AMBER

Amber Energy Limited
琥珀能源有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 90)

DISCLOSEABLE TRANSACTION
ACQUISITION OF A GAS TURBINE-GENERATOR UNIT

The Board is pleased to announce that, on 25 May 2011, Amber Anji entered into the Agreement with the Suppliers pursuant to which the Suppliers will supply to the Company the GTG Unit at the Contract Price of about HKD100,614,524.

The GTG Unit consists of a gas turbine and a generator, and will form part of the combined cycle system of the Company's Anji Project.

When the GTG Unit becomes operational, it is expected that it will have 31MW of gross output at generator terminal.

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The principal terms of the Agreement are set out below.

The Agreement

Date: 25 May 2011

Parties:

Purchaser: Amber Anji

Suppliers: Off-shore Supplier and On-shore Supplier

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Suppliers and their respective ultimate beneficial owners are Independent Third Parties.

The Off-shore Supplier is a company incorporated under the laws of Hong Kong and the On-shore Supplier is a company established under the laws of the PRC and both are wholly owned subsidiaries of Hitachi Limited (Kabushiki Kaisha Hitachi Seisakusho), a multi-national industrial conglomerate with its headquarter based in Japan.

The GTG Unit

Pursuant to the Agreement, Amber Anji will acquire from the Suppliers, and the Suppliers will supply to Amber Anji a new and unused model of the GTG Unit, a Hitachi's H-25 Gas Turbine — Generator Unit.

The Off-shore Supplier will be responsible to procure the necessary materials and perform all work outside PRC and the On-shore Supplier will be responsible to perform control system part of the GTG Unit in the PRC.

The GTG Unit consists of a gas turbine and a generator, and will form part of the combined cycle system of the Company's Anji Project which is currently under development and construction phase.

When the GTG Unit becomes operational, it is expected that it will have 31MW of gross output at generator terminal.

Consideration and payment terms

The total Contract Price is about HKD100,614,524, comprising JPY888,826,000 (equivalent to about HKD84,489,164) and RMB13,455,000 (inclusive of 17% value-added tax) (equivalent to about HKD16,125,360) in consideration of the performance by the Suppliers under the Agreement to provide Amber Anji with the GTG Unit.

The Contract Price is payable by Amber Anji (by itself or through its agent in the PRC) in the following manner.

As regards the JPY888,826,000 portion:

(1) an advanced payment of 15% of JPY888,826,000, being JPY133,323,900 (equivalent to about HKD12,673,375) shall be paid by Amber Anji by telegraphic transfer to the Off-shore Supplier within seven working days after signing of the Agreement against the Off-shore Supplier's invoice and advance payment bank guarantee;

(2) a second payment of 80% of JPY888,826,000, being JPY711,060,800 (equivalent to about HKD67,591,331) shall be paid by Amber Anji under the Letter of Credit and be drawn at sight by the Off-shore Supplier against the Off-shore Supplier's presentation of the relevant shipping documents at FOB ports of origins; and

(3) a final payment of 5% of JPY888,826,000, being JPY44,441,300 (equivalent to about HKD4,224,458) shall be paid by Amber Anji under the Letter of Credit and be drawn at sight by the Off-shore Supplier when Amber Anji has issued the Performance Acceptance Certificate.

As regards the RMB13,455,000 portion:

(1) an advanced payment of 15% of RMB13,455,000, being RMB2,018,250 (equivalent to about HKD2,418,804) shall be paid by Amber Anji by telegraphic transfer to the On-shore Supplier within seven days after signing of the Agreement;

(2) a second payment of 80% of RMB13,455,000, being RMB10,764,000 (equivalent to about HKD12,900,288) shall be paid by Amber Anji by telegraphic transfer to the On-shore Supplier against the On-shore Supplier's VAT invoice with par value of 95% of the RMB13,455,000, being RMB12,782,250 (equivalent to about HKD15,319,092) seven days before delivery of equipment; and

(3) a final payment of 5% of RMB13,455,000, being RMB672,750 (equivalent to about HKD806,268) shall be paid by Amber Anji by telegraphic transfer to the On-shore Supplier against the On-shore Supplier's VAT invoice with par value of RMB672,750 (equivalent to about HKD806,268) within seven days after Amber Anji has issued the Performance Acceptance Certificate.

Conditions

The Agreement shall have full force and effect on the date when the Suppliers have confirmed the fulfilment of all of the following Conditions (i.e. the Effective Date):

(1) the Agreement is duly executed by authorised representatives of Amber Anji and the Suppliers;

(2) the Suppliers' receipt of the advance payments as described in the section "Consideration and payment terms" above;

(3) opening and delivery of the Letter of Credit by Amber Anji or its agent in the PRC; and

(4) the approval of the board of directors of the Suppliers and Amber Anji, where required.

If the above Conditions are not satisfied within three months from the date of the Agreement due to reasons not attributable to the Suppliers, the parties will re-negotiate the terms of the Agreement; failing which either party may, at its own discretion, terminate the Agreement.

If the Agreement is terminated for reason that either of the Suppliers has become bankrupt or insolvent, or the Suppliers have assigned any right or interest in the Agreement and prior to delivery of the GTG Unit, the Suppliers shall first return the advanced payments received to Amber Anji within a reasonable period agreed by the parties.

If the Agreement is terminated on account of any event of force majeure and prior to delivery of the GTG Unit, the parties shall each bear its own expenses occasioned. If the performance of their respective obligations by the Suppliers and Amber Anji is substantially prevented, hindered or delayed for an aggregate period of sixty days on account of one or more events of force majeure as defined under the Agreement, the Agreement may be terminated upon the reasonable consent of the parties, and each of the parties shall bear its own expenses occasioned. However, the nuclear contamination event happened on 11 March 2011 at Fukushima, Japan and its secondary disasters and relevant policy changes are excluded from the scope of the force majeure.

If the Agreement is terminated by any of the parties for any other reasons, each party shall assume its own costs and expenses incurred in connection with the Agreement or its termination and none of the parties shall be entitled to any claim against the other for damages caused as a consequence of such termination.

If the Conditions are fulfilled and having been confirmed by the Suppliers within three months from the date of the Agreement, the Agreement will become in full force and effect and that date shall be the Effective Date. Accordingly, the Suppliers shall be required to commence and perform its obligations under the Agreement.

Basis of determination of the consideration for the Acquisition

Before entered into the Agreement, the Company has obtained quotations from various reputable manufacturers of gas turbine and generator units. After taking into account the efficiency and current market price of similar type of gas turbine and generator units, the purchase price for the GTG Unit has been determined by the parties after arm's length negotiations. The Directors are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment and delivery terms

The consideration for the purchase of the GTG Unit is payable in the manner as described above. The GTG Unit shall be due for delivery within 10 months from the Effective Date.

If Amber Anji has reasons and grounds to judge that the delivery is very likely to be delayed for more than three months than the agreed date for delivery (i.e. 10 months from the Effective date), Amber Anji may give notice to the Suppliers requiring the Suppliers to remedy the situation. If the Suppliers fail to remedy or fails to take steps acceptable to Amber Anji to remedy the situation within seven days after receipt of the notice, Amber Anji may terminate the Agreement by giving one week's prior notice to the Suppliers. The advanced payments received by the Suppliers shall be returned to Amber Anji within a reasonable period. Amber Anji shall return all drawings received and return the title of equipment received to the Suppliers within a reasonable period agreed by the parties.

Prior to delivery, if Amber Anji has persistently neglected to carry out its obligations under the Agreement without reasonable causes, the Suppliers may give notice to Amber Anji requiring Amber Anji to remedy the situation. If Amber Anji fails to remedy or fails to take steps to remedy within fourteen days after its receipt of the notice, the Suppliers may terminate the Agreement by giving one week's prior notice to Amber Anji. The Suppliers shall be entitled for a mutually agreed price for works that have been executed and delivered to Amber Anji prior to the notice under the Agreement within a reasonable period agreed by the parties.

Source of funding

The Acquisition will be funded partly by the proceeds received from the placing and public offer of the shares of the Company conducted in June 2009 and partly from the Company's internal resources which is available and sufficient for the Acquisition and will not have any adverse effect to the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a foreign-owned gas-fired power plant operator under the Zhejiang provincial grid and principally engaged in the development, operation and management of power plants fuelled by natural gas.

Building upon the Group's operational and management experience in the gas-fired power generation industry, the Company has been planning to further expand its share in the PRC energy supply market by originating and investing in new projects or making acquisitions in areas such as gas-fired power generation and combined cycle projects.

Following up the disclosure of the Anji Project in the Prospectus, Phase I of the Anji Project was approved by relevant PRC government authority on 27 December 2010, and the Acquisition will form part of the combined cycle system of the Anji Project. The combined cycle system is designed to maximize efficiency in which the hot exhaust gases from the gas turbine are used to raise steam to power a steam turbine with both turbines being connected to electricity generators.

The Directors consider that the Acquisition and the Anji Project represents a good opportunity for the Company to expand its share in the PRC energy supply market and further strengthens its competitive advantages in the gas-fired power generation industry. Upon completion of the Acquisition, the power plant is expected to commence commercial operation around end of 2012. Where appropriate, the Company will make further announcement(s) to inform the Shareholders of the progress or new development of the Anji Project.

The terms and conditions of the Agreement have been agreed on normal commercial terms following arm's length negotiation. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Agreement and the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"Acquisition"	the acquisition of the GTG Unit by Amber Anji under the Agreement
"Agreement"	the agreement dated 25 May 2011 and entered into by Amber Anji and the Suppliers in connection with the Acquisition
"Amber Anji"	Amber (Anji) Gas Turbine Thermal Power Co. Ltd., a company established in the PRC and wholly owned by the Company, the principal activity of which is to develop and operate the Anji Project
"Anji Project"	a project in relating to the development of a new gas-fired combined cycle power plant to be located in Anji county in Zhejiang province of the PRC, details of its initial planning has been disclosed in the Prospectus
"Board"	the board of Directors
"Company"	Amber Energy Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Conditions"	the conditions required to be fulfilled within three months from the date of the Agreement before the Agreement shall have full force and effect
"Contract Price"	the aggregate contract price of about HKD100,614,524 comprising JPY888,826,000 (equivalent to about HKD84,489,164) and RMB13,455,000 (equivalent to about HKD16,125,360) in consideration of the performance by the Suppliers under the Agreement
"Directors"	the directors of the Company
"Effective Date"	the date that the Agreement enters into full force and effect upon fulfilment of all the Conditions
"GTG Unit"	a new and unused model of Hitachi's H-25 Gas Turbine—Generator Unit to be provided by the Suppliers
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a party who and whose ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined under the Listing Rules)
"JPY"	Japanese Yen, the lawful currency of Japan
"Letter of Credit"	an irrevocable letter of credit to be opened by Amber Anji or its agent in favour of the Off-shore Supplier within fourteen days after signing of the Agreement covering 85% of the Off-shore portion of the Contract Price, i.e. JPY755,502,100, subject to the Off-shore Supplier having notified Amber Anji in writing the Off-shore Supplier's confirmation of obtaining all the required approvals of the governmental authorities of Japan, and other countries of equipment origin, if required
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Off-shore Supplier"	Hitachi East Asia Limited
"On-shore Supplier"	Hitachi (China) Limited
"Performance Acceptance Certificate"	a certificate to be issued by the Company in accordance with the terms of the Agreement certifying that the Supplier has satisfied, or otherwise discharged all of its obligations under the Agreement, with the exception of the provisions of the warranty as set out in the Agreement and any outstanding rectification work
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus in relation to the placing and public offer of the shares of the Company dated 29 June 2009
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suppliers"	the Off-shore Supplier and the On-shore Supplier
"%"	per cent.

In this announcement, amounts quoted in JPY and RMB have been converted into HKD at the rates of JPY1,052 to HKD100 and RMB83.44 to HKD100 respectively. Such exchange rates have been used, where applicable, for illustration purposes only and do not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

By order of the Board
Amber Energy Limited
Chai Wei
President

Hong Kong, 25 May 2011

As at the date of this announcement, the Board comprised two executive directors, namely Mr. Chai Wei and Mr. Hu Xian Wei; two non-executive directors, namely Mr. Ding Guang Ping and Mr.Feng Li Min; and three independent non-executive directors, namely Mr. Zhang Shou Lin, Mr. Tse Chi Man and Mr. Yao Xian Guo.