AMBER

Amber Energy Limited

琥珀能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 90)

2012 ANNUAL RESULTS ANNOUNCEMENT

The directors of Amber Energy Limited (the "**Company**") announce the audited results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	**2012** *RMB'000*	2011 *RMB'000*
Turnover	*4*	**614,399**	720,412
Operating expenses			
Fuel consumption		**(463,513)**	(547,576)
Depreciation and amortisation		**(44,156)**	(48,904)
Repairs and maintenance		**(1,859)**	(1,453)
Personnel costs	*5(ii)*	**(16,440)**	(21,195)
Administrative expenses		**(16,614)**	(15,236)
Sales related taxes		**(4,644)**	(5,233)
Other operating expenses		**(2,539)**	(3,264)
Operating profit		**64,634**	77,551

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2012

	Note	2012 RMB'000	2011 RMB'000
Finance income		**2,094**	3,890
Finance costs		**(40,620)**	(44,886)
Net finance costs	*5(i)*	**(38,526)**	(40,996)
Other net income		**848**	1,367
Profit before taxation	*5*	**26,956**	37,922
Tax expense	*6*	**(7,498)**	(1,882)
Profit attributable to equity shareholders of the Company for the year		**19,458**	36,040
Other comprehensive income for the year (after tax and reclassification adjustment):			
Exchange differences on translation of financial statements of overseas subsidiaries		**368**	(2,234)
Total comprehensive income attributable to equity shareholders of the Company for the year		**19,826**	33,806
Basic earnings per share (RMB)	*8*	**0.05**	0.09
Diluted earnings per share (RMB)	*8*	**0.04**	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Note	2012 RMB'000	2011 RMB'000
Non-current assets			
Property, plant and equipment		**1,099,615**	808,977
Lease prepayments		**52,837**	27,670
Deferred tax assets	*6(iii)*	**4,049**	—
		1,156,501	836,647
Current assets			
Inventories		**8,688**	7,812
Trade and other receivables	*9*	**154,551**	84,650
Tax recoverable		—	7,643
Pledged deposits		**64,542**	47,084
Cash and cash equivalents		**155,188**	168,709
		382,969	315,898
Current liabilities			
Interest-bearing borrowings	*10*	**271,700**	244,000
Trade and other payables	*12*	**169,460**	43,816
Current taxation		**4,492**	—
		445,652	287,816
Net current (liabilities)/assets		**(62,683)**	28,082
Total assets less current liabilities		**1,093,818**	864,729
Non-current liabilities			
Interest-bearing borrowings	*10*	**444,000**	239,000
Convertible bonds	*11*	**76,873**	71,818
Deferred revenue		**11,378**	—
Long-term payables	*13*	**14,369**	18,503
Deferred tax liabilities	*6(iii)*	**4,390**	4,023
		551,010	333,344
Net assets		**542,808**	531,385
Capital and reserves			
Share capital	*14*	**36,582**	36,582
Reserves		**506,226**	494,803
Total equity attributable to equity shareholders of the Company		**542,808**	531,385

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity and background 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 Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2009 (the "**Listing**").

The consolidated financial statements for the year ended 31 December 2012 of the Company comprise the Company and its subsidiaries (together referred to as the "**Group**"). The principal activities of the Group are the development, operation and management of power plants.

2 Statement of compliance

These financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IASs) and related Interpretations, promulgated by the International Accounting Standards Board ("**IASB**"), 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.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

3 Changes in accounting policies

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. None of these developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Turnover and segment reporting

(a) Turnover

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

Turnover represents revenue from the sale of electricity to power grid companies.

4 Turnover and segment reporting (continued)

(b) Segment reporting

The most senior executive management have identified four operating segments, which are the four power plants, namely:

- Amber (Anji) Gas Turbine Thermal Power Co., Ltd. ("**Anji Power Plant**");
- Zhejiang Amber 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 Amber Blue Sky Natural Gas Power Generation Co., Ltd. ("**Blue Sky Power Plant**").

The most senior executive management are of the view that these four operating segments contribute to 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 and 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, convertible bonds, and bank borrowings managed directly by the power segment, with the exception of corporate liabilities.

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

Turnover	**2012**	2011
	RMB'000	*RMB'000*
Reportable segment turnover	**614,399**	720,412
Consolidated turnover	**614,399**	720,412

Profit	**2012**	2011
	RMB'000	*RMB'000*
Reportable segment profit	**31,590**	47,617
Unallocated corporate expenses	**(4,634)**	(9,695)
Consolidated profit before taxation	**26,956**	37,922

Assets	**2012**	2011
	RMB'000	*RMB'000*
Reportable segment assets	**1,538,320**	1,076,376
Other corporate assets	**1,150**	76,169
Consolidated total assets	**1,539,470**	1,152,545

Liabilities	**2012**	2011
	RMB'000	*RMB'000*
Reportable segment liabilities	**983,881**	536,371
Corporate liabilities	**12,781**	84,789
Consolidated total liabilities	**996,662**	621,160

5 Profit before taxation

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

(i) Net finance costs

	2012	2011
	RMB'000	*RMB'000*
Interest income	**(2,061)**	(3,774)
Net foreign exchange gain	**(33)**	(116)
Financial income	**(2,094)**	(3,890)
Interest on interest-bearing borrowings and other bank advances	**49,580**	44,436
Interest on convertible bonds	**7,105**	527
Total interest expense on financial liabilities	**56,685**	44,963
Less: interest expense capitalised into assets under construction*	**16,176**	527
Total interest expense recognised in profit or loss	**40,509**	44,436
Bank charges	**111**	450
Financial expenses	**40,620**	44,886
Net finance costs	**38,526**	40,996

* *The borrowing costs have been capitalised at a rate of 6.15% to 9.72% per annum (2011: 9.72%).*

(ii) Personnel costs

	2012	2011
	RMB'000	*RMB'000*
Wages, salaries and other benefits	**15,086**	20,052
Contribution to defined contribution plan	**1,354**	1,143
	16,440	21,195

The Group participates in pension funds organised by the PRC government. According to the respective pension fund regulations, the Group is required to pay annual contributions. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds. The Group has no obligation for payment of retirement and other post-retirement benefits of employees other than the contributions described above.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees employed by the Company in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

5 Profit before taxation (continued)

(iii) Other items

	2012 RMB'000	2011 RMB'000
Operating lease charges	**1,696**	1,249
Gain on disposal of plant, property and equipment	**(132)**	(2)
Amortisation	**944**	813
Depreciation	**43,212**	48,091
Auditor's remuneration — audit services	**1,209**	1,113

6 Taxes

(i) Income tax in the consolidated statement of comprehensive income represents:

	2012 RMB'000	2011 RMB'000
Current tax		
PRC Corporate Income Tax	**11,248**	8,454
Income tax credit	**(751)**	(8,454)
Deferred tax		
Origination and reversal of temporary differences	**(2,999)**	1,882
Total income tax expense in the consolidated statement of comprehensive income	**7,498**	1,882

(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 located in Hong Kong as these subsidiaries did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2012 (2011: Nil).

(c) The provision for PRC income tax is based on the respective Corporate Income Tax rates applicable to the subsidiaries located 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 Group's subsidiaries in the PRC are subjected to the unified tax rate of 25% in 2012.

Pursuant to the New Tax Law, 10% withholding tax is levied on the foreign investor (5% for foreign investors who are registered in Hong Kong provided they meet certain criteria) in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. Deferred tax liabilities of RMB4,390,000 have been recognised for the retained profits of the Group's PRC subsidiaries as at 31 December 2012 to the extent that these earnings would be distributed in the foreseeable future (2011: RMB4,023,000).

(d) Pursuant to the relevant PRC tax law and regulations, the Group was granted an income tax credit of RMB751,000 for purchases of domestic equipment for production (2011: RMB8,454,000).

6 Taxes (continued)

(ii) Reconciliation between tax expense and accounting profit at applicable tax rate:

	2012	2011
	RMB'000	*RMB'000*
Profit before taxation	**26,956**	37,922
Notional tax on profit before taxation, calculated at 25%	**7,127**	9,481
Effect of different tax rates applicable to subsidiaries	—	(1,726)
Tax effect of non-deductible expenses	**72**	699
Income tax credit	**(751)**	(8,454)
Withholding tax on profits retained by PRC subsidiaries	**1,050**	1,882
Actual tax expense	**7,498**	1,882

(iii) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	The Group			
	Assets		**Liabilities**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Property, plant and equipment	**863**	—	—	—
Withholding tax on profits retained by the Group's PRC subsidiaries	—	—	**(4,390)**	(4,023)
Government grants	**2,859**	—	—	—
Tax losses of a subsidiary	**327**	—	—	—
Deferred tax assets/(liabilities)	**4,049**	—	**(4,390)**	(4,023)

(iv) Movement in deferred tax balance during the year

	The Group				
	Property, plant and equipment	**Withholding tax on profits retained by the Group's PRC subsidiaries**	**Government grants**	**Tax loss of a subsidiary**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2012	—	(4,023)	—	—	(4,023)
Reversal upon distribution of dividends	—	683	—	—	683
Recognised in consolidated income statement	863	(1,050)	2,859	327	2,999
At 31 December 2012	863	(4,390)	2,859	327	(341)

7 Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2012	2011
	RMB'000	*RMB'000*
Interim dividend declared during the year of HKD nil per share (2011: HKD0.03 per share)	**—**	10,223
Final dividend proposed after the reporting date of HKD0.015 per share (2011: HKD0.025 per share)	**5,029**	8,403

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

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year approved during the year

	2012	2011
	RMB'000	*RMB'000*
Final dividends in respect of the previous financial year, approved during the year of HKD0.025 per share (2011: HKD0.03 per share)	**8,403**	10,474

Pursuant to a resolution passed at the board of directors' meeting on 23 March 2012, dividends of HKD10,375,000 (equivalent to RMB8,403,000) were declared and HKD2,875,000 (equivalent to RMB2,322,000) were paid on 22 June 2012.

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.

8 Basic and diluted earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB19,458,000 (2011: RMB36,040,000) and the weighted average of 415,000,000 ordinary shares (2011: 415,000,000) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

	2012	2011
	Number of shares	Number of shares
Issued ordinary shares at 1 January (note 14 (i))	**415,000,000**	415,000,000
Weighted average number of ordinary shares at 31 December	**415,000,000**	415,000,000

8 Basic and diluted earnings per share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB19,458,000 (2011: RMB36,040,000) and the weighted average number of ordinary shares of 460,000,000 shares (2011: 418,945,205), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

The interest expenses on the liability component of convertible bonds (see note 11) have been capitalised during the year. Therefore, there is no effect on the profit attributable to the equity shareholders of the Company.

(ii) Weighted average number of ordinary shares (diluted)

	2012 **Number of shares**	2011 Number of shares
Weighted average number of ordinary shares at 31 December	**415,000,000**	415,000,000
Effect of conversion of convertible bonds	**45,000,000**	3,945,205
Weighted average number of ordinary shares (diluted) at 31 December	**460,000,000**	418,945,205

9 Trade and other receivables

	2012 ***RMB'000***	2011 *RMB'000*
Trade receivables	**39,524**	27,986
Prepayments	**61,751**	47,073
VAT recoverable	**48,823**	4,929
Other receivables	**4,453**	4,662
	154,551	84,650

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:

	2012 ***RMB'000***	2011 *RMB'000*
Not past due	**39,524**	27,986

10 Interest-bearing borrowings

	2012	2011
	RMB'000	*RMB'000*
Current		
Secured bank loans	**24,700**	29,000
Unsecured bank loans	**164,500**	160,000
Current portion of non-current secured bank loans	**45,000**	55,000
Current portion of non-current unsecured bank loans	**37,500**	—
	271,700	244,000
Non-current		
Secured bank loans	**90,000**	139,000
Unsecured bank loans	**354,000**	100,000
	444,000	239,000
	715,700	483,000

(i) The secured bank loans as at 31 December 2012 carried interest at rates ranging from 6.16% to 7.4025% (2011: 6.56% to 8.52%) per annum and were secured by the following assets:

	2012	2011
	RMB'000	*RMB'000*
Carrying amounts of assets:		
Property, plant and equipment	**613,213**	633,559
Lease prepayments	**26,857**	27,670
Pledged deposits	**5,083**	30,000

(ii) Unsecured bank loans as at 31 December 2012 carried interest at rates ranging from 6.3% to 7.544% (2011: 6.10% to 7.54%) per annum. As at 31 December 2012, unsecured bank loans of RMB304,000,000 was guaranteed by China Wanxiang Holding., Ltd. ("**Wanxiang Holding**", a related party).

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

	2012	2011
	RMB'000	*RMB'000*
Within 1 year	**82,500**	55,000
Over 1 year but less than 2 years	**90,000**	45,000
Over 2 years but less than 5 years	**256,000**	194,000
Over 5 years	**98,000**	—
	444,000	239,000
	526,500	294,000

11 Convertible bonds

On 29 November 2011, the Company issued convertible bonds (the "**Convertible Bonds**") in the aggregate principal amount of HKD124,800,000. The subscriber of the Convertible Bonds is Amber International Investment Co., Ltd. ("**Amber International**"), the immediate holding company of the Company. The principal terms of the Convertible Bonds are as follows:

(a) Optional conversion

The holder of the Convertible Bonds ("**Bondholder**") may convert the Convertible Bonds in integral multiples of HKD3,900,000 into fully paid ordinary shares of the Company with a par value of HKD0.10 each at an initial conversion price ("**Conversion Price**") of HKD1.30 per share at any time from 29 November 2011 (the "**Issue Date**") up to (and including) 28 November 2016 (the "**Maturity Date**"). The Conversion Price is subject to adjustments in the manner set out in the Convertible Bonds agreement as a result of dilutive events. The maximum number of ordinary shares that may be converted is limited to the extent that following such conversion, the shares held by public should not be less than 25% of the then issued share capital of the Company.

(b) Redemption

Unless previously converted, purchased or cancelled, the Company shall redeem the Convertible Bonds at the principal amount and pay all the outstanding interest on Maturity Date.

As the functional currency of the Company is HKD, the conversion of the Convertible Bonds will be settled by exchange of a fixed amount of cash in HKD with a fixed number of the Company's equity instruments. In accordance with the requirements of IAS 39 Financial Instruments–Recognition and Measurement, the Convertible Bonds agreement needs to be separated into a liability component consisting of the straight debt element and redemption elements of the bonds, and an equity component representing the options of the Bondholder to convert the bonds into equity. The proceeds received from the issue of the Convertible Bonds have been split as follows:

(i) Liability component represents the fair value of the contractually determined stream of cash flows discounted at the prevailing market interest rate applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion features.

The liability component was subsequently measured at amortised cost using an effective interest rate of 9.72%.

(ii) Equity component represents the conversion options, which is determined by deducting the fair value of the liability component from the proceeds of issue of the Convertible Bonds as a whole.

The movement of the liability component and the equity component of the Convertible Bonds for the year is set out below:

	Liability component *RMB'000*	**Equity component** *RMB'000*	**Total** *RMB'000*
As at 29 November 2011	74,720	27,080	101,800
Transaction costs on issue of the Convertible Bonds	(2,802)	(1,015)	(3,817)
Interest capitalised during the period from 29 November 2011 to 31 December 2011	527	—	527
Foreign currency translation difference	(627)	—	(627)
As at 31 December 2011 and 1 January 2012	71,818	26,065	97,883
Interest capitalised during the year	7,105	—	7,105
Interest paid during the year	(1,220)	—	(1,220)
Interest payable during the year	(1,012)	—	(1,012)
Foreign currency translation difference	182	—	182
As at 31 December 2012	76,873	26,065	102,938

No conversion, redemption or purchase or cancellation of the Convertible Bonds has taken place up to 31 December 2012.

12 Trade and other payables

	2012	2011
	RMB'000	*RMB'000*
Trade and bill payables	**128,880**	20,906
Other payables and accrued expenses (see note 13)	**40,580**	22,910
	169,460	43,816

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

	2012	2011
	RMB'000	*RMB'000*
Within 3 months	**86,741**	12,628
Over 3 months but less than 6 months	**42,139**	8,278
	128,880	20,906

13 Long-term payables

	2012	2011
	RMB'000	*RMB'000*
Payable for purchase of property, plant and equipment	**14,369**	18,503

The balance represents payable for the purchase of an imported generator equipment. The nominal value of the purchase consideration of RMB60,448,000 is payable over a period of 10 years. The amount has been measured at fair value being future cash outflows discounted at the prevailing interest rates as at the respective reporting dates.

Current portion of long-term payables of RMB6,099,000 (2011: RMB7,131,000) has been included in other payables and accrued expenses (see note 12).

14 Share Capital

		2012		2011	
	Note	**No. of shares**	**Amount**	No. of shares	Amount
			RMB'000		*RMB'000*
Authorised:					
Ordinary shares of HKD0.10 each	*(i)*	**1,000,000,000**	**88,050**	1,000,000,000	88,050
Ordinary shares, issued and fully paid					
At 1 January		**415,000,000**	**36,582**	415,000,000	36,582
At 31 December		**415,000,000**	**36,582**	415,000,000	36,582

14 Share Capital (continued)

(i) The Company was incorporated in the Cayman Islands on 8 September 2008 with an authorised share capital of HKD380,000 divided into 3,800,000 ordinary shares of par value HKD0.10 each. On 8 September 2008, one share was allotted and issued to the initial subscriber and was subsequently transferred to Amber International on the same date. On 20 March 2009, two shares were allotted and issued to Amber International to settle the consideration for the transfer of Blue Sky Power Plant and Jing-Xing Power Plant to Amber Bluesky and Amber Jingxing, respectively. On 11 June 2009, one share was allotted and issued to Amber International to settle the consideration for the transfer of De-Neng Power Plant to Amber Deneng.

Pursuant to a resolution passed by the then sole shareholder of the Company on 18 June 2009, the authorised share capital of the Company was increased from HKD380,000 divided into 3,800,000 ordinary shares to HKD100,000,000 divided into 1,000,000,000 ordinary shares.

(ii) Pursuant to a written resolution of the then sole shareholder of the Company passed on 18 June 2009, 299,999,996 shares of HKD0.10 each in the Company were issued at par value on 9 July 2009 to the Company's existing shareholder as at 18 June 2009 by way of capitalisation of HKD30,000,000 (equivalent to RMB26,446,000) from the share premium account.

(iii) On 10 July 2009, 100,000,000 ordinary shares of HKD0.10 each were issued at a price of HKD1.66 per share under the share offer. The proceeds of HKD10,000,000 (equivalent to RMB8,814,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD156,000,000 (equivalent to RMB137,500,000), before the share issue expenses, were credited to the share premium account.

On 31 July 2009, the sole underwriter of the share offer exercised the over-allocation option for the issuance of 15,000,000 ordinary shares of HKD0.10 each at HKD1.66 per share. The proceeds of HKD1,500,000 (equivalent to RMB1,322,000) representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD23,400,000 (equivalent to RMB20,629,000), before the share issue expenses, were credited to the share premium account.

15 Commitments

(i) Capital commitments in respect of purchase of property, plant and equipment outstanding at the year end but not provided for in the consolidated financial statements were as follows:

	2012	2011
	RMB'000	*RMB'000*
Authorised but not contracted for	**186,454**	487,238
Contracted for	**167,328**	389,930
	353,782	877,168

(ii) Non-cancellable operating lease rentals were payable as follows:

	2012	2011
	RMB'000	*RMB'000*
Less than 1 year	**731**	690
Over 1 year but less than 5 years	**315**	700
	1,046	1,390

16 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2012

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2012 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Presentation of financial statements — Presentation of items of other comprehensive income	1 July 2012
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 27	Separated financial statements (2011)	1 January 2013
IAS 28	Investments in associates and joint ventures	1 January 2013
Revised IAS 19	Employee benefits	1 January 2013
Annual Improvements to IFRSs 2009–2011 Cycle		1 January 2013
Amendments to IFRS 7	Financial instruments: Disclosures — Disclosures — Offsetting financial assets and liabilities	1 January 2013
Amendments to IAS 32	Financial instruments: Presentation — Offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial instruments	1 January 2015

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and SIC 12 Consolidation — Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The application of IFRS 10 is not expected to change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013. However, it may in the future result in investees being consolidated which would not have been consolidated under the Group's existing policies or vice versa.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required in IFRS 12 are generally more extensive than those required in the current standards. The Group may have to make additional disclosures about its interests in other entities when the standard is adopted for the first time in 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Installed Capacity

The Group is mainly engaged in the construction, operation and management of natural gas-fired power plants, and has three wholly-owned gas-fired power plants in Zhejiang province, namely Zhejiang Amber De-Neng Natural Gas Power Generation Co., Ltd. (浙江琥珀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**"). As at 31 December 2012, the aggregate installed capacity and attributable installed capacity of the above power plants was approximately 299MW.

During the period under review, the Group started to develop a new gas turbine thermal power cogeneration ("**Anji Project**") with installed capacity of approximately 154MW in Anji of Zhejiang.

Production Volume

The production for the year ended 31 December 2012 was 927,017Mwh, representing a decrease of 14.79% as compared with the corresponding period of last year (2011: 1,087,889Mwh).

Due to the slowdown of growth in electricity demand in Zhejiang in 2012, power purchased by Zhejiang Electric Power Corporation from the Group dropped as compared with the corresponding period of last year, leading to a decrease in the production of the Group.

The Company issued an announcement regarding the adjustment to the power generation plan and profit warning on 18 October 2012 to inform the shareholders and potential investors that the production of the Group for the year ended 31 December 2012 was expected to decline due to the adjustment. The growth of electricity demand in Zhejiang has slowed down significantly since the beginning of 2012 and the power consumption and production levels did not match. In order to coordinate the operation of the power generation units, maintain the balance between power consumption and production and facilitate the smooth peak-loading operation of the natural gas-fired generation units, certain power plants, including De-Neng Power Plant and Blue Sky Power Plant of the Group, were required to adjust their natural gas generation plans for 2012 from 3,500 hours to 3,100 hours (the "**Adjustment**").

Natural Gas Supply

The total natural gas supply for the year ended 31 December 2012 was 217.34 million m^3, representing a decrease of 15.35% as compared with last year (2011: 256.75 million m^3).

Fuel Cost

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. The prevailing price of natural gas is RMB2.41/m^3 (inclusive of VAT).

For the year ended 31 December 2012, the fuel cost accounted for 75.44% of the turnover, representing a decrease of 0.56 percentage point as compared to the corresponding period of last year.

On-grid Tariff

On-grid tariff is determined by the Price Bureau of Zhejiang taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. The prevailing on-grid tariff is RMB0.80/kwh (inclusive of VAT).

Financial Review

The turnover of the Group for the year ended 31 December 2012 was approximately RMB614,399,000 (2011: RMB720,412,000), representing a decrease of 14.72% as compared with last year.

The profit attributable to equity shareholders of the Company for the year ended 31 December 2012 was approximately RMB19,458,000 (2011: RMB36,040,000), representing a decrease of 46.01% as compared with 2011. Basic earnings per share amounted to RMB0.05 for the year ended 31 December 2012 (2011: RMB0.09).

The significant decrease in the profit attributable to equity shareholders of the Company was mainly attributable to: (i) the decrease in production in 2012 as compared with the corresponding period of last year; and (ii) the increase in the income tax expenses.

Turnover

Turnover of the Group for the year ended 31 December 2012 amounted to approximately RMB614,399,000, representing a decrease of 14.72% as compared with RMB720,412,000 for last year. The decrease in turnover was primarily due to the decrease in production of the Group as compared with last year.

Operating Costs

The operating costs of the Group for 2012 were RMB549,765,000, representing a decrease of 14.48% as compared with RMB642,861,000 for 2011. The decrease of operating costs was in line with the decrease in turnover.

Income Tax

All power plants of the Group are entitled to full exemption from PRC income tax for two years 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 of the State Administration of Taxation, the power plants of the Group, being foreign-owned enterprises, are entitled to a corporate income tax credit of up to 40% of the costs of PRC-manufactured equipment purchased by the plants.

The "two exemptions and three halved" income tax relief policy was lifted on 31 December 2011. De-Neng Power Plant and Blue Sky Power Plant were no longer entitled to tax relief from 31 December 2011 and Jing-Xing Power Plant were no longer entitled to tax relief from 31 December 2012. The PRC enterprise income tax of plants operated by the Group, except Jing-Xing Power Plant which continues to enjoy certain tax exemption, is provided for and paid at a rate of 25% since 1 January 2012. The PRC income tax provided for the year ended 31 December 2012 amounted to RMB10,497,000.

Pursuant to the Tax Law, 10% withholding tax is levied on foreign investors in respect of dividend distributions arising from profits of foreign invested enterprises earned after 1 January 2008, while the applicable tax rate for foreign investors registered in Hong Kong is 5% provided they meet certain criteria. As at 31 December 2012, deferred tax liabilities of RMB4,390,000 were recognized accordingly.

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.

Profit Attributable to Equity Shareholders of the Company

For the year ended 31 December 2012, the profit attributable to equity shareholders of the Company was RMB19,458,000 (2011: RMB36,040,000), representing a decrease of RMB16,582,000, or approximately 46.01%, as compared with last year.

The Company issued an announcement regarding the adjustment to the power generation plan and profit warning on 18 October 2012 to inform the shareholders and potential investors that the net profit of the Group for the year ended 31 December 2012 was expected to be significantly lower than that for the year ended 31 December 2011.

The significant decrease in the net profit in 2012 was mainly due to: (i) the decrease in production in 2012 as compared with the corresponding period of last year as a result of the significant drop in electricity purchased by Zhejiang Electric Power Corporation from the Group as compared with the corresponding period of last year due to the slow growth in the electricity demand in Zhejiang; and (ii) the increase in income tax expenses as compared with the corresponding period of last year as a result of the expiration of the preferential tax treatments of two of the three power plants of the Group on 31 December 2011.

Liquidity and Financial Resources

Net cash generated from operating activities was RMB150,396,000 (Net cash used in 2011: RMB74,303,000). The significant increase in the net cash generated from operating activities over last year was mainly due to the increase of promissory notes and the decrease of cash used by the Group for the payment of fuel costs during the year. The aging of the Group's receivables is one month and 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. Credit record of our customers was satisfactory and there has been no risk of default. Net cash used in investing activities was RMB376,837,000 (2011: RMB93,846,000) which was mainly used for the payment of property, plant and equipment. The construction and equipment procurement costs of Anji projects were RMB364,271,000. Net cash generated from financing activities was 212,920,000 (2011: RMB161,977,000), which was primarily due to the increase of long-term loans of RMB304,000,000 for Anji projects.

As at 31 December 2012, the Group had a cash balance of RMB155,188,000 (31 December 2011: RMB168,709,000). Approximately RMB69,102,000 was used for financing the new Anji thermal power cogeneration project, while the remaining balance of approximately RMB86,086,000 was used for working capital purpose. Cash was generally placed with banks as short-term deposit.

As at 31 December 2012, the Group had net current liabilities of approximately RMB62,683,000 (31 December 2011: net current assets of approximately RMB28,082,000). The net current liabilities increased primarily due to the use of significant internal fund for the payment for the construction and equipment procurement of Anji projects in 2012.

The Group regularly monitors its liquidity positions and projected liquidity requirements and its compliance with lending covenants to ensure that it meets its short-term and long-term liquidity requirements. The Group maintains long-term satisfactory relationships with the major banks, and the Directors are confident that the Group will be able to satisfy all conditions required by its bank creditors and will have 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 31 December 2012, the gearing ratio was 54.56%, representing an increase of 11.33 percentage points as compared with 2011 (31 December 2011: 43.23%), which was primarily due to the increase of long-term loans of RMB304,000,000 for Anji projects.

Foreign Exchange

The Group has placed short-term deposits with licensed banks 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 are mainly denominated in Renminbi and our turnover is 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 31 December 2012, the Group had RMB167,328,000 (31 December 2011: RMB389,930,000) of capital commitments relating to the purchase and construction of property, plant and equipment contracted but not provided for in the annual financial report. The Group had authorized but not contracted for capital commitments of RMB186,454,000 (31 December 2011: RMB487,238,000). During the year, 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 financial report.

PROSPECTS

In the 18th National Congress of the Communist Party of China, the importance of ecological civilization construction for the establishment of a Beautiful China has been highlighted. The objective of ecological civilization construction is firstly included in the party constitution as a part of the development plan of China, focusing on maintaining green, recycling and low-carbon development. It proves that ecological civilization construction has become the international major trend and has raised increasing concern from China.

In 2013, the expected slowdown in the economic growth of China brings various uncertainties to the operations of enterprises. However, the Group believes that the clean energy industry, including the exploration and use of natural gas, will still be one of the most promising industries in the future as the world is highly concerned about the ecological environment. Natural gas, a fossil fuel and important transition fuel which is in compliance with the environment protection standards, is widely used in Europe and many other developed countries such as the United States. According to the "12th Five Year Plan", China will further optimize the structure of energy industry, reduce the reliance on coal resources and increase the proportion of natural gas in primary energy. The proportion of natural gas in primary energy is expected to increase from 4.3% in 2011 to 8.3% at the end of 2015. The Group, being a major clean energy supplier focusing on natural gas, will likely benefit from this policy.

The Group is developing a new natural gas-fired cogeneration project, the Anji Project, which is expected to be completed by the second quarter of 2013. There will be an additional installed capacity of approximately 154MW, representing an increase of approximately 51.50%, which will become a new source of income for the Group.

The National Energy Administration anticipated that the energy consumption in 2013 will grow with a faster rate than that in 2012. The total power consumption in China for 2013 is expected to increase by approximately 6.5%.

During the period of 12th Five Year Plan, a number of natural gas pipelines were built in China and the coastal liquefied natural gas receiving stations realized the production targets. In addition, the government further expanded the development of unconventional natural gas such as shale gas and coal bed methane which facilitated the gasification in China. The gas supply for power generation achieved a five-year-compound growth rate of 25%, and the liquefied natural gas, which has larger impacts on regions with large power consumption, increased at the rate of over 60% in 2012.

In response to the above situation, the management will continue to support and dedicate to the development of clean energy and is confident in the future development of the existing power plants and new projects of the Group. However, the shareholders and potential investors of the Company shall be reminded that the first-year operation of the Anji thermal power cogeneration project, which will commence production in 2013, is subject to various uncertainties and there is no assurance that whether it will become a new source of profit growth for the Group in the first year of operation. Nevertheless, we will continue to create long-term returns for our shareholders at our best endeavours.

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 implement its budget management and risk control, and upgrade its corporate governance in order to facilitate its steady growth alongside sustainable development. Leveraging the core business of clean energy in the PRC, the Group believes that it will have a remarkable development in the future and will become a leading clean energy enterprise in China in the long run.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HKD0.015 per share payable to shareholders of the Company whose names appear on the register of members on 7 June 2013. The proposed final dividend will be paid on or around 21 June 2013 following approval at the forthcoming annual general meeting.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Friday, 31 May 2013. A notice convening the annual general meeting will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) from Wednesday, 29 May 2013 to Friday, 31 May 2013 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company. In order to be eligible to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates shall be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 28 May 2013; and

(ii) from Thursday, 6 June 2013 to Friday, 7 June 2013 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates shall be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 5 June 2013.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group had a total of 330 employees, excluding 7 temporary staff (31 December 2011: 284, excluding 35 temporary staff). 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 contributions with an aim to retain talents on all levels for further contributions to the Group.

HEALTH AND SAFETY COMPLIANCE

The Group's power plants have adopted various internal policies and implemented protective measures to prevent health and safety hazards. The policies adopted by the Company are in line with government regulations. There were no material accidents or suspensions during the year.

ENVIRONMENT PROTECTION

Each of the Group's power plants has installed a monitoring system to monitor the emission volume of sulphur dioxide and nitrogen oxides on a real-time basis. The emission is inspected regularly to determine whether the relevant standard has been satisfied before discharging.

During the power generation process, conventional coal-fired power plant discharges waste water and emits air pollutants, such as sulphur dioxide, nitrogen oxides and fine particles. The Group's power plants are fuelled with natural gas which is a cleaner fossil fuel. Unlike conventional coal-fired power plants, the Group's power plants emit significantly less amount of nitrogen oxides and barely any sulphur dioxide and fine particles. For the same amount of heat generated, combusting natural gas releases less than 50% carbon dioxide as compared to combusting coal.

The Group believes that the environmental protection system and facilities of our power plants are in full compliance with the national and local regulations on environment protection.

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 has 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 all the code provisions of the Code on Corporate Governance Practices (the "**CG Code**") as set out in Appendix 14 to the Listing Rules which was revised and took effect on 1 April 2012, as well as those of the former CG Code, for the year ended 31 December 2012, save as disclosed below:

Under code provision A.6.7, Independent Non-executive Directors ("**INED**") and other Non-executive Directors ("**NED**") shall attend general meetings and develop a balanced understanding of the views of shareholders. Also, under code provision E.1.2, the Chairman of the Board shall invite the Chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee to attend and answer questions at the annual general meeting. Mr. Feng Li Min (the former NED) and Mr. Zhang Shou Lin (the former INED and the former Chairman of the Remuneration Committee) did not attend the annual general meeting of the Company held on 1 June 2012 as they retired as directors of the Company on the same date.

Since 10 January 2013, Mr. Chai Wei, the President of the Company, has also assumed the role of the Chairman of the Board as a result of the resignation of Mr. GU Jun Yuan (the former Chairman of the Board) which deviates from the code provision A.2.1. Mr. Chai has over 19 years of experience in corporate development and management in a variety of sectors, including energy and public media, and is the most suitable candidate to serve in the positions of both the Chairman of the Board and President of the Company. For the time being, the Company is unable to identify another suitable person who possesses abilities and talent better than or equivalent to Mr. Chai to serve in either of the positions. Given that there is a balanced Board with five experienced NEDs (including three INEDs) representing more than half of the Board, the Board is of the view that there is a strong independent element on the Board to exercise independent judgement and provide sufficient check and balance.

The Board will evaluate from time to time the appropriateness of the dual roles of Chairman and the President performed by the same individual and ensures that the arrangement will continue to be in the interests of the Company and its shareholders as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2012.

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 both the INEDs and the NED of the Company, namely Mr. Tse Chi Man (INED), Mr. Yao Xian Guo (INED), Mr. YU Wayne W. (INED) and Mr. Pei Shao Hua (NED).

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 data and relationship with the external auditor of the Company.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2012.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.amberenergy.com.hk). The Company will despatch the annual report to the shareholders at the end of April 2013, and publish it on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Amber Energy Limited
Chai Wei
President and Chairman

Hong Kong, 22 March 2013

As at the date of this announcement, the Board comprises one executive director, Mr. Chai Wei; two non-executive directors, namely Mr. Pei Shao Hua and Mr. Li Jin Quan; and three independent non-executive directors, namely Mr. Tse Chi Man, Mr. Yao Xian Guo and Mr. YU Wayne W.