

Sino Clean Energy Inc  
Form 10-K/A  
October 22, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K/A  
(Amendment No. 1 )

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-51753

SINO CLEAN ENERGY INC.  
(Exact name of Registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

75-2882833  
(I.R.S. Employer Identification No.)

Room 1605, Suite B, Zhengxin Building  
No. 5, Gaoxin 1st Road, Gaoxin District  
Xi'an, Shaanxi Province, People's Republic of China  
(Address of principal executive offices)

N/A  
(Zip Code)

Registrant's telephone number: (8629) 8209-1099

Securities registered pursuant to Section 12(b) of the Act: None  
Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Edgar Filing: Sino Clean Energy Inc - Form 10-K/A

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained herein, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer                       Accelerated filer   
Non-accelerated filer                       Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of June 30, 2008, the aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$11,338,000 based on a closing price of \$0.20 per share of common stock as reported on the Over-the-Counter Bulletin Board on such date.

On March 27, 2009, we had 92,181,750 shares of common stock issued and outstanding.

---

## EXPLANATORY NOTE

Sino Clean Energy Inc. is filing this Amendment No. 1 (this “Amendment”) to the Annual Report on Form 10-K for the year ended December 31, 2008, which was originally filed with the Securities and Exchange Commission on April 6, 2009 (the “Annual Report”), to revise the disclosure required by Item 9A(T) of Form 10-K regarding the conclusion by our chief executive officer and chief financial officer of the effectiveness of our disclosure controls and procedures, as the conclusion included in the Annual Report was unclear and qualified, and to reflect the proper period regarding changes in internal control over financial reporting. Additionally we are filing revised certifications of our chief executive officer and chief financial officer as required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)) promulgated under the Securities Exchange Act of 1934, as amended, which were originally filed as Exhibits 31.1 and 31.2 of the Annual Report (the “Original Certifications”). Paragraphs 4 and 4(b) in the Original Certifications inadvertently omitted certain language as required by Item 601 of Regulation S-K.

This Amendment continues to speak as of the date of the Annual Report, and does not reflect events occurring after the filing of the Annual Report or modify or update any related or other disclosures unless expressly noted otherwise. Accordingly, this Amendment should be read in conjunction with the Annual Report and with our other filings made with the Securities and Exchange Commission subsequent to the filing of the Annual Report, including any amendments to those filings. The filing of this Amendment shall not be deemed an admission that the Annual Report when made included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

### ITEM 9A(T). CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

The term “disclosure controls and procedures” is defined in Rule 13a-14(c) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Our Chief Executive Officer and our Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2008, and have concluded that as of that date, our disclosure controls and procedures were not effective at the reasonable assurance level.

#### Management’s Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected in a timely manner. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to

financial statement preparation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control-Integrated Framework." Based on that evaluation, our management concluded that as of December 31, 2008, our internal control over financial reporting was not effective because of the material weaknesses described below. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the registrant's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the Company's internal control over financial reporting as of December 31, 2008, our management concluded that our internal control over financial reporting was subject to the following material weaknesses, which we identified in our annual report for the year ended December 31, 2007:

1. The operations of the affiliated entities is in China, hence the presentation of their financial statements, do not fully comply with the U.S. GAAP. The Company had insufficient personnel to perform the accounting and financial reporting functions and existing personnel lacked the appropriate level of accounting knowledge, experience and training in the application of accounting principles generally accepted in the United States and were inadequately supervised. The lack of sufficient and adequately trained accounting and finance personnel resulted in an ineffective segregation of duties relative to key financial reporting functions; and
  2. Lack of timely identification, research and resolution of accounting issues and lack of documentation of consideration of recent accounting pronouncements.
-

Since the 2007 annual report, the Company has taken steps to address these material weaknesses as follows:

1. We hired additional accounting and operations personnel to ensure that accounting personnel with adequate experience, skills and knowledge relating to complex, non-routine transactions are directly involved in the review and accounting evaluation of our complex, non-routine transactions;
2. In December 2008, we appointed Mr. Hon Wan Chan, whom our management believes has the requisite financial reporting experience, skills and knowledge to complement our existing personnel, as our new Chief Financial Officer;
3. Our internal accounting and operations personnel are now required early in the evaluation of a complex, non-routine transaction to obtain additional guidance as to the application of generally accepted accounting principles to such a proposed transaction;
4. Our senior accounting personnel has established standards to review, analysis and related conclusions with respect to complex, non-routine transactions; and
5. Our senior accounting personnel and the Chief Financial Officer are now required to review complex, non-routine transactions to evaluate and approve the accounting treatment for such transactions.

#### Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the three months ended December 31, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

---

## ITEM 15. EXHIBITS

## (3) Exhibits

## EXHIBIT INDEX

Exhibit Number	Description
2.1	Share Exchange Agreement by and between Endo Networks, Inc. (“Endo”), the Majority Shareholders of Endo, Hangson Ltd. (“Hangson”) and the Shareholders of Hangson dated October 18, 2006 (1)
3.1	Articles of Incorporation of Endo Networks, Inc., a Nevada corporation, as amended. (3)
3.2	Bylaws of Endo (3)
3.3	Text of Amendment to our Bylaws (4)
3.4	Articles of Merger filed with the Secretary of State of Nevada with an effective date of August 15, 2007 (6)
4.1	Form of Registrant’s 18% Secured Convertible Debenture (9)
4.2	Form of Registrant’s Warrant (9)
4.3	Form of Warrant issued to Ancora Securities, Inc. (9)
4.4	Non-statutory Stock Option Agreement by and between Registrant and Hon Wan Chan dated December 15, 2008 (11)
10.1	Asset and Share Purchase Agreement by and between Registrant and Peter B. Day (for Endo Canada) (2)
10.2	Securities Purchase Agreement by and among Registrant, Peng Zhou and Shaanxi Suo’ang New Energy Enterprise Co., Ltd. dated June 30, 2008 (8)
10.3	Securities Purchase Agreement by and among Registrant and two institutional and accredited investors dated September 16, 2008 (9)
10.4	Securities Purchase Agreement by and among Registrant and four institutional and accredited investors dated September 19, 2008 (10)
10.5	Employment Agreement by and between Registrant and Hon Wan Chan dated December 15, 2008 (11)
10.6	Form of Director Offer Letter (11)
10.7	Indemnity Agreement by and between Registrant and Bennet P. Tchaikovsky dated December 15, 2008 (11)
10.8	Form of Exchange and Amendment Agreement by and among Registrant and six institutional and accredited investors (12)
14	Code of Business Conduct and Ethics (11)
21	List of Subsidiaries (7)
31.1	Section 302 Certification by the Corporation’s Chief Executive Officer *
31.2	Section 302 Certification by the Corporation’s Chief Financial Officer *
32.1	Section 906 Certification by the Corporation’s Chief Executive Officer (13)
32.2	Section 906 Certification by the Corporation’s Chief Financial Officer (13)
99.1	Consulting Services Agreement by and between Hangson and Shaanxi Suo’ang Biological Science & Technology Co., Ltd. (“Suo’ang BST”) dated August 18, 2006 (3)
99.2	Equity Pledge Agreement by and among Hangson, Suo’ang BST and Suo’ang BST’s Majority Shareholders dated August 18, 2006 (3)
99.3	Operating Agreement by and among Hangson, Suo’ang BST and Suo’ang BST’s Majority Shareholders dated August 18, 2006 (3)
99.4	Proxy Agreement by and between Hangson and Suo’ang BST’s Majority Shareholders dated August 18, 2006 (3)
99.5	Option Agreement between Hangson and Suo’ang BST’s Majority Shareholders dated August 18, 2006 (3)

Edgar Filing: Sino Clean Energy Inc - Form 10-K/A

- 99.6 Agreement by and between Suo'ang BST and Hanzhong Si Xiong Ke Chuang Business Co. Ltd. ("Hangzhong") (3)
- 99.7 Supplementary Agreement by and between Suo'ang BST and Hanzhong dated March 25, 2007 (5)
- 99.8 Contract for Technology Transfer between Suo'ang BST and HanZhongWeiDa Commercial Company Limited ("HangZhongWeiDa") dated December 25, 2006 (5)
- 99.9 Contract for Technology Transfer between Suo'ang BST and HanZhongWeiDa dated January 10, 2007 (5)

---

\* Filed herewith

- (1) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 18, 2006 and incorporated herein by reference.
  - (2) Filed as Exhibit A of Registrant's Schedule 14A filed with the SEC on August 8, 2006 and incorporated herein by reference.
  - (3) Filed as Exhibits to the Registrant's Current Report on Form 8-K filed with the SEC on October 26, 2006 and incorporated herein by reference.
  - (4) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on November 17, 2006 and incorporated herein by reference.
  - (5) Filed as Exhibits to the Registrant's Annual Report on Form 10-KSB filed with the SEC on May 3, 2007 and incorporated herein by reference.
  - (6) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on August 17, 2007 and incorporated herein by reference.
  - (7) Filed as an Exhibit to the Registrant's Annual Report on Form 10-KSB filed with the SEC on May 3, 2007 and incorporated herein by reference.
  - (8) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on July 7, 2008 and incorporated herein by reference.
  - (9) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on September 17, 2008 and incorporated herein by reference.
  - (10) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on September 22, 2008 and incorporated herein by reference.
  - (11) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on December 16, 2008 and incorporated herein by reference.
  - (12) Filed as an Exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2009 and incorporated herein by reference.
  - (13) Filed as an Exhibit to the Registrant's Annual Report on Form 10-K filed with the SEC on April 6, 2009 and incorporated herein by reference.
-

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 22, 2009

SINO CLEAN ENERGY INC.  
(Registrant)

By: /s/ Baowen Ren  
Baowen Ren  
Chief Executive Officer

KNOW ALL THESE PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Baowen Ren and Hon Wan Chan, and each of them, jointly and severally, his attorneys in fact, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this annual report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each said attorneys-in-fact or his substitute or substitutes, may do or cause to be done by virtue hereof.

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
* Baowen Ren	Chief Executive Officer, President and Chairman of the Board	
* Hon Wan Chan	Chief Financial Officer	
* Wenjie Zhang	Director	
* Peng Zhou	Director	
* Bennet P. Tchaikovsky	Director	
* Zidong Cao	Director	
/s/ Baowen Ren Baowen Ren	Attorney-in-fact*	October 22, 2009



