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ANDREW INDUSTRIES (HONG KONG) LIMITED

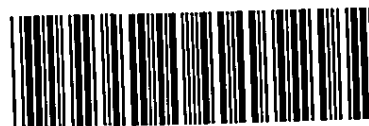
(Incorporated in Hong Kong with limited liability)

Directors' Report and

Financial Statements

For the year ended 31 March 2012

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ANDREW INDUSTRIES (HONG KONG) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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ANDREW INDUSTRIES (HONG KONG) LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in note 11 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 March 2012 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 to 29.

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2012

RESERVES

Details of the movements in reserves of the Company during the year are set out in page 7 to the financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows

Edward Duxbury Andrew
Ian Burnham Lord
Ian Frederck Leeder Kenyon

There being no provision in the Company's Articles of Association to the contrary, all directors continue in office for the forthcoming year

ANDREW INDUSTRIES (HONG KONG) LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company, its parent, subsidiaries or any of its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.


DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its parent, subsidiary or any of its fellow subsidiaries a party to any arrangements to enable a director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate.

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint the auditor, BDO Limited.

On behalf of the Board



Director

England, 5 July 2012

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ANDREW INDUSTRIES (HONG KONG) LIMITED**

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Andrew Industries (Hong Kong) Limited (the "Company") set out on pages 5 to 29, which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ANDREW INDUSTRIES (HONG KONG) LIMITED**

(incorporated in Hong Kong with limited liability)

Basis for adverse opinion

As explained in note 3(a) and 11 to the financial statements, the Company has not prepared consolidated financial statements. The Company is not required to prepare group accounts under sec 124(2)(a) of the Hong Kong Companies Ordinance as it is a wholly-owned subsidiary of another body corporate. However, consolidated financial statements that are available for public use and comply with either Hong Kong Financial Reporting Standards or International Financial Reporting Standards have not been prepared by any parent of the Company. In our opinion, the Company is required to prepare consolidated financial statements in accordance with Hong Kong Accounting Standard 27 "Consolidated and Separate Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants. Had the subsidiaries of the Company been consolidated, many elements in the financial statements would have been materially affected. The effects on the financial statements of the failure to consolidate the subsidiaries' financial statements have not been determined.

Adverse opinion

In our opinion, because of the significance of the matter discussed in Basis for adverse opinion paragraph, the financial statements do not give a true and fair view of the state of affairs of the Group as at 31 March 2012 and of its results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2012 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants
Lee Ka Leung, Daniel
Practising Certificate Number P01220

Hong Kong, 5 July 2012

ANDREW INDUSTRIES (HONG KONG) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012


	Notes	2012 HK\$	2011 HK\$
Turnover	5	-	-
Other income	6	389,064	357,590
Administration expenses		(82,100)	(28,517)
Finance costs	7	<u>(1,423,104)</u>	<u>(1,210,898)</u>
Loss before income tax expense	8	(1,116,140)	(881,825)
Income tax expense	9	<u>-</u>	<u>-</u>
Loss and total comprehensive income for the year		<u><u>(1,116,140)</u></u>	<u><u>(881,825)</u></u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

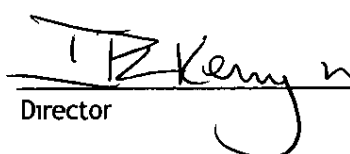
**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

	Notes	2012 HK\$	2011 HK\$
Non-current assets			
Investments in subsidiaries	11	<u>109,577,915</u>	<u>109,157,915</u>
Current assets			
Deposits and prepayments		13,600	-
Cash and cash equivalents		<u>34,860</u>	<u>63,975</u>
Total current assets		<u>48,460</u>	<u>63,975</u>
Current liabilities			
Accruals		35,000	18,400
Other payables		-	7,778,000
Amount due to ultimate parent	12	<u>70,124,343</u>	<u>60,842,318</u>
Total current liabilities		<u>70,159,343</u>	<u>68,638,718</u>
Net current liabilities		<u>(70,110,883)</u>	<u>(68,574,743)</u>
NET ASSETS		<u>39,467,032</u>	<u>40,583,172</u>
Capital and reserves			
Share capital	13	55,000,000	55,000,000
Accumulated losses		<u>(15,532,968)</u>	<u>(14,416,828)</u>
TOTAL EQUITY		<u>39,467,032</u>	<u>40,583,172</u>

On behalf of the Board



Director



Director

ANDREW INDUSTRIES (HONG KONG) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012**

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
Balance at 1 April 2010	55,000,000	(13,535,003)	41,464,997
Loss and total comprehensive income for the year	<u>-</u>	<u>(881,825)</u>	<u>(881,825)</u>
Balance at 31 March 2011 and 1 April 2011	55,000,000	(14,416,828)	40,583,172
Loss and total comprehensive income for the year	<u>-</u>	<u>(1,116,140)</u>	<u>(1,116,140)</u>
Balance at 31 March 2012	<u>55,000,000</u>	<u>(15,532,968)</u>	<u>39,467,032</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 HK\$	2011 HK\$
Cash flows from operating activities			
Loss before income tax expense		(1,116,140)	(881,825)
Adjustments for:			
Interest expenses		1,423,104	1,210,898
Tax relief		<u>(389,064)</u>	<u>(356,886)</u>
Operating loss before working capital changes		(82,100)	(27,813)
Increase in deposits and prepayments		(13,600)	-
Increase in accruals		<u>16,600</u>	<u>200</u>
Net cash used in operating activities		<u>.. (79,100)</u>	<u>.. (27,613)</u>
Financing activities			
Advance from ultimate parent	18	50,000	46,653
Interest paid		<u>(15)</u>	<u>-</u>
Net cash from financial activities		<u><u>49,985</u></u>	<u><u>46,653</u></u>
Net (decrease)/increase in cash and cash equivalents		(29,115)	19,040
Cash and cash equivalents at beginning of year		<u>63,975</u>	<u>44,935</u>
Cash and cash equivalents at end of year, representing by Cash and bank balances		<u><u>34,860</u></u>	<u><u>63,975</u></u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2012

1. GENERAL

Andrew Industries (Hong Kong) Limited (the "Company") is a limited liability company incorporated in Hong Kong. Its registered office is at 29/F, Wing On Centre, 111 Connaught Road Central, Hong Kong and principal place of business is at Walton House, Syke Side Drive, Accrington, BB5 5YE, England.

The Company's principal activity continues to be investment holding.

The Company's ultimate parent is Andrew Industries Limited (incorporated in United Kingdom).

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new / revised HKFRSs - effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) - Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new / revised standards and interpretations has no material impact on the Company's financial statements.

HKAS 24 (Revised) - Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Company has reassessed the identification of its related parties in accordance with the revised definition and concluded that the adoption of HKAS 24 (Revised) has no impact on the Company's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Company and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Company because the Company is not a government related entity.

ANDREW INDUSTRIES (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") -
Continued

(b) New / revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the company's financial statements, have been issued, but are not yet effective and have not been early adopted by the company

Amendments to HKFRS 7	Disclosures - Transfers of Financial Assets ¹
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HKAS 27 (2011)	Separate Financial Statements ³

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 July 2012

³ Effective for annual periods beginning on or after 1 January 2013

Amendments to HKFRS 7 - Disclosures - Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period

Amendments to HKAS 1 (Revised) - Presentation of Items of Other
Comprehensive Income

The amendments to HKAS 1 (Revised) require the Company to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) -
Continued**

**(b) New / revised HKFRSs that have been issued but are not yet effective -
Continued**

HKFRS 9 - Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 - Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Company and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) -
Continued**

**(b) New / revised HKFRSs that have been issued but are not yet effective -
Continued**

HKFRS 13 - Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Company is in the process of making an assessment of the potential impact of these new / revised HKFRSs and the directors so far concluded that the application of these new / revised HKFRSs will have no material impact on the Company’s financial statements/the directors are not yet in a position to quantify the effects on the Company’s financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and by the Hong Kong Companies Ordinance, except for HKAS 27 “Consolidated and Separate Financial Statements”

The Company is a wholly-owned subsidiary of another body corporate and, in accordance with section 124(2)(a) of the Hong Kong Companies Ordinance, is not required to prepare group financial statements

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

3. BASIS OF PREPARATION - Continued

(a) Statement of compliance -Continued

However, consolidated financial statements available for public use, which comply either with HKFRSs or International Financial Reporting Standards, have not been prepared by any parent of the Company.

These financial statements therefore do not comply with HKAS 27 "Consolidated and Separate Financial Statements", so far as the preparation of consolidated financial statements is concerned. As a consequence, the financial statements do not give all the information required by HKAS 27 about the economic activities of the group of which the Company is the parent.

(b) Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis.

During the year, the Company has incurred a loss of HK\$1,116,140 and at the end of reporting period, its current liabilities exceeded its current assets by HK\$70,110,883. The ultimate parent have undertaken to provide continuing financial support, including not to recall the amount due to them until the Company is solvent, in order to maintain the Company as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES

(a) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Financial instruments

(i) Financial assets

The Company classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(b) Financial instruments - Continued

(ii) Impairment loss on financial assets

The Company assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments,
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation

An impairment loss for loans and receivables is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(b) Financial instruments - Continued

(iii) Financial liabilities

The Company classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39

(c) Revenue recognition

Dividend income is recognised when the right to receive the dividend is established

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(d) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(e) Foreign currency

Transactions entered into by the Company in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(f) Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(g) Related parties

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of key management personnel of the Company or the Company's parent

(b) An entity is related to the Company if any of the following conditions apply:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a)
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner,
- (ii) children of that person's spouse or domestic partner, and
- (iii) dependents of that person or that person's spouse or domestic partner

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5. TURNOVER

The Company did not generate any turnover during the year

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

6. OTHER INCOME

	2012 HK\$	2011 HK\$
Share of tax relief of fellow subsidiaries in United Kingdom	389,064	356,886
Exchange gains	<u>-</u>	<u>704</u>
	<u>389,064</u>	<u>357,590</u>

7. FINANCE COSTS

	2012 HK\$	2011 HK\$
Interest charged by the ultimate parent	1,423,089	1,210,898
Bank interest expense	<u>15</u>	<u>-</u>
	<u>1,423,104</u>	<u>1,210,898</u>

8. LOSS BEFORE INCOME TAX EXPENSE

	2012 HK\$	2011 HK\$
Loss before income tax expense is arrived at after charging:		
Auditor's remunerations	20,600	18,400
Exchange losses	<u>40</u>	<u>-</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

9. INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax has been made in the financial statements as there are no assessable profits for the year
- (b) The income tax expense for the year can be reconciled to the loss before income tax expense per statement of comprehensive income as follows:

	2012 HK\$	2011 HK\$
Loss before income tax expense	<u>(1,116,140)</u>	<u>(881,825)</u>
Tax calculated at the Hong Kong profits tax rate of 16.5% (2011: 16.5%)	(184,163)	(145,501)
Tax effect of expenses not deductible for tax purposes	248,359	204,503
Tax effect of revenue not taxable for tax purposes	<u>(64,196)</u>	<u>(59,002)</u>
Income tax expense	<u>-</u>	<u>-</u>

- (c) No provision for deferred income tax has been recognised in the financial statements as there is no significant temporary difference for tax purposes

10. DIRECTORS' EMOLUMENTS

The aggregate amounts of the directors' emoluments, disclosed pursuant to Section 161 of the Companies Ordinance, are as follows

	2012 HK\$	2011 HK\$
Directors' remuneration:		
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

11. INVESTMENTS IN SUBSIDIARIES

	2012 HK\$	2011 HK\$
Unlisted investments, at cost	<u>109,577,915</u>	<u>109,157,915</u>

Details of the subsidiaries as follows.

Name	Place of incorporation and operation	Registered capital	Percentage of holding directly	Principal activity
Andrew Industrial Textile Manufacturing Company (Shanghai) Limited	The People's Republic of China (the "PRC")	US\$13,320,000	100%	Manufacturing and trading of special textile products and providing related technical services
Andrew Industrial Textile (Wuxi) Company Ltd	The PRC	US\$11,058,000	100%	Development, manufacturing, marketing and sale of filtration media for air filtration applications

During the year, the Company paid additional registered capital of HK\$420,000 to the subsidiary, Andrew Industrial Textile (Wuxi) Company Ltd. The amount is paid on behalf by the Company's ultimate parent.

Statement pursuant to paragraph 18(4) of the Tenth Schedule of the Hong Kong Companies Ordinance

Consolidated financial statements of the Company and its subsidiaries have not been prepared in accordance with HKAS 27 "Consolidated and Separate Financial Statements". In the opinion of the directors, such preparation would involve expense and delay out of proportion to the value to shareholder of the Company.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

11. INVESTMENTS IN SUBSIDIARIES - Continued

The aggregate amount of post-acquisition profit/(loss) of the subsidiary attributable to the Company based on the financial statements is as follows:

	Current year HK\$	Prior years HK\$	Exchange difference HK\$	Total HK\$
Dealt with in the financial statements	-	-	-	-
Not dealt with in the financial statements	1,716,162	(6,284,644)	(215,941)	(4,784,423)
	<u>1,716,162</u>	<u>(6,284,644)</u>	<u>(215,941)</u>	<u>(4,784,423)</u>

12. AMOUNT DUE TO ULTIMATE PARENT

The amount is unsecured and repayable on demand. Except for an amount of HK\$67,764,583 (2011: HK\$59,516,583) which is interest bearing at 2.3% interest rate per annum, the remaining balance is interest-free.

13. SHARE CAPITAL

(a) **Authorised and issued share capital**

	2012 HK\$	2011 HK\$
Authorised:		
100,000,000 ordinary shares of HK\$1 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
55,000,000 ordinary shares of HK\$1 each	<u>55,000,000</u>	<u>55,000,000</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

13. SHARE CAPITAL - Continued

(b) Capital management policy

The Company regards the equity attributable to equity holders of the Company as its capital. The Company's objectives when managing capital are to finance its operations with its own capital and to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company assess the annual budget prepared by the finance department. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital.

14. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Company is exposed through its operations to the market risk (interest rate risk and foreign currency risk) and liquidity risk from its use of financial instruments in the normal course of business.

(a) Market risk

i) Interest rate risk

The Company is exposed to interest rate risk in a short term variable-rate on amount due to the ultimate parent. Management monitors the related interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise.

The following table indicates the approximate change in the profit after tax in response to reasonably possible changes in an interest rate to which the company has significant exposure at the reporting date. In determining the effect on profit after tax on the next accounting period until next reporting date, we assume that the change in interest rate had occurred.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

14. FINANCIAL INSTRUMENTS - RISK MANAGEMENT - Continued

(a) Market risk - Continued

1) Interest rate risk - Continued

At the reporting date and all other variables remain constant. There is no change in the methods and assumptions used in 2012 and 2011.

	2012 HK\$	2011 HK\$
Effect on profit after tax		
<i>HIBOR</i>		
Increase by 100 basis points	(677,000)	(596,000)
Decrease by 100 basis points	<u>677,000</u>	<u>596,000</u>

11) Foreign currency risk

The Company has some assets and liabilities and transactions denominated in foreign currency and is exposed to foreign currency risk. The Company currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Foreign currency risk also arises when individual Company operations enter into transactions denominated in a currency other than their functional currency.

The carrying amounts of the Company's foreign currency denominated monetary financial assets and liabilities at the reporting date are as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Great British Pound	<u>11,413</u>	<u>11,845</u>	<u>70,124,343</u>	<u>60,842,318</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

14. FINANCIAL INSTRUMENTS - RISK MANAGEMENT - Continued

(a) Market risk - Continued

ii) Foreign currency risk - Continued

Sensitivity analysis

The sensitivity analysis on foreign currency risk includes monetary financial assets and liabilities that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The following tables indicate the approximate effect on the profit after tax in the next accounting period at one year after reporting date in response to reasonably possible changes in an exchange rate to which the Company has significant exposure at the reporting date.

	2012 Effect on profit after tax HK\$	2011 Effect on profit after tax HK\$
GBP to HK\$:		
Appreciates by 8% (2011: 9%)	(4,683,393)	(5,474,743)
Depreciates by 8% (2011: 9%)	<u>4,683,393</u>	<u>5,474,743</u>

(b) Liquidity risk

The Company's objective is to ensure there are adequate funds to meet commitments associated with its financial liabilities. Cash flows of the Company are closely monitored by senior management on an ongoing basis.

Its major creditor is its ultimate parent who has confirmed its continuing financial support to the Company.

The contractual maturities of financial liabilities are shown as below:

	2012 HK\$	2011 HK\$
In less than one year	<u>71,717,928</u>	<u>70,405,815</u>

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

15. FINANCIAL INSTRUMENTS -CARRYING AMOUNT AND FAIR VALUE

The directors of the Company considered that the carrying amounts of the financial assets and financial liabilities approximate their fair value.

16. RELATED PARTY TRANSACTIONS

Key management personnel are the directors of the Company and the details of directors' remuneration are given in note 10 to the financial statements. Other significant related party transactions during the year are as follows

	2012 HK\$	2011 HK\$
Interest expense charged by the ultimate parent	1,423,089	1,210,898
Share of tax relief of fellow subsidiaries in United Kingdom	<u>389,064</u>	<u>356,886</u>

17. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies which are described in note 4, management has made the following judgments that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year, are also discussed below.

Impairment of investments in subsidiaries

The Company's management assesses the recoverability of the investments in subsidiaries at the end of each reporting period. The assessment is based on the estimate on the financial status of the subsidiaries' ability to repay their obligations when they fall due.

ANDREW INDUSTRIES (HONG KONG) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012**

18. MAJOR NON-CASH TRANSACTIONS

- (a) During the year, the Company's share of relief of fellow subsidiaries in United Kingdom amounted to HK\$389,064 (2011: HK\$356,886) was settled through the current account with the ultimate parent
- (b) During the year, amount of HK\$1,423,089 (2011: HK\$1,210,898) interest expense to the ultimate parent was settled through the current account with the ultimate parent
- (c) During the year, the Company settled the other payables of HK\$7,778,000 through the current account with the ultimate parent

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 5 July 2012

OS AA01

Statement of details of parent law and other information for an overseas company



☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law

☒ **What this form is NOT**
You cannot use this form
an alteration of manner
with accounting requirement

Part 1 Corporate company name

Corporate name of overseas company ①	ANDREW INDUSTRIES (HONG KONG)	
	LIMITED	
UK establishment number	B	R 0 1 2 0 0 7

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

	Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited
Legislation ②	HONG KONG

② This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts

A2 Accounting principles


Accounts	<p>Have the accounts been prepared in accordance with a set of generally accepted accounting principles?</p> <p>Please tick the appropriate box</p> <p><input type="checkbox"/> No Go to Section A3</p> <p><input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3</p>	<p>③ Please insert the name of the appropriate accounting organisation or body</p> <p>HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS</p>
Name of organisation or body ③		

A3 Accounts

Accounts	<p>Have the accounts been audited? Please tick the appropriate box</p> <p><input type="checkbox"/> No. Go to Section A5</p> <p><input checked="" type="checkbox"/> Yes Go to Section A4</p>	
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OS AA01

Statement of details of parent law and other information for an overseas company

A4 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	① Please insert the name of the appropriate accounting organisation or body HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
Name of organisation or body ①	/	
A5 Unaudited accounts		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input type="checkbox"/> Yes	
Part 3 Signature		
	I am signing this form on behalf of the overseas company	
Signature	Signature  X	X
	This form may be signed by Director, Secretary, Permanent representative	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



Important information

Please note that all this information will appear on the public record



Where to send

You may return this form to any Companies House address

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DX 33050 Cardiff

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The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk