

**AMBER ENERGY LTD:  
NEPOTISM PERSONIFIED**

The flotation of Amber Energy Ltd () (Code: 90, Main Board, The Stock Exchange of Hongkong Ltd) cannot endow an investor with much confidence in the ability of Senior Management.

In fact, **TARGET** () would not hesitate to go on record as stating that it has absolutely no confidence in this Company's Senior Management.

The **Initial Public Offering (IPO)** of Amber Energy Ltd, launched in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is highly unlikely to be a roaring success if prospective investors have a modicum of grey matter.

Although nepotism and politics could prove **TARGET** to be wrong, of course.

But, at the end of the day, **TARGET** is confident that it will be proved correct.

On careful examination, the Company's 3-Year, track-record period is just a small indication of the incompetence of Senior Management.

Amber Energy Ltd launched its Placing and Public Offer Prospectus on June 29, 2009, when it Offered 100 million, 10-cent Shares at an Offer Price of between \$HK1.26 per Share and \$HK1.66 per Share.

The Company is in the business of generating electricity, using natural gas as its energy source.

It has been in business since 2001, but its financial record is nothing to write home to mom.

According to the Public Offer Prospectus, income is set to improve, during the 2009 Financial Year, ending December 31, 2009, but this is of no great shakes, in **TARGET**'s opinion.

According to the Company's Overview, located at Page 79 of the Prospectus, Amber Energy Ltd describes its activities as follows:

*'We are the only foreign-owned gas-fired power plant operator under the Zhejiang provincial grid. During the Track Record Period, we were principally engaged in the development, operation and management of power plants fuelled by natural gas. Building upon our operational and management experience in the gas-fired power generation industry, we plan to further expand our 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. Our vision is to become a leading gas-fired power provider in Zhejiang province and a leading environmentally friendly energy enterprise in China in the longer term.'*

*'We are an environmentally friendly energy enterprise. Our Power Plants are fuelled by natural gas and emit almost no fine particles and sulphur dioxide, and only produce a small amount of nitrogen oxide as compared to coal-fired power plants. Our Power Plants also generate less noise and lower carbon dioxide emissions compared to coal-fired power plants.'*

*For the same amount of heat, burning natural gas produces about 50% less carbon dioxide than burning coal. Furthermore, compared to traditional coal-fired power plants, Our Power Plants can be started up and increase electricity generation within a relatively short period of time. Our Power Plants mainly generate electricity during the periods when demand for electricity is high in contrast with traditional coal-fired power plants which generally keep running both day and night no matter demand for electricity is high or low. In addition, unlike traditional coal-fired power plants, our ability to start up and increase electricity generation quickly enables us to supply peak power, i.e. power supplied at the periods when there is most demand for electricity from the power grid, and to capture additional power sales when there is sudden increase in demand for electricity. Our Power Plants are foreign-owned enterprises investing into the gas-fired power generation industry, being one of the business sectors which is entitled to certain government grants as incentives from the local governments where Our Power Plants operate. Throughout the Track Record Period, we were entitled to government grants as a financial incentive to develop environmentally-friendly gas-fired power plants in Zhejiang province.'*

Today, the Company ... [CLICK TO ORDER FULL ARTICLE](#)

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