AMBER

Amber Energy Limited
琥珀能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 90)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

Amber Energy Limited (the "Company") was successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 July 2009. The initial public offering was well received by investors with the Hong Kong public offer over-subscribed by approximately 1,247 times.

INTERIM RESULTS HIGHLIGHTS

- Turnover increased by 5.2% to RMB245,622,000

- Operating profit increased by 17.6% to RMB45,310,000

- Profit attributable to equity shareholders of the Company rose by 10.2% to RMB29,201,000

- Basic and diluted earnings per share increased by 11.1% to RMB0.10

The board of directors (the "Board") of 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 2009, together with the unaudited comparative figures for the corresponding period in 2008 as follows:

Consolidated statement of comprehensive income

For the six months ended 30 June 2009 (Unaudited)

		Six months ended 30 June	
		2009	2008
	Note	***RMB'000***	*RMB'000*
Turnover	*4*	**245,622**	233,526
Operating expenses			
Fuel consumption		**(164,707)**	(159,685)
Depreciation and amortisation		**(20,966)**	(20,526)
Repairs and maintenance		**(1,208)**	(1,277)
Personnel costs		**(6,460)**	(5,621)
Administrative expenses		**(5,500)**	(6,635)
Sales related taxes		**(400)**	(367)
Other operating expenses		**(1,071)**	(900)
Operating profit		**45,310**	38,515
Finance income		**2,602**	1,961
Finance expenses		**(20,945)**	(26,101)
Net finance costs		**(18,343)**	(24,140)
Other net income	*5*	**2,234**	16,846
Profit before income tax	*5*	**29,201**	31,221
Income tax	*6*	**—**	—
Profit for the period		**29,201**	31,221
Other comprehensive income for the period		**—**	—
Total comprehensive income for the period		**29,201**	31,221
Profit/total comprehensive income attributable to:			
Equity shareholders of the Company		**29,201**	26,495
Minority interests		**—**	4,726
Profit/total comprehensive income for the period		**29,201**	31,221
Basic and diluted earnings per share (RMB)	*7*	**0.10**	0.09

Consolidated statement of financial position

At 30 June 2009 (Unaudited)

	Note	**At 30 June 2009** *RMB'000*	At 31 December 2008 *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**853,067**	869,596
Lease prepayments		**31,300**	31,727
		884,367	901,323
Current assets			
Inventories		**3,298**	3,387
Trade and other receivables	*9*	**96,208**	98,153
Tax recoverable		**1,481**	3,504
Pledged deposits	*10*	**104,027**	85,805
Cash and cash equivalents		**70,224**	38,107
		275,238	228,956
Current liabilities			
Interest-bearing borrowings	*11*	**245,000**	219,000
Trade and other payables	*12*	**278,104**	129,619
		523,104	348,619
Net current liabilities		**(247,866)**	(119,663)
Total assets less current liabilities		**636,501**	781,660
Non-current liabilities			
Interest-bearing borrowings	*11*	**270,000**	300,000
Long-term payables		**27,239**	28,884
		297,239	328,884
Net assets		**339,262**	452,776

	Note	At 30 June 2009 RMB'000	At 31 December 2008 RMB'000
Capital and reserves			
Share capital		**—**	—
Reserves		**339,262**	361,510
Total equity attributable to equity shareholders of the Company		**339,262**	361,510
Minority interests		**—**	91,266
Total Equity		**339,262**	452,776

NOTES TO THE INTERIM FINANCIAL REPORT

1. Reorganization and basis of presentation

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.

Pursuant to a reorganization of the Company and its subsidiaries (collectively referred to as the "Group") to rationalise the group structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Reorganization"), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganization are set out in the prospectus of the Company dated 29 June 2009 (the "Prospectus"). The Company's shares were listed on the Stock Exchange on 10 July 2009.

Since all entities which took part in the Reorganization were under common control of a group of ultimate equity holders, the Group is regarded as a continuing entity resulting from the Reorganization of entities under common control. The interim financial report has been prepared on the basis that the current group structure had been in existence at the beginning of the earliest period presented. Accordingly, the consolidated results of the Group for the six months ended 30 June 2008 and 2009 include the results of the Company and its subsidiaries with effect from 1 January 2008 or, if later, since their respective dates of incorporation as if the current group structure had been in existence throughout the two periods presented. The consolidated statements of financial position as at 31 December 2008 and 30 June 2009 have been prepared as if the current group structure had been in existence as at the respective dates. All material intra-group transactions and balances have been eliminated on consolidation.

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, including compliance with International Accounting Standard ("IAS") 34 "Interim financial reporting" adopted by the International Accounting Standards Board.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the preparation of the Group's financial information included in the Prospectus, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The interim financial report has been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern. The Group's combined current liabilities exceeded its combined current assets by RMB247,866,000 as at 30 June 2009. Based on future projections of the Group's profits and cash inflows from operations, the anticipated ability of the Group to obtain continued bank financing to finance its continuing operation, and the estimated net proceeds from the listing of the Company's shares on the Stock Exchange completed in July 2009, the Company's directors have prepared the interim financial report on a going concern basis.

The preparation of an interim financial report in conformity with IAS34 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.

The 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 date of the audited consolidated financial statements of the Group set forth in the Prospectus. The interim financial report and notes thereof do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"), and should be read in conjunction with the Group's financial information as at and for the year ended 31 December 2008 included in the Prospectus dated 29 June 2009.

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 year ended 31 December 2008 included in the interim financial report as being previously reported information does not constitute the Group's financial statements for that financial year but is derived from the financial information included in the Prospectus dated 29 June 2009.

3. Changes in accounting policies

International Accounting Standards Board ("IASB") has issued one new IFRS, a number of amendments to IFRSs and new Interpretations 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 report:

- IFRS 8 — Operating segments
- Revised IAS 1 — Presentation of financial statements
- Revised IAS 23 — Borrowing costs
- Amendment to IAS 27 — Consolidated and Separate financial Statements — Cost of an investment in a subsidiary, jointly controlled entity or associate
- Improvements to IFRSs
- Amendment to IFRS 7 — Financial instruments: Disclosures — Improving disclosures about financial instruments

The revised IAS 23 and improvement to IFRSs have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. In addition, the amendments to IFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments on the interim financial report is as follows:

- IFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of IFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management (see note 4). As this is the first period in which the Group has presented segment information in accordance with IFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information.

- As a result of the adoption of revised IAS 1, details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- The amendments to IAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

4. Segment reporting

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

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

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

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

Turnover

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Reportable segment turnover	**245,622**	233,526
Consolidated turnover	**245,622**	233,526

Profit

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Reportable segment profit	**31,081**	31,780
Unallocated corporate expenses	**(1,880)**	(559)
Consolidated profit before income tax	**29,201**	31,221

Assets

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Reportable segment assets	**1,144,480**	1,123,197
Prepayment of share issue expense	**14,550**	7,082
Other corporate assets	**575**	—
Consolidated total assets	**1,159,605**	1,130,279

Liabilities

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Reportable segment liabilities	**770,276**	662,705
Dividend payables	**28,188**	—
Corporate expense payables	**21,879**	14,798
Consolidated total liabilities	**820,343**	677,503

5. Profit before income tax

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

(i) Net finance costs

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Interest expenses	**20,811**	25,901
Bank charges	**134**	200
Foreign exchange gain	**(222)**	(202)
Interest income	**(2,380)**	(1,759)
Net finance costs	**18,343**	24,140

(ii) Other items

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Depreciation	**20,539**	20,101
Amortisation	**427**	425
Government grants	**2,234**	16,846

6. Income tax

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

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Current tax		
PRC enterprise income tax	**2,725**	3,021
Income tax credit	**(2,725)**	(3,021)
Total income tax expense in the consolidated statement of comprehensive income	**—**	—

(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 2009.

(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.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which took effect on 1 January 2008. According to the New Tax Law, the applicable tax rates of the Group's subsidiaries in the PRC are unified at 25% with effect from 1 January 2008. Pursuant to the transitional arrangement under the New Tax Law, the Group's certain subsidiaries in the PRC will continue to enjoy tax holiday of tax-exemption for two years followed by 50% reduction on the applicable income tax rate for three years that were previously granted prior to the enactment of the New Tax Law, and thereafter they are subject to the unified rate of 25%.

Pursuant to the New Tax Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 1 January 2008. As at 30 June 2009, no deferred tax liabilities are recognised as any withholding tax in this respect was undertaken by Amber International Investment Co., Ltd. ("Amber International") according to undertaking agreements.

(d) Pursuant to the relevant PRC tax law and regulations, the Group was granted an income tax credit of RMB2,725,000 and RMB3,021,000 for purchase of domestic equipment for production for the six months ended 30 June 2009 and 30 June 2008, respectively.

7. Basic and diluted earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2009 is based on the profit attributable to equity shareholders of the Company for the period of RMB29,201,000 (30 June 2008: RMB26,495,000) and the 300,000,000 ordinary shares (30 June 2008: 300,000,000) in issue and issuable, comprising 4 shares in issue as at 30 June 2009 and 299,999,996 shares to be issued pursuant to the capitalisation issue as set out in note 16(a) as if the shares were outstanding throughout the periods.

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

8. Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired items of property, plant and equipment with a cost of RMB4,010,000 in total, and there are no disposals during the period from 1 January 2009 to 30 June 2009.

9. Trade and other receivables

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Trade receivables	**54,639**	71,791
Prepayments	**38,703**	25,233
Non-trade receivables	**2,866**	1,129
	96,208	98,153

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 2009	At 31 December 2008
	RMB'000	*RMB'000*
Within 1 month	**54,639**	71,791

10. Pledged deposits

Pledged deposits can be analysed as follows:

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Guarantee deposits for issuance of commercial bills and banking facilities	**104,027**	85,805

11. Interest-bearing borrowings

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Current		
Secured bank loans	**—**	14,000
Unsecured bank loans	**170,000**	120,000
Other borrowings from a related party	**50,000**	60,000
Current portion of non-current secured bank loans	**7,000**	7,000
Current portion of non-current unsecured bank loans	**18,000**	18,000
	245,000	219,000
Non-current		
Secured bank loans	**234,500**	264,500
Unsecured bank loans	**35,500**	35,500
	270,000	300,000
	515,000	519,000

(i) The secured bank borrowings as at 30 June 2009 carried interest rate ranging from 5.94% to 7.83% (31 December 2008: 6.12% to 8.25%) per annum and were secured by the following assets:

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Carrying amounts of assets:		
Property, plant and equipment	**515,994**	536,352
Lease prepayments	**13,289**	31,727
Pledged deposits	**—**	25,000

(ii) Unsecured bank and other borrowings as at 30 June 2009 carried interest rate ranging from 5.10% to 8.22% (31 December 2008: 5.31% to 8.25%) per annum.

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

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Within 1 year	**75,000**	85,000
Over 1 year but less than 2 years	**180,000**	30,000
Over 2 years	**90,000**	270,000
	270,000	300,000
	345,000	385,000

12. Trade and other payables

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Trade and bill payables	**183,325**	96,696
Non-trade payables and accrued expenses	**45,379**	18,125
Amount due to related parties	**49,400**	14,798
	278,104	129,619

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

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Within 3 months	**115,769**	80,386
Over 3 months but less than 6 months	**67,556**	16,310
	183,325	96,696

13. Related party transactions

During the six months ended 30 June 2009, transactions with the following parties are considered as related party transactions. The following is a summary of principal related party transactions carried out by the Group with the below related parties for the period.

Name of party	Relationship
Amber International	Parent company of the Company
Wanxiang Finance Co., Ltd. ("Wanxiang Finance")	Fellow subsidiary
Shanghai Pu-Xing Energy Limited ("Shanghai Pu-Xing")	Fellow subsidiary
Zhejiang Kai-Xin Investment Holding Group Limited ("Zhejiang Kai-Xin")	Minority shareholder of Blue Sky Power Plant before 25 July 2008

(a) Significant related party transactions

Particulars of significant transactions between the Group and the above related parties during the period ended 30 June 2009 and 2008 are as follows:

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Unsecured related party loans provided by		
Wanxiang Finance	**—**	115,000
Secured related party loans provided by		
Wanxiang Finance	**—**	23,000
Related party loans interest charged by		
Wanxiang Finance	**2,165**	5,380
Shanghai Pu-Xing	**—**	44
	2,165	5,424
Expense paid on behalf of the Group by		
Amber International	**5,390**	—

(b) Balances with related parties

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Other payables due to:		
Amber International	**38,154**	3,552
Shanghai Pu-Xing	**11,246**	11,246
	49,400	14,798
Unsecured loans due to:		
Wanxiang Finance	**50,000**	50,000
Secured loans due to:		
Wanxiang Finance	**—**	10,000

The above amounts due to the related party are interest bearing and repayable on demand. The interest rate was 6.80% per annum as at 30 June 2009 (31 December 2008: 8.25% per annum).

The above amounts due to the related party as at 30 June 2009 have been fully settled on 8 July 2009.

(c) Guarantees issued by related parties

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Unsecured bank loans guarantee issued by		
Zhejiang Kai-Xin	**—**	35,500

(d) Key management personnel remunerations

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
Short-term employee benefits	**1,116**	513
Post-employment benefits	**45**	46
	1,161	559

14. Capital commitments

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

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Authorised but not contracted for	**73,520**	13,631

15. Operating lease commitments

Non-cancellable operating lease rentals were payable as follows:

	At 30 June 2009	At 31 December 2008
	RMB'000	*RMB'000*
Less than 1 year	**586**	340
Over 1 year but less than 5 years	**738**	516
	1,324	856

16. Subsequent events

(a) Capitalisation issue

Pursuant to a written resolution of all the shareholders 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 shareholders as at 18 June 2009 by way of capitalization of HKD30,000,000 (equivalent to RMB26,446,000) from the share premium account.

(b) Share offer

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.

(c) Over-allocation

On 31 July 2009, the sole bookrunner 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.

(d) New loan contract

On 3 July 2009, the Group's subsidiary, Jing-Xing Power Plant entered into a loan contract of RMB130,000,000 with China Construction Bank. The loan is secured by certain property, plant and equipment and lease prepayment, and is guaranteed by Blue Sky Power Plant. The loan is repayable within 5 years and carries an interest rate of 5.94% per annum.

17. Comparative figures

As a result of the application of Revised IAS 1, Presentation of financial statement, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of operations

Turnover of the Group for the six months ended 30 June 2009 amounted to approximately RMB245,622,000 (1H 2008: approximately RMB233,526,000), representing an increase of 5.2% over the same period in 2008.

For the period under review, profit attributable to equity shareholders of the Company was approximately RMB29,201,000 (1H 2008: approximately RMB26,495,000), representing an increase of 10.2% over the same period in 2008. Earnings per share was RMB0.10 (1H 2008: RMB0.09).

The increase in turnover was primarily due to more electricity sales when compared with the same period last year and the increase in on-grid tariff (inclusive of tax) from RMB0.68/kwh to RMB0.705/kwh. The increase in profit attributable to equity shareholders of the Company during the period was mainly due to the increase in tariff and the amount of electricity sold and the fact that De-Neng Power Plant became a wholly-owned subsidiary of the Company upon completion of the acquisition of minority interests of 47% in De-Neng Power Plant in 2009.

Business Review

Since the second half of last year, the central and local governments of the PRC have launched a series of economic policies to minimize the impacts of the global financial crisis on China. As a result, the economy of China bottomed out and began to turn around. In the first half of this year, China's GDP recorded a period-on-period growth of 7.1%, which was higher than that of the first quarter this year and the fourth quarter last year by 1.0 percentage points and 0.3 percentage points, respectively. According to statistics published by the National Development and Reform Commission on 22 July 2009, the total power generation in China amounted to 1,644,200GWh for the first half of the year, representing a fall of 1.7% when compared with the same period last year. In June 2009, total power generation in China increased by 5.2%, putting an end to the negative growth for 8 consecutive months. The strong economic recovery in China is expected to continue in the second half of this year.

In 2009, the Group focuses in developing its core business of power generation by natural gas. The production volume of the Group in the first half of this year increased by 1.5% while the turnover increased by 5.2% as compared with those in the same period last year despite the period-on-period decrease of 1.7% in total power generation of China. In view of the PRC economic recovery, the Group is likely to achieve results as expected for 2009.

Price of natural gas and on-grid tariff in Zhejiang Province are determined by Price Bureau of Zhejiang Province. On-grid tariff is affected by the change of cost of fuel of the power plant. Our price of natural gas (inclusive of VAT) has increased by RMB0.09/m^3 to RMB1.94/m^3 since 1 April 2009. However, as tariff (inclusive of VAT) has increased by RMB0.025/kwh to RMB0.705/kwh since 19 August 2008, the Group's profit margin still maintained at a similar level as compared with our historic results under the current level of tariff and natural gas price.

In 2009, the Group completed the acquisition of the 47% minority interests in De-Neng Power Plant, and it became a wholly-owned subsidiary of the Company. The Group is fully entitled to the profit and loss of De-Neng Power Plant of 2009. During the period under review, the Group has effectively controlled the administration expenses and production costs by strengthening its budget control and streamlining its management. Accordingly, profit attributable to equity shareholders of the Company recorded an increase over the same period last year.

Outlook and Future Plans

Amid the uncertainty of global economy, some international political and economic authorities believe that the clean energy industry has huge development potential. Also, China is expected to be one of the first few countries recovering from the economic turmoil with strong long-term economic growth potential. Our Group, with its core business focusing in clean energy industries in China, is confident in capturing opportunities under the challenging environment and achieving satisfactory development in the future.

The Group will further expand its share in the PRC energy supply market by originating and investing in new projects or making acquisitions in areas such as gas-fired power generation and cogeneration projects. The Anji gas-fired cogeneration power plant project is under preparation and its red-line map has been reviewed and approved by Anji Planning and Construction Bureau. It is expected that permits from Zhejiang Provincial Development and Reform Commission will be obtained within three months and the conditions for commencement will be satisfied by the end of 2009. The plant is expected to commence commercial operation at the beginning of 2011.

The Group also endeavours to establish a dedicated management team by retaining and training management talents for the sustainability of the Group. We are confident of becoming a leading gas-fired power provider in Zhejiang and a leading clean energy provider in China.

Liquidity and Financial Resources

As at 30 June 2009, the cash balance of the Group amounted to RMB70,224,000 (31 December 2008: RMB38,107,000). Such balance is generally placed in short term Renminbi deposits.

As at 30 June 2009, net current liabilities of the Group was approximately RMB247,866,000 (31 December 2008: approximately RMB119,663,000). The increase in net current liabilities was mainly due to the use of internal resources for the acquisition of 47% interests in De-Neng Power Plant by the Company; the outstanding dividend declared and yet to be paid and the significant increase in bills payable at low cost.

During the period and as at the date of this announcement, the Group strengthened its financial position by the following financing activities:

- On 3 July 2009, Jing-Xing Power Plant, a wholly-owned subsidiary of the Group, received a long-term loan in the amount of RMB130,000,000 from China Construction Bank in place of short-term bank and other borrowings.

- On 10 July 2009, the Company obtained net proceeds of approximately HK$124,000,000 through its initial public offering of 100,000,000 new shares.

- On 31 July 2009, the Group generated net proceeds of approximately HK$24,000,000 through its allotment and issuance of 15,000,000 new shares upon the exercise of over-allocation option in relation to the initial public offering of the Company.

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 2009, the gearing ratio of the Group, was 58.2% (31 December 2008: 58.5%). All bank loans of the Group were denominated in Renminbi. The Group had not employed any financial instruments for hedging.

Foreign Exchange

The Group's operating expenses were mainly denominated in Renminbi and our turnover was also settled in Renminbi. During the period under review, exchange rate fluctuations had no impact on the Group's financial position. The Group did not hedge the risks of foreign currency fluctuations through any forward contracts or borrowings.

Contingent Liabilities and Capital Commitments

As at 30 June 2009, the Group had authorised but not contracted capital commitments relating to property, plants and equipment of approximately RMB73,520,000. During the period under review, the Group had not any major contingent liabilities and off-balance-sheet commitments.

Details of the capital commitment of the Group are set out in the note 14 to the interim financial report.

Major Investment, Acquisitions and Disposals

In 2009, Blue Sky Power Plant acquired 47% of equity interests in De-Neng Power Plant for cash consideration of approximately RMB95,564,000 in aggregate from minority shareholders, and De-Neng Power Plant became a wholly-owned subsidiary of the Group. For the six months ended 30 June 2009 and as at the date of this announcement, the Group did not have other major investment, acquisitions or disposals.

Employees and Remuneration Policies

As at 30 June 2009, the Group had 244 employees (31 December 2008: 244). The Group determines employees' remuneration according to industry practices, financial performance and employees' performance. The Group also provides other fringe benefits, such as insurance, medical benefits and mandatory provident fund with an aim to retain talents on all levels who will make further contributions to the Group.

Use of Proceeds from Initial Public Offering

In July 2009, the Company issued 115,000,000 shares (including 15,000,000 shares issued upon the exercise of over-allocation option) pursuant to its initial public offering. The offer price was HK$1.66 per share and the net proceeds from the initial public offering were approximately HK$148,000,000 after deducting share offering expenses. The Company had received the full amount of such proceeds by August 2009. As at the date of this announcement, approximately HK$34,000,000 of the net proceeds was used, in accordance with the manner as set out in the Prospectus, for the balance consideration for the acquisition of 47% minority interests in De-Neng Power Plant. The remaining unused net proceeds were temporarily placed with bank as short-term deposit.

INTERIM DIVIDEND

The Board does not recommend distribution of interim dividend for the six months ended 30 June 2009.

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the Code on Corporate Governance Practices ("Code on CG Practices") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the period commencing 10 July 2009 (being the date on which the shares of the Company first commenced dealings on the Stock Exchange) to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules regarding securities transactions by its directors. 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 during the period commencing 10 July 2009 (being the date on which the shares of the Company first commenced dealings on the Stock Exchange) to the date of this announcement.

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 Code on CG Practices. The Audit Committee comprises one non-executive director, namely Mr. Feng Li Min and all the independent non-executive directors, namely Mr. Tse Chi Man, Mr. Zhang Shou Lin and Mr. Yao Xian Guo, of the Company.

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

The Audit Committee has reviewed the Group's interim results for the six months ended 30 June 2009.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.amberenergy.com.hk). The 2009 interim report of the Company will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Amber Energy Limited
Chai Wei
President

Hong Kong, 28 August 2009

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