



*(NASDAQ:GRRF)*

## 2009 First Quarter Results

**May 15, 2009**



# Safe Harbor Statement

Statements contained in this presentation that are not historical facts are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements, including financial projections and forecasts, involve risks and uncertainties that could cause the Company's actual results to differ materially from its current expectations. Factors that could cause the Company's results to differ materially from those set forth in these forward-looking statements include the Company's reliance on business relationships with the Chinese telecom operators and base station manufacturers; the risk that the Company will continue to experience downward pressure on the pricing of its products and services due to the telecom operators' bidding policies or other factors; the risk that the telecom operators in China will not expand or maintain their spending on 2G, 3G, WLAN or other network projects; uncertainty as to the future demand for base station RF products by domestic or international base station manufacturers, including the risk that demand in China or elsewhere for base stations may not grow as the Company's management anticipates; risks associated with large accounts receivable, long collection periods and accounts receivable cycles; fierce competition in the wireless communication industry; growth of, and risks inherent to, the wireless communication industry in China, including uncertainties regarding the timing and nature of any future restructuring of the telecom operators in China and the risks that such restructuring will not result in expanded investments to expand network coverage or quality; uncertainty as to future profitability and the Company's ability to obtain adequate financing for its planned capital expenditure requirements; its reliance on third parties to carry out the installation of its wireless coverage products; uncertainty as to its ability to continuously develop and manufacture new RF technologies and keep up with changes in RF technologies; risks associated with possible defects and errors in its wireless coverage products or RF products; uncertainty as to the Company's ability to protect and enforce its intellectual property rights; and uncertainty as to the Company's ability to attract and retain qualified executives and personnel, particularly in its research and development department. Other factors that may cause the Company's actual results to differ from those set forth in the forward-looking statements contained in this presentation and that may affect its prospects in general are described in the Company's filings with the Securities and Exchange Commission, including its Registration Statement on Form F-1 related to its initial public offering and its annual reports on Form 20-F. The Company undertakes no obligation to update or revise forward-looking statements to reflect subsequent events or changed assumptions or circumstances.

# Agenda

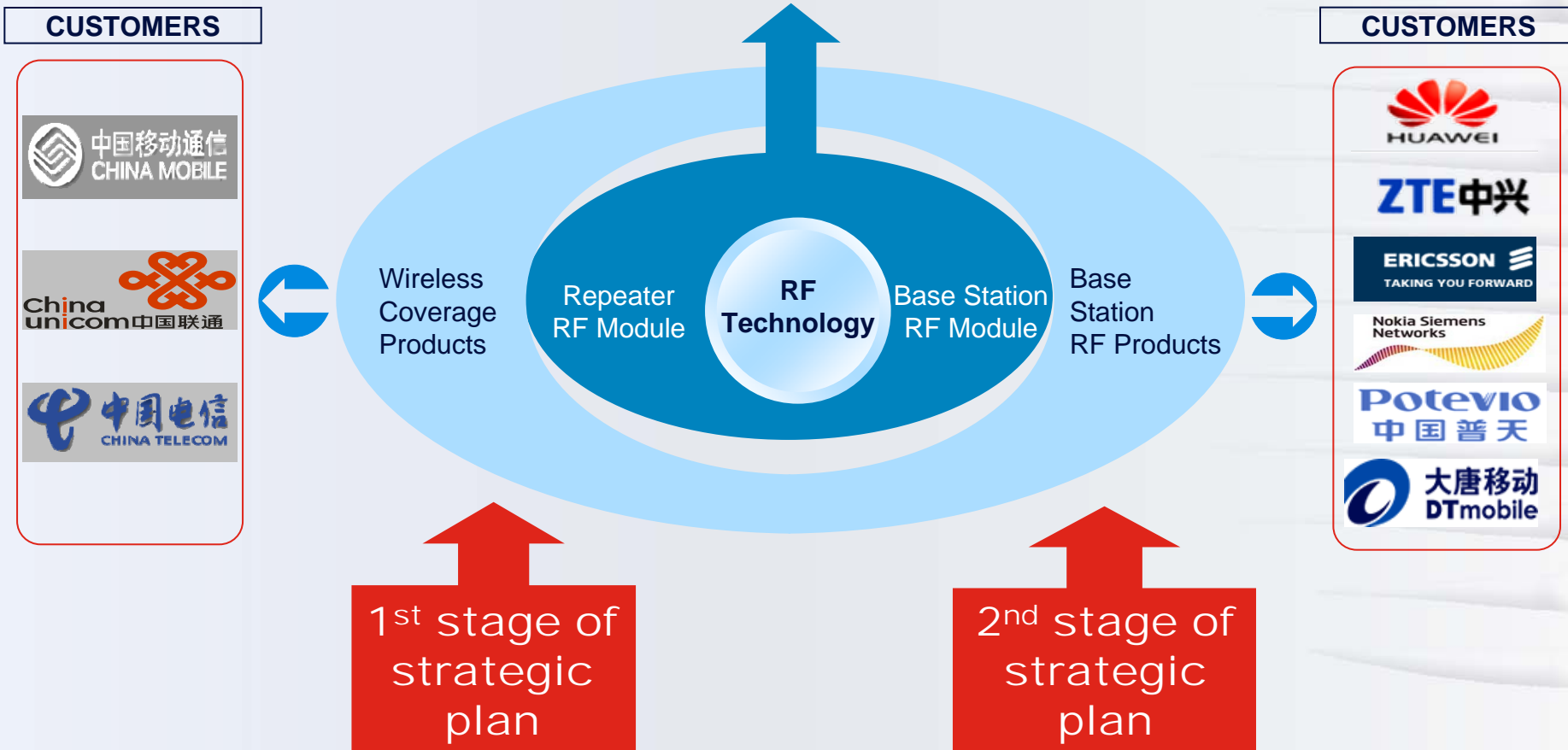
- **The Company**
- Business and Operational Highlights
- Financial Review
- Business Outlook
- 2009 Second Quarter Guidance

# The Company

- RF Technology Leadership Position Benefits from Customer Outsourcing Trends

**RF technology is the fundamental wireless technology**

GrenTech is a leading Chinese developer of RF technology and products

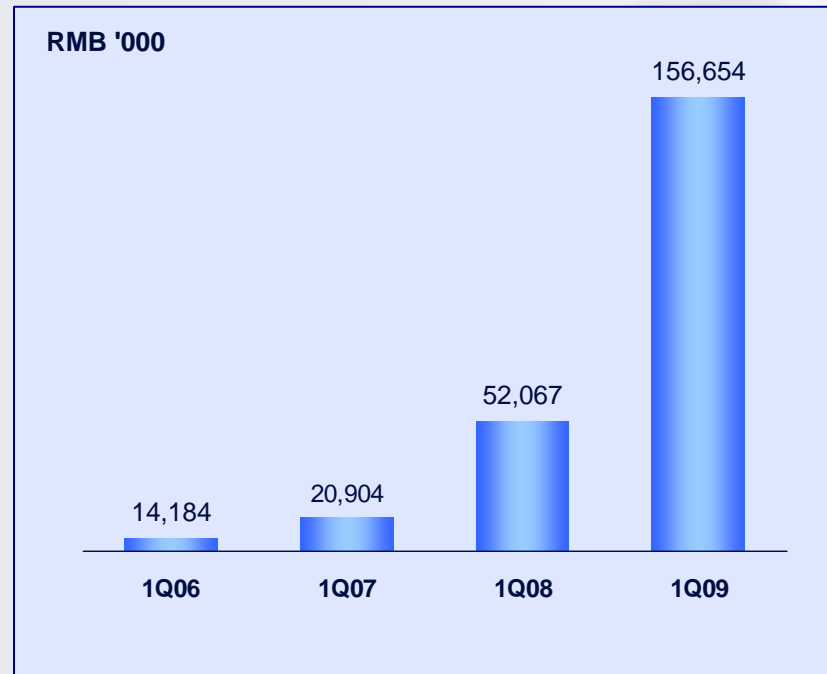
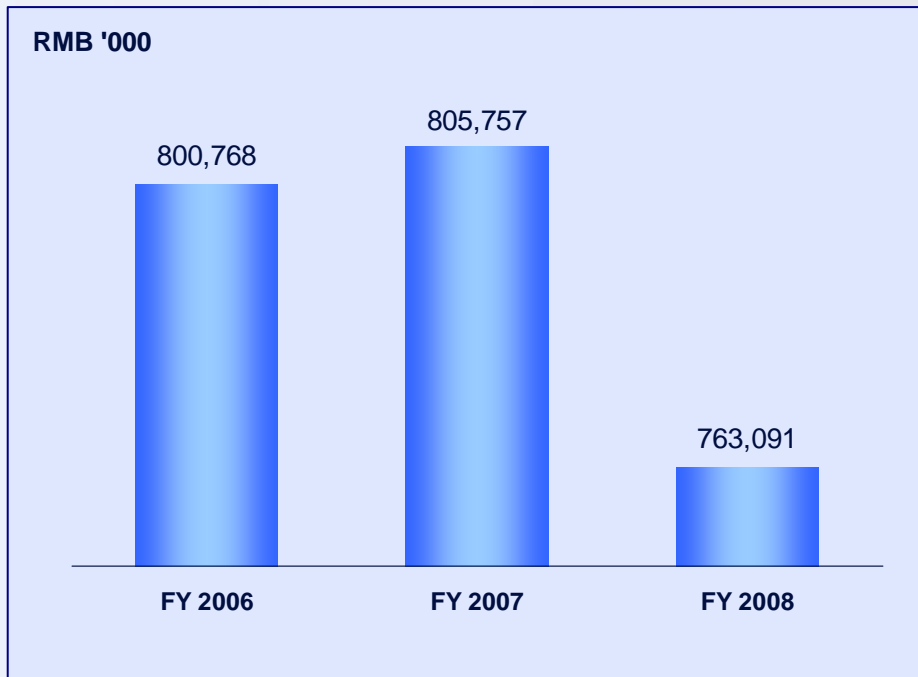


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# Wireless Coverage

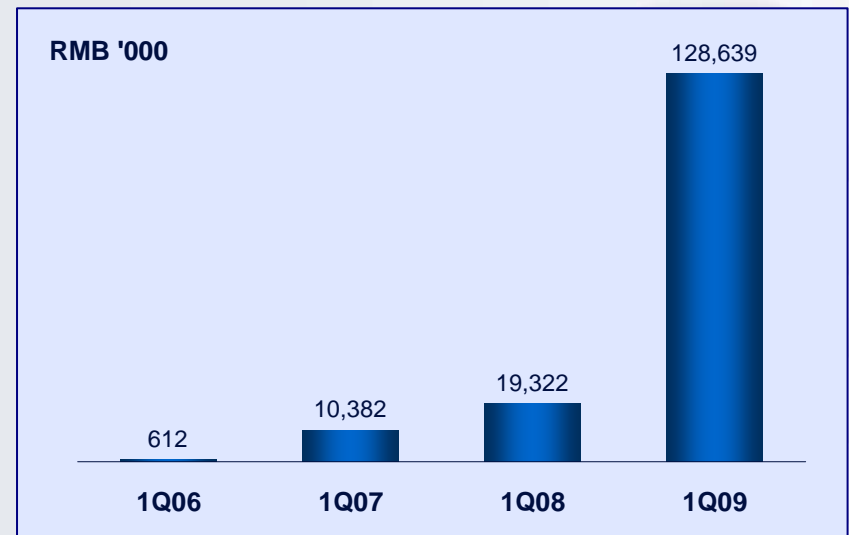
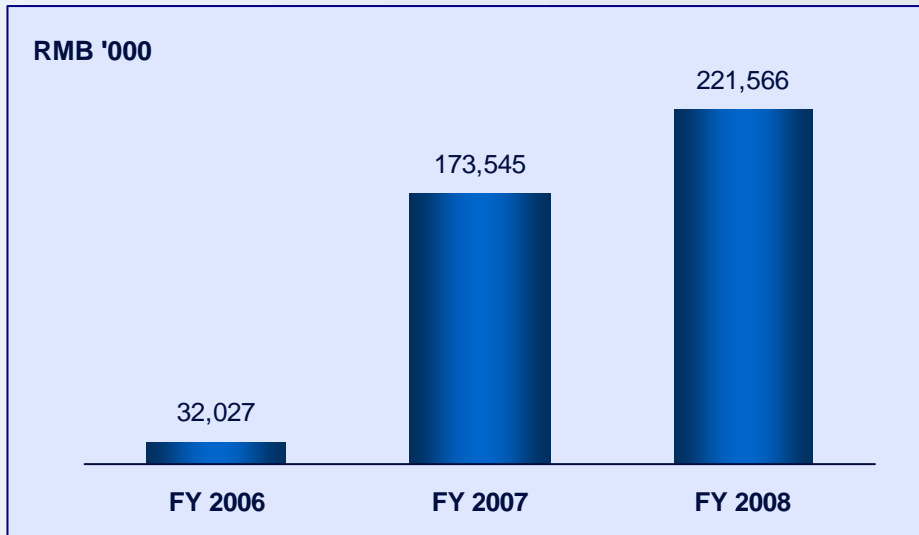
- Revenue grew by 200.9% year-over-year due to heavy network construction activity



- Issuance of 3G licenses and subsequent network construction rollout by the three telecommunication operators drive substantial growth
- Large-scale construction projects underway in China's tier one cities in the first quarter of 2009

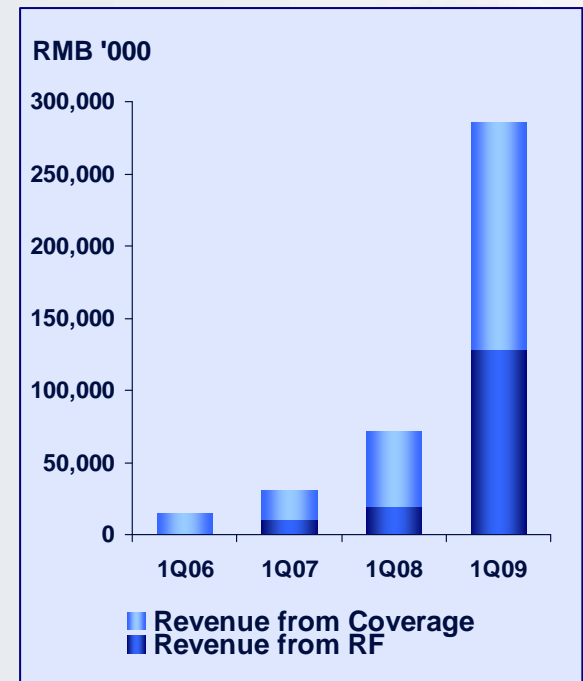
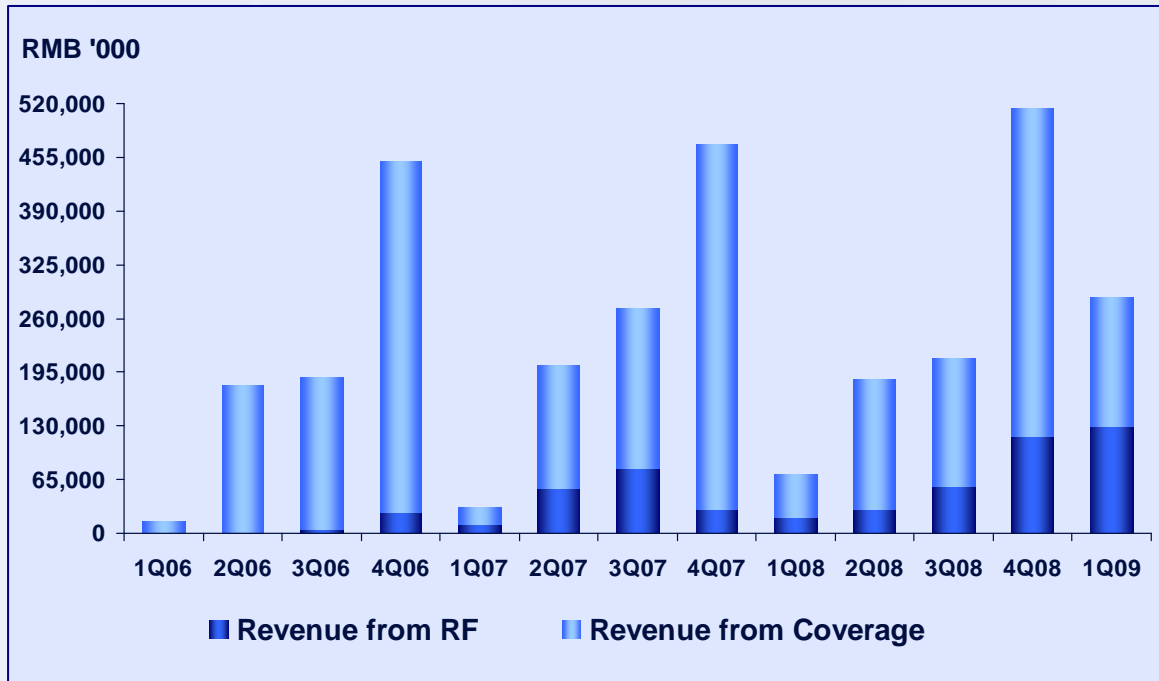
# Base Station RF

- Revenue growth of 565.8% year-over-year and further broadened revenue base



- First peak supply period for base stations for 3G network construction in China's first tier cities completed in the first quarter of 2009
- Peak supply period for base stations for 3G network construction in the second tier cities will begin after the announcement of base station procurement tender results, which is in process and yet to be announced
- Demand will remain strong in the coming quarters. However, the second quarter of 2009 is between the peak supply periods, and demand is expected to be weaker than the first quarter of 2009

# Revenue Significantly Improved Year-Over-Year

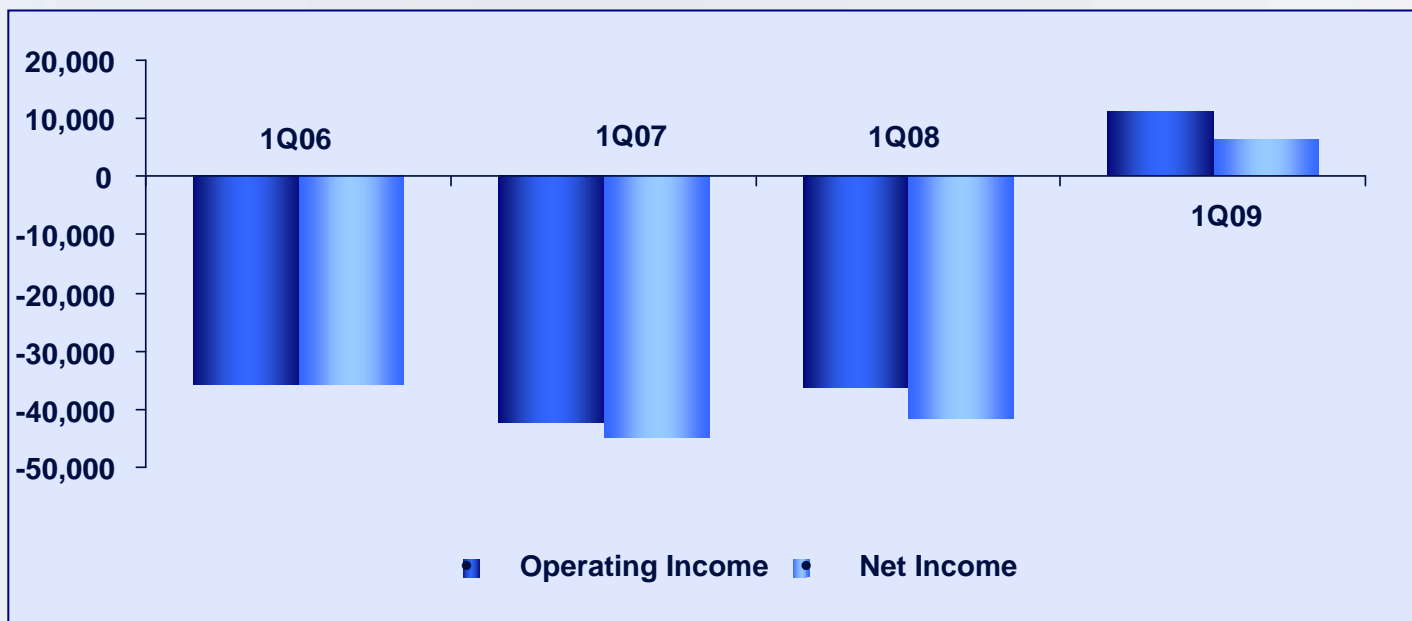


Q1 revenue results oppose typical seasonality patterns due to:

- Favorable market environment in the first quarter of 2009
- Significant increase in base station RF revenue, which contributed to 45% of total revenue in the first quarter of 2009 versus only 27% a year ago

# Positive Operating Income Achieved

- Higher sales and tight cost controls



Positive results achieved through:

- Substantial increase in revenue in the first quarter of 2009
- Tight cost controls

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# Income Statement

	For Three Months Ended March 31			
	2008 RMB Million	2009 RMB Million	2009 USD Million*	Change (in RMB terms)
Revenue	71.4	285.3	41.8	299.6%
Gross Profit	22.0	73.1	10.7	232.8%
Operating Income/(Loss)	(36.3)	11.0	1.6	-
Net Income/(Loss)	(41.5)	6.3	0.9	-
Net Income/(Loss) per ADS	RMB (1.69)	RMB 0.26	USD 0.04	-

\*Translated at US\$1.00=RMB6.8329

# Balance Sheet

	As of December 31, 2008 <i>RMB Million</i>	As of March 31,		Change <i>(in RMB terms)</i>
		2009 <i>RMB Million</i>	2009 <i>USD Million<sup>(3)</sup></i>	
Cash <sup>(1)</sup>	415.7	244.4	35.8	(41.2%)
Total A/R <sup>(2)</sup>	1,279.5	1,436.1	210.2	12.2%
Inventory	520.6	692.4	101.3	33.0%
Total Assets	2,866.6	3,065.2	448.6	6.9%
Current Liability	1,266.6	1,458.4	213.4	15.1%
Long-term Debt	130.0	130.0	19.0	-
Total Liabilities	1,401.4	1,593.2	233.2	13.7%
Shareholders' Equity	1,460.8	1,467.6	214.8	0.5%

(1)Cash = Cash, cash equivalents + pledged time deposits

(2)Total A/R= Accounts receivable, net + Long-term accounts receivable

(3)Translated at US\$1.00=RMB6.8329

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# Business Outlook

*- Continued momentum in wireless coverage business and weaker demand for base station RF modules in the second quarter of 2009*

## Wireless Coverage

- Rollout of 3G network construction in second tier cities expected to commence
- GrenTech expects growing demand for wireless coverage equipment and services, and continued revenue growth in the second quarter of 2009

## Base Station RF

- Peak supply period for base station RF modules only starts after the announcement of procurement tender results of base stations, which has yet to be announced
- GrenTech expects weaker market demand in the second quarter of 2009 as compared to the first quarter of 2009

## Guidance for First Quarter 2009

- Management estimates that revenue for second quarter of 2009 will range between RMB340 million and RMB380 million, a year-over-year increase of 83% to 104%



## Questions and Answers

