WASION METERS GROUP LIMITED
威 勝 儀 表 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3393)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

FINANCIAL HIGHLIGHTS

- Turnover amounted to approximately RMB808.51 million (2006: RMB600.43 million), representing an increase of approximately 35%.
- Revenue from sales of three-phase electronic power meters increased by approximately 27% to RMB456.19 million as compared with 2006.
- Revenue from sales of single-phase electronic power meters increased by approximately 94% to RMB142.33 million as compared with 2006.
- Revenue from data collection terminals and power management systems products increased by approximately 26% to RMB209.99 million as compared with 2006.
- Profit for the year amounted to approximately RMB212.90 million (2006: RMB151.74 million), representing an increase of approximately 40%.
- Basic earnings per share were RMB0.29 (2006: RMB0.22).
- **The Board of Directors has proposed a final dividend of HK$9.0 cents (equivalent to RMB0.084) per share for the year ended 31 December 2007.**

The board of directors (the "Board") of Wasion Meters Group Limited (the "Company") is pleased to announce the consolidated final results of the Company and its subsidiaries (hereafter collectively referred to as the "Group") for the year ended 31 December 2007 (the "year"), together with the comparative figures for the year ended 31 December 2006, as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2007

	Note	2007 RMB'000	2006 RMB'000
Turnover	4	**808,510**	600,429
Cost of sale		**(425,144)**	(323,151)
Gross profit		**383,366**	277,278
Other revenue	5	**9,018**	5,115
Other net income	5	**15,072**	2,063
Selling expenses		**(68,516)**	(50,595)
Research and development costs		**(17,827)**	(12,123)
Administrative expenses		**(70,531)**	(53,801)
Profit from operations		**250,582**	167,937
Finance costs	6(a)	**(17,186)**	(9,500)
Profit before taxation	6	**233,396**	158,437
Income tax	7	**(20,500)**	(6,701)
Profit for the year attributable to equity shareholders of the Company		**212,896**	151,736
Dividends payable to equity shareholders of the Company attributable to the year:			
Final dividend proposed after the balance sheet date	8	**68,847**	49,297
Earnings per share	9		
Basic (RMB)		**0.29**	0.22
Diluted (RMB)		**0.28**	0.21

CONSOLIDATED BALANCE SHEET
At 31 December 2007

	Note	**2007** ***RMB'000***	2006 *RMB'000*
Non-current assets			
Property, plant and equipment		**185,446**	101,460
Interests in leasehold land held for own use under operating leases		**100,243**	38,290
Intangible assets		**156,054**	60,040
Goodwill		**56,831**	—
		498,574	199,790
Current assets			
Inventories		**149,906**	106,594
Trade and other receivables	*10*	**686,386**	393,558
Pledged deposits		**81,385**	71,489
Cash and cash equivalents		**508,743**	158,182
		1,426,420	729,823
Current liabilities			
Trade and other payables	*11*	**416,269**	174,601
Bank loans		**208,790**	163,700
Current taxation		**12,761**	4,765
		637,820	343,066
Net current assets		**788,600**	386,757
Total assets less current liabilities		**1,287,174**	586,547
Non-current liabilities			
Bank loans		**42,000**	—
Deferred tax liabilities		**21,896**	671
		63,896	671
NET ASSETS		**1,223,278**	585,876
CAPITAL AND RESERVES			
Share capital		**8,422**	7,331
Reserves		**1,214,856**	578,545
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**1,223,278**	585,876

Notes:

1 Review of annual results

The annual results for the year ended 31 December 2007 have been reviewed by the Audit Committee of the Company ("Audit Committee").

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2007 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2 Company background and basis of presentation

(a) The Company

The Company was incorporated in the Cayman Islands on 20 May 2004 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in the development, manufacture and sale of electronic power meters and data collection terminals and the provision of software development services.

(b) Basis of presentation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

3 Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period except for HKAS 23 (revised), Borrowing costs.

In prior years, borrowing costs were expensed in the consolidated income statement in the period in which they were incurred.

With effect from 1 January 2007, the Group has early adopted HKAS 23 (revised) and has changed its accounting policy relating to borrowing costs. Under the new policy, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The new policy has been applied prospectively. The change had an effect of decreasing interest expenses and increasing income tax by approximately RMB 1,368,000 and RMB137,000, respectively for the year ended 31 December 2007.

4 Turnover and segment information

Turnover represents the sales value of goods supplied to customers and income arising from provision of software development services, excludes value added tax and is after the deduction of any trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2007	2006
	RMB'000	*RMB'000*
Sales of three-phase electronic power meters	**456,190**	360,488
Sales of single-phase electronic power meters	**142,327**	73,537
Sales of data collection terminals	**198,880**	155,030
Revenue from provision of software development services	**11,113**	11,374
	808,510	600,429

4 Turnover and segment information *(Continued)*

Segment information is presented in respect of the Group's business segment. Business segment information is chosen as the primary reporting format based on the Group's internal financial reporting. As the Group mainly operates in the PRC, no geographical segment information is presented.

The Group comprises the following business segments:

Electronic power meters	:	the development, manufacture and sale of single-phase and three-phase electronic power meters.
Data collection terminals and related services	:	the development, manufacture and sale of data collection terminals and provision of software development services.

4 Turnover and segment information *(Continued)*

	2007			
	Electronic power meters	**Data collection terminals and related services**	**Inter-segment elimination**	**Consolidated**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	598,517	209,993	—	808,510
Inter-segment revenue	4,177	15,145	(19,322)	—
Total revenue	602,694	225,138	(19,322)	808,510
Segment result	185,218	73,001		258,219
Unallocated operating income and expenses				(7,637)
Profit from operations				250,582
Finance costs				(17,186)
Income tax expense				(20,500)
Profit for the year				212,896
Depreciation and amortisation	27,661	9,092		36,753
Unallocated depreciation				172
Total depreciation and amortisation				36,925
Significant non-cash items (other than depreciation and amortisation)	15,154	3,526		18,680
Unallocated expenses				810
				19,490
Segment assets	1,061,223	238,259	(24,761)	1,274,721
Unallocated assets				650,273
Total assets				1,924,994
Segment liabilities	(253,399)	(56,345)	24,761	(284,983)
Unallocated liabilities				(416,733)
Total liabilities				(701,716)
Capital expenditure incurred	171,130	8,968		180,098

4 Turnover and segment information *(Continued)*

	2006			
	Electronic power meters	Data collection terminals and related services	Inter-segment elimination	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	434,025	166,404	—	600,429
Inter-segment revenue	1,522	4,286	(5,808)	—
Total revenue	435,547	170,690	(5,808)	600,429
Segment result	127,085	50,153		177,238
Unallocated operating income and expenses				(9,301)
Profit from operations				167,937
Finance costs				(9,500)
Income tax expense				(6,701)
Profit for the year				151,736
Depreciation and amortisation	11,808	9,005		20,813
Unallocated depreciation				111
Total depreciation and amortisation				20,924
Significant non-cash items (other than depreciation and amortisation)	10,265	2,553		12,818
Unallocated expenses				542
				13,360
Segment assets	537,487	181,945	(23,164)	696,268
Unallocated assets				233,345
Total assets				929,613
Segment liabilities	(122,803)	(73,657)	23,164	(173,296)
Unallocated liabilities				(170,441)
Total liabilities				(343,737)
Capital expenditure incurred	56,327	10,939		67,266
Unallocated capital expenditure				1,073
Total capital expenditure				68,339

5 Other revenue and net income

	2007	2006
	RMB'000	*RMB'000*
Other revenue		
Interest income	**7,439**	4,878
Others	**1,579**	237
	9,018	5,115
Other net income		
Net exchange gain	**14,950**	908
Others	**122**	1,155
	15,072	2,063

6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2007	2006
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank advances wholly repayable within five years	**17,535**	9,167
Other borrowing costs	**1,019**	333
	18,554	9,500
Less: interest expense capitalised into properties under development	**(1,368)**	—
	17,186	9,500

6 Profit before taxation *(Continued)*

	2007	2006
	RMB'000	*RMB'000*
(b) Other items		
Amortisation of leasehold land	**1,616**	250
Amortisation of intangible assets	**22,109**	10,550
Depreciation	**13,200**	10,124

7 Income tax in the consolidated income statement

Taxation in the consolidated income statement represents:

	2007	2006
	RMB'000	*RMB'000*
Current tax — Provision for PRC income tax		
Provision for the year	**15,248**	5,995
Over-provision in prior years	**(359)**	(462)
	14,889	5,533
Deferred tax		
Origination and reversal of temporary differences	**5,611**	1,168
	20,500	6,701

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands during the year (2006: Nil).

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the year (2006: Nil).

As a Macau offshore company established under the Macau Offshore law, the subsidiary in Macau was exempted from Macau income tax during the years ended 31 December 2006 and 2007.

7 Income tax in the consolidated income statement *(Continued)*

Pursuant to the income tax rules and regulations of the PRC, a subsidiary in the PRC is subject to PRC income tax at 10% from 1 January 2005 onwards, which is the tax rate applicable to certain selected high technology enterprises in Changsha, the PRC.

Pursuant to the income tax rules and regulations of the PRC, another two subsidiaries in the PRC were granted five-year tax holiday, under which they are exempted from PRC income tax for the first two profit making years and entitled to a 50% income tax reduction for the subsequent three years. Therefore, the subsidiaries were exempted from PRC income tax for the two years starting from 1 January 2005 and 1 January 2006 respectively and will be subject to PRC income tax at 7.5% for the subsequent three years.

Pursuant to the income tax rules and regulations of the PRC, a subsidiary in the PRC is liable to PRC income tax at a rate of 33%. The subsidiary was not subject to PRC income tax during the years ended 31 December 2006 and 2007 as it has sustained tax losses since its establishment.

8 Dividends

	2007 ***RMB'000***	2006 *RMB'000*
Final dividend proposed after the balance sheet date of HK$0.090 (equivalent to RMB0.084) (2006: HK$0.070 (equivalent to RMB0.070)) per ordinary share	**68,847**	49,297

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2007 is based on the profit attributable to equity shareholders of the Company of RMB212,896,000 (2006: RMB151,736,000) and the weighted average of 734,810,308 ordinary shares (2006: 704,247,787 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	2007 ***No. of shares***	2006 *No. of shares*
Ordinary shares issued at 1 January	**704,247,787**	704,247,787
Effect of new shares issued	**30,562,521**	—
Weighted average number of shares	**734,810,308**	704,247,787

9 Earnings per share *(Continued)*

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB212,896,000 (2006: RMB151,736,000) and the weighted average of 752,116,177 ordinary shares (2006: 708,471,606 ordinary shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2007	2006
	No. of shares	*No. of shares*
Weighted average number of ordinary shares	**734,810,308**	704,247,787
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**17,305,869**	4,223,819
Weighted average number of ordinary shares (diluted)	**752,116,177**	708,471,606

10 Trade and other receivables

	2007	2006
	RMB'000	*RMB'000*
Trade debtors and bills receivable	**543,881**	295,362
Deposits, prepayments and other receivables	**142,505**	98,196
	686,386	393,558

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	2007	2006
	RMB'000	*RMB'000*
Within 3 months	**341,806**	234,253
Between 4 to 6 months	**67,467**	24,100
Between 7 to 12 months	**73,174**	15,063
Between 1 to 2 years	**61,434**	21,469
Over 2 years	**—**	477
	543,881	295,362

Customers are normally granted credit terms of 3 months to 6 months depending on the Group's assessment of the credit worthiness of individual customers. Subject to negotiation, extended credit terms are available for certain major customers with well-established trading records.

11 Trade and other payables

	2007	2006
	RMB'000	*RMB'000*
Bills payable	**95,597**	46,902
Trade creditors	**125,017**	79,002
Receipts in advance	**21,325**	24,397
Accrued charges and other payables	**44,706**	24,300
Amounts due to related parties	**129,624**	—
	416,269	174,601

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date.

	2007	2006
	RMB'000	*RMB'000*
Due within 3 months or on demand	**120,418**	77,399
Due after 3 months but within 6 months	**89,343**	48,505
Due after 6 months but within 1 year	**10,853**	—
	220,614	125,904

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

During the course of the Eleventh Five-Year Plan, the power demand of the country shall have an annual growth of 9%, while the investment in construction of power grids shall exceed RMB1,000 billion. 2007 was the year in which bustling construction activities of power grids were witnessed and in which the investment in power grids exceeded that of in power sources where an annual average growth rate of over 10% was maintained. According to the forecast in the Handbook on Price and Quantity Control Over the Construction of Infrastructure of Electricity Projects (《電力工程基本建設造價計價控制與定額管理手冊》), the average annual market value of power grids automation products from 2006 to 2010 shall reach approximately RMB12 billion, in which the proportion of new projects to modification projects would be approximately 3:1. The Group's products are the indispensable elements of power grids construction and will be benefited from the favorable development brought by power grids construction.

Under the Eleventh Five-Year Plan, the major application departments at the provincial and municipalities level have placed higher emphasis and shown more support to the meters industry and this was reflected in initiation of more projects and the speeding up of projects tenders and approval by the National Development and Reform Commission and the Ministry of Science and Technology of the PRC. Meanwhile, a number of provinces and cities also proposed to attract investment in the meters industry and the ministries of power and petrochemical have also planned to extend the investment in automatic meters and control systems. State Power Grids further its efforts in speeding up the development of upgrading the technology of power grids, which in turn drove the demand for electronic power meters, data collection terminals and power management systems.

Currently, power automation products are mainly applied in automatic meter reading, power and charges measurement and load control and the application of which will gradually be extended to the monitor of power distribution and transformation, the quality control of power and the management of comprehensive information of power consumption to satisfy new requirements for multi-functions. State Power Grids also issued the Guidance for the Acceleration of Modernized Construction with respect to Power Sales (《關於加快電力行銷現代化建設指導意見》) which required power grids companies at all levels to establish the power collection platform for 300 kVA and market management system prior to 2007, and to establish the power collection and management platform for 50 kVA or above, the power demand side management system, customer relationship management system and decision-making system under the analysis support of sales and marketing discipline by 2010. Taking into account the number users with significant consumption and the number of transformers with 50 kVA, it is expected that the market value of power management system for the next 5 years will be approximately RMB 8 billion, and the potential for development of the market remains enormous. The ten-odd production enterprises which engage in power usage automation, and the Group being one of them, are not capable of satisfying the market demand arising from the national wide application of power management system and hence the market enjoys a strong potential for development.

All the provinces and municipalities have, to a different degree, adopted the power management system but the projects of such scale have to be launched in different phases. Provinces such as Zhejiang, Guangdong and Sichuan, though already took the lead in the adoption of power management system, can only monitor the power consumption of users with higher consumption, representing a huge gap for full coverage. The investment for the demand side management of the country has just commenced and the market will maintain its growth momentum before 2010.

Business Review

The major products of the Group are electronic power meters, data collection terminals and power management systems. During the year, the Group has actively launched various new high-end products, including two new products series including low voltage centralized reading meter (低壓集抄) and voltage-deployment-changed terminal (配變終端), upgraded MB series electronic power meters and CPU card single-phase electronic power meters, which are well-received by the market.

Electronic Power Meters

In the year under review, sales of electronic power meters remained the major source of revenue of the Group. In May 2007, the Group has successfully acquired Hunan Weike Power Meter Co., Ltd. which is engaged in the production and sale of single-phase electronic power meters. This allows the Group to capture the higher profit margin associated with the single-phase electronic power meters and enlarge its turnover and profit in view of the increase in demand of single-phase electronic power meters. Turnover from sales of three-phase electronic power meters and single-phase electronic power meters for the year ended 31 December 2007 amounted to RMB456.19 million and RMB142.33 million, representing an increase of 27% and 94% respectively as compared with last year and contributed to 56% and 18% of the Group's turnover respectively (2006: 60% and 12% respectively).

Data Collection Terminals and Power Management Systems

Through the collection and analysis of usage information of distribution transformers and end users, power management system fulfilled the goals of usage monitoring, management of load, wastage analysis (線損分析) and the ultimate goal of automatic meter reading, electricity suspension, usage inspection, load forecast and cost saving. With the reform of the national power system and the implementation of power demand side management, there would be an imminent demand for power management of power operating companies and thus the demand for power management equipment would keep growing. In 2007, revenue from sales of data collection terminals and power management systems increased to RMB209.99 million, representing an increase of 26% as compared with last year and accounted for 26% (2006: 28%) of the Group's turnover.

Financial Review

Gross Profit

The robust sales growth in 2007 drove the growth of gross profit. The Group's gross profit increased by 38% to RMB383.37 million for the year ended 31 December 2007. The overall gross profit margin increased from 46% in 2006 to 47% in 2007 which was mainly attributable to the increase in profit margin of single-phase electronic power meters.

Profit Attributable to Equity Shareholders of the Company

The profit attributable to equity shareholders of the Company for the year ended 31 December 2007 grew by 40% to RMB212.90 million as compared with last year which came in line with the growth of the Group's turnover.

Liquidity and Financial Resources

The Group's primary sources of working capital and long-term funding needs have been cash flows from operation and financing activities.

As at 31 December 2007, the Group's current assets amounted to approximately RMB1,426.42 million (2006: RMB729.82 million), with cash and cash equivalents totaling approximately RMB508.74 million (2006: RMB158.18 million).

As at 31 December 2007, the Group's total bank loans amounted to approximately RMB250.79 million (2006: RMB163.70 million), of which approximately RMB208.79 million (2006: RMB163.70 million) will be due to repay within one year and the remaining approximately RMB42 million (2006: nil) will be due in the next two years. Net book value of the Group's pledged assets for the bank loans was approximately RMB138.44 million (2006: RMB123.28 million). In 2007, the interest rate for the Group's bank borrowings ranged from 5.02% to 8.96% (2006: 5.02% to 6.73%) per annum.

The gearing ratio (total borrowings divided by total assets) decreased from 18% in 2006 to 13% in 2007.

Capital Structure

On 24 September 2007, an aggregate of 112,680,000 ordinary shares were placed by the Company to independent investors at a placing price of HK$4.56 per share. As a result, the Company's issued shares increased from 704,247,787 shares to 816,927,787 shares. The net proceeds from the placement after deducting the commission and expenses of the placement payable by the Company amounted to approximately HK$499 million will be used for acquisition of industry peers in the PRC and overseas, additional investment in the new production plant, developing overseas distribution network, investment in energy measurement and management business and general working capital purposes.

Exchange Rate Risk

Most of the businesses of the Group are settled in Renminbi, which is not freely convertible into foreign currencies. Since the amount of foreign currency of the Group used to purchase raw materials exceeded the amount of foreign currency earned from exports, the appreciation of Renminbi during the year did not have any adverse effect on the Group's results. During the year, the Group did not enter into any foreign exchange forward contracts or other hedging instruments to hedge against fluctuations.

Significant Investments, Acquisitions and Disposals

On 14 May 2007, the Company has passed a resolution in an extraordinary general meeting to acquire the entire issued share capital of Sinowise Industries Limited ("Sinowise") at a total consideration of RMB210 million . The sole assets of Sinowise is its equity interest in Hunan Weike Power Meter Co., Ltd. which is principally engaged in the production and sale of single-phase electronic power meters.

Save as disclosed above, there was no significant investment during the year under review.

Charge on Assets

As at 31 December 2007, the pledge deposits are denominated in Renminbi and Hong Kong dollars and are pledged to banks as security for certain loans and bills facilities granted to the Group. In addition, the Group's land and buildings are pledged to banks as security for bank loans to the Group.

Contingent Liabilities

As at 31 December 2007, the Group had no material contingent liabilities.

PROSPECTS

With an established base in the Waison Meter Science and Technology Park (威勝儀表科技園), its consolidated strengths and brand name, the Group will build up a operation platform that allows technical advancement, business development and nurture of talent to complement each other, launch new products which are developed based on its measurement, connection and system solutions, and increase its marketing efforts, with a view to becoming the leading and biggest integrated professional supplier in the PRC that is capable of providing industrial and domestic integrated energy meters, comprehensive charges calculation products, services and solutions for electricity, water, gas and heat, as well as becoming a globalized supplier of mainstream energy measurement and management products and services in the international market. The Group's future development plans include the followings:

(1) Enhance Waison Brand and Increase Market Share

The Group aims to capitalize the continuous growth of investments in the redevelopment of power grids in the PRC and overseas, and strengthen the existing development of the electricity power measurement and terminal system products, as follows:

(i) Strengthen the three-phase electronic power meter product line and control the quality of its products through applying standardized designs, generalized functions and better appearance;

(ii) Increase its market share by introducing new products and offering competitive prices, and thereby expand the product line of single-phase electronic power meter; and

(iii) Leverage on the growth of the terminal product market and the technological advantages in terms of new terminal products to improve the pre-sales promotion efforts and standardize internal operating systems, with an aim to capturing shares in markets of high significance and with potential and maintain its position as a renowned manufacturer of the best data collection terminals.

(2) Expand Production Capacity

To expand production capacity, the Group will complete the construction of the Waison Meter Science and Technology Park in the Science and Technology Park in Changsha City, Hunan Province in June 2008. The new production plant will commence production and become a signature project in Hunan Province that produces a comprehensive range of power measurement and management products, applies stat-of-the-art techniques and high level of automation, and maintains a pleasant working environment. Afterward, the Group's annual production capacity of three-phase electronic power meters, single-phase electronic power meters and data collection terminals will increase to 1.2 million, 4 million and 0.2 million units respectively.

(3) Regulate Group Management Model and Consolidate Resources

Based in the Waison Meter Science and Technology Park, the Group will streamline its product lines as well as other functions and departments in order to strengthen the management of production sites, increase productivity, continually enhance supply chain management, optimize and streamline techniques and processes, improve technical level, strengthen product quality supervision and management. The ultimate goal is to optimize and effectively to utilize resources, reduce costs and increase the profitability of the Group.

(4) Persist in innovation in technology and enhance the ability of research and development

The Group will meet the challenges in the market with its pioneering products and technology. While improving its existing products, the Group shall enhance its ability and standard in software development and system solution and strengthen the establishment of platform of IPD (Intensive Product Development System) method and research and development. In addition, it shall invest more resources in the research and development center, enhance cooperation with renowned higher education institutions, strengthen the building of Post Doctoral Laboratory and proactively increase exposure in technology and management experience from foreign advanced companies. These initiatives equip the Group with accumulative technology for the future development in 3 to 5 years.

(5) Expand the energy saving and pollutants discharged reduction market

The Group established the Weisheng Energy Industrial Technology Company Limited ("Weisheng Energy") in July 2007 by taking into account of the two compulsory targets as set out in the "Eleventh Five-Year Plan", namely requiring that power consumption per unit of GDP shall be reduced by 20% and the total volume of major pollutants discharged shall be cut by 10% by 2010 and satisfying the increasing demand for energy management from all levels of local governments and power consuming units. Its principal activities are providing customers with innovative energy-saving technologies and helping customers optimize energy management and increase the efficiency in energy saving. With the implementation of energy saving and pollutants discharged reduction policy highly promoted by the country, Weisheng Energy gradually promotes to the sample customers of the target areas operating in the broad high-consumption market such as steel, coal, electricity, ferrous metal, oil, chemical products, construction materials and vehicles industry through the Group's deep awareness of its customers' needs through its edges in electric power measurement, supervision and management analysis. Together with the Group's traditional advantages in the industry and in technology, Wasion Energy will put its effort in integrating the most advanced technologies and products from home and overseas and bringing power management into a brand new and more professional development.

(6) Expanding overseas market

The Group established Changsha Weisheng Import and Export Company Limited ("Weisheng Import and Export Company") in July 2007, which is responsible for the Group's overall development, sales and servicing functions in the overseas markets, including the establishment and management of overseas sales offices, importing new technologies, products, experiences and management concepts, as well as agency of products importation. The Group's ability and standard was enhanced in the course of expanding the area of sales. Weisheng Import and Export Company adopted the strategy of "Expand the European and American market, with emphasis on technology and cooperation; widen the Asian and African markets, with focus on sales and independent operation". With respect to Asian and African markets such as Egypt, Bangladesh and Indonesia, the target of the Group is to expand the Group's sales rapidly in these areas. With respect to European and American market such as France, Germany and the U.S., the target of the Group is to upgrade its production technology and promote the brand name worldwide.

(7) Utilizing the amplification impact of capital

Through numerous means of utilizing capital such as acquisition, merger, collaboration and investment of shares, the Group will rapidly extend to other energy measurement markets such as water, electricity and gas measurement products, so as to increase the variety of products and profitability of the Group.

OTHER INFORMATION

Employees and Remuneration Policies

As at 31 December 2007, the Group had 1,886 (2006: 1,294) staff. The staff costs (including other benefits and contributions to defined contribution plan) amounted to RMB74.81 million in 2007 (2006: RMB56.60 million). Employee remuneration is determined on performance, experience and prevailing market conditions, with compensation policies being reviewed on a regular basis. The Company has also adopted a share option scheme to recognize and acknowledge the contributions made or will be made to the Group by the eligible participants.

Dividends

The Board has proposed a final dividend of HK$0.090 (2006: HK$0.070) per share to shareholders of the Company whose name appear in the register of members on 21 May 2008 and a resolution to this effect will be proposed and subject to the shareholders' approval in the forthcoming annual general meeting. The final dividend is expected to be paid on or before 28 May 2008.

Closure of Register of Members

The register of members will be closed from 15 May 2008 to 21 May 2008, both days inclusive, during which no transfer of shares will be effected. In order to qualify for attending the annual general meeting to be held on 21 May 2008, all transactions accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Purchase, Sale or Redemption of Listed Securities

During the year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company, except for the placing of 112,680,000 new shares to investors.

Compliance with the Code of Corporate Governance Practices of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")

In the opinion of the Board, the Company has been in compliance throughout the year ended 31 December 2007 with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The Board acknowledges its responsibility for the Group's systems of internal controls and has assumed this responsibility through formalizing the Group's financial and legal procedures.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board.

All the members of our Audit Committee are independent non-executive Directors.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The electronic version of this announcement will be published on the website of the Stock Exchange at http://www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/wasion/index.htm. An annual report for the year ended 31 December 2007 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange and the Company in due course.

As at the date of this announcement, the Directors are:

Executive Directors
Ji Wei
Cao Zhao Hui
Wang Xue Xin
Zheng Xiao Ping
Liao Xue Dong
Zeng Xin

Independent non-executive Directors
Wu Jin Ming
Pan Yuan
Hui Wing Kuen

By order of the Board
Wasion Meters Group Limited
Ji Wei
Chairman

Hong Kong, 7 April 2008