AMBER

Amber Energy Limited
琥珀能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 90)

2013 ANNUAL RESULTS ANNOUNCEMENT

The board of 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 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	**2013** **RMB'000**	2012 *RMB'000*
Turnover	*4*	**744,952**	614,399
Operating expenses			
Fuel consumption		**(591,634)**	(463,513)
Depreciation and amortisation		**(46,852)**	(44,156)
Repairs and maintenance		**(2,439)**	(1,859)
Personnel costs	*5(ii)*	**(20,011)**	(16,440)
Administrative expenses		**(15,824)**	(16,614)
Sales related taxes		**(4,712)**	(4,644)
Other operating expenses		**(3,328)**	(2,539)
Operating profit		**60,152**	64,634

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2013

	Note	**2013**	2012
		RMB'000	*RMB'000*
Finance income		**1,892**	2,094
Finance costs		**(36,106)**	(40,620)
Net finance costs	*5(i)*	**(34,214)**	(38,526)
Other net income		**976**	848
Profit before taxation	*5*	**26,914**	26,956
Tax expense	*6*	**(11,287)**	(7,498)
Profit attributable to equity shareholders of the Company for the year		**15,627**	19,458
Other comprehensive income for the year (after tax and reclassification adjustment):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**2,615**	368
Total comprehensive income attributable to equity shareholders of the Company for the year		**18,242**	19,826
Basic earnings per share (RMB)	*8*	**0.04**	0.05
Diluted earnings per share (RMB)	*8*	**0.03**	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Note	**2013**	2012
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**1,247,534**	1,099,615
Lease prepayments		**51,500**	52,837
Deferred tax assets	*6(iii)*	**2,787**	4,049
		1,301,821	1,156,501
Current assets			
Inventories		**4,386**	8,688
Trade and other receivables	*9*	**159,073**	154,551
Pledged deposits		**59,500**	64,542
Cash and cash equivalents		**60,235**	155,188
		283,194	382,969
Current liabilities			
Interest-bearing borrowings	*10*	**220,000**	271,700
Trade and other payables	*12*	**252,487**	169,460
Current taxation		**5,308**	4,492
		477,795	445,652
Net current liabilities		**(194,601)**	(62,683)
Total assets less current liabilities		**1,107,220**	1,093,818
Non-current liabilities			
Interest-bearing borrowings	*10*	**449,000**	444,000
Convertible bonds	*11*	**79,794**	76,873
Deferred revenue		**11,149**	11,378
Long-term payables	*13*	**9,848**	14,369
Deferred tax liabilities	*6(iii)*	**3,389**	4,390
		553,180	551,010
NET ASSETS		**554,040**	542,808
CAPITAL AND RESERVES			
Share capital	*14*	**36,582**	36,582
Reserves		**517,458**	506,226
Total equity attributable to equity shareholders of the Company		**554,040**	542,808

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 2013 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 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
- IFRS 13, Fair value measurement
- Amendments to IFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

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 and revenue from sales of electricity quotas.

The amount of each significant category of revenue recognised during the year is as follows:

	2013	2012
	RMB'000	*RMB'000*
Self generation	**734,705**	614,399
Alternative generation*	**10,247**	—
	744,952	614,399

* *The alternative generation arrangement allows a coal-fired power plant to purchase the power generation quota of the Group's power plants and sell such generation to power grid companies based on the buyer's approved on-grid tariff.*

(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.

4 Turnover and segment reporting (continued)

(b) Segment reporting (continued)

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

Turnover	**2013**	2012
	RMB'000	*RMB'000*
Reportable segment turnover	**744,952**	614,399
Consolidated turnover	**744,952**	614,399

Profit	**2013**	2012
	RMB'000	*RMB'000*
Reportable segment profit	**34,671**	31,590
Unallocated corporate expenses	**(7,757)**	(4,634)
Consolidated profit before taxation	**26,914**	26,956

Assets	**2013**	2012
	RMB'000	*RMB'000*
Reportable segment assets	**1,582,981**	1,538,320
Other corporate assets	**2,034**	1,150
Consolidated total assets	**1,585,015**	1,539,470

Liabilities	**2013**	2012
	RMB'000	*RMB'000*
Reportable segment liabilities	**1,013,202**	983,881
Corporate liabilities	**17,773**	12,781
Consolidated total liabilities	**1,030,975**	996,662

5 Profit before taxation

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

(i) Net finance costs

	2013	2012
	RMB'000	*RMB'000*
Interest income	**(1,827)**	(2,061)
Net foreign exchange gain	**(65)**	(33)
Financial income	**(1,892)**	(2,094)
Interest on interest-bearing borrowings and other bank advances	**57,476**	49,580
Interest on convertible bonds	**7,220**	7,105
Total interest expense on financial liabilities	**64,696**	56,685
Less: interest expense capitalised into assets under construction*	**28,764**	16,176
Total interest expense recognised in profit or loss	**35,932**	40,509
Bank charges	**174**	111
Financial expenses	**36,106**	40,620
Net finance costs	**34,214**	38,526

* *The borrowing costs have been capitalised at a rate of 6% to 9.72% per annum (2012: 6.15% to 9.72%).*

(ii) Personnel costs

	2013	2012
	RMB'000	*RMB'000*
Wages, salaries and other benefits	**18,801**	15,086
Contribution to defined contribution plan	**1,210**	1,354
	20,011	16,440

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

	2013	2012
	RMB'000	*RMB'000*
Operating lease charges	**1,303**	1,696
Loss/(gain) on disposal of plant, property and equipment	**48**	(132)
Amortisation	**1,337**	944
Depreciation	**45,515**	43,212
Auditor's remuneration — audit services	**1,257**	1,209

6 Taxes

(i) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2013	2012
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**8,183**	11,248
Income tax credit	**—**	(751)
Under provision in respect of prior years	**784**	—
Deferred tax		
Origination and reversal of temporary differences	**2,320**	(2,999)
Total income tax expense in the consolidated statement of comprehensive income	**11,287**	7,498

(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 2013 (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 RMB3,224,000 have been recognised for the retained profits of the Group's PRC subsidiaries as at 31 December 2013 to the extent that these earnings would be distributed in the foreseeable future (2012: RMB4,390,000).

(d) The Group has not recognised deferred tax assets in respect of a cumulated tax losses of RMB8,688,000 (2012: Nil) as it is not probable that future taxable profits will be available against which the Group can utilise the benefit therefrom.

6 Taxes (continued)

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

	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	**26,914**	26,956
Notional tax on profit before taxation, calculated at 25%	**7,244**	7,127
Tax effect of non-deductible expenses	**194**	72
Tax effect of unused tax losses not recognised	**2,172**	—
Under provision in prior years	**784**	—
Income tax credit	—	(751)
Withholding tax on profits retained by PRC subsidiaries	**893**	1,050
Actual tax expense	**11,287**	7,498

(iii) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liability**	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Property, plant and equipment	—	863	**(165)**	—
Withholding tax on profits retained by the Group's PRC subsidiaries	—	—	**(3,224)**	(4,390)
Government grants	**2,787**	2,859	—	—
Tax losses of a subsidiary	—	327	—	—
Deferred tax assets/(liabilities)	**2,787**	4,049	**(3,389)**	(4,390)

(iv) Movement in deferred tax balance during the year

	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 2013	863	(4,390)	2,859	327	(341)
Reversal upon distribution of dividends	—	2,059	—	—	2,059
Recognised in consolidated income statement	(1,028)	(893)	(72)	(327)	(2,320)
At 31 December 2013	(165)	(3,224)	2,787	—	(602)

7 Dividends

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

	2013	2012
	RMB'000	*RMB'000*
Interim dividend declared during the year of HKD0.006 per share (2012: HKD nil per share)	**1,981**	—
Final dividend proposed after the reporting date of HKD0.002 per share (2012: HKD0.015 per share)	**657**	5,029

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

	2013	2012
	RMB'000	*RMB'000*
Final dividends in respect of the previous financial year, approved during the year of HKD0.015 per share (2012: HKD0.025 per share)	**5,029**	8,403

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 RMB15,627,000 (2012: RMB19,458,000) and the weighted average of 415,000,000 ordinary shares (2012: 415,000,000) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

	2013	2012
	Number of shares	Number of shares
Issued ordinary shares at 1 January	**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 RMB15,627,000 (2012: RMB19,458,000) and the weighted average number of ordinary shares of 460,000,000 shares (2012: 460,000,000), 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)

	2013 **Number of shares**	2012 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**	45,000,000
Weighted average number of ordinary shares (diluted) at 31 December	**460,000,000**	460,000,000

9 Trade and other receivables

	2013 ***RMB'000***	2012 *RMB'000*
Trade receivables	**65,699**	39,524
Prepayments	**28,997**	61,751
VAT recoverable	**60,173**	48,823
Other receivables	**4,204**	4,453
	159,073	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:

	2013 ***RMB'000***	2012 *RMB'000*
Not past due	**65,699**	39,524

10 Interest-bearing borrowings

	2013	2012
	RMB'000	*RMB'000*
Current		
Secured bank loans	**15,000**	24,700
Unsecured bank loans	**110,000**	164,500
Current portion of non-current secured bank loans	**57,500**	45,000
Current portion of non-current unsecured bank loans	**37,500**	37,500
	220,000	271,700
Non-current		
Secured bank loans	**60,000**	90,000
Unsecured bank loans	**389,000**	354,000
	449,000	444,000
	669,000	715,700

(i) The secured bank loans as at 31 December 2013 carried interest at rates ranging from 6.15% to 6.8775% (2012: 6.16% to 7.4025% per annum) and were secured by the following assets:

	2013	2012
	RMB'000	*RMB'000*
Carrying amounts of assets:		
Property, plant and equipment	**590,299**	613,213
Lease prepayments	**26,042**	26,857
Pledged deposits	**—**	5,083

(ii) Unsecured bank loans as at 31 December 2013 carried interest at rates ranging from 6% to 6.9% (2012: 6.3% to 7.544% per annum). As at 31 December 2013, unsecured bank loans of RMB339,000,000 was guaranteed by China Wanxiang Holding Co., Ltd. ("**Wanxiang Holding**", a related party) (2012: RMB304,000,000).

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

	2013	2012
	RMB'000	*RMB'000*
Within 1 year	**95,000**	82,500
Over 1 year but less than 2 years	**80,000**	90,000
Over 2 years but less than 5 years	**295,500**	256,000
Over 5 years	**73,500**	98,000
	449,000	444,000
	544,000	526,500

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 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
Interest capitalised during the year	7,220	—	7,220
Interest payable during the year	(1,962)	—	(1,962)
Foreign currency translation difference	(2,337)	—	(2,337)
As at 31 December 2013	79,794	26,065	105,859

No conversion, redemption or purchase or cancellation of the Convertible Bonds has taken place up to 31 December 2013.

12 Trade and other payables

	2013	2012
	RMB'000	*RMB'000*
Trade and bill payables	**179,564**	128,880
Other payables and accrued expenses (see note 13)	**72,923**	40,580
	252,487	169,460

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

	2013	2012
	RMB'000	*RMB'000*
Within 3 months	**29,746**	86,741
Over 3 months but less than 6 months	**149,818**	42,139
	179,564	128,880

13 Long-term payables

	2013	2012
	RMB'000	*RMB'000*
Payable for purchase of property, plant and equipment	**9,848**	14,369

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 RMB6,160,000 (2012: RMB6,099,000) has been included in other payables and accrued expenses (see note 12).

14 Share Capital

		2013		2012	
	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:

	2013	2012
	RMB'000	*RMB'000*
Authorised but not contracted for	**85,149**	186,454
Contracted for	**84,658**	167,328
	169,807	353,782

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

	2013	2012
	RMB'000	*RMB'000*
Less than 1 year	**793**	731
Over 1 year but less than 5 years	**537**	315
	1,330	1,046

16 Subsequent events

After the reporting date, the directors proposed a final dividend on 21 March 2014. Further details are disclosed in note 7.

In late February 2014, Anji Power Plant and its appointed equipment import agent received a writ in respect of an alleged offence of smuggling general goods. The Company has engaged a PRC lawyer as Anji Power Plant's advocate for this legal proceeding. Up to the date of issue of these financial statements, the directors of the Company consider that the outcome of this legal proceeding is uncertain and its financial impact can not be estimated, as the court hearing has not yet been held.

17 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2013

Up to the date of issue of these financial statements, the IASB has issued a few amendments and a new standards which are not yet effective for the year ended 31 December 2013 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 32	Offsetting financial assets and financial liabilities	1 January 2014

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.

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

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

Production Volume

Production volume for the year ended 31 December 2013 was 1,004,391Mwh, representing an increase of 8.35% as compared with last year (2012: 927,017Mwh). The production volume has increased because of a slight increase of energy demand in Zhejiang province.

Natural Gas Supply

Total natural gas supply for the year ended 31 December 2013 was 235.27 million m^3, representing an increase of 8.25% as compared with last year (2012: 217.34 million m^3). As the production volume increased, natural gas supply increased accordingly.

Fuel Cost

Natural gas is the only source of fuel for the Group's power plants. Natural gas price is determined by the Price Bureau of Zhejiang province. Effective from 10 July 2013, natural gas price (inclusive of VAT) offered by Zhejiang Province Natural Gas Development Company (the sole natural gas supplier of the Group) to the Company's gas-fired power plants is adjusted from RMB2.41/m^3 to RMB3.22/m^3.

For the year ended 31 December 2013, the fuel cost accounted for 79.42% of the turnover, representing a 3.98 percentage point increase as compared with last year.

On-grid Tariff

On-grid tariff is determined by the Price Bureau of Zhejiang province taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. Effective from 10 July 2013, on-grid tariff (inclusive of VAT) is adjusted from RMB0.8/Kwh to RMB0.96/Kwh.

FINANCIAL REVIEW

Highlight

The turnover of the Group for the year ended 31 December 2013 was approximately RMB744,952,000 (2012: RMB614,399,000), representing an increase of 21.25% as compared with last year.

Profit attributable to equity shareholders of the Company for the year ended 31 December 2013 was approximately RMB15,627,000 (2012: RMB19,458,000), representing a decrease of 19.69% as compared with 2012. Basic earnings per share amounted to RMB0.04 for the year ended 31 December 2013 (2012: RMB0.05).

The significant decrease in the profit attributable to equity shareholders of the Company was mainly attributable to a significant increase in production cost. Effective from 10 July 2013, natural gas price (inclusive of VAT) increased from RMB2.41/m^3 to RMB3.22/m^3, while tariff rate increased from RMB0.80/Kwh to RMB0.96/Kwh, resulting an increase of approximately 21% of the natural gas price to be borne by the Company and our production cost has been increased accordingly.

Turnover

Turnover of the Group for the year ended 31 December 2013 amounted to approximately RMB744,952,000, representing an increase of 21.25% as compared with RMB614,399,000 last year. An increase in turnover was primarily due to an increase in both the tariff rate and the production volume.

Operating Costs

Operating costs of the Group for 2013 was RMB684,800,000, representing an increase of 24.56% as compared with RMB549,765,000 in 2012. An increase in operating costs was primarily due to an increase in both the natural gas price and the production volume.

Income Tax

Since preferential enterprise income tax enjoyed by the power plants of the Group has expired on 31 December 2012, those power plants have provided for and paid the PRC enterprise income tax at a rate of 25% during 2013. The PRC income tax provided for the year ended 31 December 2013 amounted to RMB8,967,000.

Pursuant to the provisions of 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 2013, deferred tax liabilities of RMB3,224,000 was recognized at a rate of 5% 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 2013, profit attributable to equity shareholders of the Company was RMB15,627,000 (2012: RMB19,458,000), representing a decrease of RMB3,831,000, or approximately 19.69%, as compared with last year.

The decrease in the net profit in 2013 was mainly attributable to a significant increase in production cost. Effective from 10 July 2013, natural gas price (inclusive of VAT) increased from RMB2.41/m^3 to RMB3.22/m^3, while tariff rate increased from RMB0.80/Kwh to RMB0.96/Kwh, resulting an increase of approximately 21% in natural gas price to be borne by the Company and our production cost has been increased accordingly.

Liquidity and Financial Resources

Net cash generated from operating activities was RMB134,012,000 (2012: RMB150,396,000). A decrease in the net cash generated from operating activities as compared with the corresponding period last year was mainly due to increase in payment of income tax. 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 RMB185,066,000 (2012: RMB376,837,000), a decrease of 50.89% as compared with the corresponding period last year. The amount was primarily used as the expenses for the construction of and equipment procurement for the Anji Project. Net cash used in financing activities was RMB43,899,000 (Net cash generated in 2012: RMB212,920,000), which was primarily due to the repayment of short-term and long-term loans of RMB326,700,000 and the payment of dividend of RMB2,241,000.

As at 31 December 2013, the Group had a cash balance of RMB60,235,000 (31 December 2012: RMB155,188,000) of which approximately RMB7,527,000 was used for financing the Anji project, while the remaining balance of approximately RMB52,708,000 was used for working capital purpose. Cash was generally placed with banks as short-term deposit.

As at 31 December 2013, the Group had net current liabilities of approximately RMB194,601,000 (31 December 2012: RMB62,683,000). The increase in net current liabilities was primarily due to the use of a significant amount for the construction of and equipment procurement for the Anji Project in 2013.

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 and Convertible Bonds, 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 2013, the gearing ratio was 55.76% (31 December 2012: 54.56%), representing a 1.2 percentage point increase as compared with 2012.

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 2013, the Group has RMB84,658,000 (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 financial report for the year. The Group has authorized but not contracted for capital commitments of RMB85,149,000 (31 December 2012: RMB186,454,000). 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.

PROSPECTS

At the 3rd Plenum of the 18th Congress of the Chinese Communist Party, it was pointed out that the establishment of complete ecological civilization systems must be accelerated in order to protect the eco-environment. Putting ecological civilization construction on the agenda means that the current government is aware of the seriousness of the nation's ecological problems and stringent measures must be implemented to prevent further deterioration of the eco-environment.

The National Energy Administration has published its view on energy work as guidance in 2014. It is pointed out that primary objectives for the year include upgrading energy efficiency, perfecting energy structure, increasing energy productivity and controlling energy consumption. It is noted that the proportion of natural gas in primary energy, in terms of consumption, has increased to 6.5% and the proportion of coal has decreased to less than 65%. Preventive measures on air pollution will be conscientiously implemented and intense development of clean energy has been prioritized. It is also noted that the preventive measures would be taken as an opportunity to accelerate the phasing out of energy industries with sub-standard productivity, minimize the proportion of coal in primary energy, in terms of consumption, and maximize the proportion of natural gas and non-fossil energy. This shows that the development of clean energy, including the development of natural gas, has become one of the important solutions for energy and air pollution.

During the period of 12th Five Year Plan, a number of natural gas pipelines were built in China. At the end of the "12th Five" period, the main artery of West to East, Sichuan to East Gas Transmission, Shaanxi Beijing Pipeline and Coastal Main pipeline will be initially formed and connecting the nationwide trunk pipeline network of four major strategic import channels, major production areas, consumption areas and gas storage facilities, thus forming a gas supply landscape of multi-gas supply, multi-way adjustments and smooth and safe supply. At the same time, 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. It is expected that the supply of natural gas will reach approximately 176 billion m^3 by 2015, representing an increase of 47% as compared with 2013 and the import of natural gas in 2015 will be approximately 93.5 billion m^3, representing an increase of 76% as compared with 2013.

The economy of the PRC continues to develop slowly in 2014. In view of the close relationship between energy demand and economic development, it is expected that national energy consumption will increase in accordance with the growth in economic development. 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 importance of ecological civilization in economic development has been continuously highlighted. 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 7.5% at the end of 2015. The Group, being a major clean energy supplier focusing on natural gas, will likely benefit from this policy.

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 the Group is developing a new natural gas-fired cogeneration project, the Anji Project, which is expected to be completed by the first quarter of 2014. There will be an additional installed capacity of approximately 154MW, representing an increase of approximately 51.50%. However, the first-year operation of the new project 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. In addition, the Group is well prepared to develop and invest in new projects in areas such as gas-fired power generation and cogeneration projects, and carry out investigation, research and development of clean energy projects other than natural gas. The Group will further increase its reserves in projects for current and long term development, and will expand its market share in the clean energy supply in the PRC.

The Group will continue to strengthen its human resources and focus on the training of talents to build a team with outstanding members. In addition, the Group will continue to perfect its budget management, upgrade its ability in plan execution and budget control in order to further enhance its management level and secure a stable and healthy growth with sustainable development. The Group, having full confidence in the industry, shows perseverance in its development of clean energy business. It is believed that the Group may achieve satisfactory results in this business and become one of the top clean energy suppliers in the PRC.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HKD0.002 per share payable to shareholders of the Company whose names appear on the register of members on 12 June 2014. The proposed final dividend will be paid on or around 20 June 2014 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 2013, 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, 30 May 2014. 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, 28 May 2014 to Friday, 30 May 2014 (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, 27 May 2014; and

(ii) from Tuesday, 10 June 2014 to Thursday, 12 June 2014 (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 Monday, 9 June 2014.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2013, the Group had a total of 300 employees, excluding 2 temporary staff (31 December 2012: 330, excluding 7 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.

LITIGATION

As disclosed in the announcement of the Company dated 3 March 2014, in late February 2014, Anji Power Plant and its appointed equipment import agent (an independent third party of the Company) received a writ in respect of an alleged offence of smuggling general goods. The Company has already engaged the PRC lawyer as Anji Power Plant's advocate for this legal proceeding. As at the date of this announcement, the Company continues to maintain its normal operation. The Board considers that Anji Power Plant's involvement in the litigation would not have material impact on the operation 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 for the year ended 31 December 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 held on 31 May 2013 as he was performing his duties outside Hong Kong on the date of the meeting.

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 20 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 judgment and provide sufficient check and balance.

The Board will evaluate from time to time the appropriateness of the dual roles of the 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 as its code of conduct regarding Directors' securities transactions.

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 2013.

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 2013.

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 2014, 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, 21 March 2014

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.