東北電氣發展股份有限公司
NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.
（在中華人民共和國註冊成立之股份有限公司）

(Stock Code: 0042)

SUMMARY OF INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

The financial reports in this interim report of the Company are unaudited.

1. OVERVIEW OF THE COMPANY

1.1 BRIEF INTRODUCTION

Stock Abbreviation:	Northeast Electric	Northeast Electric
Stock Code:	000585	0042
Place of Listing Shares:	Shenzhen Stock Exchange	The Stock Exchange of HongKong Limited
Secretary to the Board:	Mr. Zhang Zhaozhong	
Telephone:	(86)24-23527080	
Fax:	(86)24-23527081	
Address:	14F, Kingdom Hotel, No.189, Taiyuan South Street, Heping District, Shenyang, PRC	
Post Code:	110001	
Company Website:	www.nee.com.cn	www.nee.hk
E-mail:	nemm585@sina.com	

1.2 MAJOR FINANCIAL INDICATORS AND DATA

1.2.1 Condensed consolidated profit and loss account and condensed consolidated balance sheet prepared in accordance with Hong Kong Accounting Standards

Condensed consolidated profit and loss account

For the six months ended 30 June 2008

	For the six months ended 30 June	
	2008	**2007**
	RMB'000	***RMB'000***
	(Unaudited)	***(Unaudited)***
Turnover	272, 320	247, 455
Cost of sales	(215, 807)	(199, 193)
Gross profit	56, 513	48, 262
Other income	929	486
Distribution costs	(19, 395)	(32, 175)
Administrative expenses	(29, 294)	(74, 643)
Other expenses	(6, 095)	(3, 672)
Profit from operations	2, 658	(61, 742)
Interest on bank borrowings	(1, 976)	(1, 975)
Investment income from associates	557	4, 339
Profit from disposal of shares	–	54, 443
Profit before taxation	1, 239	(4, 935)
Taxation	(806)	(279)
Profit after taxation	433	(5, 214)
Profit attributable to minority shareholders	(88)	(5, 965)
Net profit attributable to shareholders	521	751
Earnings per share---basic	0. 06 仙	0. 09 仙

Consolidated Balance Sheet

As at 30 June 2008

	At 30 June 2008 *RMB'000* *(Unaudited)*	At 31 December 2007 *RMB'000* *(Audited)*
Non-current assets		
Property, plant and equipment	120,125	110,247
Prepaid lease payments	13,698	14,001
Goodwill	94,644	94,644
Interests in associates	312,385	311,827
Available-for-sale investments	10,000	10,000
Other prepayments	441	1,745
Deferred tax assets	5,289	5,289
	------------	------------
	556,582	547,753
	------------	------------
Current assets		
Inventories	75,226	92,783
Accounts receivable and other receivables	385,190	350,569
Amounts due from associates	29,953	17,117
Pledged bank deposits	8,567	28,943
Bank balance and cash	20,195	36,635
	------------	------------
	519,131	526,047
	------------	------------
Current Liabilities		
Accounts payable and other payables	263,317	245,941
Amounts due to associates	61,284	62,569
Bank borrowings	34,850	50,369
Provision for loss guarantees	124,968	124,968
Tax payable	1,941	124
	------------	------------
	486,360	483,971
Net current (liabilities) assets	32,771	42,076
Total assets less current liabilities	589,353	589,829
Capital and reserves		
Share capital	873,370	873,370
Reserves	(360,740)	(360,352)
	------------	------------
Equity attributed to equity holders of the parent	512,630	513,018
Minority interests	4,227	4,315
Total equity	516,857	517,333
Non-current liability		
Amounts due to associates	72,496	72,496
Government grant	-	-
	------------	------------
	589,353	589,829

1.2.2 Major financial data and indicators prepared in accordance with the PRC Accounting Standards and Regulations

Unit: RMB

Financial data and Indicators	At the end of the reporting period	at the end of last year	Change in the reporting period compared with the beginning of the year (%)
Current assets	518,598,750.36	525,516,522.34	-1.32
Current liabilities	433,886,898.19	431,498,985.52	0.55
Total asset	1,075,885,916.40	1,073,974,339.91	0.18
Shareholders funds (excluding minority interests)	512,803,400.94	513,191,910.61	-0.08
Net assets per share	0.59	0.59	-
Adjusted net assets per share	0.59	0.59	-

Unit:RMB

Financial data and Indicators	At the end of the reporting period	at the end of last year	Change in the reporting period compared with the same period of the last year (%)
Operating profit	1,101,141.86	-5,188,526.69	-
Total profit	1,238,417.25	-4,934,667.59	-
Net profit attibutable to the parent company	520,651.63	751,542.66	-30.72
Net profit after Extraordinary items	380,109.96	-13,945,427.80	-
Net cash flow from Operating activities	-7,122,591.09	-96,760,825.86	92.64
Net cash flow per share from Operating activities	-0.0082	-0.1108	92.64
Return on net assets (%)	0.10	0.09	increased by 0.01
Earnings per share	0.0006	0.0009	-33.33
Diluted earnings per share	0.0006	0.0009	-33.33

1.2.3 Extraordinary profit and loss items

Unit: RMB

Items	Amount
Net profit affected by net non-operating income and expenses	140,541.67
Total	140,541.67

1.2.4 Differences between Overseas Accounting Standards and the PRC Accounting Standards

During the reporting period, there were no differences between overseas accounting standards and the PRC accounting standards in the calculation of net profit.

2. MOVEMENTS OF SHARE CAPITAL AND SHAREHOLDINGS OF SHARE-HOLDERS

2.1 During the reporting period, there were no changes in the share capital.

2.2 SHAREHOLDINGS OF THE TOP TEN SHAREHOLDERS

As at 30 June 2008, the total number of registered shareholders was 141,151, of which 141,066 were holders of A shares and 85 were holders of H shares.

SHAREHOLDINGS OF THE TOP TEN SHAREHOLDERS

Unit: shares

Name of shareholders	Number of shares held	Percentage	Nature of shares	Number of shares pledged or frozen
HKSCC Nominees Limited Registration Co., Ltd	256,009,998	29.31%	H shares	-
New Northeast Electric Investment Co., Ltd	212,014,237	24.28%	A shares	-
Shanghai Bao Yu Real Estate Investment Consultant Co., Ltd	14,288,818	1.64%	A shares	-
Shenzhen Zhongda Software Development Co., Ltd	3,550,000	0.41%	A shares	-
Shi Tiezheng	1,532,500	0.18%	A shares	-
Shanxi Qinjian Science and Technology Investment Co., Ltd	1,420,000	0.16%	A shares	-
Shanghai Naozhen Biotechnology Co., Ltd	1,200,000	0.14%	A shares	-
Du Shiming	1,026,300	0.12%	A shares	-
Shi Lei	850,000	0.10%	A shares	-
Shanghai Weichen Building Material Co., Ltd	850,000	0.10%	A shares	-

Explanation for the connected relationships among the top ten shareholders:	There is no relationship between New Northeast Electric Investment Co., Ltd and any other shareholders. The Company is not aware of any relationship among other shareholders or parties acting in concert within the meaning of the Regulation on Disclosure of Information on Changes in Shareholdings of Listed Companies.

Note:

On 28 May 2008, New Northeast Electric Investment Co., Ltd withdrew totally 22,827 shares, an advancement for other non-tradable shareholders during the implementation of reform scheme on equity distribution.

3. INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

3.1 MOVEMENTS IN SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There was no movement in the number of shares held by the Company's directors, supervisors and senior management during the reporting period.

3.2 APPOINTMENT OR DISMISSAL OF DIRECTORS, SUPERVISORS AND SENIOR MAN AGEMENT DURING THE REPORTING PERIOD

Due to the change of work, Mr. Shi Li resigned as an executive Director, vice general manager and the secretary to the Board on 30 May 2008, which became effective after the approval by the board of directors on 3 June 2008 (Please refer to the announcement dated 3 June 2008 for details).

3.3 INTEREST OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 30 June 2008, at no time during the period under review had the Company been notified that any directors, supervisor or member of senior management (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, and rights to subscribe for equity or debt securities of the Company and or associated corporations (within the meaning of the SFO), nor did they have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were required to Section 341 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers.

4. MANAGEMENT DISCUSSION AND ANALYSIS

4.1 DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATING PERFORMANCE IN THE REPORTING PERIOD

During the reporting period, under the leadership of the Board and the support of shareholders, the Company made great efforts to overcome such difficulties as intensifying competition, shortage of funds, high price in materials and rising costs and keep steady growth in principal operations. The Company has recored RMB 27,2380,000 of sales revenue, a year-on-year increase of 9.7%; RMB 1,100,000 of operating profit, a year-on-year increase of RMB 6,290,000.

4.2 CONSTITUTION OF INCOME AND PROFIT FROMPRINCIPALOPERATIONS OF THE COMPANY BY BUSINESS, PRODUCT AND GEOGRAPHICAL SEGMENT:

Unit: RMB0'000

By business or by product	Income from principal operations	Costs of principal operations	Gross profit margin (%)	Increase/decrease in income from principal operations as compared with last year (%)	Increase/decrease in costs of principal operations as compared with last year (%)	Increase/decrease in gross profit margin as compared with last year (percentage point)
1、By business						
Electric transmission and transformation	27,238	21,413	20.87	20.97	15.10	Increased by 4.03
Inventory and logistics	—	—	—	—	—	—
Accommodation and catering	—	—	—	—	—	—
Of which: connected transactions	—	—	—	—	—	—
2. By product						
High Voltage Switch circuit breaker	16,488	14,029	14.91	43.06	42.05	Increased by 0.60
Power capacitor	6,138	4,115	32.96	57.75	27.56	Increased by 15.87
Closed busbar	3,623	2,627	27.49	-43.25	-47.52	Increased by 5.89
Others	989	642	20.84	42.28	29.44	Increased by 7.86
Of which: connected transactions	—	—	—	—	—	—

Note:

the Company did not have any income from accommodation and catering during the reporting period, so this period is not comparable with the same period last year in the income and cost of this business.

4.3 PRINCIPAL OPERATIONS BY GEOGRAPHICAL SEGMENT

Unit: RMB'0,000

Region	Income from principal operations	Increase/decrease in income from principal operations as compared with last year (%)
Domestics	27,060	14.2
Overseas	178	141

4.4 OPERATIN OF INVESTEE COMPANIES (APPLICABLE TO SITUATIONS THAT NET PROFIT OF INVESTEE COMPANIES WITH INVESTMENT INCOME CONTRIBUTING OVER 10% TO THE COMPANY'S NET PROFIT)

Unit: RMB'0,000

Name of Joint Stock Company	New Northeast Electric(Shenyang) High-voltage Switchgears Limited
Contribution of Investment Income in the Period	55.73
Ratio of Net Profit of the Company	107%
Scope of Business	Manufacture of Switchgear Equipment
Net Profit	268

4.5 ANALYSIS OF THE COMPANY'S FINANCIAL STATUS UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN HONG KONG

As at the end of the reporting, the balance of monetary fund was RMB 20,200,000 (the same below).

There is no obvious seasonal principle in the Company's funding requirements.

The funds are mainly satisfied by 1) the cash flow from the Company's operation and capital operation and 2) the borrowings from financial institutions.

As at the end of the reporting period, the Company had bank loans amounting to RMB 34,850,000, representing 3.24% of the total assets. These bank loans bear fixed interests.

The Company's asset to liability ratio was 6.8% (asset to liability ratio = total bank loans/ total share capital and reserve *100%).

As at the end of the reporting period, the Company had net assets of RMB 26,830,000 used as security.

4.6 EXPLANATION OF THE MANAGEMENT OF THE COMPANY ON THE MATTERS RELATED TO THE AUDIT OPINION OF THE ANNUAL REPORT 2007

Shenzhen Pengcheng Certified Public Accountants Co., Ltd, the Company's auditor for the year of 2007, issued an audit report with qualified opinions on the 20.8 % long-term investment income of the Company to the New Northeast Electric (Shenyang) High-voltage Switches Co., Ltd (the "New Northeast Electric"). As it was not the appointed auditors to the New Northeast Electric, Shenzhen Pengcheng Certified Public Accountants Co., Ltd failed to obtain full and appropriate auditing evidence through executing necessary auditing process, therefore, it issued qualified opinions for this account.

The Company proposes to take the following measures to avoid the recurrence of this kind:

1. Before the next annual audit, the Company will communicate with the New Northeast Electric in advance and urge it to appoint the Company's auditor or other auditors with specific qualifications in relation to securities and futures for auditing.
2. Before the auditing by the Company's auditor, the Company will communicate with the auditor and determine its annul audit to the New Northeast Electric so as to ensure that the Company can meet the auditor and relevant provisions and requirements of China Securities Regulatory Commission on Rules for Preparation and Presentation of Information Disclosure by Companies of Public Offering (No.15)-General Provisions on Financial Statements (2007 Revision).

5. SIGNIFICANT EVENTS

5.1 PERSONNEL CHANGES

Please refer to part 3 "INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT"

5.2 STAFF OF THE COMPANY AND THE REMUNERATION POLICY

As at 30 June 2007, the number of employees on the payroll of the Company was 1,121. The remuneration of the employees of the Company includes their salaries, bonuses and other fringe benefits. The Company has different rates of remuneration for different employee, which are determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

5.3. PROFIT APPROPRIATION PLAN AND ITS IMPLEMENTATION

During the reporting period, the Company recorded net profit of RMB 520,651.63, all of which was used to cover losses in the previous year. Therefore, no profit appropriation was made nor any reserves were transferred to increase the share capital of the Company during the reporting period.

5.4 MATERIAL LITIGATION AND ARBITRATION

5.4.1 Litigation lodged by China Development Bank (CDB) for the debt of RMB 150 million

According to the announcement dated 9 January 2008 and the 2007 Annual Result Announcement dated 30 April 2008, CBD lodged litigation against Shenyang High-voltage Switchgears Company Limited (the "Shenyang High-voltage") on dispute over a loan contract and also against the Company for acceptance of joint compensation. On 7 January 2008, the civil written order ([2004]Gao Min Chu Zi No. 802) dated19 July 2007 made by Beijing Higher Court was transferred to the Company from its attorney. According to the order, Beijing Higher Court canceled the contract signed by the Company and Shenyang High-voltage in relation to swapping the Company's creditor's rights of RMB76,660,000 for the equity of Shenyang High-voltage. Beijing Higher Court ruled out that the Company should return the related equity to Shenyang High-voltage, and if not, the Company should compensate for loss to Shenyang High-voltage within limit of the value of share capital of RMB247,120,000; Shenyang High-voltage should return the creditor's rights of RMB76,660,000 to the Company, and if not, Shenyang High-voltage should compensate for loss to the Company within limit of RMB76,660,000. On 23 August 2007, CBD filed an appeal to the Supreme Court. Now, the court's decision is awaited.

5.4.2 Progress of debt and equity case brought by Liaoning Trust and Investment Company (“Liaoning Trust”) on US$ 12 million

According to the announcement dated 13 December 2007 and the announcement dated 12 August 2008, With regard to the case of RMB15,900,000, recently, the Company received a civil judgment ([2008] Liao Shen Min Zhong Zi No.2) dated 10 April 2008 made by Liaoning Higher Court. With regard to the case of RMB15, 900,000, the court said that the liquidation team of Liaoning Trust should be a third party to the litigation under the legal proceeding, so the court quashed the civil judgment ([2005] Liao Min Er Zhong Zi No.220) and the civil judgment ([2005]Shen Zhong Min Si He Chu Zi No.13), and remanded the case to Shenyang Intermediate Court for retrial.

As for the case of RMB 60,190,000, recently, the Company received civil judgments ([2006] Liao Min Er Zhong Zi No.214, 215 and 216) dated 14 May, 2008 made by Liaoning Higher Court. The court said that the liquidation team of Liaoning Trust should be a third party to the litigation under the legal proceeding, so the court quashed the civil judgments ([2005]Shen Zhong Min Si He Chu Zi No. 21, 22 and 23), and remanded the case to Shenyang Intermediate Court for retrial.

5.4.3 Litigation lodged by Jinzhou City Commercial Bank Co., Ltd (the "Jinzhou Commercial Bank") for the loan guarantee of RMB17 million

According to the announcement dated 10 September 2007 and the 2007 Annual Result Announcement dated 30 April 2008, on 20 April 2004, Jinzhou Power Capacitors Co., Ltd, the former holding subsidiary of the Company (the "Jinzhou Capacitors"), signed a 12-month contract with Jinzhou Commercial Bank on a loan of RMB17, 000,000 by using the new loan to pay the old one, with the Company providing the joint guarantee obligation. Because the payment was overdue, Jinzhou Commercial Bank brought a lawsuit to the Jinzhou Intermediate Court in March 2007, requesting Jinzhou Capacity to repay the loan, and the Company to bear the joint and several liabilities. On 13 June 2007, the Jinzhou Intermediate Court issued a civil written order ([2007] Jin Min San Chu Zi No. 49) and ruled out that the Company should bear the joint guarantee obligation of Jinzhou Capacity's loan of RMB17, 000,000. The Company once filed an appeal to the Liaoning Higher People's Court, but then applied to withdraw it. On 30 October 2007, the Liaoning Higher People's Court issued a civil written order ([2007] Liao Min Er Zhong Zi No.305), which allowed the Company to withdraw the lawsuit and maintained the previous judgment.

The order has been effective. The Company has, in accordance with the court's judgment, translated RMB 19,890,000 into full liabilities in the 2007 Annual Result Announcement.

5.4.4 Litigation lodged by Industrial And Commercial Bank Of China Limited Jinzhou Branch (the "Jinzhou ICBC") for the loan guarantee of RMB22.9 million

According to the announcements dated 26 October 2007, 17 March 2008 and the 2007 Annual Result Announcement dated 30 April 2008, on 30 December 2003, Jinzhou Power Capacitor Co., Ltd (the"Jinzhou Capacitor"), the former holding subsidiary of the Company, signed a one-year contract with the Jinzhou ICBC in relation to the loan of RMB22, 900,000, with the Company providing the joint guarantee obligation. Because the payment was overdue, the Jinzhou ICBC brought a lawsuit to the Jinzhou Intermediate Court in December 2006, requesting Jinzhou Capacity to repay the loan, and the Company to bear the joint guarantee obligation. On 18 July 2007, the Jinzhou Intermediate Court issued a civil written order (Jin Min San Chu Zi No.19) and ruled out that the Company the joint liability of Jinzhou Capacity's loan of RMB22, 900,000.

The order has been effective. The Company has, in accordance with the court's judgment, translated RMB 26,366,578 into full liabilities in the 2007 Annual Result Announcement.

5.5 ACQUISITION AND DISPOSAL OF ASSETS

There was no acquisition and disposal of assets during the reporting period.

5.6 SIGNIFICANT CONTRACTS AND THEIR EXECUTIONS

5.6.1 During the reporting period, the Company did not enter into any trust, contractual or lease arrangement in respect of the assets of other companies nor did other companies enter into any trust, contractual or lease arrangement in respect of the assets of the Company nor have any fund management on trust or designated loan.

5.6.2 Foreign guarantees of the Company

As of the end of the reporting period, the foreign guarantee balance of the Company was RMB 328,450,000, including RMB 39,900,000 for Jinzhou Power Capacitors Co., Ltd with assets liabilities over 70%, accounting for 7.71% of the audited net assets of the Company for 2007, which was formed when this company was still a holding subsidiary of the Company; RMB 260,000,000 for New Northeast Electric (Shenyang) High-voltage Switchgear Co., Ltd.

As of the end of the reporting period, the guarantee of the Company for its holding subsidiaries totaled RMB 26,800,000.

5.7 CHANGE OF AUDITORS

On 16 June 2008, the 2007 Annual General Meeting rejected both the Resolution on Reappointment of Shenzhen Pengcheng Certified Public Accountants as the Company's Domestic Auditor and the Resolution on Reappointment of World Link C.P.A. Limited as the Company's International Auditor, and authorized the Board to convene an extraordinary general meeting to consider and discuss the appointment of auditors for the year of 2008 as soon as possible.

5.8 OVERSEAS INVESTMENT

There was no overseas investment during the reporting period.

5.9 INDEPENDENT DIRECTORS' SPECIAL REPRESENTATION AND INDEPENDENT OPINION ON THE FUND OCCUPATION BY CONNECED PARTIES AND FOREIGN GUARANTEE OF THE COMPANY

The independent directors, in accordance with the requirements of the Notice of Certain Issues in relation to the Regulation on Capital Flow between Listed Companies and its Connected Parties and External Guarantee of Listed Companies (Zheng Jian Fa [2003]No. 56), and the Notice of China Securities Regulatory Commission on Avoiding the Rebound of Fund Occupation through Intensifying Continuous Supervision (Listing Division Letter [2008] No. 118), issue the following special representation and independent opinion after investigation and verification to relevant personnel on the Company's funds occupied by controlling shareholders and other connected parties as well as on the Company's foreign guarantees based on the information provided by the Board.

(I) The Company complied with the provisions of relevant laws and regulations, and its controlling shareholders and other connected parties did not occupy the Company's funds during the reporting period.

(II) As at the end of the reporting period, the foreign guarantee amount of the company amounted to RMB 328,450,000, and the guarantee amount for its holding subsidiary RMB 26,800,000. The total guarantee amount took up 68.65% of the audited net assets of the Company for 2007.

The Company has established frozen fund policy for the fund occupation by controlling shareholders, which could effectively avoid the funds of listed companies occupied by controlling shareholders and connected parties so as to earnestly protect the interests of small and medium shareholders.During the reporting period, the Company cautiously treated and handled the foreign guarantee matters and made complete information disclosure in accordance with relevant provisions of supervision departments, thus making full disclosure and effective control of foreign guarantee. It hasn't made any guarantee for its shareholders, effective controller as well as the parties concerned. From now on, the Company will continue to strictly execute the provisions of the Articles of Association to enhance management on external guarantee and to properly solve the problems of the guarantees provided.

Independent Directors: Mr. Wu Qicheng, Mr. Lin Wenbin, Mr. Xiang Yongchun, Ms. Liang Jie and Mr. Liu Hongguang.

5.10 THE SUPERVISORY COMMITTEE'S AUDIT OPINION

In the opinion of the supervisory committee, there is no problem in the Company's legal operation, internal control, financial status, operation situation and connected transactions.

5.11 COMMITMENTS OF SHAREHOLDERS WITH OVER 5% SHARES OF THE COMPANY FOR ADDITIONAL SHARES WITH TRADING RESTRICTION IN 2008

There were no commitments of shareholders with over 5% shares of the Company for additional shares with trading restrictions in 2008.

5.12 PURCHASE, SALE AND REDEMPTION OF SHARES

The Company and its subsidiaries did not purchase, sell or redeem any shares of the Company during the reporting period.

5.13 REPORT OF CORPORATE GOVERNANCE

The Company's directors confirm that the Company has fully complied with the provisions of Code of Corporation Governance Practices within six months as at the end of 30 June 2008, and disclosed result report in accordance with these provisions. The Code of Corporation Governance Practices includes the clauses set out in Appendix 14 to the Listing Rules of the Stock Exchange of Hong Kong Limited (the "Listing Rules").

5.14 DURING THE REPORTING PERIOD, THE COMPANY, THE BOARD OF DIRECTORS AND THE DIRECTORS HAVE NOT BEEN INVESTIGATED, UNDER ADMINISTRATIVE PENALTY, CRITICIZED BY NOTICE BY THE CHINA SECURITIES REGULATORY COMMISSION, AND OPENLY REPRIMANDED BY THE STOCK EXCHANGE. THE COMPANY'S DIRECTORS AND SUPERVISORS WERE NOT SUBJECT TO ANY COMPULSORY PROCEDURES.

5.15 SUBSEQUENT EVENTS

5.15.1 Foreign guarantee

At the board meeting on 6 July 2008, the Company agreed to provide a guarantee against a comprehensive credit line of RMB60, 000,000 in the Kingdom Branch of Huaxia Bank Limited Company for New Northeast Electric (Shenyang) High-voltage Switchgears Limited (Please refer to the announcement dated 7 July 2008 for details.)

5.15.2 Personnel Changes

Upon the approval by the Board on 2 July 2008, the Board admitted the resignation of Mr. Sun Zhen as the chairman and legal representative, and the resignation of Mr. Zhang Bin as the vice chairman and general manager. (Please refer to the announcement dated 2 July 2008 for details.)

Upon the approval by the Board on 6 July 2008, the Board elected Mr. Su Weiguo, executive director of the Company, as chairman and legal representative of the Company; appointed Mr. Zhang Zhaozhong as the candidate of executive director of the fifth board of directors of the Company; dismissed Mr. Bi Jianzhong from his position as deputy general manager and chief accountant of the Company and appointed him as general manager of the Company; appointed Mr. Zhang Zhaozhong as deputy general manager of the Company; and admitted the resignation of Mr. Sun Zhen and Mr. Zhang Bin as the executive directors of the Company (Please refer to the announcement dated 7 July 2008 for details).

5.16 DETAILED RESULTS ANNOUNCEMENT

A detailed results announcement prepared in accordance with all information required in Appendix 16 from Section 46(1) to Section 46(9) in the Listing Rules of Stock Exchange of Hong Kong Limited will be published at the column of "latest listed company information" on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) as well as the website of the Company (www.nee.hk) within 21 days.

By Order of the Board
Mr. Su Weiguo
Chairman

Shenyang, the PRC, 20 August 2008

As at the date of this announcement, the Board of Directors of the Company is composed of eleven directors, of which six executive directors namely Mr. Su Weiguo, Mr. Wang Shouguan, Mr. Bi Jianzhong, Mr. Zhang Zhaozhong, Mr. Liu Qingmin and Mr. Du Kai; five independent non-executive directors namely Mr. Wu Qicheng, Mr. Lin Wenbin, Mr. Xiang Yongchun, Ms. Liang Jie and Mr. Liu Hongguang.