

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
POWERWAVE OVERSEAS HOLDINGS LIMITED**



POWERWAVE OVERSEAS HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008**

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POWERWAVE OVERSEAS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

DIRECTORS: R J Buschur
K Michaels

SECRETARY: P Tarnofsky

REGISTERED OFFICE: Unit 3 Jubilee Way
Thackley Old Road
Shipley
West Yorkshire
BD18 1QG

REGISTERED NUMBER: 5298744 (England and Wales)

AUDITORS: John Davis & Co
172 Gloucester Road
Bristol
BS7 8NU

POWERWAVE OVERSEAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company for overseas subsidiaries.

REVIEW OF BUSINESS

The results for the year and the financial position of the company are shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

R J Buschur
K Michaels

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POWERWAVE OVERSEAS HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, John Davis & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
K Michaels - Director

Date: 9/24/2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF POWERWAVE OVERSEAS HOLDINGS LIMITED

We have audited the financial statements of Powerwave Overseas Holdings Limited for the year ended 31 December 2008 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
POWERWAVE OVERSEAS HOLDINGS LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

John Davis & Co.

John Davis & Co
Registered Auditors
172 Gloucester Road
Bristol
BS7 8NU

Date: 24/9/09

POWERWAVE OVERSEAS HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	31.12.08 £	31.12.07 £
TURNOVER		-	-
Administrative expenses		<u>(1,563)</u>	<u>1,250</u>
OPERATING PROFIT/(LOSS)	3	1,563	(1,250)
Interest receivable and similar income		<u>31,643</u>	<u>-</u>
		33,206	(1,250)
Amounts written off investments	4	<u>-</u>	<u>36,972,254</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		33,206	(36,973,504)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>33,206</u>	<u>(36,973,504)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

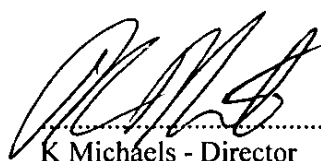
The notes form part of these financial statements

POWERWAVE OVERSEAS HOLDINGS LIMITED

**BALANCE SHEET
31 DECEMBER 2008**

	Notes	31.12.08 £	31.12.07 £
FIXED ASSETS			
Intangible assets	6	-	3,437
Investments	7	<u>45,117,359</u>	<u>55,141,698</u>
		45,117,359	55,145,135
CURRENT ASSETS			
Debtors	8	3,529,193	1,683,468
CREDITORS			
Amounts falling due within one year	9	<u>3,971,327</u>	<u>19,697,063</u>
NET CURRENT LIABILITIES		<u>(442,134)</u>	<u>(18,013,595)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,675,225</u>	<u>37,131,540</u>
CAPITAL AND RESERVES			
Called up share capital	10	26,662,270	20,737,109
Profit and loss account	11	<u>18,012,955</u>	<u>16,394,431</u>
SHAREHOLDERS' FUNDS	12	<u>44,675,225</u>	<u>37,131,540</u>

The financial statements were approved by the Board of Directors on 9/24/2009
and were signed on its behalf by:


.....
K Michaels - Director

The notes form part of these financial statements

POWERWAVE OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2008 nor for the year ended 31 December 2007.

3. OPERATING PROFIT/(LOSS)

The operating profit (2007 - operating loss) is stated after charging/(crediting):

	31.12.08	31.12.07
	£	£
Profit on disposal of fixed assets	(2,605)	-
Goodwill amortisation	<u>1,042</u>	<u>1,250</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.08	31.12.07
	£	£
Amounts written off subsidiary investments	<u>-</u>	<u>36,972,254</u>

POWERWAVE OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007.

Factors affecting the tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.08 £	31.12.07 £
Profit/(loss) on ordinary activities before tax	<u>33,206</u>	<u>(36,973,504)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.500%	9,463	(11,092,051)
Effects of:		
Expenses not deductible for tax purposes	0	11,091,676
(Utilisation of)/increase in tax losses	(446)	375
Group relief claimed	(9,017)	0
Adjustments to tax charge in respect of previous periods	0	0
	<u>0</u>	<u>0</u>
Current tax charge for the period	<u>0</u>	<u>0</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2008	5,000
Disposals	<u>(5,000)</u>
At 31 December 2008	-
AMORTISATION	
At 1 January 2008	1,563
Amortisation for year	1,042
Eliminated on disposal	<u>(2,605)</u>
At 31 December 2008	-
NET BOOK VALUE	
At 31 December 2008	-
At 31 December 2007	<u>3,437</u>

POWERWAVE OVERSEAS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST OR VALUATION	
At 1 January 2008	117,113,952
Additions	5,925,161
Disposals	<u>(52,921,754)</u>
At 31 December 2008	<u>70,117,359</u>
PROVISIONS	
At 1 January 2008	61,972,254
Eliminated on disposal	<u>(36,972,254)</u>
At 31 December 2008	<u>25,000,000</u>
NET BOOK VALUE	
At 31 December 2008	<u>45,117,359</u>
At 31 December 2007	<u>55,141,698</u>

POWERWAVE OVERSEAS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Filtronic (Suzhou) Telecommunication Products Co. Ltd.

Country of incorporation: China

Nature of business: Manufacture of microwave products

	%
Class of shares:	holding
£1 ordinary shares	100.00

Powerwave Comtek Oy

Country of incorporation: Finland

Nature of business: Design and manufacture of microwave products

	%
Class of shares:	holding
3,364 ordinary shares	100.00

Powerwave Comtek (Hungary) Kft

Country of incorporation: Hungary

Nature of business: Manufacture of microwave products

	%
Class of shares:	holding
Ft1 ordinary shares	100.00

POWERWAVE OVERSEAS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. FIXED ASSET INVESTMENTS - continued

REMEC Wireless Telecommunications (Shanghai) Co. Ltd

Country of incorporation: China

Nature of business: Design and manufacture of microwave products

	%
Class of shares:	holding
Ordinary	100.00

Powerwave Technologies (Wuxi) Co. Ltd

Country of incorporation: China

Nature of business: Manufacture of microwave products

	%
Class of shares:	holding
Ordinary	100.00

Powerwave Finland OY

Country of incorporation: Finland

Nature of business: Design of microwave products

	%
Class of shares:	holding
Ordinary	100.00

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Amounts owed by group undertakings	<u>3,529,193</u>	<u>1,683,468</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Amounts owed to group undertakings	<u>3,971,327</u>	<u>19,697,063</u>

POWERWAVE OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008

10. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	31.12.08 31.12.07
		£	£
125,000,000	Ordinary	£1	<u>125,000,000</u> <u>125,000,000</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	31.12.08 31.12.07
		£	£
26,662,270	Ordinary	£1	<u>26,662,270</u> <u>20,737,109</u>

11. RESERVES

	Profit & Loss £
At 1 January 2008	16,394,431
Profit for the year	33,206
2006 dividend overstated	<u>1,585,318</u>
At 31 December 2008	<u>18,012,955</u>

12. HOLDING COMPANY

The company is controlled by Powerwave China Holdings SRL (Barbados) which owns 82.3% of the share capital. The remaining 17.7% of the share capital is owned by Powerwave Technologies Sweden AB.