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 2013

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 2013 as follows:

Consolidated statement of comprehensive income

For the six months ended 30 June 2013 (unaudited)

		Six months ended 30 June	
	Note	**2013** ***RMB'000***	2012 *RMB'000*
Turnover	*4*	**293,383**	267,483
Operating expenses			
Fuel consumption		**(219,010)**	(200,371)
Depreciation and amortisation		**(21,644)**	(20,015)
Repairs and maintenance		**(1,075)**	(1,119)
Personnel costs		**(9,840)**	(10,082)
Administrative expenses		**(8,813)**	(8,669)
Sales related taxes		**(2,211)**	(2,080)
Other operating expenses		**(1,343)**	(1,214)
Operating profit		**29,447**	23,933
Finance income		**761**	889
Finance expenses		**(17,127)**	(19,898)
Net finance costs	*5(i)*	**(16,366)**	(19,009)
Other net income		**885**	560

		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Profit before income tax	*5*	**13,966**	5,484
Income tax	*6*	**(6,440)**	(1,200)
Profit for the period		**7,526**	4,284
Other comprehensive income for the period (after tax and reclassification adjustment):			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**1,460**	(370)
Total comprehensive income attributable to equity shareholders of the Company for the period		**8,986**	3,914
Basic earnings per share (RMB)	*7(a)*	**0.02**	0.01
Diluted earnings per share (RMB)	*7(b)*	**0.02**	0.01

Consolidated statement of financial position

At 30 June 2013 (unaudited)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Non-current assets			
Property, plant and equipment	8	**1,186,523**	1,099,615
Lease prepayments		**52,168**	52,837
Deferred tax assets		**4,119**	4,049
		1,242,810	1,156,501
Current assets			
Inventories		**9,250**	8,688
Trade and other receivables	9	**155,478**	154,551
Pledged deposits	10	**32,563**	64,542
Cash and cash equivalents		**123,167**	155,188
		320,458	382,969
Current liabilities			
Interest-bearing borrowings	11	**213,250**	271,700
Trade and other payables	12	**225,495**	169,460
Current taxation		**5,596**	4,492
		444,341	445,652
Net current liabilities		**(123,883)**	(62,683)
Total assets less current liabilities		**1,118,927**	1,093,818
Non-current liabilities			
Interest-bearing borrowings	11	**467,750**	444,000
Convertible bonds	13	**78,186**	76,873
Deferred revenue	14	**11,263**	11,378
Long-term payables		**12,108**	14,369
Deferred tax liabilities		**2,855**	4,390
		572,162	551,010
Net assets		**546,765**	542,808
Capital and reserves			
Share capital		**36,582**	36,582
Reserves		**510,183**	506,226
Total equity attributable to equity shareholders of the Company		**546,765**	542,808
Total equity		**546,765**	542,808

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 2013 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 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 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 judgments, 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 2012 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 2012 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 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 22 March 2013.

3 Changes in accounting policies

The IASB has issued a number of new IFRSs and amendments to IFRSs 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:

- Amendments to IAS 1, Presentation of financial statements — Presentation of items of other comprehensive income
- IFRS 10, Consolidated financial statements
- IFRS 12, Disclosure of interests in other entities
- Annual Improvements to IFRSs 2009–2011 Cycle
- Amendments to IFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

3 Changes in accounting policies (continued)

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

Amendments to IAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

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 or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

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 by IFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of adopting IFRS 12.

Annual Improvements to IFRSs 2009–2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, IAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker (CODM) and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. The amendment does not have any impact on the segment disclosure of the Group because the Group does not have any reportable segments with total assets or total liabilities materially different from the amounts reported in the last annual financial statements.

Amendments to IFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, Financial instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32.

The adoption of the amendments does not have an impact on the Group's interim financial report because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7.

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.

(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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Reportable segment turnover	**293,383**	267,483
Consolidated turnover	**293,383**	267,483

Profit

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Reportable segment profit	**18,244**	8,369
Unallocated corporate expenses	**(4,278)**	(2,885)
Consolidated profit before taxation	**13,966**	5,484

4 Turnover and segment reporting (continued)

(b) Segment reporting (continued)

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

Assets

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Reportable segment assets	**1,561,782**	1,538,320
Other corporate assets	**1,486**	1,150
Consolidated total assets	**1,563,268**	1,539,470

Liabilities

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Reportable segment liabilities	**1,001,400**	983,881
Corporate liabilities	**15,103**	12,781
Consolidated total liabilities	**1,016,503**	996,662

5 Profit before income tax

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

(i) Net finance costs

	Six months ended 30 June	
	2013 *RMB'000*	2012 *RMB'000*
Interest income	**(665)**	(889)
Net foreign exchange gain	**(96)**	—
Financial income	**(761)**	(889)
Interest on interest-bearing borrowings and other bank advances	**26,927**	19,847
Interest on convertible bonds	**3,658**	3,572
Total interest expense on financial liabilities	**30,585**	23,419
Less: interest expense capitalised into assets under construction*	**13,539**	3,572
Total interest expense recognised in profit or loss	**17,046**	19,847
Bank charges	**81**	35
Net foreign exchange loss	**—**	16
Financial expenses	**17,127**	19,898
Net finance costs	**16,366**	19,009

* The borrowing costs have been capitalised at a rate of 6.55% to 9.72% per annum (six months ended 30 June 2012: 9.72%).

5 Profit before income tax (continued)

(ii) Other items

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Depreciation	**20,975**	19,607
Amortisation	**669**	408
Government grants	**(885)**	(560)

6 Income tax

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current tax expense		
Provision for PRC income tax	**5,250**	3,430
Income tax credits	**—**	(751)
Under provision in respect of prior years	**736**	—
Deferred tax		
Origination and reversal of temporary differences	**454**	(1,479)
Total income tax expense in the consolidated statement of comprehensive income	**6,440**	1,200

(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 six months ended 30 June 2013 (six months ended 30 June 2012: 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 subject to the unified tax rate of 25%.

Pursuant to the Corporate Income Tax Law of the PRC, a 5% withholding tax is levied on foreign investors in respect of dividend distributions arising from profits of a foreign investment enterprise in the PRC earned after 1 January 2008, provided that the Company is the "beneficial owner" and holds 25% or more of the equity interest of a foreign investment enterprise in the PRC under the tax arrangement between the PRC and Hong Kong Special Administration Region. Deferred tax liabilities of RMB2,855,000 have been recognised for the retained profits of the Group's PRC subsidiaries as at 30 June 2013 to the extent that these earnings would be distributed in the foreseeable future. (31 December 2012: RMB4,390,000)

(d) The Group has not recognised deferred tax assets in respect of a cumulated tax losses of RMB6,232,000 (six months ended 30 June 2012: Nil) as it is not probable that future taxable profits will be available against which the Group can utilise the benefit therefrom.

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB7,526,000 (six months ended 30 June 2012: RMB4,284,000) and the weighted average of 415,000,000 ordinary shares (six months ended 30 June 2012: 415,000,000) in issue during the period.

(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 RMB7,526,000 (six months ended 30 June 2012: RMB4,284,000) and the weighted average number of ordinary shares (diluted) of 460,000,000 (six months ended 30 June 2012: 460,000,000).

8 Property, plant and equipment

During the six months ended 30 June 2013, the Group acquired items of equipment with costs of RMB107,890,000 in total (six months ended 30 June 2012: RMB150,246,000).

9 Trade and other receivables

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Trade receivables	**56,882**	39,524
Prepayments	**39,273**	61,751
VAT recoverable	**54,361**	48,823
Other receivables	**4,962**	4,453
	155,478	154,551

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 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Not past due	**56,882**	39,524

10 Pledged deposits

Pledged deposits can be analysed as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Guarantee deposits for issuance of commercial bills and banking facilities	**32,653**	64,542

11 Interest-bearing borrowings

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Current		
Secured bank loans	**—**	24,700
Unsecured bank loans	**119,500**	164,500
Current portion of non-current secured bank loans	**63,750**	45,000
Current portion of non-current unsecured bank loans	**30,000**	37,500
	213,250	271,700
Non-current		
Secured bank loans	**56,250**	90,000
Unsecured bank loans	**411,500**	354,000
	467,750	444,000
	681,000	715,700

(i) The secured bank borrowings as at 30 June 2013 bore interest at rates ranging from 6.65% to 7.4025% (31 December 2012: 6.16% to 7.4025%) per annum and were secured by the following assets:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Carrying amounts of assets:		
Property, plant and equipment	**403,674**	613,213
Lease prepayments	**22,256**	26,857
Pledged deposits	**—**	5,083

(ii) Unsecured bank borrowings as at 30 June 2013 bore interest at rates ranging from 6.31% to 7.544% (31 December 2012: 6.30% to 7.544%) per annum.

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

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Within 1 year	**93,750**	82,500
Over 1 year but less than 2 years	**97,500**	90,000
Over 2 years but less than 5 years	**270,500**	256,000
Over 5 years	**99,750**	98,000
	467,750	444,000
	561,500	526,500

12 Trade and other payables

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Trade and bills payables	**157,418**	128,880
Non-trade payables and accrued expenses	**68,077**	40,580
	225,495	169,460

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Within 3 months	**86,529**	86,741
Over 3 months but less than 6 months	**70,889**	42,139
	157,418	128,880

13 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 movement of the liability component and the equity component of the Convertible Bonds for the six months ended 30 June 2013 is set out below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
As at 31 December 2012	76,873	26,065	102,938
Interest capitalised during the period	3,658	—	3,658
Interest paid during the period	(1,009)	—	(1,009)
Interest payable during the period	(994)	—	(994)
Foreign currency translation difference	(342)	—	(342)
As at 30 June 2013	78,186	26,065	104,251

No conversion, redemption or purchase or cancellation of the Convertible Bonds has taken place up to 30 June 2013.

14 Deferred revenue

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Government grants	**11,263**	11,378

The Group was awarded a compensation amounting to RMB11,435,000 from Anji Economic Development Zone Administrative Committee for its acquisition of the land use right for construction of Anji Power Plant. The grant is first recognised as deferred revenue and is amortised over the grant period of the land use right.

15 Dividends

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Interim dividend declared after the interim period of HKD0.006 per share (six months ended 30 June 2012: Nil)	**1,981**	—

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	
	2013	2012
	RMB'000	*RMB'000*
Dividends declared during the period	**5,029**	8,403

Pursuant to a resolution passed at the board of directors' meeting on 22 March 2013, dividends of HKD6,225,000 (equivalent to RMB5,029,000) were declared and HKD1,725,000 (equivalent to RMB1,372,000) were paid on 20 June 2013.

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 RMB2,329,000) were paid on 22 June 2012.

16 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	Immediate holding company of the Company
China Wanxiang Holding Co., Ltd. ("Wanxiang Holding")	Fellow subsidiary
Wanxiang Finance Co., Ltd. ("Wanxiang Finance")	Fellow subsidiary

16 Related party transactions (continued)

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

Particulars of significant transactions between the Group and the above related parties during the period ended 30 June 2013 is as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Issue of commercial bills, net of pledged deposits paid to		
Wanxiang Finance	**53,500**	—
Interest on discounting commercial bills paid to		
Wanxiang Finance	**2,856**	—
Unsecured bank loans guaranteed by		
Wanxiang Holding	**50,000**	—
Interest on Convertible Bonds paid to		
Amber International	**1,009**	—

The balance of significant transactions between the Group and the above related party during the six months ended 30 June 2013 is as follows:

	At 30 June	At 31 December
	2013	2012
	RMB'000	*RMB'000*
Wanxiang Finance:		
— Pledged deposits	**16,500**	—
— Bills payable	**(70,000)**	—
Amber International:		
— Convertible Bonds	**(78,186)**	(76,873)
— Dividend payable	**(9,559)**	(6,081)
— Interest payable	**(994)**	(1,012)
	(142,239)	(83,966)

16 Related party transactions (continued)

(b) Key management personnel remunerations

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Short-term employee benefits	**1,353**	1,412
Post-employment benefits	**73**	70
	1,426	1,482

17 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 2013	At 31 December 2012
	RMB'000	*RMB'000*
Authorised but not contracted for	**136,993**	186,454
Contracted for	**106,780**	167,328
	243,773	353,782

18 Operating lease commitments

Non-cancellable operating lease rentals were payable as follows:

	At 30 June 2013	At 31 December 2012
	RMB'000	*RMB'000*
Less than 1 year	**315**	731
Over 1 year but less than 5 years	**315**	315
	630	1,046

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 30 June 2013, the aggregate installed capacity and attributable installed capacity of the above power plants was approximately 299MW.

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

Production Volume

The production for the six months ended 30 June 2013 was 442,537Mwh, representing an increase of 9.78% as compared with the corresponding period of last year (first half of 2012: 403,114Mwh).

Due to the growth in electricity demand in Zhejiang in the first half of 2013, production volume of the Group increased. The 3,500-hours power generation plan for 2013 granted by the relevant government authorities remained unchanged.

Natural Gas Supply

The total natural gas supply for the six months ended 30 June 2013 was 102.69 million m^3, representing an increase of 9.29% as compared with the corresponding period of last year (first half of 2012: 93.96 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. For the six months ended 30 June 2013, the price of natural gas was RMB2.41/m^3 (inclusive of VAT). The natural gas price increased to RMB3.22/m^3 from RMB2.41/m^3 (both inclusive of VAT) on 10 July 2013.

For the six months ended 30 June 2013, the fuel cost accounted for 74.65% of the turnover, representing a decrease of 0.26 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 after taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. For the six months ended 30 June 2013, the on-grid tariff is RMB0.80/kwh (inclusive of VAT). The provisional on-grid tariff increased to RMB0.96/kwh from RMB0.80/kwh (both inclusive of VAT) on 10 July 2013.

Financial Review

The turnover of the Group for the six months ended 30 June 2013 was approximately RMB293,383,000 (first half of 2012: RMB267,483,000), representing an increase of 9.68% 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 2013 was approximately RMB7,526,000 (first half of 2012: RMB4,284,000), representing an increase of 75.68% as compared with the corresponding period of last year. A profit alert announcement was issued by the Company on 11 July 2013 to inform the shareholders and potential investors that the consolidated net profit for the six months ended 30 June 2013 was expected to be higher than that of the corresponding period in 2012 primarily due to the fact that the electricity purchased by Zhejiang Electric Power Corporation from the Company in the first half of 2013 increased as compared with the corresponding period in 2012. Earnings per share amounted to RMB0.02 for the six months ended 30 June 2013 (first half of 2012: RMB0.01).

Turnover

Turnover of the Group for the six months ended 30 June 2013 amounted to approximately RMB293,383,000, representing an increase of 9.68% as compared with RMB267,483,000 for the corresponding period of last year. The increase in turnover was primarily due to the increase in production of the Group in the first half of 2013.

Operating Costs

For the six months ended 30 June 2013, the operating costs of the Group were RMB263,936,000, representing an increase of 8.37% as compared with RMB243,550,000 for the corresponding period of last year. Fuel cost increased in line with the increase in turnover while the other costs not linked directly to results of operation changed slightly.

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 income tax relief policy was lifted on 31 December 2012. Therefore, De-Neng Power Plant, Jing-Xing Power Plant and Blue Sky Power Plant of the Group have started to provide for and pay the PRC enterprise income tax at a rate of 25% since 1 January 2013. The PRC income tax provided for the six months ended 30 June 2013 amounted to RMB5,986,000.

Pursuant to the relevant PRC tax laws and regulations, 10% withholding tax is levied on foreign investors in respect of dividend distributions arising from profits of foreign investment 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 30 June 2013, deferred tax liabilities of RMB2,855,000 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 six months ended 30 June 2013, profit attributable to equity shareholders of the Company was RMB7,526,000 (first half of 2012: RMB4,284,000), representing an increase of 75.68% as compared with the corresponding period of last year.

The Company issued a profit alert announcement on 11 July 2013 to inform the shareholders and potential investors that the operating results for the first half of 2013 were expected to increase as compared with the corresponding period of last year. The increase in profit attributable to equity shareholders of the Company was mainly due to the increase in electricity purchased by Zhejiang Electric Power Corporation from the Company as compared with the corresponding period of last year. It was due to the growth in the overall demand for electricity in Zhejiang, which led to an increase in production in the first half of 2013 as compared with the corresponding period of last year. On the contrary, the Group recorded a decrease in production volume and losses in April 2012 due to the decrease in electricity purchased by Zhejiang Electric Power Corporation from the Company as compared with the corresponding period of 2011.

Liquidity and Financial Resources

Net cash generated from operating activities for the first half of 2013 was RMB36,336,000, representing an increase of 241.70% as compared with the corresponding period of last year (first half of 2012: RMB10,634,000). Such increase was mainly attributable to the increase in revenue from sales of electricity due to the increase in electricity generation and the payment for natural gas supplies for June was made in July. The receivables of the Group had an average age of one month. In general, the tariff of the previous month will be received in the current month and used for the settlement of fuel purchases of the current month. Customers of the Group had a good credit record and there was no risk of collection in the past. Net cash used in investment activities was RMB64,086,000 (first half of 2012: RMB145,440,000) which was mainly due to the decrease in payment for property, plant and equipment, including the payment for the construction and purchase of equipment for Anji Project of RMB54,177,000. Net cash used in financing activities was RMB4,271,000 (net cash generated in first half of 2012: RMB39,054,000) which was mainly due to the increase in repayment of borrowings as compared with the corresponding period of last year.

As at 30 June 2013, the Group had a cash balance of RMB123,167,000 (31 December 2012: RMB155,188,000), which was used for general working capital purpose. Cash was generally placed with licensed banks as a short-term deposit.

As at 30 June 2013, the Group had net current liabilities of RMB123,883,000 (31 December 2012: RMB62,683,000). The net current liabilities increased as compared with the end of last year. The increase was primarily due to investment in the construction and purchase of equipment for Anji Project in the first half of 2013 by using certain of our internal funds.

The Group regularly monitors its liquidity and 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 in its dealings 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 30 June 2013, the gearing ratio was 54.24%, representing a decrease of 0.32 percentage point over last year (31 December 2012: 54.56%).

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 30 June 2013, the Group had RMB106,780,000 (31 December 2012: RMB167,328,000) of capital commitments relating to the purchase and construction of 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 RMB136,993,000 (31 December 2012: RMB186,454,000). 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 17 to the interim financial report.

PROSPECTS

In 2013, the global economic outlook remains uncertain. Economic growth of China is expected to slow down, which will bring various challenges 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 China. 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 consolidate the structure of energy industry, reduce the reliance on coal resources and increase the proportion of natural gas to the primary energy. The proportion of natural gas in primary energy is expected to increase from 4.3% in 2010 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.

In the first half of 2013, the growth in total electricity consumption in China remained slow as in the last quarter of last year due to the slowdown in economic growth. It is likely that the economic growth will remain stable and the total electricity consumption growth will remain slow in the second half of 2013, according to the forecast by the National Bureau of Statistics. Environment-friendly and energy-saving industries will enjoy policy support in the next round of economic restructuring. According to Premier Li Ke Qiang, favorable policies and innovative measures are needed to facilitate the development of environment-friendly and energy-saving industries by attracting the investment of capitals, including private capitals. In the long run, the strategy of the Company to develop clean energy shall prove to be fruitful.

The supply of conventional natural gas remained stable while the supply of liquefied natural gas supply increased in Zhejiang. The three natural gas-fired power plants of the Group will be able to obtain sufficient natural gas to meet their annual production plans. In the long run, the government will increase investment in the development of conventional natural gas as well as alternative natural gas, namely shale gas and coal bed methane, and increase the import of natural gas. The supply of natural gas in Zhejiang will increase in line with the increase in total supply of natural gas.

Pursuant to the Notice Regarding the Adjustment on the Price of Natural Gas for Non-residential Use《關於調整非居民用天然氣價格的通知》, the Notice Regarding the Adjustment on Temporary On-grid Tariff of Power Generation Plants of which the Power is Uniformly Adjusted by Zhejiang Province《關於調整省統調燃氣電廠臨時上網電價的通知》 and the Notice Regarding the Adjustment on On-grid Tariff of Power Generation Plants of which the Power is not Uniformly Adjusted by Zhejiang Province《關於調整非省統調燃氣電廠上網電價的通知》 issued by the Price Bureau of Zhejiang on 10 July 2013 and officially received by the Group on 12 July 2013 (after the release of the profit alert announcement of the Company), the natural gas price for our natural gas-fired power plants increased to RMB3.22/m^3, an increase of 33.6% from RMB2.41/m^3 (both inclusive of VAT), while the provisional on-grid tariff of the Group increased to RMB0.96/kwh, an increase of 20% from RMB0.8/kwh (both inclusive of VAT). The cost of natural gas of the Company effectively increased by approximately 21%. The increase in on-grid tariff is more than offset by the increase in natural gas price. The Group was not able to pass the increase of cost entirely onto its customers. The relevant price adjustments will increase the operating cost of the

Group and our operation in the second half of the year will thus be under pressure. It is expected such price adjustment may have an adverse impact on the operating results of the Group for the year of 2013. The management will closely monitor the movement of on-grid tariff and natural gas price through communication with the relevant government authorities. The management will also study the development of the industry and explore new sources of revenue. The Company will strengthen its management and control to maintain its healthy growth.

The Group is developing a new natural gas-fired cogeneration project, the Anji Project, which is started to undertake final commissioning before production. 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 in future.

Zhejiang Government has been providing great support for the development of clean energy. At the end of July 2013, the Company received notification from government authorities specifying that the Anji Project is allowed to generate power for 3,000 hours in 2013 (the actual power generation hours will be calculated in proportion to the remaining months of 2013 upon the commencement of operation), including 1,000 hours for peak power generation. The remaining of the annual power generation plan will be made up by other high-efficient coal-fired units, alternative power generation, in Zhejiang. Alternative power generation refers to the transfer of part of the power generation capacity under the power generation plan of the Company to other power generation plants for the fulfilment of the power generation plan on its behalf in exchange for payments. Alternative generation capacity is 70.5 million kwh. The Company will charge a tariff difference. Monthly tariff difference = actual alternative on-grid electricity of the month x (alternative on-grid tariff RMB482/MWH (including desulfuration allowance) — alternative power generation tariff). As the tariff of alternative power generation is dependent on the coal price, which is subject to market fluctuation, the difference in tariff is unpredictable. The above alternative power generation arrangement will only be effective upon the commencement of operation of the Anji Project in 2013, but the Company has not received any notification or documents regarding the tariff, gas price or the commencement of operation in respect of the Anji Project. Therefore, the impact of such alternative power generation arrangement on the 2013 annual results of the Company is uncertain. The Company will keep track of the tariff and gas prices upon the commencement of operation of the Anji Project and will make relevant disclosure in a timely manner.

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 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.

INTERIM DIVIDEND

The Board has recommended the payment of an interim dividend of HKD0.006 per ordinary share for the six months ended 30 June 2013. The proposed interim dividend is payable on or around 27 September 2013 to shareholders whose names appear on the register of members of the Company on 13 September 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 11 September 2013 to 13 September 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed interim dividend payable on or around 27 September 2013, all duly completed transfer documents must be lodged with the Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 10 September 2013.

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

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had a total of 310 employees, excluding 14 temporary workers (31 December 2012: 330, excluding 7 temporary workers). 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 to make further contributions to the Group.

UPDATE OF DIRECTORS' INFORMATION

Below are the update of Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") since the date of 2012 Annual Report of the Company.

The Company and Mr. Lai Chun Yu entered into a service agreement on 22 April 2013 in relation to Mr. Lai's appointment as an executive Director of the Company for a term of three years commencing from 22 April 2013. Mr. Lai is entitled to a salary of HK$56,333 per month and eligible for a discretionary bonus at the absolute discretion of the Board. The emoluments of Mr. Lai is determined on the basis of his experience, level of responsibilities within the Group and the market situation.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2012 Annual Report of the Company.

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 Corporate Governance Code (the CG Code") as set out in Appendix 14 to the Listing Rules, for the six months ended 30 June 2013, save as disclosed below:

Under code provision E.1.2 of the CG Code, the Chairman of the Board should invite the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee to attend and answer questions at the annual general meeting. Mr. Yao Xian Guo, the chairman of the Remuneration Committee of the Company, could not attend the annual general meeting of the Company as he was performing his duties outside Hong Kong on the date of the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the 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 2013.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's interim results for the six months ended 30 June 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.amberenergy.com.hk). The 2013 interim report of the Company will be despatched 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 and Chairman

Hong Kong, 19 August 2013

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Chai Wei and Mr. Lai Chun Yu; 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.