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 2016

The board (the "Board") of directors (the "Directors") 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 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016 (unaudited)

		Six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Revenue	4	**129,325**	209,427
Operating expenses			
Fuel consumption		**(25,053)**	(109,809)
Depreciation and amortization		**(9,617)**	(13,207)
Repairs and maintenance		**(2,746)**	(569)
Personnel costs		**(13,074)**	(10,404)
Administrative expenses		**(11,238)**	(11,451)
Sales related taxes		**(897)**	(1,377)
Other operating expenses		**(518)**	(709)
Profit from operations		**66,182**	61,901
Finance income		**312**	892
Finance expenses		**(22,146)**	(30,184)
Net finance costs	5(i)	**(21,834)**	(29,292)
Other income		**293**	5,004

	Note	Six months ended 30 June 2016 RMB'000	2015 RMB'000
Profit before taxation	5	**44,641**	37,613
Income tax	6	**(14,139)**	(11,879)
Profit for the period		**30,502**	25,734
Attributable to:			
Equity shareholders of the Company		**30,629**	25,822
Non-controlling interests		**(127)**	(88)
Profit for the period		**30,502**	25,734
Earnings per share			
Basic (RMB)	7(a)	**0.067**	0.062
Diluted (RMB)	7(b)	**0.067**	0.062
Profit for the period		**30,502**	25,734
Other comprehensive income for the period (after tax and reclassification adjustments):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(4,273)**	(42)
Total comprehensive income for the period		**26,229**	25,692
Attributable to:			
Equity shareholders of the Company		**26,356**	25,780
Non-controlling interests		**(127)**	(88)
Total comprehensive income for the period		**26,229**	25,692

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016 (unaudited)

	Note	**At 30 June 2016** *RMB'000*	At 31 December 2015 *RMB'000*
Non-current assets			
Property, plant and equipment	8	**1,185,569**	1,170,829
Lease prepayments		**48,158**	48,826
Deferred tax assets		**5,055**	5,725
Other non-current assets	9	**10,793**	18,083
		1,249,575	1,243,463
Current assets			
Inventories		**13,481**	13,912
Trade and other receivables	9	**53,826**	50,838
Pledged deposits	10	—	5,000
Cash and cash equivalents		**145,470**	150,012
		212,777	219,762
Current liabilities			
Interest-bearing borrowings	11	**151,500**	127,000
Trade and other payables	12	**77,767**	96,157
Convertible bonds	13	**103,585**	97,923
Current taxation		**5,413**	2,577
		338,265	323,657
Net current liabilities		**(125,488)**	(103,895)
Total assets less current liabilities		**1,124,087**	1,139,568
Non-current liabilities			
Interest-bearing borrowings	11	**621,483**	653,405
Deferred revenue	14	**10,577**	10,692
Deferred tax liabilities		**7,655**	5,708
		639,715	669,805
Net assets		**484,372**	469,763

	Note	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Capital and reserves			
Share capital		**40,149**	40,149
Reserves		**443,510**	428,774
Total equity attributable to equity shareholders of the Company		**483,659**	468,923
Non-controlling interests		**713**	840
Total equity		**484,372**	469,763

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 REPORTING ENTITY

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 as at and for the six months ended 30 June 2016 comprises the Company and its subsidiaries (collectively referred to as the "Group"). The principal activities of the Group are the development, operation and management of power plants.

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*, issued by the International Accounting Standards Board (IASB).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements. Details of any 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 current liabilities exceeded its current assets by RMB125,488,000 as at 30 June 2016 (31 December 2015: RMB103,895,000). Based on future projection of the Group's profit and cash inflows from operations and the anticipated ability of the Group to obtain continued bank loans and financial support from an intermediate parent company, Shanghai Pu-Xing Energy Limited ("Puxing Energy"), to finance its continuing operations for the next 12 months ending 30 June 2017, management believe that the Group has adequate resources to continue in operational existence for the foreseeable future.

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 2015 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 2015 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2015 are available from the Company's registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 18 March 2016.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following amendments are relevant to the Group and the Company:

- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IAS 1, Presentation of financial statements: Disclosure Initiative

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

Annual Improvements to IFRSs 2012-2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, IAS 34, Interim financial reporting, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim financial report as the Group does not present the relevant required disclosures outside the interim financial statements.

Amendments to IAS 1, Presentation of financial statements: Disclosure initiative

The amendments to IAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial report.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

Revenue comprises volume tariff revenue and capacity tariff revenue.

Volume tariff revenue represents the sale of electricity to power grid companies.

Capacity tariff revenue represents a subsidy income from power grid companies, following a reduction in the annual planned power generation volume of the Group's power plants and changes in the electricity tariff policies applicable to the Group from 2015, pursuant to a notice issued by the Economic and Information Commission of Zhejiang Province in December 2014.

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

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Volume tariff revenue	**23,355**	103,457
Capacity tariff revenue	**105,970**	105,970
	129,325	209,427

(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) Reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Reportable segment revenue	**129,325**	209,427
Reportable segment profit	**50,591**	42,366
Reportable segment assets	**1,438,596**	1,426,626
Reportable segment liabilities	**955,704**	969,450

The measure used for reporting segment profit is "adjusted EBT" i.e. "adjusted earnings before taxes". To arrive at adjusted EBT, the Group's earnings are further adjusted for items not specifically attributed to the segment, such as directors' and auditors' remuneration and other head office or corporate administration costs.

(ii) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Reportable segment profit	**50,591**	42,366
Unallocated head office and corporate expenses	**(5,950)**	(4,753)
Consolidated profit before taxation	**44,641**	37,613

5 PROFIT BEFORE TAXATION

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

(i) Net finance costs

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Interest income	**(312)**	(892)
Financial income	**(312)**	(892)
Interest on interest-bearing borrowings and other bank advances	**17,332**	25,914
Interest on convertible bonds	**4,754**	4,159
Total interest expense recognised in profit or loss	**22,086**	30,073
Bank charges	**26**	72
Net foreign exchange loss	**34**	39
Financial expenses	**22,146**	30,184
Net finance costs	**21,834**	29,292

(ii) Other items

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Depreciation	**8,949**	12,539
Amortisation	**668**	668
Government grants	**(293)**	(5,004)

6 INCOME TAX

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

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Current tax expense		
Provision for PRC income tax	**11,851**	10,102
(Over)/under provision in respect of prior years	**(329)**	136
Deferred tax		
Origination and reversal of temporary differences	**2,617**	1,641
Total income tax expense in the consolidated statement of profit or loss and other comprehensive income	**14,139**	11,879

(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 2016 (six months ended 30 June 2015: 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 RMB7,655,000 have been recognised for the retained profits of the Group's PRC subsidiaries as at 30 June 2016 to the extent that these earnings would be distributed in the foreseeable future. (31 December 2015: RMB5,708,000).

(d) The Group has not recognised deferred tax assets in respect of a cumulated tax losses of RMB1,771,000 (31 December 2015: RMB1,375,000) as it is not probable that future taxable profits will be available against which the Group can utilize 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 ordinary equity shareholders of the Company of RMB30,629,000 (six months ended 30 June 2015: RMB25,822,000) and the weighted average of 458,600,000 ordinary shares (six months ended 30 June 2015: 415,000,000) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2016 and 30 June 2015 does not assume the conversion of convertible bonds because the conversion of convertible bonds would be anti-dilutive. Diluted earnings per share was the same as basic earnings per share for the six months ended 30 June 2016 and 30 June 2015 as no dilutive potential shares were outstanding during the period.

8 PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the six months ended 30 June 2016, the Group acquired items of plant and machinery with a cost of RMB23,698,000 in total (six months ended 30 June 2015: RMB 1,925,000).

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Trade receivables	**26,468**	20,801
Prepayments	**1,748**	5,004
VAT recoverable within one year	**23,015**	22,927
Other receivables	**2,595**	2,106
	53,826	50,838

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. VAT recoverable over one year of RMB10,793,000 is presented as "other non-current assets" as at 30 June 2016 (31 December 2015: RMB 18,083,000).

At 30 June 2016, ageing analysis of trade receivables of the Group based on the invoice date is as follows:

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Within 1 month	**26,468**	20,801

10 PLEDGED DEPOSITS

Pledged deposits can be analysed as follows:

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Guarantee deposits for issuance of commercial bills and banking facilities	**—**	5,000

11 INTEREST-BEARING BORROWINGS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Current		
Unsecured loans from a related party *(note 16)*	**20,000**	—
Current portion of non-current secured bank loans	**40,000**	40,000
Current portion of non-current unsecured bank loans	**22,500**	22,500
Current portion of non-current unsecured bank loans guaranteed by a related party	**69,000**	64,500
	151,500	127,000
Non-current		
Secured bank loans	**25,000**	25,000
Unsecured bank loans	**32,500**	32,500
Unsecured bank loans guaranteed by a related party	**308,500**	343,000
Unsecured loans from a related party *(note 16)*	**255,483**	252,905
	621,483	653,405
	772,983	780,405

(i) The secured bank loans as at 30 June 2016 carried interest at rates ranging from 4.90% to 5.25% (31 December 2015: 5.25% to 6.55%) per annum and were secured by the following assets:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Carrying amounts of assets:		
Property, plant and equipment	**176,112**	176,505
Lease prepayments	**10,109**	10,337

(ii) Unsecured bank and other loans as at 30 June 2016 carried interest at rates ranging from 3.92% to 4.90% (31 December 2015: 3.92% to 6.55%) per annum.

(iii) The Group's interest-bearing borrowings were repayable as follows:

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Within 1 year	**151,500**	127,000
Over 1 year but less than 2 years	**329,483**	346,905
Over 2 years but less than 5 years	**265,000**	266,000
Over 5 years	**27,000**	40,500
	621,483	653,405
	772,983	780,405

12 TRADE AND OTHER PAYABLES

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Trade and bills payables	**12,746**	29,475
Non-trade payables and accrued expenses	**65,021**	66,682
	77,767	96,157

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

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Within 3 months	**2,394**	28,394
Over 3 months but less than 6 months	**8,249**	607
Over 6 months but less than 1 year	**2,103**	474
	12,746	29,475

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 2016 is set out below:

	Liability component *RMB'000*	**Equity component** *RMB'000*	**Total** *RMB'000*
As at 31 December 2015	97,923	26,065	123,988
Interest expensed during the period	4,754	—	4,754
Interest payable during the period	(1,066)	—	(1,066)
Foreign currency translation difference	1,974	—	1,974
As at 30 June 2016	103,585	26,065	129,650

No conversion, redemption or purchase or cancellation of the Convertible Bonds has taken place up to 30 June 2016.

14 DEFERRED REVENUE

	At 30 June 2016 ***RMB'000***	At 31 December 2015 *RMB'000*
Government grants	**10,577**	10,692

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 in 2012. 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

No interim dividend was declared after the interim period.

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

	Six months ended 30 June	
	2016 ***RMB'000***	2015 *RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HKD 0.03 per share (six month ended 30 June 2015: Nil)	**11,620**	—

16 MATERIAL 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")	Ultimate controlling company of the Company
Puxing Energy	Intermediate parent company of the Company
Wanxiang Finance Co., Ltd. ("Wanxiang Finance")	Fellow subsidiary

(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 2016 is as follows:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Loans from		
Wanxiang Finance	**25,000**	117,500
Loans repaid to		
Wanxiang Finance	**5,000**	25,046
Unsecured bank loans guaranteed by, net of release upon repayments		
Wanxiang Holding	**(30,000)**	(22,500)
Interests paid to		
Wanxiang Finance	**89**	1,087
Puxing Energy	**2,600**	—
Interests accrued		
Wanxiang Finance	**89**	—
Puxing Energy	**5,849**	—
Issuance of commercial bills accepted by		
Wanxiang Finance	**—**	50,000
Settlement of commercial bills accepted by		
Wanxiang Finance	**20,000**	80,000
Deposits with		
Wanxiang Finance	**—**	5,000
Withdrawal of deposits from		
Wanxiang Finance	**—**	20,000
Interest on discounting commercial bills paid to		
Wanxiang Finance	**—**	3,173

The balances of significant transactions between the Group and its related parties during the six months ended 30 June 2016 are as follows:

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Amber International:		
— Convertible Bonds	**103,585**	97,923
— Dividend payable	**11,326**	11,326
— Interest payable	**7,466**	6,273
	122,377	115,522
Wanxiang Finance:		
— Bills payable	**—**	20,000
— Interest-bearing borrowings	**20,000**	—
	20,000	20,000
Puxing Energy:		
— Interest-bearing borrowings	**255,483**	252,905
— Interest payable	**6,066**	2,817
	261,549	255,722

(b) Key management personnel remunerations

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Short-term employee benefits	**1,535**	1,153
Post-employment benefits	**137**	85
	1,672	1,238

17 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Contracted for	**4,766**	26,002
Authorised but not contracted for	**1,020**	7,100
	5,786	33,102

18 OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals were payable as follows:

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Less than 1 year	**797**	916
Over 1 year but less than 5 years	**966**	1,070
	1,763	1,986

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 four 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"), 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") and Amber (Anji) Gas Turbine Thermal Power Co., Ltd. (琥珀（安吉）燃機熱電有限公司) ("Anji Power Plant"). As at 30 June 2016, the aggregate installed capacity and the attributable installed capacity of the above power plants was approximately 457MW.

Production Volume

The production volume for the six months ended 30 June 2016 was 49,478Mwh, representing a decrease of 70.97% as compared with the corresponding period of last year (six months ended 30 June 2015: 170,436Mwh).

The adjustments of annual production plan led to a decrease in the Group's production volume in the first half of the year as compared with the corresponding period of last year. In order to facilitate the trial implementation of the Dual Tariff Policy, the relevant government authorities have organised the 2016 production plan for natural gas power generating units based on the maximum demand within the power grid. The planned generation hours for Blue Sky Power Plant, De-Neng Power Plant and Anji Power Plant under the Group in 2016 were 300 hours while the planned generation hour for Jing-Xing Power Plant (being a power plant for geographical survey) in 2016 was approximately 3,500 hours.

Natural Gas Supply

The total natural gas supply for the six months ended 30 June 2016 was 12.04 million m^3, representing a decrease of 69.29% as compared with the corresponding period of last year (six months ended 30 June 2015: 39.20 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 Province. For the period from 1 January to 19 April 2016, the natural gas price was RMB2.41/m^3 (inclusive of VAT). The natural gas price was adjusted to RMB2.31/m^3 from RMB2.41/m^3 (both inclusive of VAT), effective from 20 April 2016. For the six months ended 30 June 2016, the fuel cost accounted for 19.37% of the revenue, representing a decrease of 33.06 percentage points as compared to the corresponding period of last year.

On-grid Tariff

On-grid tariff is determined by the Price Bureau of Zhejiang Province after taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. The trial implementation of Dual Tariff Policy (which comprises volume tariff and capacity tariff) has been implemented since 1 January 2015. The volume tariff of Blue Sky Power Plant, De-Neng Power Plant and Jing-Xing Power Plant under the Group for the period from 1 January to 19 April

2016 was RMB0.60/Kwh (inclusive of VAT), while the capacity tariff was RMB470/Kw per annum (inclusive of VAT). The volume tariff of Anji Power Plant under the Group for the period from 1 January to 19 April 2016 was RMB0.54/Kwh (inclusive of VAT), while the capacity tariff was RMB680/Kw per annum (inclusive of VAT).

According to the Notice Regarding the Adjustment on the On-grid Tariff of Natural Gas Power Generating Units (《關於調整天然氣發電機組上網電價的通知》) issued by the Price Bureau of Zhejiang Province, starting from 20 April 2016, the volume tariff of Blue Sky Power Plant, De-Neng Power Plant and Jing-Xing Power Plant under the Group has been adjusted to RMB0.58/Kwh (inclusive of VAT); the volume tariff of Anji Power Plant under the Group has been adjusted to RMB0.52/Kwh (inclusive of VAT), among which the capacity tariff remains unchanged at its original level.

FINANCIAL REVIEW

The revenue of the Group for the six months ended 30 June 2016 was approximately RMB129,325,000 (six months ended 30 June 2015: RMB209,427,000), representing a decrease of 38.25% 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 2016 was approximately RMB30,629,000 (six months ended 30 June 2015: RMB25,822,000), representing an increase of approximately 18.62% as compared with the corresponding period of last year. Basic earnings per share amounted to RMB0.067 for the six months ended 30 June 2016 (six months ended 30 June 2015: basic earnings per share of RMB0.062).

Revenue

Revenue of the Group for the six months ended 30 June 2016 amounted to approximately RMB129,325,000, representing a decrease of 38.25% as compared with RMB209,427,000 for the corresponding period of last year. The decrease in revenue was primarily due to the decrease in production volume of the Group and the decrease in volume tariff in the first half of 2016.

Operating Costs

For the six months ended 30 June 2016, the operating costs of the Group were RMB63,143,000, representing a decrease of 57.20% as compared with RMB147,526,000 for the corresponding period of last year. Among which, fuel cost, depreciation and sales related taxes decreased as production volume decreased. Labour costs increased as staff remuneration increased, while the other costs not linked directly to results of operation changed slightly.

Income Tax

De-Neng Power Plant, Jing-Xing Power Plant and Blue Sky Power Plant under 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 by the Group for the six months ended 30 June 2016 amounted to RMB14,139,000.

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-invested enterprises earned after 1 January 2008, while the applicable tax rate for foreign investors registered in Hong Kong is 5% provided that they meet certain criteria. As at 30 June 2016, deferred tax liabilities of RMB7,655,000 (31 December 2015: RMB5,708,000) were recognised by the Group at a rate of 5% accordingly.

No provision of income tax was made for the members of the Group outside 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 2016, profit attributable to equity shareholders of the Company was approximately RMB30,629,000 (six months ended 30 June 2015: RMB25,822,000), representing an increase of 18.62% as compared with the corresponding period of last year. Such increase in profit over the corresponding period of last year was mainly attributable to the decrease in production volume in the first half of 2016, resulting in a lower proportion of volume tariff revenue but a higher proportion of capacity tariff revenue, and hence an increase in unit tariff and a corresponding increase in profit margin per unit.

Liquidity and Financial Resources

For the first half of 2016, net cash generated from operating activities was RMB37,240,000 (net cash used in the first half of 2015: RMB76,545,000). It was mainly due to the decrease in cash expenditure for fuel purchases caused by the decrease in production volume. The average aging of the Group's receivables is one month and 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 RMB27,740,000 (net cash generated from the first half of 2015: RMB7,644,000), which was mainly used for technological upgrade and investments in new equipment by the Group. Net cash used in financing activities was RMB14,042,000 (net cash generated from the first half of 2015: RMB52,454,000), which was mainly due to the payment of dividend of RMB11,620,000 to equity shareholders of the Company during the year and the repayment of certain loans in cash.

As at 30 June 2016, the Group had a cash balance of RMB145,470,000 (31 December 2015: RMB150,012,000), which was used for general working capital purpose. Cash was generally placed with licensed banks as a short-term deposit.

As at 30 June 2016, the Group had net current liabilities of RMB125,488,000 (31 December 2015: RMB103,895,000). The net current liabilities increased as compared with the end of last year. The increase was primarily due to the increase in current liabilities to replenish liquidity as appropriate in the first half of 2016.

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 also gets financial support from the intermediate parent company, Pu-Xing Energy to finance its continuing operations for the next 12 months ending 30 June 2017. The Directors are confident that the Group will be able to satisfy all conditions required by banks in respect of borrowings and will have sufficient cash to satisfy its working capital requirement in the future.

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 2016, the gearing ratio was 60.18% (31 December 2015: 60.83%), representing a decrease of 0.65 percentage point as compared with that of last year.

Foreign Exchange

The Group has convertible bond denominated in Hong Kong Dollars and loans denominated in US Dollars. It has also placed short-term deposits with licensed banks in Hong Kong Dollars. Accordingly, the fluctuation of the exchange rates of the above currencies to Renminbi will affect the Group's financial conditions. As most of the Group's operating expenses are mainly denominated in Renminbi and our revenue is also settled in Renminbi, the Group has not hedged the risks of exchange rate fluctuations through any forward contracts or borrowings.

Subsequent Event

There is no material subsequent event undertaken by the Company or by the Group after 30 June 2016 and up to the date of this announcement.

Contingent Liabilities and Capital Commitments

As at 30 June 2016, the Group had RMB4,766,000 (31 December 2015: RMB26,002,000) 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 RMB1,020,000 (31 December 2015: RMB7,100,000) of capital commitments authorized but not contracted for. During the period under review, the Group had no material 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.

FUND-RAISING ACTIVITIES

On 18 September 2015, the Company entered into a subscription agreement (the "Subscription Agreement") with BC Greater China Opportunities Fund SPC (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue 40,000,000 shares of the Company (the "Subscription Shares") at the subscription price of HK$0.97 per Subscription Share for an aggregate consideration of HK$38.80 million (the "Subscription").

On 18 September 2015 (after trading hours), the Company entered into a placing agreement (the "Placing Agreement") with CCB International Capital Limited (the "Placing Agent"). Pursuant to the Placing Agreement, the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place, on a best effort basis, 3,600,000 shares of the Company (the "Placing Shares") to Ms. Zhu Hua at the placing price of HK$0.97 per Placing Share (the "Placing"). The gross proceeds from the Placing were approximately HK$3.49 million.

The Board considers the Subscription and the Placing represented an opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base.

The aggregate gross and net proceeds from the Subscription and the Placing were approximately HK$42.29 million and approximately HK$40.79 million, respectively. The closing price of the Company's shares as quoted on the Stock Exchange on the date of the Subscription Agreement and the Placing Agreement is HK$1.20 per share. The net price of each Placing Share and Subscription Share was approximately HK$0.94.

As disclosed in the announcement of the Company dated 18 September 2015 (the "Announcement"), the Company intended to use the net proceeds from the Subscription and the Placing for general working capital of the Group. As of 31 December 2015, all the said proceeds had been used for general working capital of the Group.

Please also refer to the Announcement for the details of the Subscription and the Placing.

PROSPECTS

Currently, China continues to promote the structural reform of the supply front by adhering to the overall approach of "Five-in-one" and the strategic layout of "Four Comprehensives", while firmly establishing the development philosophy of "innovation, coordination, green, open and sharing". The Chinese government has been in the process of understanding, adapting and leading the energy development in the "New Normal" stage, and making efforts to further accelerate the adjustment of energy structure and promote the change of growth drivers. The above measures are of great importance in kicking off a good start for the energy development under the "13th Five-Year Plan".

The National Energy Administration issued the National Energy Planning [2016] No. 89 Circular of the National Energy Administration on Issuing the Guiding Opinions on Energy Development for 2016 (國能規劃[2016]89號《國家能源局關於印發2016年能源工作指導意見的通知》) on 22 March 2016. Pursuant to which, for energy consumption in 2016, the total energy consumption should be approximately 4.34 billion tonnes of standard coal, with the proportion of natural gas consumption and coal consumption rising to approximately 6.3% and reducing to below 63%, respectively. For the adjustment of energy structure, the focus would be on enhancing the capability of peak time adjustment of power grids, encouraging the development of natural gas peak time adjustment power stations, actively developing distributed energy and proactively promoting the effective utilization of natural gas.

According to the information on production volume and power consumption for the first half of 2016 released by the National Development and Reform Commission, total national power consumption in China was approximately 2,775.9 billion Kwh, representing an increase of 2.7% as compared with the corresponding period of last year. The growth rate has increased by 1.4 percentage points as compared to the corresponding period of last year. Although power consumption remained at low level, the growth rate of power consumption has rebounded in the first half of the year on the back of the efforts of the high energy consumption industries to eliminate overcapacity, which has also demonstrated the result achieved in structural adjustment, transformation and upgrade. Such increase in power consumption signifies the achievement of the strengthened efforts in electric power system reform as well as the promotion and implementation of replacement of other energy with electricity.

In response to the above situation, the management will continue to support and dedicate to the development of clean energy. As a clean energy supplier focusing on the provision of natural gas, the Group will certainly be benefitted from the new energy policy in China and seek for development opportunities to further the development of the Company's new energy business. The Group is confident in the future development of the existing power plants and new or acquisition projects of the Group.

Meanwhile, the shareholders and potential investors of the Company should note that the Group will continue to implement the Dual Tariff Policy for the power plants under the Group in 2016. If there is any change in the power generation policy, the Company will make announcement in due course. In addition, the Group is well prepared for the research, development and investment in the projects in relation to gas-fired power generation, as well as investigation and research on 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 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 implement its comprehensive budget management, upgrade its ability in plan execution and budget control in order to further enhance its management standard and secure stable and sustainable development of the Group. The Group, having full confidence in the industry, will constantly show perseverance in its development of clean energy business. It is believed that the Group will achieve satisfactory results and become one of the top clean energy suppliers in the PRC.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

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

During the six months ended 30 June 2016, 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 2016, the Group had a total of 273 employees, excluding 6 temporary staff (31 December 2015: 286, excluding 6 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 to employees with an aim to retain talents on all levels for further contributions to the Group.

CORPORATE GOVERNANCE

The Board has been adamant in upholding high standards of corporate governance to maximize the operational efficiency, corporate values and shareholder returns. The Company 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 Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") for the six months ended 30 June 2016, save as disclosed below:

Mr. Chai Wei, the President of the Company, had also assumed the role of the Chairman of the Board till 2 June 2016 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 was the most suitable candidate to serve in the positions of both the Chairman of the Board and President of the Company. During the period from 10 January 2013 to 2 June 2016, the Company was 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 three experienced INEDs representing more than half of the Board, the Board is of the view that there is a strong independent element on the Board to exercise independent judgement and provide sufficient check and balance.

However, with effect from 2 June 2016, Mr. Wei Jun Yong, the non-executive Director, has been appointed as the Chairman of the Board, while Mr. Chai Wei has ceased to serve as the Chairman of the Board. Such arrangement separates the roles of the Chairman of the Board and President of the Company, which enables the Company to comply with the requirements of the code provision A.2.1 of the CG Code.

The Board will evaluate from time to time the corporate governance practices and ensures such practices will continue to be in the interests of the Company and its shareholders as a whole.

CHANGE OF CHAIRMAN OF THE NOMINATION COMMITTEE UNDER THE BOARD

The Board resolved to appoint Mr. Wei Jun Yong as the chairman of the nomination committee under the Board (the "Nomination Committee") with effect from 26 August 2016. Mr. Chai Wei has ceased to be the Chairman of the Nomination Committee and Mr. Tse Chi Man has ceased to be the member of the Nomination Committee while other members of the Nomination Committee remain unchanged.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS ("MODEL CODE")

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 2016.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's interim results for the six months ended 30 June 2016.

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 2016 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
Wei Jun Yong
Chairman

Hong Kong, 26 August 2016

As at the date of this announcement, the Board comprises one executive director, namely Mr. Chai Wei; three non-executive directors, namely Mr. Wei Jun Yong, Mr. Liu Xuan 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.