

Sino Clean Energy Inc
Form 10-Q
August 15, 2011

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2011

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

75-2882833

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

Room 1502, Building D, Wangzuo International City Building
No. 3 Tangyuan Road, Gaoxin District
Xi'an, Shaanxi Province, People's Republic of China
(Address of Principal Executive Offices Including Zip Code)

+86 29 8844-7960

(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 Exchange Act 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 has submitted electronically and posted on its corporate Web site, if any, every, Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller reporting company

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(Do not check if a smaller
reporting company)

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

Yes No

As of July 31, 2011, 23,781,546 shares of the issuer's common stock, par value \$0.001, were outstanding.

Table of Contents

	Page
PART I FINANCIAL INFORMATION	
ITEM 1.	FINANCIAL STATEMENTS 3
ITEM 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 20
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK 26
ITEM 4.	CONTROLS AND PROCEDURES 26
PART II OTHER INFORMATION	
ITEM 1.	LEGAL PROCEEDINGS 28
ITEM 1A.	RISK FACTORS 28
ITEM 2.	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS 28
ITEM 3.	DEFAULTS UPON SENIOR SECURITIES 29
ITEM 4.	REMOVED AND RESERVED 29
ITEM 5.	OTHER INFORMATION 29
ITEM 6.	EXHIBITS 30
SIGNATURES	31

PART I

FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

Sino Clean Energy Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Cash and cash equivalents	\$61,067,550	\$52,055,857
Accounts receivable, net of allowance for doubtful accounts of \$1,083,006 and \$0 at June 30, 2011 and December 31, 2010, respectively	12,970,771	3,856,941
Inventories	1,786,422	1,261,334
Prepaid inventories	9,320,158	10,242,878
Prepaid and other current assets	216,911	51,048
Due from related party-Suo'ang BST	-	10,307,912
Note receivable	300,000	-
Land use right – current portion	115,188	40,079
Total current assets	85,777,000	77,816,049
Land use right – non-current portion	5,419,156	1,799,889
Property, plant and equipment, net	19,309,714	13,609,932
Deposit on land use rights, plant and equipment	3,225,806	9,409,091
Goodwill	762,018	762,018
Total assets	\$114,493,694	\$103,396,979
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued expenses	\$1,387,273	\$1,560,183
Payable on plant acquisition	186,138	-
Taxes payable	1,411,904	3,329,844
Mortgage payable – current portion	5,691	5,450
Amount due to director	48,457	48,457
Derivative liabilities	1,081,179	14,555,027
Total current liabilities	4,120,642	19,498,961
Mortgage payable –non-current portion	160,600	160,095
Total liabilities	4,281,242	19,659,056
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, none issued and outstanding		
Common stock, \$0.001 par value, 30,000,000 shares authorized, 23,677,034 and 23,452,270 issued and outstanding as of June 30, 2011 and December 31, 2010 respectively	23,654	23,452

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Additional paid-in capital	66,881,558	66,567,560
Treasury stock, at cost, 321,100 and 0 shares, respectively	(799,423)	-
Retained earnings	34,019,456	9,221,924
Statutory reserves	4,739,048	4,739,048
Accumulated other comprehensive income	5,348,159	3,185,939
Total shareholders' equity	110,212,452	83,737,923
Total liabilities and shareholders' equity	\$ 114,493,694	\$ 103,396,979

See accompanying notes to the condensed consolidated financial statements

Sino Clean Energy Inc. and Subsidiaries

Condensed Consolidated Statements of Income and Other Comprehensive Income (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Revenue	\$23,017,357	\$24,149,761	\$56,798,089	\$48,658,765
Cost of goods sold	(14,878,987)	(14,779,016)	(36,160,395)	(29,179,193)
Gross profit	8,138,370	9,370,745	20,637,694	19,479,572
Selling expenses	1,294,452	1,136,019	2,821,918	2,047,098
General and administrative expenses	2,512,591	626,053	3,544,133	