



INTERIM REPORT **2015**



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# HIGHLIGHTS

## FINANCIAL HIGHLIGHTS

- Group revenue of US\$2.7m (1H 2014:US\$2.7m)
  - Unconventional Gas Gathering revenue increased 29% to US\$0.9m (1H 2014:US\$0.7m)
  - Electricity Generation revenue increased 83% to US\$1.1m (1H 2014:US\$0.6m)
  - Engineering and Technologies revenue decreased 64% to US\$0.5m (1H 2014:US\$1.4m)
  - Construction revenue of US\$0.2m
- Gross Profit increased 40% to US\$0.7m (1H 2014:US\$0.6m)
- EBITDA of US\$0.3m (1H 2014:US\$0.3m)
- EPS increased 20% to losses of US\$0.12 (1H 2014:losses of US\$0.15)



- Cash and bank deposits of US\$3m at period end (FY 2014: US\$2.6m)

## OPERATIONAL HIGHLIGHTS

- Unconventional Gas Gathering and Transmission
  - Gas volume processed of 661,244 MCF (18.7MCM), an 21% increase over comparative period (H1 2014: 548,137 MCF or 15.5MCM)
  - Sales volume of 577,656 MCF (16.4 MCM), representing growth of 21% over comparative period (H1 2014: 477,720 MCF processed for sale (13.5 MCM))
  - Total pipeline owned and managed by the Company of 51.9km
  - No lost time due to injury or accident
- Electricity Generation
  - 8,676,154 kwh of electricity generated during period, a 23% increase over comparative period (H1 2014: 7,067,193 kwh)
- Sales volume of 7,080,091kwh, representing growth of 29% over comparative period (H1 2014: 5,486,457kwh)
- Total power line owned and managed by the Company of 79.6km
- Signed power supply contract with CUCBM (China United Coalbed Methane Corporation, Ltd., a CNOOC subsidiary)
- No lost time due to injury or accident
- Engineering & Technologies
  - Sales volume of 31 gas dispensers, a 48% decrease in equipment sales
  - Total customers 156 (2014:147)
  - No lost time due to injury or accident
  - Developed two new products (LNG pump &intelligent movable CNG dispensers).



# CHAIRMAN'S STATEMENT



**Randeep S. Grewal**  
*Founder & Chairman*

During the six months under review, the Company made progress in several areas including expanding the Integrated Production Facility and signing a new power contract with CUCBM. As a result, I am pleased to report H1 revenue of US\$2.7m despite revenue from equipment sales being significantly lower than the comparative period in 2014.

The Company continued to build and improve on our infrastructure assets to increase capacity with the objective of providing continued revenue growth and at the same time meeting the demand from our key customer, Green Dragon Gas. It is notable that CUCBM, also within the same gas production block, as expected continues to increase its demand for services from the Company. Furthermore, the Company successfully negotiated a connecting fee structure based on

length of required pipelines from its clients so as to reduce our capital expenditure exposure.

In this first half, 9 new wells with 10km of additional pipe line were successfully connected to our gas gathering system which, along with some optimisation, increased our processed gas volume by 21% from 548,137 MCF or 15.5MCM in H1 2014 to 661,244 MCF (18.7MCM), a 19% increase in average daily volume. This provided 33% of revenue, a 7% increase over 26% in H1 2014.

We built an additional 7.8 km of power lines to supply an additional 21 wells for Green Dragon Gas. As a result, the Company now has a total of 79.6km of power lines. We also saw substantial growth within our power generation business.



Jiaqin Agriculture Company (our first unaffiliated client for power) completed its equipment test process and began to use our power. We also signed a milestone power contract with CUCBM for an additional 54 wells following the successful implementation of the initial test of the 9 wells previously connected into the Company's power station last year. As a result, 8,676,154 kwh of electricity was generated during the period, a 23% increase over comparative period (H1 2014: 7,067,193 kwh), resulting in an 83% increase in power revenue (H1 2015: US\$1.1m compared to H1 2014: US\$0.5m). Revenue from power generation provided 41% of the Company's overall revenue (H1 2014: 22%).

In accordance with our objective this year, the Company successfully completed research on the development of C/LNG pump skids, a new product which will be launched later this year. We expect this new product to meet the evolving industry demand for dual fuel capability. Once in production, we hope to reverse our declining product sales.

In our technology division, the Company signed two contracts including 10 SCADA systems for wellheads and one SCADA system for a CNG retail gas station with Green Dragon Gas. These projects are ongoing and we expect to complete them by the year end.

It has been a busy first half year within each of our segments. While the equipment manufacturing division focused on evolving from CNG dispensers to C/LNG dispensers, each of the other segments saw organic growth. This is expected to continue in the second half of the year.

I look forward to providing further updates in due course.



**Randeep S. Grewal**

*Chairman*

22 September 2015



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2015 US\$'000 Unaudited	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Revenue	3	2,732	2,674	5,233
Cost of sales		(2,030)	(2,116)	(4,083)
<b>Gross profit</b>		<b>702</b>	<b>558</b>	<b>1,150</b>
Selling and distribution		(111)	(126)	(294)
Administrative expenses		(1,192)	(1,196)	(2,831)
Other operating loss		6	1	9
Total administrative expenses		(1,297)	(1,321)	(3,116)
<b>Loss from operations</b>		<b>(595)</b>	<b>(763)</b>	<b>(1,966)</b>
Finance income	4	1	–	2
Finance costs	4	(32)	(24)	(58)
<b>Loss before income tax</b>		<b>(626)</b>	<b>(787)</b>	<b>(2,022)</b>
Income tax credit	6	60	45	78
<b>Loss for the year from continuing operations</b>		<b>(566)</b>	<b>(742)</b>	<b>(1,944)</b>
Profit from discontinuing operations	7	92	135	241
<b>Loss for the period</b>		<b>(474)</b>	<b>(607)</b>	<b>(1,703)</b>
<b>Other comprehensive(expense)income that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation foreign operations		(6)	(159)	(95)
<b>Total comprehensive losses for the period</b>		<b>(480)</b>	<b>(766)</b>	<b>(1,798)</b>
<b>Loss attributable to:</b>				
– Owners of the company		(474)	(607)	(1,703)
<b>Total comprehensive income attributable to:</b>				
– Owners of the company		(480)	(766)	(1,798)
Basic and diluted loss per share attributable to owners of the company arising from:				
– Continuing operations (cents)	5	(0.14)	(0.18)	(0.47)
– Discontinuing operations (cents)	5	0.02	0.03	0.05
Total		(0.12)	(0.15)	(0.42)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2015 US\$'000 Unaudited	As at 30 June 2014 US\$'000 Unaudited	As at 31 December 2014 US\$'000 Audited
<b>ASSETS</b>				
Non-current Assets				
Property, Plant and Equipment	8	21,141	24,476	20,738
Intangible assets		1,654	2,151	1,901
		<b>22,795</b>	<b>26,627</b>	<b>22,639</b>
Current assets				
Inventories	9	1,568	1,778	1,978
Trade and other receivables	10	8,349	8,049	9,731
Cash and cash equivalents		2,961	2,829	2,626
		<b>12,878</b>	12,656	14,335
Assets held for sale	7	1,753	1,753	1,753
<b>Total assets</b>		<b>37,426</b>	<b>41,036</b>	<b>38,727</b>
<b>LIABILITIES</b>				
Current liabilities				
Trade and other payables	11	3,733	5,066	3,830
Loans and borrowings	12	4,056	4,680	4,706
Current tax liabilities			17	12
		<b>7,789</b>	<b>9,763</b>	<b>8,548</b>
Non-current liabilities				
Deferred taxation liabilities	13	413	537	475
		<b>413</b>	537	475
<b>TOTAL LIABILITIES</b>		<b>8,202</b>	<b>10,300</b>	<b>9,023</b>
<b>Total net assets/(liabilities)</b>		<b>29,224</b>	<b>30,736</b>	<b>29,704</b>
<b>Capital and reserves</b>				
Share capital		4	4	4
Share premium account		35,949	35,949	35,949
Foreign exchange reserve		534	476	540
Accumulated losses		(7,263)	(5,693)	(6,789)
<b>Total equity attributable to owners of the Company</b>		<b>29,224</b>	<b>30,736</b>	<b>29,704</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Share premium US\$'000	Foreign exchange reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2014	4	35,949	635	(5,086)	31,502
Loss for the year	–	–	–	(607)	(607)
Other comprehensive income: Items that will may be reclassified subsequently to profit or loss:					
– Exchange difference on translation of foreign operations	–	–	(159)	–	(159)
Total comprehensive income for the year	–	–	(159)	(607)	(766)
At 30 June 2014	4	35,949	476	(5,693)	30,736
At 1 January 2015	4	35,949	540	(6,789)	29,704
Loss for the year	–	–	–	(474)	(471)
Other comprehensive income: Items that will may be reclassified subsequently to profit or loss:					
– Exchange difference on translation of foreign operations	–	–	(6)	–	(6)
Total comprehensive income for the year	–	–	(6)	(474)	(480)
At 30 June 2015	4	35,949	534	(7,263)	29,224

The following describes the nature and purpose of each reserve within owners' equity:

- Share capital: Amount subscribed for share capital at nominal value.
- Share premium: Amount subscribed for share capital in excess of nominal value, including capital contributions
- Foreign exchange reserve: Foreign exchange differences arising on translating the results, assets and liabilities of foreign operations into the reporting currency.
- Retained deficit: Cumulative net gains and losses recognized in profit or loss.

# CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2015 US\$'000 Unaudited	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
<b>Operating activities</b>			
(Loss)/Profit before income tax	(626)	(787)	(2,022)
Loss before tax from discontinuing operations	92	135	241
	<b>(534)</b>	(652)	(1,781)
Adjustments for:			
Depreciation	575	825	1,022
Amortisation of other intangible assets	247	247	495
Loss on disposal of property, plant and equipment	(1)	–	–
Finance income	(1)	–	(2)
Finance costs	32	24	58
Operating cash flows before changes in working capital	318	282	(208)
Movement in inventories	412	230	(93)
Movement in trade and other receivables	(380)	(423)	208
Movement in trade and other payables	1,811	(515)	(549)
Cash generated(utilized by)/generated from operations	2,161	(426)	(642)
Income tax payment	60	(13)	78
Net cash generated (utilized by)/generated from operating activities	2,221	(439)	(564)
<b>Investing activities</b>			
Payments for purchase of property, plant and equipment	(1,203)	–	(206)
Payments for intangible assets	–	–	–
Proceeds from disposal of property, plant and equipment	–	–	–
Cash acquired with subsidiary undertaking	–	–	–
Interest received	1	–	2
<b>Net cash used in investing activities</b>	<b>(1,202)</b>	–	(204)

# CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
<b>Financing activities</b>			
Proceeds from the issue of share, net of issue costs	–	–	–
Proceeds of short term loan	<b>607</b>	650	
Repayment of short term loan	<b>(654)</b>	(650)	(650)
Finance costs paid	<b>(32)</b>	(24)	(58)
<b>Net cash (used in)/from financing activities</b>	<b>(686)</b>	(67)	(58)
Net (decrease)/increase in cash and cash equivalents	<b>333</b>	(506)	(826)
Cash and cash equivalents at the beginning of the year	<b>2,626</b>	3,494	3,494
	<b>2,959</b>	2,988	2,668
Effect of foreign exchange rate changes	<b>2</b>	(159)	(42)
<b>Cash and cash equivalents at end of year</b>	<b>2,961</b>	2,829	2,626

# NOTES TO THE FINANCIAL INFORMATION

## 1. GENERAL

Greka Engineering & Technology Limited (“the Company”) is incorporated in Cayman Islands under the Companies Law (2010 Revision) of the Cayman Islands. The registered office and principal place of business of the company are located at PO Box 472, 2nd floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands and 12/F, No. 5 Building, Hua Meilong Plaza, Jing Wu Nan Road, Economy and Technology Development District, Zhengzhou, PRC respectively.

The Company is an investment holding company for a group of companies whose principal activities consist of the provision of engineering, procurement, construction and management for infrastructure projects in the PRC. These businesses are hereinafter collectively referred to as the “Group”.

## 2. PRINCIPAL ACCOUNTING POLICIES

The interim financial statements are presented in United States dollars which is same as the functional currency of the Company. The functional currency of the subsidiaries of the Group is the Chinese Renminbi.

### *Basis of preparation*

The condensed financial information for the six months ended 30 June 2015 and 30 June 2014 is unaudited and does not constitute the Group’s statutory financial statements for those periods. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union except for IAS 34. The financial statements of the Group for the 6 months ended 30 June 2015 were approved and authorized for issue by the Audit Committee and the Board on 22 September 2015.

The interim financial statements have been prepared in accordance with the accounting policies that are consistent with the December 2014 financial statements and the same policies are expected to apply for the year ended 31 December 2015. The financial information for the six months to 30 June 2015 does not constitute audited accounts of the Company or the Group. The accounts for the year ended 31 December 2014 were audited and the auditor’s report for the year ended 31 December 2014 was unqualified add did not include any references to any matters to which auditors drew attention by way of emphasis.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.



# NOTES TO THE FINANCIAL INFORMATION

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

### ***Basis of preparation*** *(continued)*

The financial information is presented in United States dollars and all values are rounded to the nearest thousand dollars (US\$'000) except when otherwise indicated.

The preparation of financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods.

## 3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers ("CODMs") that are used to make strategic decisions.

The Group reports its operations as two reportable segments: gas equipment sales and the provision of contract infrastructure services in the People's Republic of China (the "PRC"). The division of the engineering and technology operations into two reportable segments is reflective of how the CODMs manage the business.

The accounting policies of the reportable segments are the same as those described in the summary of principal accounting policies (see Note 2). We evaluate the performance of our operating segments based on revenues from external customers and segmental profits.

# NOTES TO THE FINANCIAL INFORMATION

## 3. REVENUE AND SEGMENT INFORMATION *(continued)*

Six months Ended 30 June 2015 – unaudited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Consolidated from continuing operations US\$'000
Revenue	571	2,161	2,732
Cost of sales	(421)	(1,609)	(2,030)
Gross profit/(loss)	150	552	702

As at 30 June 2015 – unaudited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Transportation Services (Discontinued Operations) US\$'000	Intercompany US\$'000	Consolidated US\$'000
Segment assets	5,346	32,715	1,753	(2,388)	37,426
Segment liabilities	11,460	35,083	–	(38,341)	8,202

Six months Ended 30 June 2014 – unaudited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Consolidated from continuing operations US\$'000
Revenue	1,326	1,348	2,674
Cost of sales	(1,049)	(1,067)	(2,116)
Gross profit	277	281	558

# NOTES TO THE FINANCIAL INFORMATION

## 3. REVENUE AND SEGMENT INFORMATION *(continued)*

As at 30 June 2014 – unaudited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Transportation Services (Discontinued Operations) US\$'000	Intercompany US\$'000	Consolidated US\$'000
Segment assets	7,060	32,267	1,753	(44)	41,036
Segment liabilities	9,868	36,429	–	(35,997)	10,300

Year Ended 31 December 2014 – Audited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Intercompany US\$'000	Consolidated from continuing operations US\$'000
Revenue	1,973	3,734	(474)	5,233
Cost of sales	(1,488)	(3,069)	474	(4,083)
Gross profit/(loss)	485	665	–	1,150

# NOTES TO THE FINANCIAL INFORMATION

## 3. REVENUE AND SEGMENT INFORMATION *(continued)*

As at 31 December 2014-Audited

	Gas equipment sales US\$'000	Infrastructure services US\$'000	Transportation Services (Discontinued Operations) US\$'000	Intercompany US\$'000	Consolidated US\$'000
Segment assets	5,773	32,632	1,753	(1,431)	38,727
Segment liabilities	11,024	35,321	–	(37,322)	9,023

Gas equipment sales represent the net invoiced value of gas equipment sales provided to 39 (2014:51) customers for the period. Infrastructure services represent sales to wholly owned subsidiaries of the Green Dragon Gas group, the Greka Drilling Limited group and three external customers.

## 4. FINANCE INCOME/EXPENSES

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Bank interest income	<b>1</b>	–	2
Bank interest expenses	<b>32</b>	24	58



# NOTES TO THE FINANCIAL INFORMATION

## 5. LOSS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

There were no potentially dilutive instruments. The basic and diluted loss per share are equal as the Company has no dilutive instruments. There have been no shares or potentially dilutive instruments issued between year-end and the date these financial statements were approved.

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Loss for the year			
– Continuing operations	<b>(566)</b>	(742)	(1,944)
– Discontinuing operations	<b>92</b>	135	241
Loss for the purpose of basic and diluted loss per share	<b>(474)</b>	(607)	(1,703)
<i>Denominators</i>			
Number of shares used in basic and diluted loss calculations	<b>409,622,133</b>	409,622,133	409,622,133
Basic and diluted loss per share (cents)			
– Continuing operations	<b>(0.14)</b>	(0.18)	(0.47)
– Discontinuing operations	<b>0.02</b>	0.03	0.050

## 6. TAXATION

The Company is incorporated in the Cayman Islands and is not subject to income tax. The primary operating companies are incorporated in the PRC and are subject to 25% tax rates.

# NOTES TO THE FINANCIAL INFORMATION

## 7. ASSETS HELD FOR SALE/DISCONTINUING OPERATIONS

The strategy of the Group is to develop its engineering and technology operations. In order to focus on the delivery of this strategy, prior to the demerger from Green Dragon Gas Ltd, during 2012 one of the Company's subsidiaries agreed a proposal to sell its non-core transportation operations to subsidiaries being retained within the Green Dragon Gas Ltd group following the demerger. Subsequently, it entered a legal agreement with Green Dragon Gas Limited on 1 July 2013 to dispose of motor vehicles and equipment for \$1,753,357 of cash consideration in line with the previously agreed proposals. Notwithstanding the period that has elapsed between meeting the requirements for classification as assets held for sale, the Group remains committed to the disposal and expects it to complete in due course. The completion of the transaction is subject to obtaining necessary legislative approvals.

The following are the totals for the major classes of assets relating to the Group's transportation operation at the end of the reporting period:

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Motor vehicles	<b>1,733</b>	1,733	1,733
Fixtures, fittings and equipment	<b>17</b>	17	17
Plant and machinery	<b>3</b>	3	3
	<b>1,753</b>	1,753	1,753

# NOTES TO THE FINANCIAL INFORMATION

## 7. ASSETS HELD FOR SALE/DISCONTINUING OPERATIONS *(continued)*

The loss on discontinuing operations in the Consolidated Statement of Comprehensive Income can be analysed, as follows:

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Transportation service revenue	<b>131</b>	190	387
Cost of sales	<b>(39)</b>	(55)	(146)
Administrative expenses	–	–	–
	<b>92</b>	135	241

The Consolidated Statement of Cash Flows contains the following elements related to discontinuing operations:

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Net cash flows attributable to operating activities	<b>92</b>	135	241
Net cash flows attributable to investing activities	–	–	(482)

The discontinued operations and assets held for sale are classified within the transportation services segment in Note 3.

# NOTES TO THE FINANCIAL INFORMATION

## 8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred approximately US\$1,203,665 on additions to buildings & structures and equipment (30 June 2014- US\$Nil-,31 December 2014 – US\$1,827,000).

## 9. INVENTORIES

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Raw materials and consumables	<b>548</b>	638	719
Work-in-progress	<b>864</b>	554	1,037
Finished goods	<b>156</b>	586	222
	<b>1,568</b>	1,778	1,978

The amount of cost of sales recognised in respect of inventories utilised was \$924,520 (2014: \$733,844) which is recognised in cost of sales. There has been no significant impairment of inventories.



# NOTES TO THE FINANCIAL INFORMATION

## 10. TRADE AND OTHER RECEIVABLES

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Trade receivable	<b>1,420</b>	1,887	1,236
Prepayments	<b>324</b>	384	525
Other receivables	<b>4,353</b>	4,051	4,028
Amounts due from related parties (note 14)	<b>2,252</b>	1,727	3,942
	<b>8,349</b>	8,049	9,731

The fair values of trade and other receivables approximate their respective carrying amounts at the end of each reporting periods due to their short maturities.

## 11. TRADE AND OTHER PAYABLES

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Trade payables	<b>1,711</b>	1,007	1,817
Other current liabilities	<b>269</b>	4,054	260
Amounts due to related parties (note 14)	<b>1,753</b>	5	1,753
	<b>3,733</b>	5,066	3,830

Trade and other payables are expected to be settled within one year. Their fair values approximate their respective carrying amounts at the end of each reporting periods due to their short maturities.

# NOTES TO THE FINANCIAL INFORMATION

## 12. LOANS AND BORROWINGS

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Loans and borrowing – secured	<b>4,056</b>	4,680	4,706

The bank loans of USD650, 000 has been returned to bank on 19 June 2015

## 13. DEFERRED TAXATION

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Deferred tax liabilities			
At the beginning of the year	<b>475</b>	599	599
Reversal of temporary differences	<b>(62)</b>	(62)	-124
At the end of the year	<b>413</b>	537	475

There were no unrecognised deferred tax assets or liabilities in either year. Tax losses in the PRC expire after 5 years. The Group have not offset deferred tax assets and liabilities across different jurisdictions.

# NOTES TO THE FINANCIAL INFORMATION

## 14. RELATED PARTY TRANSACTIONS

The related parties of the Group, which are noted below, are companies that are all fellow subsidiaries of Green Dragon Gas Limited and Greka drilling limited which are under common management and control.

Amounts due from/to related parties comprise:

	<b>Six months ended 30 June 2015 US\$'000 Unaudited</b>	Six months ended 30 June 2014 US\$'000 Unaudited	Year ended 31 December 2014 US\$'000 Audited
Amounts due from related companies:			
– Zhengzhou Greka Gas Co., Ltd	<b>1,563</b>	1,904	
– Greka (Zhengzhou) Technical Services Co., Ltd	<b>170</b>	62	53
– Greka Energy (International) B.V.	<b>481</b>	1,306	1,518
– Pindingshan Sinoenergy Ltd	<b>38</b>	359	467
Total of the above (note 10)	<b>2,252</b>	1,727	3,942
Amounts due to related companies (note (i)):			
– Greka Gas Co., Ltd	<b>1,753</b>	–	1,753
– Greka Energy (International) B.V.	<b>–</b>	5	6
Total of the above (note 11)	<b>1,753</b>	5	1,753

Notes:

- (i) These balances are unsecured, interest-free and are repayable on demand.

Transactions between the Company and its subsidiary undertakings which are related parties, have been eliminated on consolidation and are not disclosed in this note.

# DIRECTORS, COMPANY SECRETARY AND ADVISERS

## DIRECTORS

Randeep S. Grewal  
*Executive Director, Chairman and CEO*

Sanjay Krishna Saxena  
*Non-Executive Director*

Frederick Bryan Smart  
*Non-Executive Director*

## REGISTERED OFFICE

PO Box 472  
2nd Floor, Harbour Place  
103 South Church Street  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

*Principal Corporate Office*  
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Jing Nan Wu road ETDZ Dist., Zhengzhou  
Business District,  
Henan Province,  
Zhengzhou, 450000, PRC

*Share Registrar*  
Capita Registrars  
The Registry  
Mont Crevelt House  
Bulwer Avenue  
St. Sampson

## COMPANY SECRETARY

International Corporation Services Ltd.

## NOMINATED ADVISER

Smith & Williamson Corporate Finance Limited  
25 Moorgate  
London EC2R 6AY

## AUDITORS

BDO LLP  
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## LEGAL ADVISERS

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