



*(NASDAQ:GRRF)*

## 2009 Second Quarter Results

**August 14, 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.

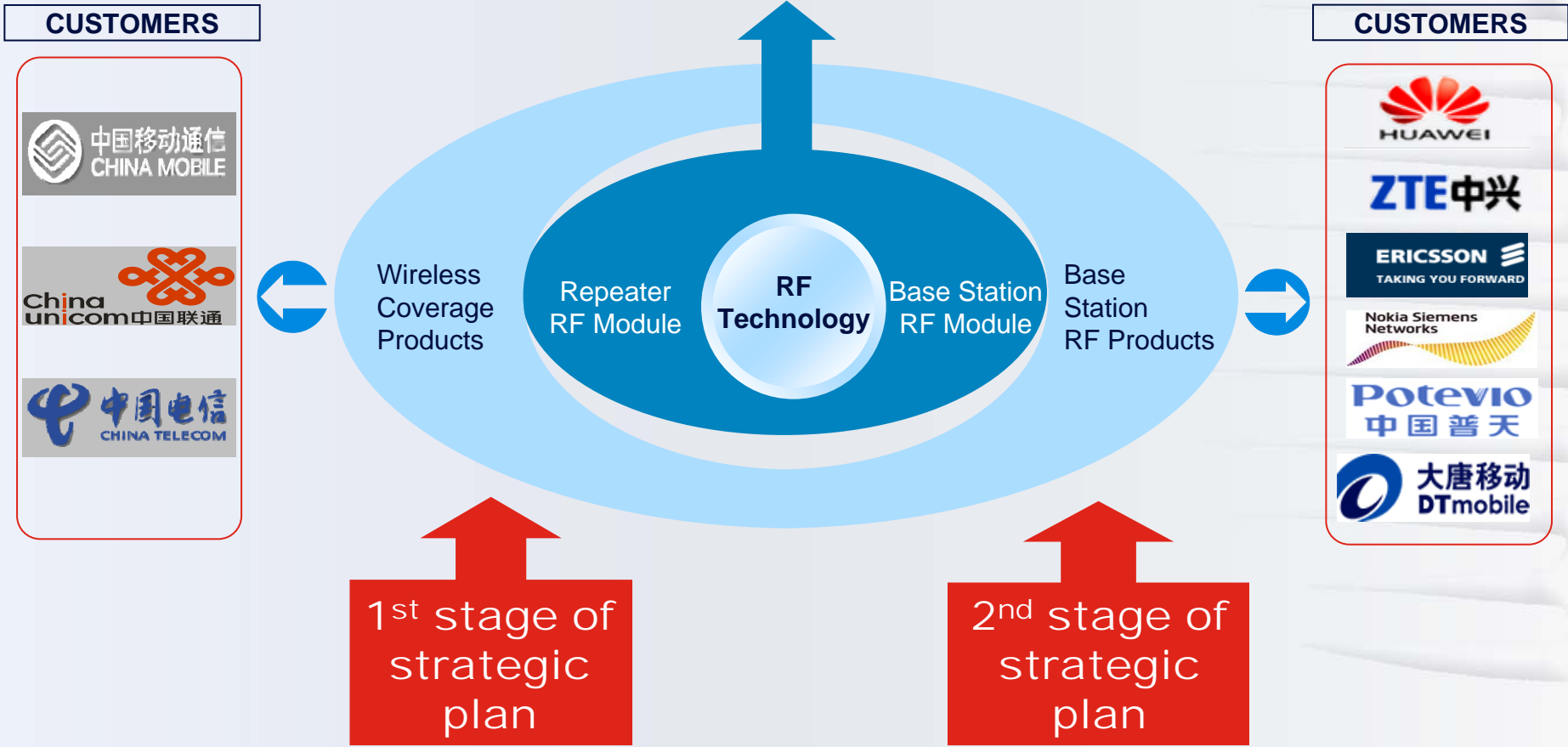
# Agenda

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

# The Company

- RF Technology Leadership Position Benefits from Customer Outsourcing Trends

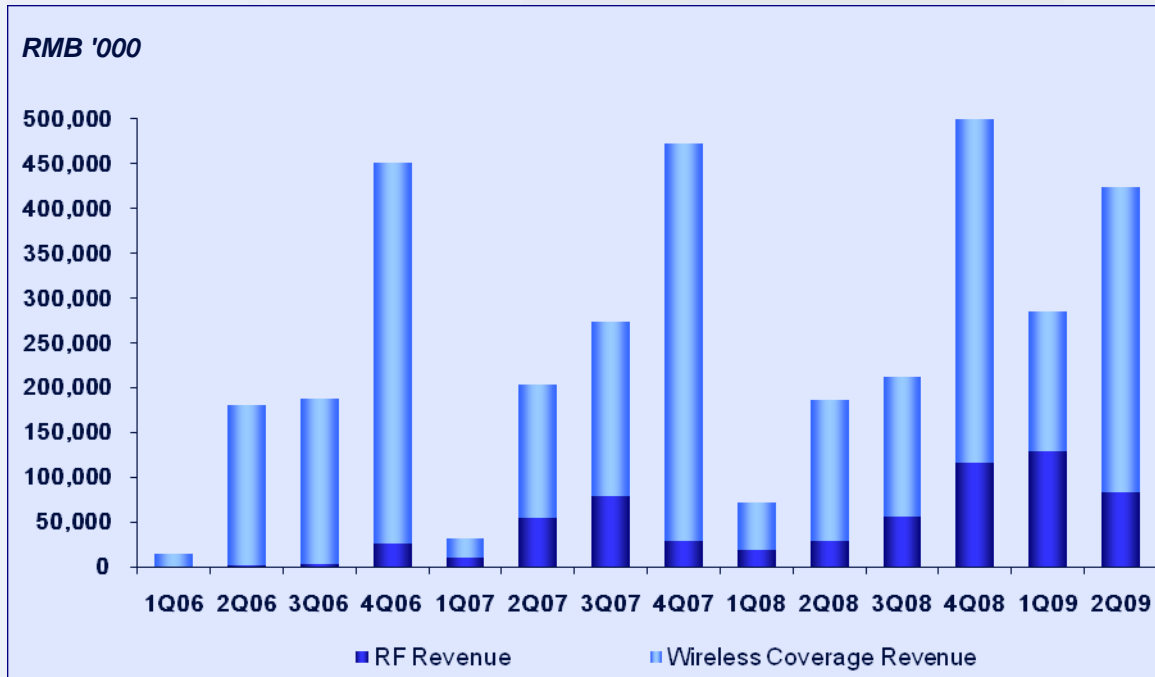
**RF technology is the fundamental wireless technology**  
GrenTech is a leading Chinese developer of RF technology and products



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# Revenue Significantly Improved Year-Over-Year

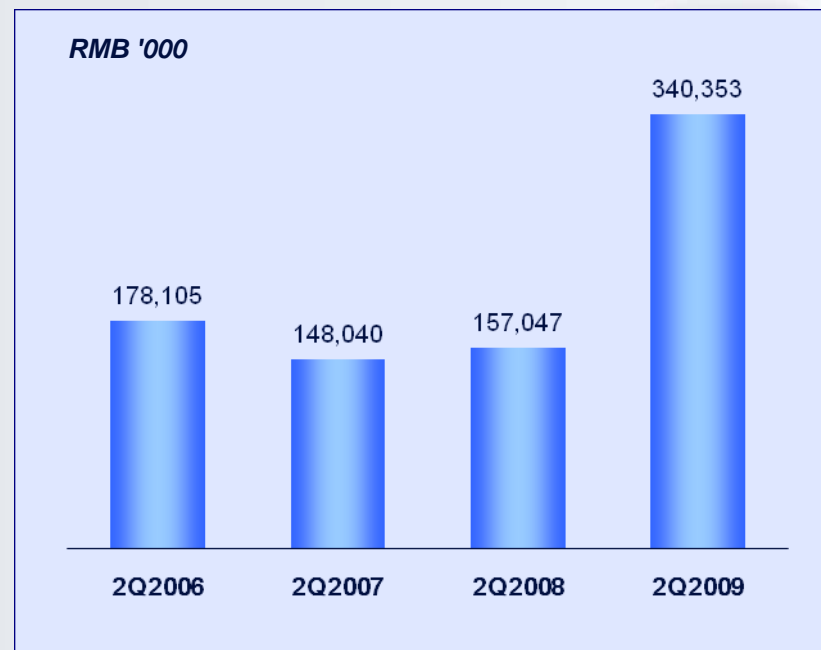
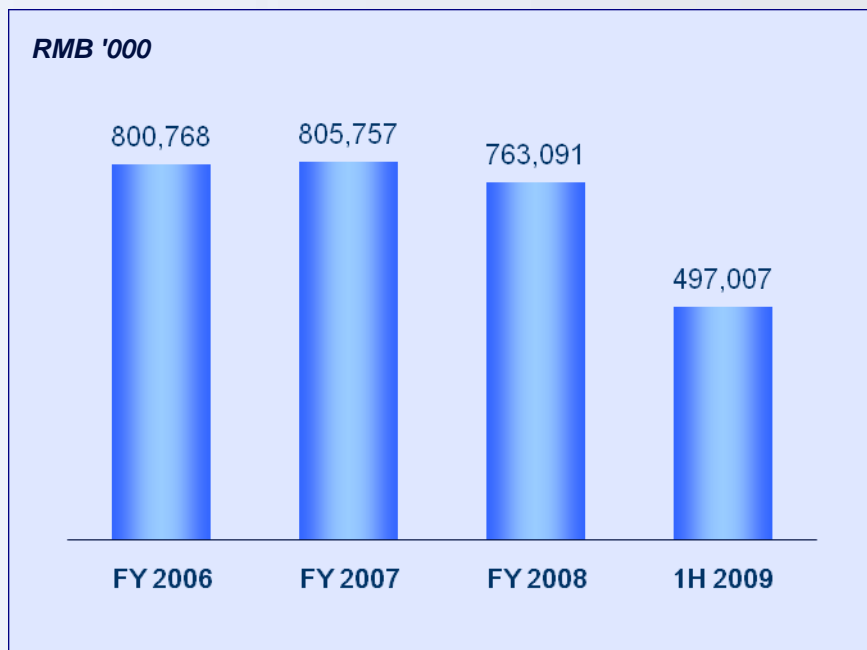


Q2 2009 was the strongest second quarter in our history as a result of:

- Strong demand for wireless coverage products and services.
- GrenTech's leading market position, well-established relationships with telecommunications operators and nationwide integration service network.

# Wireless Coverage

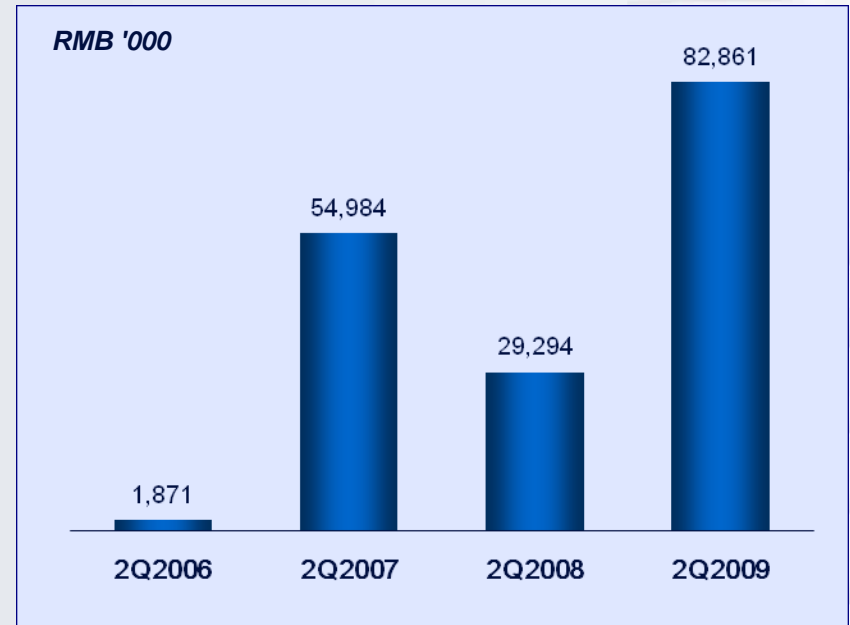
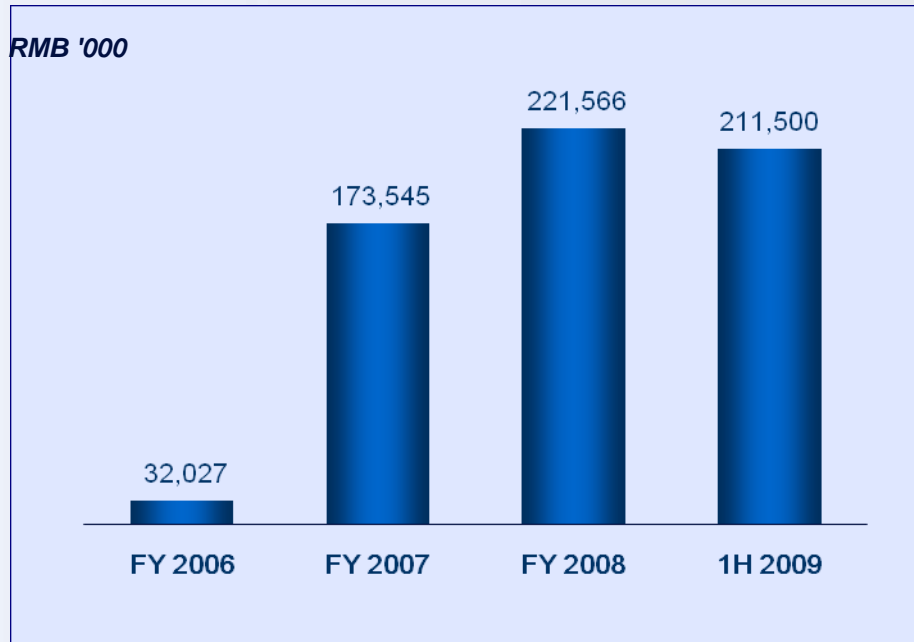
- Revenue Increased by 116.7% Year-over-year



- The key growth driver during the second quarter was strong demand from all three telecommunications operators.
- Revenue from China Unicom particularly robust as demand was bolstered by the quick pace of the operator's network coverage construction.

# Base Station RF

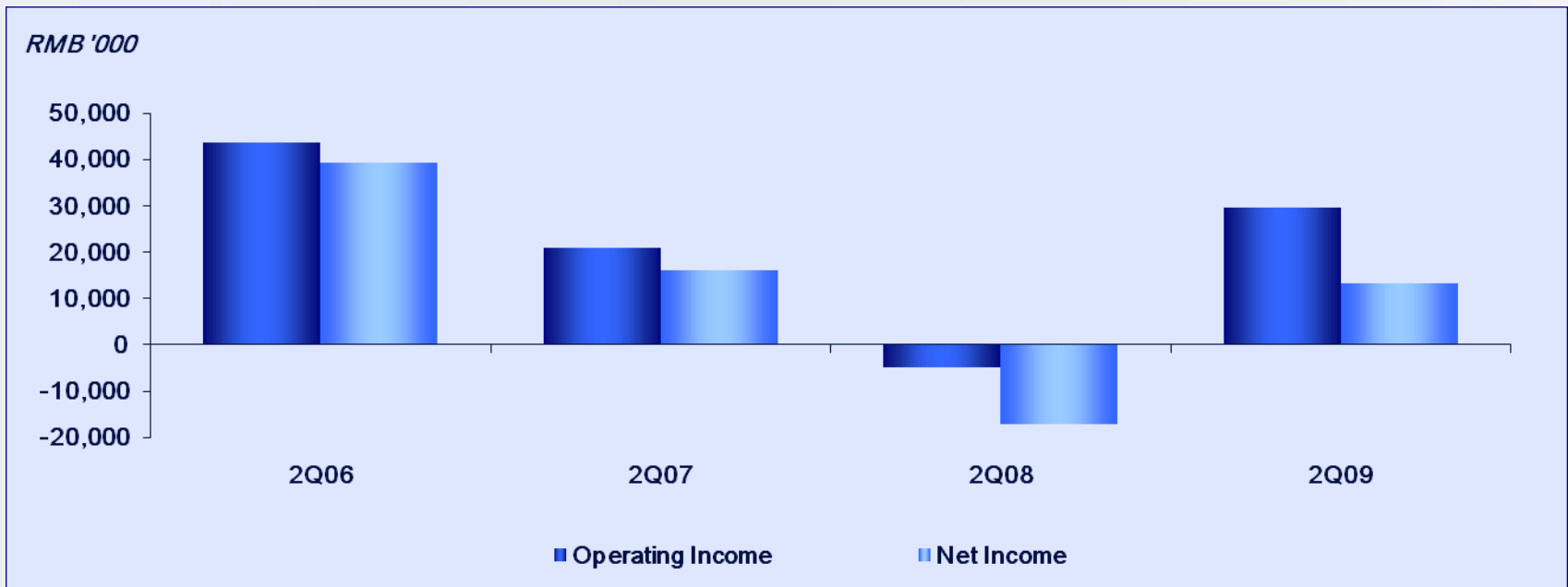
- Revenue increased by 182.9% year-over-year



- Revenue increased significantly year-over-year due to the 3G network construction projects in China.
- Revenue decreased quarter-over-quarter as expected due to the relative flat market demand in Q2 2009 as compared with the peak season in Q1 2009.

# Operating Income Returned to Positive

- Continued Revenue Growth and Tighter Cost Control



Our strategy to drive revenue growth and control costs delivered a quarter of strong results once again:

- Revenue increased by 127.1% year-over-year.
- Gross profit increased by 70.4% year-over-year.
- Positive operating and net income compared to losses in Q2 2008.

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# Income Statement

	For Three Months Ended June 30				For Six Months Ended June 30			
	2008 RMB Million	2009 RMB Million	2009 USD Million*	Change (in RMB terms)	2008 RMB Million	2009 RMB Million	2009 USD Million*	Change (in RMB terms)
Revenue	186.3	423.2	62.0	127.1%	257.7	708.5	103.7	174.9%
Gross Profit	62.1	105.9	15.5	70.4%	84.1	179.0	26.2	112.9%
Operating Income/(Loss)	(4.9)	29.6	4.3	-	(41.3)	40.6	5.9	-
Net Income/(Loss)	(17.0)	13.3	2.0	-	(58.6)	19.6	2.9	-
Net Income/(Loss) per ADS	RMB (0.69)	RMB 0.56	USD 0.08	-	RMB (2.38)	RMB 0.82	USD 0.12	-

\*Translated at US\$1.00=RMB6.8302

# Balance Sheet

	As of December 31, 2008 <i>RMB Million</i>	As of June 30,		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	332.1	48.6	(20.1%)
Total A/R <sup>(2)</sup>	1,279.5	1,517.1	222.1	18.6%
Inventory	520.6	817.3	119.7	57.0%
Total Assets	2,839.0	3,334.2	488.2	17.4%
Current Liability	1,266.6	1,766.3	258.6	39.4%
Long-term Debt	130.0	110.0	16.1	(15.4%)
Total Liabilities	1,401.4	1,881.0	275.4	34.2%
Shareholders' Equity	1,433.2	1,448.9	212.1	1.1%

(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=RMB6.8302

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# Business Outlook

## Wireless Coverage

Revenue from wireless coverage in Q3 2009 is expected to increase significantly over Q3 2008

- Continued strong demand from telecommunications operators.
- Placed in top positions in China Telecom's centralized equipment bid, and maintained leading market share in both China Unicom and China Mobile's equipment bids.
- Established nationwide integration service network with the largest and most experienced project services teams in China.

## RF Products

Demand for base station RF products in Q3 2009 is expected to increase significantly over Q3 2008

- Won the recent procurement bids for the second half of 2009 from the two largest domestic base station manufacturers and obtained a larger share of contract value.
- Continue to be the key supplier of CDMA and WCDMA base station RF modules for these two domestic base station manufacturers.
- Began bulk supply of Remote Radio Unit ("RRU") products to the other two domestic base station manufacturers after the commencement of TD Phase III network construction in the third quarter 2009.

- Management estimates that revenue for third quarter 2009 will range between RMB380 million and RMB420 million, a year-over-year increase of 78.8% to 97.7%.



## Questions and Answers

