Sino Energy International Holdings Group Limited
中能國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1096)

AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS OF THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

- Revenue decreased by 11.4% from approximately RMB65.8 million for the year ended 31 December 2019 to approximately RMB58.3 million for the year ended 31 December 2020.
- Gross profit decreased by 12.1% from approximately RMB12.4 million for the year ended 31 December 2019 to approximately RMB10.9 million for the year ended 31 December 2020, while gross profit margin remained at approximately 18.8%.
- Loss attributable to owners of the Company amounted to approximately RMB188.6 million for the year ended 31 December 2020, as compared to a loss of approximately RMB886.5 million for the corresponding period of 2019.
- Loss per share decreased from RMB0.49 per share for the year ended 31 December 2019 to loss per share of RMB0.10 for the year ended 31 December 2020.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2020.

The Board would like to announce the audited annual results of the Group for the year ended 31 December 2020 together with the comparative figures for 2019.

The Board is pleased to announce that the Company's auditor, Elite Partners CPA Limited, has completed their audit of the consolidated financial statements of the Group for the year ended 31 December 2020 in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

(Expressed in Renminbi)

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Revenue	*5*	**58,282**	65,786
Cost of sales		**(47,341)**	(53,425)
Gross profit		**10,941**	12,361
Other gains and (losses), net	*6*	**273**	(69,064)
Loss on deconsolidation of subsidiaries		**–**	(145,896)
Distribution and selling expenses		**(3,043)**	(3,048)
Impairment losses, net of reversal		**–**	(428,961)
Administrative expenses		**(11,309)**	(42,171)
Loss from operation		**(3,138)**	(676,779)
Finance costs	*8*	**(183,787)**	(207,664)
Loss before tax		**(186,925)**	(884,443)
Income tax	*9*	**(1,676)**	(2,061)
Loss for the year	*10*	**(188,601)**	(886,504)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

(Expressed in Renminbi)

	Notes	2020 RMB'000	2019 RMB'000
Loss for the year		**(188,601)**	(886,504)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**97,227**	(20,405)
Total comprehensive loss for the year		**(91,374)**	(906,909)
Loss for the year attributable to:			
Owners of the Company		**(188,601)**	(886,504)
Non-controlling interests		**–**	–
		(188,601)	(886,504)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(91,374)**	(906,909)
Non-controlling interests		**–**	–
		(91,374)	(906,909)
Loss per share			
Basic and diluted *(RMB)*	*11*	**(0.10)**	(0.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

(Expressed in Renminbi)

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**10,443**	4,304
Right-of-use assets		**452**	481
Investment deposit		**40,753**	43,421
Goodwill		**23,300**	23,300
		74,948	71,506
Current assets			
Inventories		**146**	73
Trade and other receivables	*12*	**41,805**	44,082
Amount due from director		**32,907**	38,473
Cash and bank balances		**46,575**	45,578
		121,433	128,206
Current liabilities			
Trade and other payables	*13*	**51,767**	46,205
Tax payables		**690**	554
Lease liabilities		**226**	240
Borrowings		**21,594**	18,227
Debentures		**250,590**	162,849
Convertible bonds		**609,979**	533,422
		934,846	761,497

	Notes	**2020**	2019
		RMB'000	*RMB'000*
Net current liabilities		**(813,413)**	(633,291)
Total assets less current liabilities		**(738,465)**	(561,785)
Non-current liabilities			
Lease liabilities		**217**	231
Debentures		**754,504**	839,796
		754,721	840,027
NET LIABILITIES		**(1,493,186)**	(1,401,802)
Capital and reserves			
Share capital		**158,995**	158,995
Reserves		**(1,652,181)**	(1,560,807)
Equity attributable to owners of the Company		**(1,493,186)**	(1,401,802)
Non-controlling interests		**–**	–
TOTAL DEFICIT		**(1,493,186)**	(1,401,802)

1. GENERAL INFORMATION

Sino Energy International Holdings Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office and principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wan Chai, Hong Kong, changed from Units 3306-12, 33/F., Shui On Centre, Nos. 6-8 Harbour Road, Wan Chai, Hong Kong, effective from 15 May 2020 respectively. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively the "Group") were principally engaged in manufacturing and sale of casual footwear, apparel and related accessories and operating gas station in the People's Republic of China (the "PRC").

2. DISCONSOLATION OF SUBSIDIARIES OF THE GROUP

At the adjourned hearing of the Winding-up Petition on 27 May 2020, the Quanzhou Intermediate People's Court in People's Republic of China ordered among other things that the Company's wholly-owned subsidiary, Fujian Jinmaiwang Shoes and Garments Products Co., Ltd ("FJSGP"), be wound up and designated Fujian Shangmin Law Firm as the bankruptcy administrator of FJSGP (the "Bankruptcy Administrator").

The books and records of FJSGP Group were kept and maintained by the Bankruptcy Manager, which were not made available to the Group's management after 27 May 2020. The directors of the Company has been unable to access the books and records of the FJSGP Group. The Company had the management account of each company within FJSGP Group for the year ended 31 December 2019 and 2020 but unable to obtain and access the books and records of the FJSGP Group.

On 18 May 2018, the Intermediate People's Court of Xuzhou City, Jiangsu Province (the "Jiangsu Province Court") accepted the filing of statements of claim (the "Statement of Claim") by China Huarong Asset Management Co., Ltd. ("Huarong Asset Management") against the Company and two indirect wholly-owned subsidiaries of the Company, namely, Fujian Jinmaiwang and Jiangsu Active for breach of loan agreements due to default in repayments of loans (the "Loans") (collectively, the "Legal Proceedings").

On 25 May 2018, the Company received the enforcement notice from the Jiangsu Province Court in relation the compulsory enforcement action against above claims. According to the enforcement notice, the Jiangsu Province Court ordered that (i) the bank deposits of the Company, FJSGP, Jiangsu Active and directors of the companies in the amount of RMB17,500,000 be frozen and appropriated; (ii) in the case of insufficient funds in these bank accounts, the assets of the Company, FJSGP and Jiangsu Active be sealed up. distrained, auctioned or sold.

As the Company, FJSGP and Jiangsu Active failed to comply with its repayment obligations such enforcement notices, on 18 October 2018, the Jiangsu Province Court sealed up the properties and right-of-use assets of Jiangsu Active. On 2 November 2018, the Jiangsu Province Court confirmed that Jiangsu Active has no other assets other than the sealed up properties and right-of-use assets. On 25 February 2019 and 30 June 2019, the properties and right-of-use assets had been put for action on Taobao auction with a reserve price of RMB27,450,000. As the properties and right-of-use assets had not been successfully bid, and the method of expiating debts in kind was not adopted by Huarong Asset Management, the properties and right-of-use assets were returned to Jiangsu Active by the court on 25 October 2019 and Huarong Asset Management is entitled to any assets of Jiangsu Active, if those assets were recognised.

As Jiangsu Province Court sealed up properties and right-of-use assets during 2018 and 2019, all staff of Jiangsu Active resigned and had Jiangsu Active ceased operation since then. The Company had requested Mr. Zhang Wenbin ("Mr. Zhang"), the legal representative of Jiangsu Active and a former executive director of the Company who resigned on 8 April 2022, to submit the books and records of Jiangsu Active to the Company. However, despite repeated requests by the Company, Mr. Zhang submitted the management account of Jiangsu Active for the year ended 31 December 2019 and 2020 but the relevant supporting documents and the company seal could not be provided.

The management further considered the influence of Mr. Zhang and Ms. Cai Xiumen ("Ms. Cai"), a former director of the Company who resigned on 8 April 2022, over the subsidiaries incorporated in Fujian Provence. The directors of the Company decided to deconsolidate Luotuo (Quanzhou) Shoes and Garments Co., Ltd. ("Luotuo (Quanzhou)"), a company of which Mr. Zhang is a director and Ms. Cai is the duty chairman, and Quanzhou Jialong Shoes Industry Co., Ltd. ("Quanzhou Jialong"), a company of which Ms. Zhang Pingping, a daughter of Mr. Zhang and Ms. Cai, is the legal representative and the sole director.

The directors of the Company considered Luotuo (Quanzhou) and Quanzhou Jialong were highly relied on the financial support by Mr. Zhang. The Company obtained the management accounts of Luotuo (Quanzhou) and Quanzhou Jialong for the year ended 31 December 2019 and 2020 but the relevant supporting documents was not obtained.

The directors of the Company were unable to obtain complete sets of books and records together with the supporting documents of FJSGP Group, Jiangsu Active, Luotuo (Quanzhou) and Quanzhou Jialong (collectively referred to as the "Deconsolidated Subsidiaries"). The directors of the Company considered that the Group had lost control over the Deconsolidated Subsidiaries and in the absence of complete sets of books and records, the Deconsolidated Subsidiaries had been deconsolidated from the consolidated financial statements of the Group as from 1 January 2019.

3. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately RMB188,601,000 for the year ended 31 December 2020 and as at 31 December 2020 the Group had net current liabilities and net liabilities of approximately RMB813,413,000 and RMB1,493,186,000, respectively. As at 31 December 2020 the borrowings, debentures, and convertible bonds which should be repaid in the next 12 months amounted to approximately RMB21,594,000, RMB250,590,000 and RMB609,979,000, respectively, while its bank balances and cash amounted to approximately RMB46,575,000 only.

These financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholder and major shareholders, at a level sufficient to finance the working capital requirements of the Group. The controlling shareholder and major shareholders have agreed to provide adequate funds for the Group to meet its liabilities as they fall due.

Accordingly, the directors of the Group are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. APPLICATION OF NEW AND AMENDMENTS INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the Amendments to references to the Conceptual Framework IFRS Standards and the amendments to IFRSs issued by the International Accounting Standards Board for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

5. REVENUE

The Group's revenue recognised during the years represents operation of gas station. An analysis of the Group's revenue for the years is as follows:

	2020	2019
	RMB'000	*RMB'000*
Operation of gas station	**58,282**	65,786
	58,282	65,786

Disaggregation of revenue from contracts with customers:

	For the year ended 31 December 2020	
Segments	**Operation of gas stations**	**Total**
	RMB'000	***RMB'000***
Geographical markets		
The PRC	**58,282**	**58,282**
Major products/services		
Gas	**58,282**	**58,282**
Total	**58,282**	**58,282**
Timing of revenue recognition		
At a point in time	**58,282**	**58,282**

Segments	For the year ended 31 December 2019	
	Operation of gas stations	Total
	RMB'000	*RMB'000*
Geographical markets		
The PRC	65,786	65,786
Major products/services		
Gas	65,786	65,786
Total	65,786	65,786
Timing of revenue recognition		
At a point in time	65,786	65,786

6. OTHER GAINS AND (LOSSES), NET

	2020	2019
	RMB'000	*RMB'000*
Interest income on bank deposits	**152**	150
Interest income from other loan receivables	**–**	3,669
Loss on early redemption of debentures	**–**	(73,474)
Gain on disposals of property, plant and equipment	**–**	591
Government subsidy	**121**	–
	273	(69,064)

7. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies. The Group has two reportable segments: (i) manufacturing and sale of casual footwear, apparel and related accessories; and (ii) operation of gas station.

The accounting policies of the operating segments are the same as those in the consolidated financial statements. Segment profits or losses do not include unallocated corporate income and expenses.

During the year, the Group did not generate revenue from manufacturing and sale of casual footwear, apparel and related accessories.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

	Operation of gas station	**Total**
	RMB'000	*RMB'000*
Year ended 31 December 2020:		
Reportable segment revenue	**58,282**	**58,282**
Reportable segment profit/(loss)	**4,512**	**4,512**
Other material non-cash items:		
Impairment loss of trade and other receivables	**–**	**–**
Impairment loss of inventories	**–**	**–**
Impairment loss of property, plant and equipment	**–**	**–**
Year ended 31 December 2019:		
Reportable segment revenue	65,786	65,786
Reportable segment profit	11,568	11,568
Other material non-cash items:		
Impairment loss of trade and other receivables	30,451	30,451
Impairment loss of goodwill	24,268	24,268

Reconciliations of reportable segment revenue and profit or loss:

	2020	2019
	RMB'000	*RMB'000*
Revenue:		
Reportable segment revenue	**58,282**	65,786
Loss:		
Reportable segment profit	**4,512**	11,568
Reportable segment profit/(loss) derived from the Group's external customers	**4,512**	11,568
Other losses or gains, net	**–**	(69,064)
Unallocated head office and corporate expenses	**(193,113)**	(308,870)
Impairment loss on amounts due from deconsolidated subsidiaries	**–**	(374,242)
Loss on deconsolidation of subsidiaries	**–**	(145,896)
Consolidated loss for the year	**(188,601)**	(886,504)

8. FINANCE COSTS

	2020	2019
	RMB'000	*RMB'000*
Interest expenses on		
– Borrowings	**4,271**	1,458
– Debentures	**66,614**	61,642
– Convertible bonds	**112,902**	144,564
	183,787	207,664

9. INCOME TAX

	2020	2019
	RMB'000	*RMB'000*
Current tax:		
– PRC Enterprise Income Tax for the year	**1,676**	2,056
– PRC Enterprise Income Tax under-provision in prior years	**–**	5
	1,676	2,061

No provision for Hong Kong Profits Tax is required since the Group did not generate any assessable profit in Hong Kong during the year (2019: RMB Nil).

According to the Law of the People's Republic of China on Enterprise Income Tax, the tax rate for all PRC subsidiaries of the Company is 25% from 1 January 2008 onwards.

10. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2020	2019
	RMB'000	*RMB'000*
Auditor's remuneration	**1,448**	1,235
Cost of inventories sold	**47,341**	53,425
Depreciation of property, plant and equipment	**750**	1,185
Gain on disposal of property, plant and equipment	**–**	(591)
Minimum lease payments under operating leases in respect of office premises	**4,900**	5,331
Impairment loss of trade and other receivables	**–**	30,451
Amortisation of right-of-use assets	**29**	21
Loss on deregistration of a subsidiary	**–**	56
Staff costs (including directors' remuneration):		
Salaries, bonuses and allowances	**4,527**	5,172
Contributions to defined contribution retirement schemes	**29**	32

11. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB188,601,000 (2019: RMB886,504,000) and the weighted average of 1,926,834,248 (2019: 1,817,678,612) ordinary shares in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2019 and 2020.

12. TRADE AND OTHER RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**5,491**	7,806
Less: allowance for credit loss	**(435)**	(435)
	5,056	7,371
Loan receivables	**46,700**	46,700
Deposits and other receivables	**20,065**	20,027
Less: allowance for credit loss	**(30,016)**	(30,016)
	41,805	44,082

The following is an aging analysis of trade receivables, net of allowance for trade receivables, presented based on the invoice date at the end of the reporting period.

	2020	2019
	RMB'000	*RMB'000*
Within 90 days	**5,056**	7,371
91 days – 180 days	**–**	–
181 days – 360 days	**–**	–
Over 360 days	**–**	–
	5,056	7,371

13. TRADE AND OTHER PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**570**	1,115
Contract liabilities	**97**	195
Provisions for legal claims	**22,717**	22,717
Other payables and accruals	**28,383**	22,178
	51,767	46,205

(a) An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 2 months	**570**	1,115

14. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2020 (2019: RMB Nil).

AUDIT OPINION

The auditor of the Company will issue a modified opinion on the consolidated financial statements of the Group for the year ended 31 December 2020. An extract of the auditor's report is set out in the section headed "Extract of report of the auditor" below.

EXTRACT OF REPORT OF THE AUDITOR

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2020.

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Sino Energy International Holdings Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

(i) Opening balances and comparative figures

As detailed in the auditor's report dated 30 June 2022, we issued a disclaimer of opinion on the consolidated financial statements for the year ended 31 December 2019 due to certain matters described in the auditor's report.

Any adjustments that might have been found to be necessary in respect of the above would have a consequential effect on the financial position of the Group as at 31 December 2019, the loss and cash flows of the Group for the year then ended and the related disclosures in the consolidated financial statements.

(ii) Material uncertainty related to going concern

As disclosed in note 2 to the consolidated financial statements, the Group resulted a loss attributable to owners of the Company of approximately RMB188,601,000 for the year ended 31 December 2020. As of that date, the Group had net current liabilities and net liabilities of approximately RMB813,413,000 and RMB1,493,186,000 respectively. As at 31 December 2020 the borrowings, debentures and convertible bonds which should be repaid in the next 12 months amounted to approximately RMB21,594,000, RMB250,590,000 and RMB609,979,000, respectively, while its bank balances and cash amounted to approximately RMB46,575,000 only.

In addition, the Group defaulted on the repayment of certain borrowings, debentures and convertibles bonds on their respective due dates during the year ended 31 December 2020. Those creditors, including banks, had taken legal actions against the Group to recover the debts.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. Therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the Group's ability to obtain future funding. Should the Group fail to achieve the measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

(iii) Deconsolidation of Jiangsu Active Industrial Shoes Co., Ltd. ("Jiangsu Active")

On 18 May 2018, the Intermediate People's Court of Xuzhou City, Jiangsu Province (the "Jiangsu Province Court") accepted the filing of statements of the claim by China Huarong Asset Management Co., Ltd. against the Company and two wholly-owned subsidiaries of the Company, namely FJSGP and Jiangsu Active for breach of loan agreements due to default in repayments of loans. On 18 October 2018, the Jiangsu Province Court sealed up the properties and right-of-use assets of Jiangsu Active and subsequently returned them to Jiangsu Active on 25 October 2019.

As Jiangsu Province Court sealed up properties and right-of-use assets during 2018 and 2019, all staff of Jiangsu Active resigned and had Jiangsu Active ceased operation since then. The Company had requested Mr. Zhang Wenbin ("Mr. Zhang"), the legal representative of Jiangsu Active and a former executive director of the Company who resigned on 8 April 2022, to submit the books and records of Jiangsu Active to the Company. However, despite repeated requests by the Company, Mr. Zhang submitted the management account of Jiangsu Active for the year ended 31 December 2019 and 2020 but the relevant supporting documents and the company seal was not provided.

The directors of the Company were unable to obtain a complete set of books and records together with the supporting documents of Jiangsu Active. The directors of the Company considered that the Group had lost control over Jiangsu Active and in the absence of a complete set of books and records and the non-cooperation of the management, Jiangsu Active had been deconsolidated from the consolidated financial statements of the Group as from 1 January 2019.

However, we were unable to obtain sufficient audit evidence to ascertain whether the deconsolidation of Jiangsu Active complied with the requirements of International Financial Reporting Standard ("IFRS")10 "Consolidated Financial Statements". Had Jiangsu Active been consolidated up to the date when the control over Jiangsu Active was lost, elements in the consolidated financial statements would have been materially affected.

(iv) Deconsolidation of Fujian Jinmaiwang Shoes and Garments Products Co., Ltd. ("FJSGP") and its subsidiaries, collectively, the ("FJSGP Group")

On 27 May 2020, the Intermediate People's Court of Quanzhou City, Fujian Province, the People's Republic of China ("PRC") ordered, among other things, that the Company's indirect wholly-owned subsidiary, FJSGP, be wound up and designated Fujian Shangmin Law Firm as the bankruptcy manager of FJSGP (the "Bankruptcy Manager").

The books and records of FJSGP Group were kept and maintained by the Bankruptcy Manager, which was not made available to the Group's management after 27 May 2020. The directors of the Company have been unable to access the books and records of the FJSGP Group. The Company had the management account of each company within FJSGP Group for the year ended 31 December 2019 and 2020 but was unable to obtain and access the books and records of the FJSGP Group.

The directors of the Company were unable to obtain a complete set of books and records together with the supporting documents of FJSGP Group. The directors of the Company considered that the Group had lost control over FJSGP Group and in the absence of a complete set of books and records, FJSGP Group had been deconsolidated from the consolidated financial statements of the Group as from 1 January 2019.

However, we were unable to obtain sufficient audit evidence to ascertain whether the deconsolidation of FJSGP Group complied with the requirements of IFRS 10 "Consolidated Financial Statements". Had the FJSGP Group been consolidated up to the date when the control over the FJSGP Group was lost, elements in the consolidated financial statements would have been materially affected.

(v) Deconsolidation of Luotuo (Quanzhou) Shoes and Garments Products Co., Ltd. ("Luotuo (Quanzhou)") and Quanzhou Jialong Shoes Industry Co., Ltd. ("Quanzhou Jialong")

The directors of the Company considered the influence of Mr. Zhang and Ms. Cai Xiumen ("Ms. Cai"), a former director of the Company who resigned on 8 April 2022, over the subsidiaries incorporated in Fujian Provence. Mr. Zhang was a director and Ms. Cai was the duty chairman of Luotuo (Quanzhou), and Ms. Zhang Pingping (Ms. Zhang), a daughter of Mr. Zhang and Ms. Cai, is the legal representative and the sole director of Quanzhou Jialong.

The directors of the Company considered Luotuo (Quanzhou) and Quanzhou Jialong highly relied on the financial support from Mr. Zhang and Mr. Zhang, Ms. Cai and Ms. Zhang (collectively referred to as "Zhang's Family") have control over these two subsidiaries. The Company had the management accounts of Luotuo (Quanzhou) and Quanzhou Jialong for the year ended 31 December 2019 and 2020 but the relevant supporting documents were not provided by Zhang's Family.

The directors of the Company were unable to obtain a complete set of books and records together with the supporting documents of Luotuo (Quanzhou) and Quanzhou Jialong. The directors of the Company considered that the Group had lost control over Luotuo (Quanzhou) and Quanzhou Jialong and in the absence of a complete set of books and records and the non-cooperation of Zhang's Family, Luotuo (Quanzhou) and Quanzhou Jialong had been deconsolidated from the consolidated financial statements of the Group as from 1 January 2019.

However, we were unable to obtain sufficient audit evidence to ascertain whether the deconsolidation of Luotuo (Quanzhou) and Quanzhou Jialong complied with the requirements of International Financial Reporting Standard ("IFRS")10 "Consolidated Financial Statements". Had Luotuo (Quanzhou) and Quanzhou Jialong been consolidated up to the date when the control over Luotuo (Quanzhou) and Quanzhou Jialong were lost, elements in the consolidated financial statements would have been materially affected.

(vi) Impairment and depreciation of property, plant and equipment and right-of-use assets

An impairment assessment was carried out by the directors of the Company on the property, plant and equipment and right-of-use assets in respect of the cash-generating unit for the operation of gas station segment. The assessment resulted in the recoverable amount of property, plant and equipment and right-of-use assets exceeding their carrying amount, and no impairment on property, plant and equipment, and right-of-use assets was considered necessary.

However, we are unable to obtain sufficient appropriate audit evidence we consider necessary to satisfy ourselves as to whether the impairment assessment on property, plant and equipment and right-of-use assets as at 31 December 2020 of approximately RMB10,443,000 and RMB452,000, respectively, were free from material misstatements and hence whether the no impairment loss on property, plant and equipment, and right-of-use assets and depreciation of property, plant and equipment and right-of-use assets, amounting to approximately RMB750,000 and RMB29,000, respectively, were free from material misstatement for the year ended 31 December 2020.

Any adjustment to the carrying amounts of property, plant and equipment and right-of-use assets of the Group found to be necessary would affect the Group's net liabilities as at 31 December 2020 and the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

(vii) Prepayments

Shangqiu Wuzhou New Energy Co., Ltd. ("Shangqiu Wuzhou"), an indirect wholly-owned subsidiary of the Company, had a prepayment of approximately RMB3,096,000 as at 31 December 2020 for land acquisition compensation and social insurance fund was paid in prior years. We were unable to obtain sufficient evidence on the nature, completness and accuracy of the amount paid as at 31 December 2020. We have not received direct confirmation from the payee. We were also unable to ascertain the recoverability so as to determine the amount of impairment if any.

Any adjustments to the amount of the prepayments found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020, and the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

(viii) Impairment on goodwill

The Group resulted decline in sales and operating profits in the operation of gas station segment during the year ended 31 December 2020. The Group performed an impairment assessment on the goodwill, which belonged to the cash-generating unit ("CGU") represented by the operation of the gas station segment. However, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the balances of goodwill as at 31 December 2020 of approximately RMB23,300,000 was free from material misstatement.

Any adjustments found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020 and the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

(ix) Payment to a vendor in connection with the acquisition of 51% interest in a target company

On 29 March 2019, the Company, Mr. Pan Ji Tao (the "Vendor") and Shangrao Jinbi Mining Co., Ltd. (上饒市金碧礦業有限公司, the "Target Company") entered into an equity transfer agreement, pursuant to which the Company (or its wholly-owned subsidiary) shall acquire 51 % equity interest in the Target Company from the Vendor at the consideration of RMB80,580,000 (equivalent to approximately RMB93,698,000) (the "Consideration"), which is determined regarding a valuation report by an independent valuer that valued the mining permit for a copper mine located in Guizhou, the PRC as at 31 July 2018 at approximately RMB158,019,000. The Group will be interested in 51% equity interest in the Target Company, and the Target Company will become a subsidiary of the Company upon completion of the relevant registration procedures. Partial payment of the Consolidation amounted to approximately RMB42,532,000 has been paid during the year ended 31 December 2019 as deposits for the acquisition (the "Deposit").

On 17 January 2022, the Company and the Vendor entered a termination agreement that the Vendor shall fully refund the Deposit to the Company under the Agreement. None of the parties shall have any claim against the others after that. Subsequent to the end of the reporting period, an amount of RMB10,000,000 was refunded from the Vendor.

We have not received direct confirmation from the Vendor to confirm the Deposit paid by the Group during the year ended 31 December 2020 and the outstanding balance as at 31 December 2020. We are also unable to determine the recoverability of the remaining portion of the Deposits amounting to RMB32,532,000 and have not been able to decide on the amount of impairment if any.

Any adjustments to the amount of the Deposit found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020 and the Group's loss for the year ended and related note disclosures to the consolidated financial statements.

(x) Inventories

As we were appointed as the auditor of the Company on 6 May 2022, which was subsequent to the year end of the Company and thus, we were unable to observe the physical counting and inspection of the Group's inventories at the beginning and end of the year. We could not satisfy ourselves by alternative means concerning the quantities and condition of such items appearing in the consolidated statement of financial position as at 31 December 2020.

(xi) Debentures

During the year ended 31 December 2020, the Group recorded interest on debentures amounted to approximately RMB66,614,000. As at 31 December 2020, the Group had debentures with principal amount together with accrued interest of approximately RMB1,005,094,000 and prepaid certain debenture interests of approximately RMB197,000,000, which was paid by Greiff (Xiamen) International Trading Co., Ltd. ("Greiff (Xiamen)"), a wholly-owned subsidiary of FJSGP.

However, we were unable to obtain direct confirmations from certain debentures holders and supporting evidence we consider necessary to satisfy ourselves as to whether the amount of debentures and prepaid debenture interest as at 31 December 2020 were fairly stated. There were no other alternative audit procedures we could carry out to determine whether the debentures interest of approximately RMB66,614,000 for the year ended 31 December 2020 was fairly stated. There were no other alternative audit procedures we could adopt to obtain sufficient and appropriate audit evidence in this regard.

Any adjustment to debentures found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020 and the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

(xii) Convertible bonds

During the year ended 31 December 2020, the Group recorded interest on convertible bonds amounted to approximately RMB112,902,000 and as at 31 December 2020, the Group has convertible bonds payables with principal balances and accrued interests amounting to RMB310,485,000 and RMB299,494,000 respectively. However, we have not been provided with sufficient appropriate audit evidence by the management of the Company that we consider as necessary and to obtain direct confirmations from the convertible bonds holders and other supporting evidence in order to satisfy ourselves as to whether the convertible bonds balances as at 31 December 2020 were fairly stated. There were no other alternative audit procedures that we could carry out to obtain sufficient and appropriate audit evidence in this regard.

Any adjustment to convertible bonds found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020 and the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

(xiii) Financial guarantee contract and contingent liabilities

As at 31 December 2020, Shangqiu Wuzhou granted financial guarantee to a related company, a company of which Mr. Chen Jianbao, a director of the Company, is also the director, for certain borrowings. The related company defaulted in repayment of the borrowings. Legal claim was filed against the related company, as the borrower, and Shangqiu Wuzhou, as the guarantor, in relation to the financial guarantee contracts. The Group recognized financial guarantee of approximately RMB26,178,000.

We were unable to obtain sufficient appropriate audit evidence that we consider necessary. There were no other alternative audit procedures that we could perform to assess the valuation, completeness and accuracy of the financial guarantee and to determine the amount of contingent liabilities and the accuracy and completeness of the disclosures in the Group's consolidated financial statements in respect of contingent liabilities, transactions and/or balances with related parties if any.

Any adjustments to the amount of the above contingent liabilities found to be necessary would affect the Group's net current liabilities, net liabilities and loss for the year as at 31 December 2020 and related note disclosures to the consolidated financial statements.

(xiv) The authenticity of the unauthorised payments

During the year ended 31 December 2020, Mr Zhang, the legal representative, executive director and general manager of Greiff (Xiamen), had procured Greiff Xiamen to effect payments approximately RMB325,578,000, which lack documentary supports and business justifications (the "Unauthorised Payment").

The Board established the Independent Committee, which had engaged the Independent Adviser to conduct an independent investigation.

We were unable to obtain any explanations and documents that we considered necessary to satisfy ourselves as the existence, valuation, completeness and accuracy of the information and documents related to the Unauthorised Payment for our audit; and the existence, valuation, accuracy and completeness of the disclosures in the Group's consolidated financial statements in respect of contingent liabilities, transactions and/or balances with related parties, if any, in relation to the transactions, arrangements, and/or the relevant counterparties identified in the investigation.

(xv) Cash and bank balances

The Group recorded cash and bank balances of approximately RMB46,575,000 and as at 31 December 2020.

However, during the course of our audit, we were unable to obtain direct confirmations from certain banks and other supporting evidence we consider necessary in order to satisfy ourselves as verify the bank balances and bank transactions as at 31 December 2020 were fairly stated. There were no other alternative audit procedures that we could carry out to determine whether the cash and bank balances for the year ended 31 December 2020 were fairly stated. There were no other alternative audit procedures that we could adopt to obtain sufficient and appropriate audit evidence in this regard.

Any adjustment to the above items found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2020 and the loss for the year ended 31 December 2020, and the related disclosures thereof in the consolidated financial statements.

AUDIT COMMITTEE'S VIEW

The Group's consolidated financial statements for the year ended 31 December 2020 have been reviewed by the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Business Review

During the review period, the Group has continued to implement its strategic transformation plan; actively seeking opportunities to expand its revenue sources, as well as boost its overall long-term profitability by seizing business opportunities in the energy business.

The retail market in China has suffered the impact of trade war between United States and China during 2020. During the year, through careful examination and review of the Group's store network, gross profit decreased by approximately 12.1% for the year ended 31 December 2020 as compared to gross profit for the year ended 31 December 2019.

Prospects

Looking ahead, the global economy and geopolitical developments will continue to bring challenges. To diversify the business of the Group and to increase the Group's source of revenue, the Company has been seeking various development opportunities to broaden the Group's revenue base in the future. The Group will continue its established business diversification strategies, moving from operating a traditional retail business to expanding to the other business sectors and allocating more resources for the latter.

On the other hand, the Group will continue to closely monitor market trends and prudently decrease its holdings in or dispose of business segments that underperform when appropriate, in order to enhance business performance. At the same time, the Group will continue to employ stringent cost control measures to support its long-term development. In the future, the Group will continue to implement established business strategies, accelerate business transformation and strive to generate promising returns for the Shareholders.

The Directors have been closely monitoring the liquidity risks and the financial resources of the Group. With the increasing tension of the trade war between the United States and China, the fluctuation of the global and Hong Kong equity market and more challenges in both equity and debt fundraising, the Directors are of the view that the debt position, finance cost and operating performance are expected to be worsening in the foreseeable future, which could cause the Group facing significant liquidity risks. As such, the Directors are considering a basket of possible measures to refurbish the financial position of the Group as well as to maintain a controllable level of liquidity risk, including but not limited to:

(1) seeking to acquire targets with synergies to our current operations and/or a genuine business prospect;

(2) reviewing the existing operations to consider if there is any need to dispose non-performing business units;

(3) streamlining the existing businesses to enhance profitability; and

(4) exploring different possible refinancing or debt restructuring opportunities.

The Directors will keep monitoring the liquidity risks and put their best efforts into increasing the Group's liquidity and maintain the financial health of the Group.

Strategic cooperation memorandum of understanding

On 12 December 2019, the Company and Australian National Digital Asset Exchange Pty Ltd ("Australian National Digital Asset Exchange") entered into a strategic cooperation memorandum of understanding (the "MOU"). Pursuant to the MOU, the Company and Australian National Digital Asset Exchange intend to cooperate in the development of crypto-asset issuance and transaction management, financial technology industry, blockchain, artificial intelligence, big data industry investment and new energy industry investment related projects.

To further strengthen the strategic cooperation between the Company and Australian National Digital Asset Exchange, the Company and Australian National Digital Asset Exchange entered into another strategic cooperation memorandum of understanding (the "Second MOU") on 23 January 2020. Pursuant to the Second MOU, the Company and Australian National Digital Asset Exchange intend to cooperate in the development of (i) the sale and operation of new energy vehicle business and (ii) digital banking industry related projects in the PRC and Australia respectively.

Australian National Digital Asset Exchange is a company incorporated in Australia and is principally engaged in the issuance of crypto asset transactions, provision of crypto asset management solutions, digital banking, financial technology industry investment, blockchain, artificial intelligence and investments in big data related industries, new energy industry and general aviation industry etc.

The Company's principal business is operating gas stations.

To diversify the business of the Group and to increase the Group's source of revenue, the Company has been seeking various development opportunities. The Board is optimistic for the prospects of industries related to crypto asset, financial technology, blockchain, artificial intelligence, big data, new energy, new energy vehicle in the PRC and digital banking in Australia. The Board is of the view that the MOU enables the Company the opportunities to develop the above industries by leveraging on Australian National Digital Asset Exchange's strength, resources and expertise to build a stable and mutually-beneficial strategic relationship for the development of the projects related to such industries. Further, with strong support from the Australian government and given that the new vehicle business and digital banking industry have been growing rapidly, the Board believes that the MOU and the Second MOU offer a good opportunity to the Group to diversify its business into the above industries and to broaden the Group's revenue base in the future.

FINANCIAL ANALYSIS

Revenue

The total revenue of the Group for the year ended 31 December 2020 was approximately RMB58.3 million, representing a decrease of approximately 11.4% as compared to that of 2019. The decrease in revenue was mainly as a result of the decline of revenue of gas stations operation caused by the economic downturn and preference switch from traditional vehicles to electric vehicles.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 31 December 2020 was approximately RMB10.9 million, as compared with the gross profit of approximately RMB12.4 million for the year ended 31 December 2019. The gross profit margin of the Group for the year ended 31 December 2020 was approximately 18.8% (2019: 18.8%).

Distribution and Selling Expenses

The Group's distribution and selling expenses primarily consisted of advertising and promotional expenses, royalties for licensed brands, salaries for the sales and marketing staff, and other costs related to sales and distribution. Distribution and selling expenses was approximately RMB3.0 million, accounted for approximately 5.1% of revenue for the year ended 31 December 2020 (2019: approximately 4.6%). The distribution and selling expenses remains stable at approximately RMB3.0 million for the years ended 31 December 2019 and 2020.

Administrative Expenses

Administrative expenses decreased by approximately RMB30.9 million to approximately RMB11.3 million for the year ended 31 December 2020 from approximately RMB42.2 million for the year ended 31 December 2019, which was mainly attributable to the decrease in provision for legal claims incurred for the year ended 31 December 2019.

Other Gains and Losses, Net

The decrease in other gains or losses, net from a loss of approximately RMB69.1 million for the year ended 31 December 2019 to a gain of approximately RMB0.3 million for the year ended 31 December 2020 was mainly due to loss on early redemption of debenture decreased by approximately RMB73.5 million to approximately RMBNil for the year ended 31 December 2020.

Finance Costs

Finance costs represented interest expenses on interest-bearing borrowings, debentures and convertible bonds. Interest expenses decreased by approximately 11.5% from approximately RMB207.7 million for the year ended 31 December 2019 to approximately RMB183.8 million for the year ended 31 December 2020, primarily due to decrease of interests on convertible bonds during the year.

Income Tax

Income tax recorded for the year ended 31 December 2020 mainly represented provision of PRC corporate income tax for approximately RMB1.7 million (2019: approximately RMB2.1 million).

Loss for the Year

Loss for the year was approximately RMB188.6 million, as compared to a loss of approximately RMB886.5 million during the corresponding period in 2019.

LIQUIDITY AND CAPITAL RESOURCES

In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in RMB. As at 31 December 2020, the Group had net current liabilities of approximately RMB813.4 million (31 December 2019: approximately RMB633.3 million), of which bank and cash balances were approximately RMB46.6 million (2019: approximately RMB45.6 million). The Group has always been pursuing a prudent treasury management policy and is in a strong liquidity position. The gearing ratio, calculated as total borrowings (including bank loans, debentures and convertible bonds) divided by total assets, increased from approximately 778% as at 31 December 2019 to approximately 833% as at 31 December 2020.

The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2020.

CAPITAL STRUCTURE

During the year ended 31 December 2020, the Company did not issue new Shares. As at 31 December 2020, the total number of issued Shares was 1,926,834,248.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC with most of the transactions settled in RMB. Part of the Group's cash and bank deposits are denominated in Hong Kong Dollars.

During the year, the Group did not hedge any foreign exchange exposure against foreign currency risk. However, the management will continue to monitor foreign currency risks and adopt prudent measures as appropriate.

PLEDGE OF ASSETS

As at 31 December 2020, the Group secured its borrowings by a charge over land use rights.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investment, material acquisitions and disposal of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2020.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group currently does not have any firm intention or specific plans for material investment or capital assets. Apart from strengthening the Group's current business, the Group will explore new business opportunities which may benefit the Shareholders.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no significant contingent liabilities (31 December 2019: RMB Nil).

EMPLOYEES AND EMOLUMENTS

As at 31 December 2020, the Group employed a total of 33 full-time employees in the PRC and Hong Kong, which included Directors, management staff, product designers, technicians, salespersons and workers. The Group's emolument policies are formulated based on the performance of individual employees, whose performance are reviewed and evaluated periodically. Apart from contributions to the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) and social security fund (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses are also awarded to employees according to individual performance. In addition, the Group adopted the share option scheme on 4 September 2011 for the purpose of providing incentives to Directors and eligible employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, there were no significant events after 31 December 2020 up to the date of this announcement.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2020, the Company complied with all the code provisions of the Corporate Governance Code.

MODEL CODE

Pursuant to a resolution passed by the Board on 4 September 2011, the Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards set out in the Model Code regarding their securities transactions for the year ended 31 December 2020.

SCOPE OF WORK PERFORMED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2020. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on this announcement.

AUDIT COMMITTEE

The Audit Committee, comprising three of the independent non-executive Directors, has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2020 and discussed with the management of the Company the accounting principles and accounting standards adopted by the Group and matters relating to risk management and internal control systems and financial reporting of the Group.

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Company and the Stock Exchange. The Company's annual report for the year ended 31 December 2020 in accordance with the relevant requirements of the Listing Rules will be dispatched to the Shareholders and published on the websites of the Company and the Stock Exchange in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Company"	Sino Energy International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Corporate Governance Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules

"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, The Macao Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
Sino Energy International Holdings Group Limited
Chen Jianbao
Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Mr. Chen Jianbao, Mr. Wang Qingsan, Mr. Zhu Tianxiang, Mr. Kwong Yuk Lap and Mr. Ding Ming; and the independent non-executive Directors are Mr. Chen Jinzhong, Roy, Mr. Chai Chung Wai and Mr. Chong Cha Hwa.

* *For identification purpose only*