

Sino Clean Energy Inc  
Form 10-Q  
November 13, 2008

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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant To Section 13 Or 15(d) Of The Securities Exchange Act Of  
1934

For the quarterly period ended: September 30, 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  
of origination)

75-2882833  
(I.R.S. Employer Identification Number)

Room 2205, Suite A, Zhengxin Building  
No. 5 Gaoxin 1st Road, Gao Xin District  
Xi'an, Shaanxi Province  
People's Republic of China  
(Address of principal executive offices)

N/A  
(Zip code)

(029) 8209-1099  
(Registrant's telephone number, including area code)

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

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," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting  
company)  
company

Smaller reporting

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each issuer's classes of common stock, as of the latest practicable date:  
94,514,750 issued and outstanding as of November 12, 2008.

Transitional Small Business Disclosure Form (Check one): Yes  No

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 FOR QUARTER ENDED SEPTEMBER 30, 2008

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

All statements contained in this Quarterly Report on Form 10-Q (“Form 10-Q”) for Sino Clean Energy Inc., other than statements of historical facts, that address future activities, events or developments are forward-looking statements, including, but not limited to, statements containing the words “believe,” “anticipate,” “expect” and words of similar import. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results will conform to the expectations and predictions of management is subject to a number of risks and uncertainties that may cause actual results to differ materially.

Such risks include, among others, the following: national and local general economic and market conditions; our ability to sustain, manage or forecast our growth; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations. As used in this Form 10-Q, unless the context requires otherwise, “we” or “us” or “Registrant” or the “Company” means Sino Clean Energy Inc. and its subsidiaries.



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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SINO CLEAN ENERGY INC. AND SUBSIDIARIES

Consolidated Financial Statements  
For the Periods Ended September 30, 2008 and 2007

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Sino Clean Energy Inc. and Subsidiaries  
 Consolidated Balance Sheets  
 (Amounts expressed in U.S. Dollars)

## ASSETS

	September 30, 2008 (Unaudited)	December 31, 2007 (Audited)
Current assets		
Cash and cash equivalent	\$ 2,533,999	\$ 2,832,132
Accounts receivable, net (Note 2(d))	6,242,716	1,068,303
Deposits and prepayments (Note 6)	732,420	2,542,929
Other receivables	160,829	138,523
Prepaid land use right - current portion (Note 10)	38,845	36,285
Government grant receivable (Note 7)	-	411,000
Assets on discontinued operation		
Other receivable - related (Note 21 (b))	-	141,795
Inventories (Note 8)	293,101	40,959
<b>Total current assets</b>	<b>10,001,910</b>	<b>7,211,926</b>
Deferred debt issuance cost, net (Note 15)	209,519	-
Property, plant and equipment, net (Note 9)	5,915,779	5,435,804
Prepaid land use right - non current portion (Note 10)	1,810,955	1,718,744
Goodwill (Notes 3 and 11)	410,869	-
Intangible assets, net (Note 12)	1,268	1,478
<b>Total assets</b>	<b>\$ 18,350,300</b>	<b>\$ 14,367,952</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY