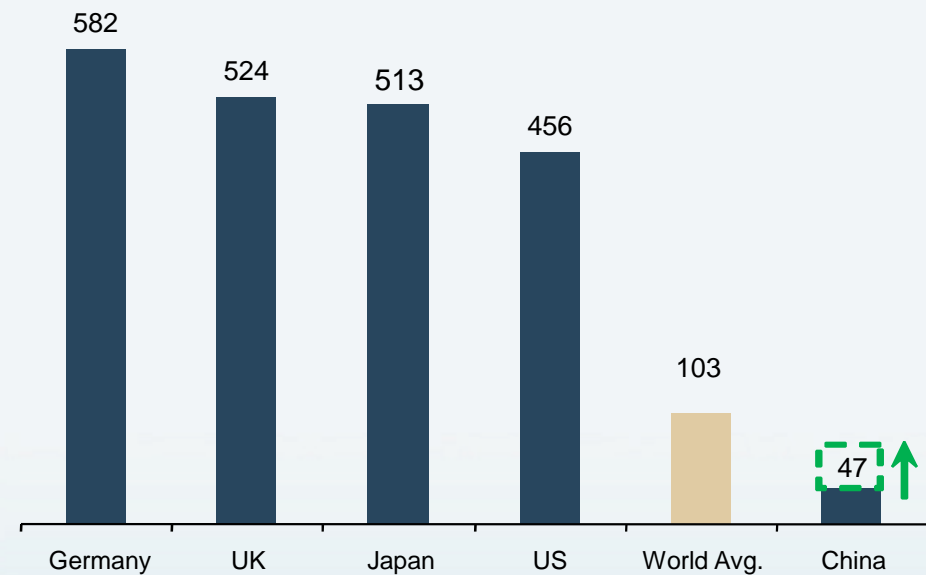
- China is the largest automobile manufacturing country and consuming market in the world
- China to become the new center of vehicle design and development
- Total PV sales in China will continuously experience significant growth as China's higher growth rate of economy, as well as lower vehicle penetration rate
- WATG will be well positioned in this extraordinary environment with tremendous growth opportunities

China's GDP vs. Vehicle Sales Volume (Million Units)



Source: CATARC; A.T.Kearney Analysis; National Bureau of Statistics of China, CAAM and CNBS; J.D.Power

Passenger Vehicle Ownership per 1K Inhabitants



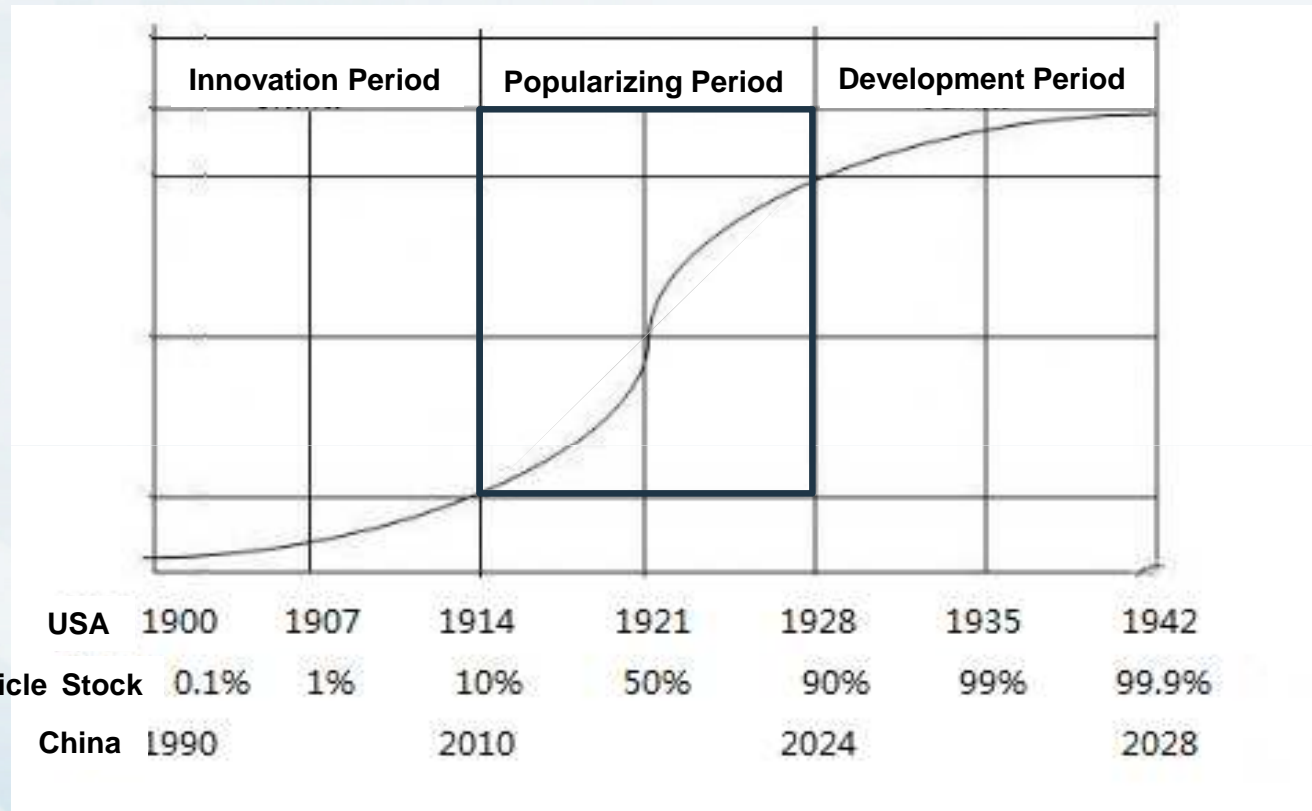
Note: China figure is based on 2009 statistics and others are based on 2007 statistics

Source: National Bureau of Statistics of China, Japan Automobile Manufacturers Association

Growth of China Auto and China's Poplar Period of Consumption of Auto



- Now per family vehicle stock in China is similar to that in the USA in 1914, and the market situation meets the growth condition of Sigmoid Curve. It means China's auto market will have a rapid growth speed.
- Under the strong market demand, Wonder Auto will face more opportunities to remain high speed growth.



Source: J D Power

Leading Market Position



➤ Wonder Auto:

- China's 2nd largest alternators and starters manufacturer (according to the sales revenue of 2009)
- China's largest local brand of auto safety products manufacturer
- One of the largest auto engine valves and tappets suppliers in China
- One of the few and independent suppliers of rods and shafts in the world

Top ten alternator and starter supplier in China (2009)

1	Shanghai Valeo Auto Electrical System Ltd.
2	Wonder Auto Technology, Inc.
3	Prestolite Electric (Beijing) Limited
4	Zhejiang Dehong Automotive Electrical System Co., Ltd
5	Chongqing Bright Industrial Group
6	Shandong Fengfan Motor Co.
7	Changsha HITACHI Motor Co.
8	Chengdu Huachuan Electric Parts Co.
9	Xiangfan Dongfeng Motor Electric Equipment Co., Ltd
10	Wujin Changzhou WuQi Starting Motor Co.,Ltd

Source: China Association of Auto Manufacturers (CAAM)

Stronger Competitiveness



Advantages Compared with International Competitor

- > In-depth knowledge to local auto market
- > Low-cost structure and competitive products
- > Approaching the market demand due to the stronger R&D team in China

Advantages Compared with Local Competitor

- > With well-known brands for more than ten years
- > Building partnership with reputable domestic and international customers
- > Objective operational scale and quantity of order
- > Product with high quality and lower cost
- > Stronger R&D team

Note: (1) represent China's joint venture auto brand

Continued Expansion of High-Quality Customer Base



- Customers include: world-class auto manufacturers and auto parts suppliers
- Target at diversifying customers continuously

Source: Company & CAAM

Strong Operational Capabilities with Low-Cost Structure



Proprietary Manufacturing Processes

- Customized assembly lines and equipments
 - Manufacturing flexibility
 - Process optimization
 - Quality assurance (ISO9002, ISO9000 and TS16949 certified)

Low-Cost Sourcing Network

- Majority of suppliers located within 180 miles (300 km)
- Long-term relationships and exclusive arrangements with key suppliers
- Multiple sources for most raw materials and components



Leading R&D Platform



Cooperation with Top Universities/Institutes



Cooperation with Key Customers



External

Wonder Auto's
Research & Development Platform

Internal

Starter and Alternator R&D
Center

Auto Safety System
R&D Center

Engine Valve
R&D Center

AEV Parts
R&D Center

- 330 R&D professionals and 191 technology patents
- 3% of sales revenue for R&D investment

Strategically Participate in Alternative Energy Vehicle Market

China's AEV Market and Key Market Drivers

- Pollution control and reduction in dependence on fossil fuel
- Government support form 2009
 - US\$1.5B auto industry stimulus package, including investment in AEV development.
 - Subsidy on commercialization of AEVs and key components
 - AEV annual production capacity target of 500K units by 2011, accounting for approximately 5% of total PV sales
- Low-cost electric vehicles as affordable alternatives



WATG Major Activities

- Corporation with Jinzhou AEV:
 - Signed electric vehicle agreement with several city governments to establish new market in China
 - Discussed with more than 10 AEV manufacturers for supply agreements
 - Supplied electric motor systems to Jinzhou AEV for affordable electric cars

Future Strategies

Expand electric motor production lines to supply to Jinzhou AEV & other AEV OEMs

Selectively pursue additional AEV business opportunities

Experienced Management Team



Mr. Qingjie Zhao
*Chairman, CEO
and President*

- CEO & President, Chairman of the Board since 1997
- Over 28 years of experience in the auto and parts industry
- Former CEO of Jinzhou Shock Absorber Co.
- Senior Engineer and Professor of Liaoning Institute of Technology

Mr. Qingdong Zeng
CSO and Vice President

- Director, CSO & Vice President since 2010
- Over 20 years of experience in the auto and parts industry
- CEO of Jinzhou Wanyou Mechanical Parts Co. Ltd.

Mr. Meirong Yuan
CFO and Treasurer

- Joined Wonder Auto in 2002
- CFO since 2006
- CPA in China & Ph.D. in management from Southern California University for Professional Studies

Mr. Yuncong Ma
COO

- COO since 2006, GM of Jinzhou Halla since 1997
- 30 years of experience in the auto and parts industry
- Former Chief Engineer & Vice Factory Manager of Jinzhou Shock Absorber Co

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➤ Proven Financial Track Record

- Robust top-line growth
- Consistent gross margins
- Strong profitability

➤ Strong Income Statement (the third quarter of 2010)

- Gross profit rose 48.2% YoY to \$20.7 million, from \$14.0 million
- NI attributable to WATG increased 83.5% YoY to \$11.9 million approximately
- Non-GAAP EPS was increased 66.7% YoY to \$0.40 compared with 3Q 2009

➤ High Visibility Going Forward

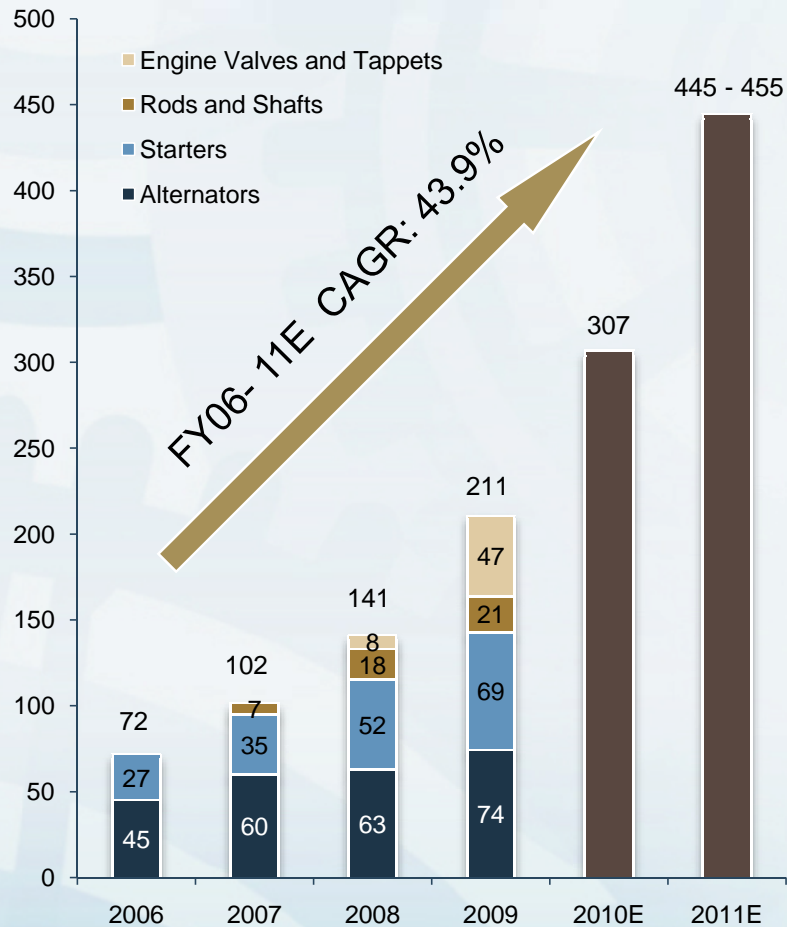
- 227 joint development programs as of August 01, 2010
- Sales revenue of 2010 is \$307.0E
- Sales revenue of 2011 will be about \$445 - \$455 million

Robust Revenue Growth



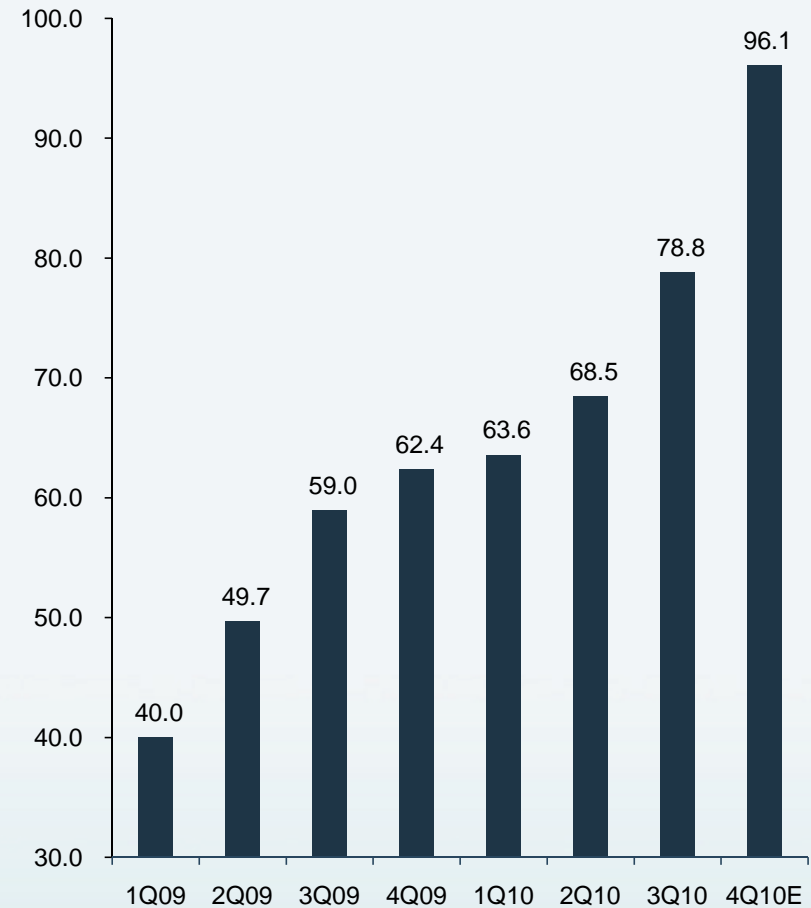
Revenue Growth Breakdown (FY06-11E)

US\$ Million



Quarterly Revenue Growth (FY09-10)

US\$ Million

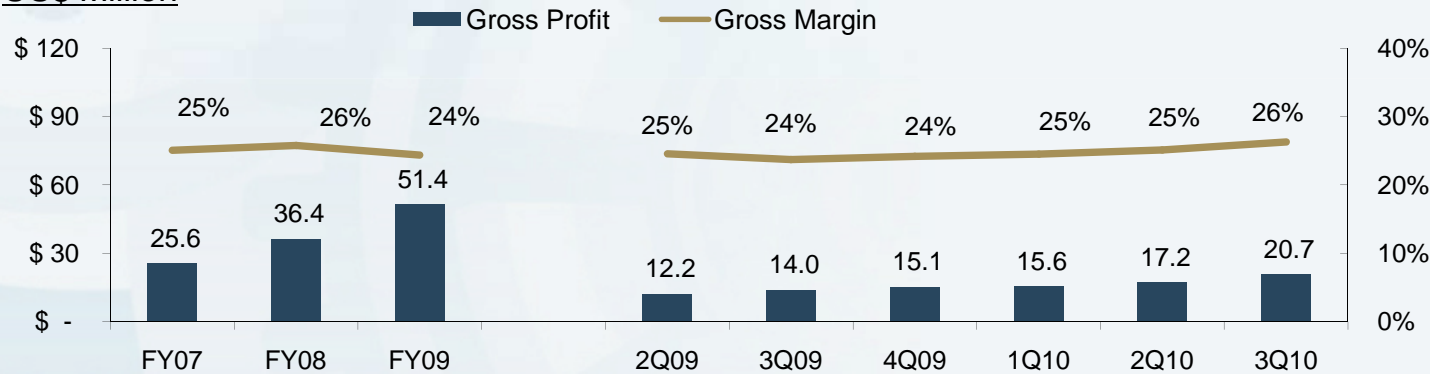


Sustainable Margins



Gross Profit and Margin

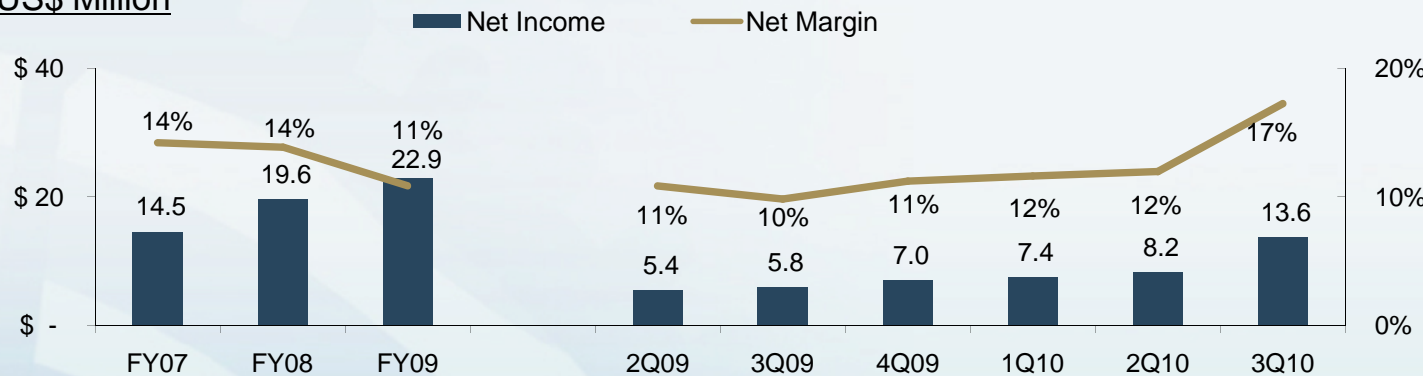
US\$ Million



We have been able to maintain a consistent gross margins

Non-GAAP Net Income and Margin (1)

US\$ Million



We have been able to maintain NI margin around 11% to 12%.

Note: (1) 2007 net income adds back non-cash "make-good" provision charge of \$18.3 million; 2008 and 2009 net income adds back stock-based compensation of \$0.7million and \$1.2 million, respectively. (2) 1Q10, 2Q10 and 3Q10 NI adds back stock-based compensation of \$1.6 million, \$1.6 million and \$1.6 million, respectively.

About EPS



(in thousands of USD)

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
Net income attributable to Wonder Auto Technology, Inc. common stockholders	11,941	6,507	24,367	17,054
Share-based compensation	1,635	---	4,905	---
Non-GAAP net income attributable to Wonder Auto Technology, Inc. common stockholders	13,575	6,507	29,272	17,054
GAAP EPS (\$)	0.35	0.24	0.72	0.63
GAAP EPS YoY Growth (%)	45.8%	---	14.3%	---
Non-GAAP EPS (\$)	0.4	0.24	0.86	0.63
Non-GAAP EPS YoY Growth (%)	66.7%	---	36.5%	---

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Growth Drivers Highlights

Our existing customers' business scale grows faster than that in auto industry.

We continuously excavate customers and orders domestically.

We have strong capability to increase revenue and market share in international market.

Growth of WATG

Growth Strategies



Develop New Products & Continue to Enhance R&D Capabilities

Continue to Focus on Small- to Medium-Engine Passenger Vehicles

Expand Production Capacity

Continue to Pursue Strategic Acquisition Opportunities

Broaden Exposure to Selected International Markets

Selectively Pursue Alternative Energy Vehicle Opportunities

Well Positioned to Capitalize on China's Fast-Growing Automobile and Emerging AEV Market



Thank you!

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