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AMBER

Amber Energy Limited
琥 珀 能 源 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 90)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of Amber Energy Limited (the "Company") is pleased to announce the unaudited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2011 as follows:

Consolidated statement of comprehensive income
For the six months ended 30 June 2011 (unaudited)

		Six months ended 30 June	
		2011	2010
	Note	***RMB'000***	*RMB'000*
Turnover	*4*	**402,863**	239,271
Operating expenses			
Fuel consumption		**(306,852)**	(167,425)
Depreciation and amortisation		**(26,526)**	(20,409)
Repairs and maintenance		**(543)**	(660)
Personnel costs		**(10,216)**	(7,599)
Administrative expenses		**(8,726)**	(7,377)
Sales related taxes		**(3,034)**	(391)
Other operating expenses		**(1,151)**	(1,163)
Operating profit		**45,815**	34,247
Finance income		**2,199**	485
Finance expenses		**(23,848)**	(18,882)
Net finance costs	*5(i)*	**(21,649)**	(18,397)
Other net income		**527**	1,029
Profit before income tax	*5*	**24,693**	16,879
Income tax	*6*	**(1,312)**	(930)
Profit for the period		**23,381**	15,949
Other comprehensive income for the period (after tax and reclassification adjustment):			
Foreign currency translation differences for foreign operations		**(1,747)**	(918)
Total comprehensive income attributable to equity shareholders of the Company for the period		**21,634**	15,031
Basic and diluted earnings per share (RMB)	*7*	**0.06**	0.04

Consolidated statement of financial position
At 30 June 2011 (unaudited)

	Note	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Non-current assets			
Property, plant and equipment	8	**784,032**	803,645
Lease prepayments		**28,076**	28,483
		812,108	832,128
Current assets			
Inventories		**7,234**	8,978
Trade and other receivables	9	**115,605**	73,073
Tax recoverable		**5,031**	3,375
Pledged deposits	10	**152,009**	132,513
Cash and cash equivalents		**158,696**	174,881
		438,575	392,820
Current liabilities			
Interest-bearing borrowings	11	**215,000**	239,000
Trade and other payables	12	**257,949**	221,598
		472,949	460,598
Net current liabilities		**(34,374)**	(67,778)
Total assets less current liabilities		**777,734**	764,350
Non-current liabilities			
Interest-bearing borrowings	11	**250,500**	247,700
Long-term payables		**20,410**	22,298
Deferred tax liabilities		**3,453**	2,141
		274,363	272,139
Net assets		**503,371**	492,211
Capital and reserves			
Share capital		**36,582**	36,582
Reserves		**466,789**	455,629
Total equity attributable to equity shareholders of the Company		**503,371**	492,211
Total equity		**503,371**	492,211

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 General information

Amber Energy Limited ("the Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 8 September 2008 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The interim financial report of the Company for the six months ended 30 June 2011 comprises the Company and its subsidiaries (collectively referred to as the "Group").

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34 "Interim financial reporting" adopted by the International Accounting Standards Board ("IASB").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2010 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 25 March 2011.

3 Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IAS 24 (revised 2009), Related party disclosures
- Consequential amendment to IFRS 8, Operating segments
- Improvements to IFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

These developments have had no material impact on the contents of this interim financial report.

4 Segment reporting

The principal activities of the Group are the development, operation and management of power plants.

The most senior executive management have identified three operating segments, being the three power plants, namely Zhejiang De-Neng Natural Gas Power Generation Co., Ltd. ("De-Neng Power Plant"), Zhejiang Amber Jing-Xing Natural Gas Power Generation Co., Ltd. ("Jing-Xing Power Plant") and Hangzhou Blue Sky Natural Gas Power Generation Co., Ltd. ("Blue Sky Power Plant"). The most senior executive management are of the view that these three operating segments contribute the entire revenue of the Group and should be aggregated to a single reportable segment of the Group, power segment, for financial reporting purpose as they have similar economic characteristics and are similar in respect of nature of products, production processes, the type of class of customers and the regulatory environment.

Segment assets include all tangible, intangible assets, current assets with the exception of other corporate assets. Segment liabilities include trade creditors, accruals and bills payable attributable to sales activities of the power segment and bank borrowings managed directly by the power segment, with the exception of corporate expense payables.

(a) Reconciliations of reportable segment turnover, profit, assets and liabilities

Turnover

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Reportable segment turnover	**402,863**	239,271
Consolidated turnover	**402,863**	239,271

Profit

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Reportable segment profit	**27,527**	19,431
Unallocated corporate expenses	**(2,834)**	(2,552)
Consolidated profit before income tax	**24,693**	16,879

Assets

	At 30 June	At 31 December
	2011	*2010*
	RMB'000	*RMB'000*
Reportable segment assets	**1,147,557**	1,120,702
Other corporate assets	**103,126**	104,246
Consolidated total assets	**1,250,683**	1,224,948

4 Segment reporting (continued)

(a) Reconciliations of reportable segment turnover, profit, assets and liabilities (continued)

Liabilities

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Reportable segment liabilities	**740,816**	726,204
Corporate expense payables	**6,496**	6,533
Consolidated total liabilities	**747,312**	732,737

5 Profit before income tax

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

(i) Net finance costs

	Six months ended 30 June	
	2011 *RMB'000*	2010 *RMB'000*
Interest expenses	**23,591**	18,512
Foreign exchange loss	**—**	90
Bank charges	**257**	280
Financial expenses	**23,848**	18,882
Foreign exchange gain	**(69)**	—
Interest income	**(2,130)**	(485)
Financial income	**(2,199)**	(485)
Net finance costs	**21,649**	18,397

(ii) Other items

	Six months ended 30 June	
	2011 *RMB'000*	2010 *RMB'000*
Depreciation	**26,119**	20,000
Amortisation	**407**	409
Government grants	**(527)**	(529)

6 Income tax

Income tax expense in the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Current tax expense		
Provision for PRC income tax	**5,283**	1,706
Income tax credits	**(5,283)**	(1,706)
Deferred tax		
Origination of temporary differences	**1,312**	930
Total income tax expense in the consolidated statement of comprehensive income	**1,312**	930

(a) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(b) No provision for Hong Kong Profits Tax has been made for the subsidiaries incorporated in Hong Kong as these subsidiaries did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2011.

(c) The provision for PRC Corporate Income Tax is based on the respective Corporate Income Tax rates applicable to the subsidiaries established in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

According to the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which took effect on 1 January 2008, the applicable tax rates of the Group's subsidiaries in the PRC have been unified at 25% since 1 January 2008. Pursuant to the transitional arrangement under the New Tax Law, some of the Group's subsidiaries in the PRC will continue to enjoy tax holiday of tax-exemption for two years followed by 50% reduction on the applicable income tax rate for three years that were previously granted prior to the enactment of the New Tax Law. Thereafter, these subsidiaries are subject to the unified rate of 25%.

Pursuant to the New Tax Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. Deferred tax liabilities have been recognised for the retained profits of the Group's PRC subsidiaries as at 30 June 2011 to the extent that these earnings would be distributed in the foreseeable future.

(d) Pursuant to the relevant PRC tax law and regulations, the Group was granted income tax credits of RMB5,283,000 for the period for purchases of domestic equipment for production (six months ended 30 June 2010: RMB1,706,000).

7 Basic and diluted earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2011 is based on the profit attributable to equity shareholders of the Company for the period of RMB23,381,000 (six months ended 30 June 2010: RMB15,949,000) and the weighted average of 415,000,000 ordinary shares (six months ended 30 June 2010: 415,000,000) in issue during the period.

There were no dilutive potential ordinary shares throughout the period, and therefore, the basic and diluted earnings per share are the same.

8 Property, plant and equipment

During the six months ended 30 June 2011, the Group acquired items of equipment with costs of RMB6,506,000 in total (six months ended 30 June 2010: RMB1,885,000). No items of equipment were disposed of during the period (six months ended 30 June 2010: RMB170,000), therefore, no loss on disposal (six months ended 30 June 2010: RMB19,000) was incurred.

9 Trade and other receivables

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Trade receivables	**84,880**	61,418
Prepayments	**24,941**	5,949
Non-trade receivables	**5,784**	5,706
	115,605	73,073

All of the trade and other receivables are expected to be recovered within one year. Credit term granted to power grid companies is 30 days.

An ageing analysis of trade receivables of the Group is as follows:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Within 1 month	**84,880**	61,418

10 Pledged deposits

Pledged deposits can be analysed as follows:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Guarantee deposits for issuance of commercial bills and banking facilities	**152,009**	132,513

11 Interest-bearing borrowings

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Current		
Secured bank loans	**9,000**	14,000
Unsecured bank loans	**161,000**	180,000
Current portion of non-current secured bank loans	**25,060**	25,060
Current portion of non-current unsecured bank loans	**19,940**	19,940
	215,000	239,000
Non-current		
Secured bank loans	**163,000**	212,200
Unsecured bank loans	**87,500**	35,500
	250,500	247,700
	465,500	486,700

(i) The secured bank borrowings as at 30 June 2011 bore interest at rates ranging from 5.40% to 6.80% (31 December 2010: 5.10% to 5.94%) per annum and were secured by the following assets:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Carrying amounts of assets:		
Property, plant and equipment	**567,721**	671,647
Lease prepayments	**20,072**	28,483
Pledged deposits	**10,000**	15,000

(ii) Unsecured bank borrowings as at 30 June 2011 bore interest at rates ranging from 5.27% to 6.80% (31 December 2010: 4.86% to 6.39%) per annum.

(iii) The Group's non-current bank borrowings were repayable as follows:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Within 1 year	**45,000**	45,000
Over 1 year but less than 2 years	**69,000**	172,700
Over 2 years but less than 5 years	**181,500**	75,000
	250,500	247,700
	295,500	292,700

12 Trade and other payables

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Trade and bills payables	**238,180**	202,247
Non-trade payables and accrued expenses	**19,769**	19,351
	257,949	221,598

An ageing analysis of trade and bills payables of the Group is as follows:

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000
Within 3 months	**101,694**	64,296
Over 3 months but less than 6 months	**136,486**	137,951
	238,180	202,247

13 Dividends

(i) Dividends payable to equity shareholders attributable to the interim period

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Interim dividend declared after the interim period of HKD3 cents per share (six months ended 30 June 2010: Nil)	**10,223**	—

The interim dividend has not been recognised as a liability at the reporting date.

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Dividends declared during the period	**10,474**	6,206

Pursuant to a resolution passed at the board of directors' meeting on 25 March 2011, dividends of HKD12,450,000 (equivalent to RMB10,474,000) were declared and fully paid on 24 June 2011.

Pursuant to a resolution passed at the board of directors' meeting on 26 March 2010, dividends of HKD7,055,000 (equivalent to RMB6,206,000) were declared and fully paid on 22 June 2010.

14 Related party transactions

During the six months ended 30 June 2011, transactions with the following parties are considered as related party transactions. The following is a summary of the material related party transactions carried out by the Group with the below related parties for the period.

Name of party	Relationship
Amber International Investment Co., Ltd.	Parent company of the Company
Wanxiang Finance Co.,Ltd. ("Wanxiang Finance")	Fellow subsidiary

(a) Significant related party transactions and balances with related parties

There were no significant transactions between the Group and the above related parties during the period (six months ended 30 June 2010: Nil). There was no balance as at 30 June 2011 (31 December 2010: Nil).

(b) Key management personnel remunerations

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Short-term employee benefits	**1,692**	1,289
Post-employment benefits	**71**	61
	1,763	1,350

15 Capital commitments

Capital commitments in respect of purchase of property, plant and equipment outstanding at the period end but not provided for in the interim financial report were as follows:

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Authorised but not contracted for	**203,229**	83,551
Contracted for	**91,519**	3,783
	294,748	87,334

16 Operating lease commitments

Non-cancellable operating lease rentals were payable as follows:

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Less than 1 year	**494**	1,124
Over 1 year but less than 5 years	**216**	164
	710	1,288

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Installed Capacity

As at 30 June 2011, the Group has three wholly-owned gas-fired power plants, namely Zhejiang De-Neng Natural Gas Power Generation Co., Ltd.* （浙江德能天然氣發電有限公司）(“De-Neng Power Plant”), Hangzhou Amber Blue Sky Natural Gas Power Generation Co., Ltd.* (杭州琥珀藍天天然氣發電有限公司) (“Blue Sky Power Plant”) and Zhejiang Amber Jing-Xing Natural Gas Power Generation Co., Ltd.* (浙江琥珀京興天然氣發電有限公司) (“Jing-Xing Power Plant”). The aggregate installed capacity and attributable installed capacity of the above power plants was approximately 299MW remaining the same as compared with the corresponding period last year.

Production Volume

The production volume for the six months ended 30 June 2011 was 608,063 Mwh, representing an increase of 54.75% as compared with the corresponding period of last year (first half of 2010: 392,933 Mwh).

Despite the shortage of natural gas supply in the last two months in 2009 and the first quarter of 2010 which led to significant decrease in power generation, supply of natural gas in the first half of 2011 was sufficient as the supply of natural gas through West-East Gas Pipeline has resumed since the second quarter of 2010 and due to the additional supply from the new Sichuan pipeline. In addition, the electricity demand in Zhejiang Province has been strong in 2011, which led to a power shortage. The power shortage in Zhejiang Province during the peak season in 2011 is expected to be 4 million KW, and we expect to benefit from this situation as a clean energy plants for peak-loading. Accordingly, the power generation in the first half of 2011 increased significantly from the corresponding period of last year.

Natural Gas Supply

The total natural gas supply for the six months ended 30 June 2011 was 143.88 million m^3, representing an increase of 56.71% as compared with the corresponding period of last year (first half of 2010: 91.81 million m^3).

On-grid Tariff

On-grid tariff is determined by the Price Bureau of Zhejiang Province after reasonably taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. The on-grid tariff (inclusive of VAT) has been increased by RMB0.06/kwh from RMB0.74/kwh to RMB0.80/kwh since 15 July 2010 and remained at the same level thereafter.

Cost of Fuel

Natural gas is the only source of fuel for the Group's power plants. The natural gas price is determined by the Price Bureau of Zhejiang Province. The price of natural gas (inclusive of VAT) increased by RMB0.33/m^3 from RMB2.08/m^3 to RMB2.41/m^3 since 15 July 2010, 30% of which was borne by the natural gas-fired power plant and the remaining 70% was covered by raising on-grid tariff.

Since the Group was unable to pass the entire increase in natural gas price to users, the percentage of fuel cost to turnover has increased. For the six months ended 30 June 2011, the fuel cost accounted for 76.17% of the turnover, representing an increase of 6.20 percentage points as compared to the corresponding period of last year.

Financial Review

The turnover of the Group for the six months ended 30 June 2011 was approximately RMB402,863,000 (first half of 2010: RMB239,271,000), representing an increase of 68.37% as compared with the corresponding period of last year.

The profit attributable to equity shareholders of the Company for the six months ended 30 June 2011 was approximately RMB23,381,000 (the first half of 2010: RMB15,949,000), representing an increase of 46.60% as compared with the corresponding period of last year. An announcement on positive profit alert was issued by the Company on 8 July 2011 to inform the shareholders and potential investors that the sufficient supply of natural gas in the first half of 2011 has resulted in a significant increase of operating results for the first half of 2011 as compared with the corresponding period last year. Earnings per share amounted to RMB0.06 for the six months ended 30 June 2011 (first half of 2010: RMB0.04).

Turnover

Turnover of the Group for the six months ended 30 June 2011 amounted to approximately RMB402,863,000, representing an increase of 68.37% as compared with RMB239,271,000 for the corresponding period of last year. The increase in turnover was primarily due to sufficient natural gas supply in Zhejiang Province in the first half of 2011 and substantial increase in production volume resulted from the strong electricity demand.

Operating Costs

For the six months ended 30 June 2011, the operating costs of the Group were RMB357,048,000, representing an increase of 74.15% as compared with RMB205,024,000 for the corresponding period last year. The increase in operating costs was in line with the increase in turnover but at an higher rate, which was mainly because the increase of RMB0.33/m^3 in natural gas price (30% of which was born by natural gas-fired power plants and 70% was covered by raising on-grid tariff) since 15 July 2010 was unable to be passed to customers fully through raising tariff, and staff costs and administrative expenses in respect of the development and management of the Group increased.

Income Tax

All our power plants are entitled to full exemption from PRC income tax for the first two years commencing from the first profitable year of operation and a 50% reduction of the applicable PRC income tax rates for the following three years. According to the relevant regulations by the State Administration of Taxation, the power plants of the Group being the foreign-owned enterprises which purchased PRC-manufactured equipment, are entitled to a corporate income tax credit of up to 40% of the respective purchase amount. No provision of PRC income tax was provided for the six months ended 30 June 2011, because all our power plants were entitled to such corporate income tax credit granted by the State Taxation Bureau of the respective local county. No provision of income tax was made for the members of the Group outside of the PRC as the Group had no assessable profits generated outside the PRC.

Pursuant to the New Tax Law, 5% withholding tax is levied on foreign investors in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. The applicable tax rate of the Group is 5%. As at 30 June 2011, deferred tax liabilities of RMB3,453,000 was recognized.

Profit Attributable to Equity Shareholders of the Company

For the six months ended 30 June 2011, profit attributable to equity shareholders of the Company was RMB23,381,000 (first half of 2010: RMB15,949,000), representing an increase of 46.60% as compared with the corresponding period last year.

The Company made disclosure in advance in respect of its significant improvement of operating results for the first half of 2011. An announcement on positive profit alert was issued by the Company on 8 July 2011 to inform the shareholders and potential investors that the operating results for the first half of 2011 was expected to improve significantly as compared with the corresponding period last year.

The significant increase in profit attributable to equity shareholders of the Company was mainly attributable to the significant increase of power generation in the first half of 2011 through the Group's efforts by taking advantage on the sufficient natural gas supply and strong electricity demand in Zhejiang in the first half of 2011 as compared with the significant decrease in power generation in the first quarter of 2010 due to natural gas supply shortage.

Notwithstanding the certain adverse effects to the operating results brought by the increase of natural gas price that the Group was unable to pass part of the increment cost, and the increase in costs such as business tax, the Group strived to increase power generation and achieved remarkable growth of net profit in the first half of 2011 as compared with the corresponding period in 2010.

Liquidity and Financial Resources

Net cash generated from operating activities for the first half of 2011 was RMB65,511,000, representing a significant increase over last year (first half of 2010: RMB14,339,000). Such increase was mainly attributable to the growth in revenue from sales of electricity and time lag between the collection of tariff revenue and payment of natural gas fee. Turnover period of the Group's receivables is one month. In general, the tariff revenue generated in the previous month is received in the current month and used for the settlement of fuel purchases of the current month. Customers are of good credit record and there was no risk of recovery in the past. Net cash used in investing activities was RMB30,526,000 (first half of 2010: RMB1,525,000) which was mainly for payment for the property, plant and equipment, of which RMB22,150,000 was used as downpayment for procuring major equipments for the first phase of Anji power project. Net cash used in financing activities was RMB51,170,000 (first half of 2010: RMB20,006,000) which was mainly for repayment of certain bank loans and payment of dividend to shareholders.

As at 30 June 2011, the Group had a cash balance of RMB158,696,000 (31 December 2010: RMB174,881,000). Of which, approximately RMB67,380,000 raised from the Company's listing, representing part of the proceeds, was designated for financing new investment project while the remaining balance of RMB91,316,000 was intended to be used for general working capital purpose. Cash was generally placed with licensed banks as short-term deposit.

As at 30 June 2011, the Group had net current liabilities of RMB34,374,000 (31 December 2010: RMB67,778,000). The net current liabilities slightly decreased as compared with the end of last year and such decrease was primarily because the power plants of the Group secured long term loans of RMB87,500,000 during the period under review.

The Group regularly monitors current and expected liquidity requirements and its compliance with lending covenants, to ensure that it fulfils its short-term and long-term liquidity requirements. In spite of the fact that part of its borrowings is short-term borrowings expiring within one year, as the major banks and the Group maintain long term satisfactory cooperation relationships, the Directors are confident that the Group will be able to satisfy all conditions required by the bank associated with the renewal of the short-term borrowing. The Directors believe that the Group has sufficient working capital for future operations.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt (including all loans and borrowings as well as long-term payables, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity attributable to equity shareholders of the Company, as shown in the consolidated statement of financial position, plus net debt. As at 30 June 2011, the gearing ratio was 39.40%, representing a decrease of 1.03 percentage points over last year (31 December 2010: 40.43%).

Foreign Exchange

The Group has placed short-term deposits with licensed bank in Hong Kong Dollars, which will affect the Group's financial conditions as the exchange rate of Hong Kong Dollars to Renminbi fluctuates. As the Group's operating expenses were mainly denominated in Renminbi and our turnover was also settled in Renminbi, the Group has not hedged the risks of exchange rate fluctuations through any forward contracts or borrowings.

Contingent Liabilities and Capital Commitments

As at 30 June 2011, the Group had RMB91,519,000 (31 December 2010: RMB3,783,000) of capital commitments relating to property, plant and equipment contracted but not provided for in the interim financial report. The Group had authorized but not contracted for capital commitments of RMB203,229,000 (31 December 2010: RMB83,551,000). During the period under review, the Group had no major contingent liabilities or off-balance-sheet commitments.

Details of the capital commitment of the Group are set out in note 15 to the interim financial report.

Use of Proceeds from Initial Public Offering

In July 2009, the Company issued 115,000,000 shares (including 15,000,000 shares issued upon the exercise of over-allocation option) pursuant to its initial public offering. The offer price was HK$1.66 per share and the net proceeds from the initial public offering were approximately RMB129,306,000 after deducting share offering expenses.

As at the date of this announcement, approximately RMB30,000,000 had been used in accordance with the manner as set out in the prospectus of the Company dated 29 June 2009 in respect of the initial public offering (the "Prospectus") for the balance consideration for the acquisition of 47% minority interests in De-Neng Power Plant. According to the Prospectus and the announcement regarding the over-allocation of shares, approximately RMB92,540,000 would be used for the development of the first phase of a new gas-fired cogeneration power plant in Anji county, Zhejiang Province.

The first phase of Anji power project with an installed capacity of 38.5 MW was approved by Zhejiang Provincial Development and Reform Commission on 27 December 2010. The total investments amounted to approximately RMB303,790,000. Amber (Anji) Gas Turbine Thermal Power Co., Ltd. ("Amber (Anji)"), an indirect wholly-owned subsidiary of the Company, was incorporated on 25 February 2011 with a registered capital of approximately RMB105,211,000 (equivalent to USD16,000,000).

The Group contributed approximately RMB66,974,400 (equivalent to HKD80,000,000 or approximately USD10,286,700) to Amber (Anji) on 17 May 2011.

Amber (Anji) entered into an agreement with Hitachi East Asia Ltd. and Hitachi (China) Ltd. on 25 May 2011 to purchase Hitachi H-25 Gas Turbine — Generator Unit, a brand new model of GTG Unit and the total contract value was approximately RMB83,950,000 (equivalent to approximately HKD100,610,000).

PROSPECTS

Since climatic changes and development of low carbon economy will be under global spotlight, the clean energy industry will be one of the industries with the strongest development potential. Under the 12th Five Year Plan, the clean energy industry of China will be further developed to optimize the structure of the energy generation industry. The use of coal in power generation will be reduced while the use of natural gas and other reusable energy sources will be increased. As one of the clean energy providers in Zhejiang Province, our Group will benefit from the favourable policies promoting environmentally friendly energy of the PRC government.

The Board is of the view that the Chinese Government will advocate energy conservation and emission reduction and promote the development of a low-carbon economy. As the proportion of renewable energy to total energy consumption in China is low and natural gas is a fossil fuel and important transition fuel which is in compliance with the environment protection standards, it is expected that the Chinese Government will put more efforts in developing renewable energy and increase the proportion of natural gas to the primary energy. Natural gas will be one of the major clean energies used in China in the first half of the 21st century.

Natural gas is also important to the adjustment of overall energy structure, environmental protection and industrial development in Zhejiang Province. Therefore, natural gas is widely introduced in Zhejiang Province. The Group considers that the total supply of natural gas in Zhejiang Province will be increasing and the supply of natural gas will improve. It is expected that the supply of gas from Sichuan to Zhejiang will further increase to approximately 1.6–1.8 billion m^3 in 2011, representing an increase of 0.35–0.55 billion m^3 as compared to 1.25 billion m^3 in 2010. The supply of natural gas through West-East Gas Pipeline (Phase I) of PetroChina to Zhejiang will also increase slightly. The Company believes that the Group will benefit from the increase of supply of natural gas in Zhejiang in 2011.

The demand of electricity in Zhejiang Province has been increasing since 2011 and the imbalance between the demand and supply of electricity is worsening. It is expected that the shortage of electricity supply during the peak period in 2011 will be 4 million KW, and it is expected that the demand of electricity in Zhejiang Province will increase significantly in 2012 and 2013. Zhejiang Provincial Government provides support to the construction of a series of natural gas-fired cogeneration projects, which are planned to commence production in 2012 and 2013, so as to solve the shortage supply of electricity during the period of 12th Five Year Plan in Zhejiang Province. This will be a great opportunity for the Group to develop a new natural gas-fired cogeneration project in Zhejiang Province.

Grasping this opportunity, the Group is exploring the opportunities to invest in natural gas-fired cogeneration projects in Zhejiang Province. The Group will also carry out investigation, research and development of clean energy projects other than natural gas. The Group will further increase its reserves in projects for current and long term development, and will expand its market share in the clean energy supply in the PRC.

The Group will further strengthen and develop its human resources and the training of talents to create a better enterprise cultural atmosphere. In addition, the Group will continue to enhance its budget management and risk control, and upgrade its corporate governance in order to facilitate its steady growth and sustainable development.

Leveraging the core business of clean energy in the PRC, the Group believes that it will have remarkable development in the future and will become a leading clean energy enterprise in China in the long run.

INTERIM DIVIDEND

The Board declares the payment of an interim dividend of HK$0.03 per share for the six months ended 30 June 2011 (nil for first half of 2010) to shareholders of the Company whose names appear on the register of members of the Company on 9 September 2011. The interim dividend will be paid on or around 30 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 September 2011 to Friday, 9 September 2011 (both dates inclusive). In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 6 September 2011.

MAJOR INVESTMENT, ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2011 and up to the date of this announcement, the Group did not have any major investment, acquisitions or disposals.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares.

EMPOLYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group had a total of 263 employees, excluding 16 temporary employees (31 December 2010: 257 employees, excluding 18 temporary employees). The Group determines employees' remuneration according to industry practices, financial performance and employees' performance. The Group also provides other fringe benefits, such as insurance, medical benefits and mandatory provident fund with an aim to retain talents on all levels to ensure their continuing contributions to the Group.

CORPORATE GOVERNANCE

The Board has been adamant in upholding high standards of corporate governance to maximize the operational efficiency, corporate values and shareholder returns. The Company adopted sound governance and disclosure practices and continued to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30 June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code. All the directors confirmed that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

AUDIT COMMITTEE

The Company established the audit committee ("Audit Committee") in June 2009 and has formulated its written terms of reference, which may from time to time be modified, in accordance with the provisions set out in the CG Code. The Audit Committee comprises all the independent non-executive directors, namely Mr. Tse Chi Man, Mr. Zhang Shou Lin and Mr. Yao Xian Guo, and one non-executive director, namely Mr. Feng Li Min, of the Company.

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, and review of the Group's financial information and relationship with the external auditor of the Company.

The Audit Committee has reviewed the Group's interim results for the six months ended 30 June 2011.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.amberenergy.com.hk). The 2011 interim report of the Company will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Amber Energy Limited
Chai Wei
President

Hong Kong, 19 August 2011

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

* *The English names of the companies/entities established in the PRC are unofficial English transliterations or translations and are for identification purposes only.*