

Year	Domestic sales	Domestic Value (thousand US dollars)
2005	185,406	540,277
2006	196,221	674,329
2007	229,420	1,096,313
2008	402,000	3,529,538
2009	300,000	3,000,000

Stock situation (2000-2010)



The stock situation from 2009 to 2010 May

(Unit: million NT dollars)

Year	2010	2009	2008	2007	2006	2005	2004	2003
Maximum of total market value	36,217	32,417	27,222	23,760	18,156	18,100	15,410	13,225
Minimum of total market value	29,790	18,848	18,184	13,897	12,902	13,477	10,675	10,115
The highest Price-Earnings Ratio	15	14	16	20	17	17	15	19
The lowest Price-Earnings Ratio	12	8	9	12	10	11	10	13
Stock dividend	N/A	0.00	2.00	0.50	0.00	0.00	0.00	0.00
Cash dividend	N/A	4.50	2.00	3.00	3.00	3.00	3.00	3.00

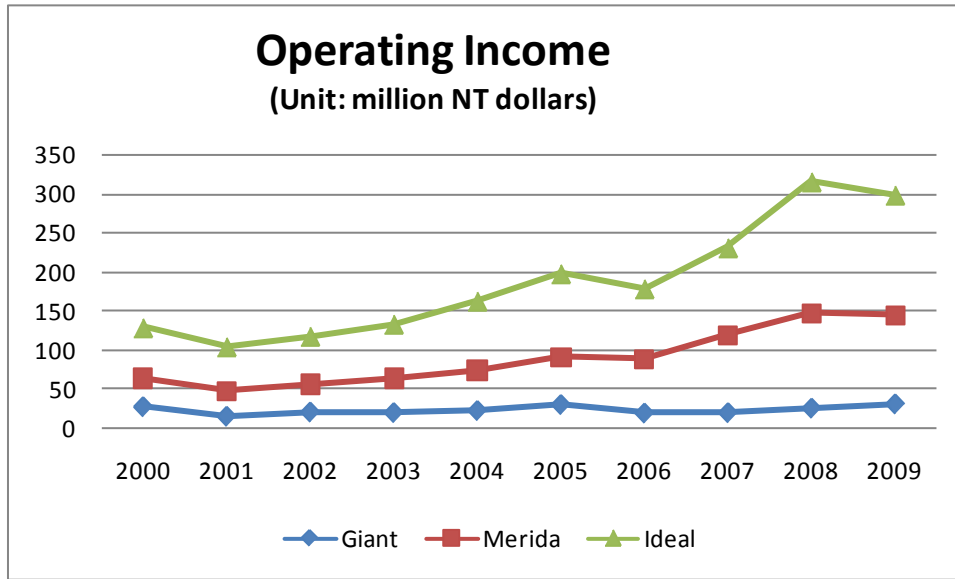


Giant Performance		(unit: million NT dollars)									
year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
Equity in end	36	30	28	28	28	28	28	28	26	23	
Operating Income	153.6	168.4	110.9	90.2	107.5	88.1	68.8	60.9	56.3	64.2	
Revenue per share (dollars)	43.3	56.9	39.6	32.2	38.4	31.4	24.6	21.7	21.5	28.2	

Pre-tax Earning	27.3	27.5	19.6	11.5	13.0	12.0	11.7	7.6	5.9	8.1
Pre-tax EPS	7.7	9.3	7.0	4.1	4.6	4.3	4.2	2.7	2.3	3.6
Net Income	23.8	24.6	18.1	10.1	11.5	11.4	11.3	7.5	5.4	7.9
After-tax EPS	6.7	8.3	6.5	3.6	4.1	4.1	4.0	2.7	2.1	3.5

Unit: million NT dollars

Period	Earning Accumulated	The same period Earning Accumulated last year	Earning Accumulated year to year annualized rate
2010 quarter 1	762	483	57.98%
2009 quarter 4	2,382	2,457	-3.05%
2009 quarter 3	1,809	1,894	-4.48%
2009 quarter 2	1,247	1,011	23.26%
2009 quarter 1	483	341	41.63%
2008 quarter 4	2,457	1,813	35.54%
2008 quarter 3	1,894	1,357	39.58%
2008 quarter 2	1,011	883	14.53%
2008 quarter 1	341	405	-15.79%
2007 quarter 4	1,813	1,013	79.00%
2007 quarter 3	1,357	819	65.63%
2007 quarter 2	883	578	52.87%
2007 quarter 1	405	318	27.44%
2006 quarter 4	1,013	1,148	-11.82%
2006 quarter 3	819	873	-6.20%
2006 quarter 2	578	556	3.92%
2006 quarter 1	318	141	125.09%
2005 quarter 4	1,148	1,140	0.75%
2005 quarter 3	873	949	-8.01%
2005 quarter 2	556	683	-18.58%
2005 quarter 1	141	356	-60.36%



Operating Income		(Unit: million NT dollars)									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Giant	27.4	15.7	20.9	20.2	22.7	30	19.6	20.1	25.6	30.8	
Merida	37.4	32.6	36.3	44.6	52.4	60.9	69.3	100.7	122.4	115	
Ideal	64.2	56.3	60.9	68.8	88.1	107.5	90.2	110.9	168.4	153.6	

	The number of owning bike (per100 people)	Demand in year (unit:10 thousand)	Number of population (unit: million)
Japan	9.9	985	100
US	6.8	1,900	280
Europe	4.4	2,200	500
China	3.1	4,000	1,300
Taiwan	1.3	30	23
India	1.2	1,300	100

The drop of domestic sales happened in 2009. The reason why the domestic sales decline:

- In 2008, there are only about 1,500 bike stores. However, in 2010, the number of bike stores is more than 3,000. Too many stores will be diluted the domestic demand.
- For many companies in the Taiwanese bicycle industry, 2009 has been a year of declining revenues and profits. This also counts for Giant and Merida, the two main bicycle manufacturers in Taiwan.
- 2009 has been a difficult year due to the economic situation.
- Anticipating on an economic recovery prospects and a global health craze the world largest bike maker is aiming at a growth in revenue of 5 – 10 percent in 2010.
- The world is rediscovering bikes as a good source for leisure as well as commuting, so we see that as increasingly positive in 2010.

Bike Market

	Giant	Merida	Ideal
Brand Equity	262 million (US dollars)	152 million (US dollars)	
Domestic market share	30%	11%	5%
Store	330	180→120	30→150
Private Brand	Giant MOMENTUM	Merida Centurion Specialized	Ideal FUJI
OBM	70%	98%	10%
OEM	30%	2%	90%
09 EPS	6.86	5.44	2.5
10 EPS(F)	7.74	5.92	
Strategy	<ul style="list-style-type: none"> ➤ Build another bicycle brand “MOMENTUM” ➤ Re-conversion 150 stores ➤ 17 rental bicycle stores 	<ul style="list-style-type: none"> ➤ Cut down the number of franchise store ➤ Increase the number of flagship and Exhibition Center 	<ul style="list-style-type: none"> ➤ Slow down the speed of expanding store ➤ Enhance the quality of service and increase added value

Integration

- upstream of the original materials.
- downstream of marketing channels

How to respond the decline of domestic market?

➤ Giant – Re-conversion stores

About 300 stores in 2009, has remodeled 150 in order to meet the Giant another bike brand "MOMENTUM" birth, which in 2010 will accelerate the conversion of 100 stores; In addition, there are 17 rental bicycle shops.

In 2009, Giant Bicycle domestic market was 30 million units sold and 3 billion revenues. Revenue and volume were significantly shrinking than 2008.

Owing to adding new brand and stores, Giant domestic market is expected to grow between 10% and 20% in 2010.

➤ Merida

Merida will substantially reduce the 80 franchise stores and specialty stores, overweight flagship store and exhibition centers, active consolidation of existing stores and specialty stores, dealers in poor physical elimination, in which 180 stores will be reduced to the current 120, store the 70 down to 50.

For the profitable stores will be transformed into counseling Exhibition Center. The number of exhibition center will grow from 22 to 50, and flagship will increase from 5 to 10.

In 2010, Merida will strengthen the marketing channel, so it launches many new types of vehicles.

Merida also extends to girls' bike, youth exclusive bike, children bike, so that bike products will be more complete and prices are from cheap to expensive.

➤ Ideal

ODM bicycle manufacturer, Ideal, helps build Fuji bicycle in Taiwan, and quickly expand stores from 30 to 150 in 2009.

In 2010, Ideal will slow down expanding stores. However, Ideal Enhance the quality of service and increase added value and bring new brand in order to provide consumers more diverse selection of products. The number of stores will remain at the 150.