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China Solar & Clean Energy, Inc. Reports Fiscal Third Quarter 2008 Financial Results

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-- Revenue Increases 74% to \$22 Million -- -- Net Income Increases 228% to \$1.6 Million --

BEIJING, Nov. 18 /PRNewswire-FirstCall/ -- China Solar & Clean Energy, Inc. (OTC Bulletin Board: CSOL; "CSOL"), a premier manufacturer and distributor of solar water heaters, renewable energy solutions, and space heating devices in the People's Republic of China, today announced its financial results for the quarter ended September 30, 2008.

Revenue increased by approximately \$9.3 million, or 74%, to \$21.9 million for the fiscal quarter ended September 30, 2008, from \$12.6 million in the same period in 2007. All of the Company's business segments contributed to the growth. Revenue from solar heater and boiler products increased 28% to approximately \$11.3 million for the third quarter of 2008 as compared to \$8.8 million for the same period last year. Heat-pipe product revenue was \$6.0 million for the third quarter of 2008, an increase of 58% from \$2.2 million in the prior year period. Relative to energy saving projects, as the acquisition of Shenzhen Pengsangpu Solar Industrial Products (SZPSP) was completed on April 1, 2008 the Company did not record any revenue in this business segment in 2007. For the third quarter of 2008 revenue from energy saving projects was \$4.6 million. For the nine months ended September 30, 2008, sales revenue increased 95% to \$48.8 million, compared to \$25.0 million in the prior year period. In addition to the acquisition of Shenzhen Pengsangpu, the increase in revenue is attributable to the continued increase in demand for the Company's products.

Gross profit increased by approximately \$2.3 million, or 91%, to \$4.9 million for the third quarter of 2008 from \$2.6 million for the same period in 2007. Gross profit as a percentage of revenue was 22.2% for the third quarter of 2008, an increase of 200 basis points from 20.2% in the same period in 2007. The increase in gross margin was largely a result of increasing margins for heat-pipe products as well as the increase in overall heat-pipe revenue. For the nine-month period, gross profit increased 125% to \$11.8 million, compared to \$5.2 million in the prior year period.

Operating expenses increased 57% from \$1.8 million in the third quarter of 2007 to \$2.8 million in 2008. Operating expenses as a percentage of sales decreased to 12.7% as compared to 14.0% in the prior year period. For the nine-month period, operating expenses increased 90% to \$6.4 million as compared to \$3.4 million in the prior year period. While the increase in operating expenses was the result of a general increase in the Company's business level, the decrease in operating expenses as a percentage of sales was a result of economies of scale resulting from the Company's growth.

Operating Income increased 167% to \$2.1 million for third quarter of 2008 from \$0.8 million in the same period in 2007. As a percentage of sales, operating income was 9.5% as compared to 6.2% in the prior year period. For the nine-month period, operating income increased 190% to \$5.3 million as compared to \$1.8 million in the prior year period. The increase in operating margin was a result of the improvement in gross margin and decrease in operating expenses as a percentage of sales.

Net income for the three months ended September 30, 2008 was \$1.6 million, an increase of 228% from \$0.5 million in the prior year period. For the third quarter of 2008 earnings available to common shareholders on a fully diluted basis was \$0.11 as compared to \$0.06 in the prior year period, an increase of 83%. For the nine months ended September 30, 2008, net income increased 120% to \$3.1 million as compared to \$1.4 million in the prior year period. Earnings available to common shareholders on a fully diluted basis increased from \$0.06 to \$0.23 per share, an increase of 283%.

"The third quarter of 2008 was another highly successful quarter for China Solar & Clean Energy Solutions," stated Mr. Deli Du, Chief Executive Officer of China Solar & Clean Energy Solutions. "We recorded excellent growth in both solar heater and boiler products and heat-pipe products and saw our most recently acquired subsidiary, Shenzhen Pengsangpu, have an excellent quarter as well. Furthermore, we experienced margin improvement at all levels, with gross margins increasing by 2% and operating expenses as a percentage of sales decreasing by more than 1%. The end result of the growth and the margin improvement was a more than 3-fold increase in net income and an 83% increase in diluted earnings per share. We believe this quarter is further evidence that our strategy of acquiring innovative, competitive alternative energy solutions companies at reasonable prices and enhancing their performance via improvements in distribution, marketing, and general management is an excellent way by which to build a highly successful company that benefits from one of today's most important global trends-the need to find new sources of energy."

About China Solar & Clean Energy Solutions, Inc.

China Solar & Clean Energy Solutions, Inc. operates through its subsidiaries Bazhou Deli Solar Energy Heating Co. Ltd. ("Deli Solar (Bazhou)"), Beijing Deli Solar Technology Development Co., Ltd., Tianjin Huaneng Group, and Shenzhen Peng Sang Pu Co., Ltd., all located in the PRC. The Company manufactures and distributes various forms of alternative energy systems including solar thermal systems for hot water and space heating, industrial heat recovery systems, and solar-powered lighting devices. For more information, please visit <http://www.delisolar.com>.

Safe Harbor Statement:

Certain statements in this news release may contain forward-looking information about China Solar & Clean Energy Solutions and its subsidiaries business and products within the meaning of Rule 175 under the Securities Act of 1933 and Rule 3b-6 under the Securities Exchange Act of 1934, and are subject to the safe harbor created by those rules. The actual results may differ materially depending on a number of risk factors including, but not limited to, the general economic and business conditions in the PRC, market and customer acceptance and demand for products, ability to market products, fluctuations in foreign currency markets, the use of estimates in the preparation of financial statements, the impact of competitive products and pricing, the ability to develop and launch new products on a timely basis, the regulatory environment, fluctuations in operating results, and various other factors beyond its control. All forward-looking statements are expressly qualified in their entirety by this Cautionary Statement and the risks factors detailed in the Company's reports filed with the Securities and Exchange Commission. China Solar & Clean Energy Solutions undertakes no duty to revise or update any forward-looking statements to reflect events or circumstances after the date of this release.

CHINA SOLAR & CLEAN ENERGY SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Currency expressed in United States Dollars ("US\$"),
except for number of shares

September 30, December 31,
2008 2007

ASSETS(Unaudited)(Note 1)

Current assets:

Cash and cash equivalents	\$ 4,647,387	\$ 5,466,637
Accounts receivable, net	8,971,587	7,453,009
Inventories	6,746,185	3,875,658
Other receivables and prepayments	6,353,350	1,637,948

Total current assets	26,718,510	18,433,252
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Plant and equipment, net	12,903,938	8,819,216
Goodwill	4,705,591	1,789,324
Intangible assets, net	2,450,084	1,597,921
Customer relationships, net	1,045,000	--
Intellectual property - unpatented technology, net	893,000	--

TOTAL ASSETS	\$48,716,122	\$30,639,713
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable, trade	\$ 1,875,042	\$ 2,111,028
Income tax payables	1,538,863	1,108,433
Other payables and accrued liabilities	8,021,159	8,552,452

Total current liabilities	11,435,064	11,771,913
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Long-term liabilities

Deferred tax liabilities	875,640	--
Minority interests	1,960,344	935,825

Stockholders' equity:

Convertible preferred stock: par value \$0.001, 25,000,000 shares authorized, 573,566 (unaudited) and 1,774,194 shares issued and outstanding, respectively	\$ 574	\$ 1,774
Common stock, \$0.001 par value, 66,666,667 shares authorized, 13,599,450 (unaudited) and 6,205,690 shares issued and outstanding, respectively	13,599,620	
Additional paid-in capital	22,303,913	260,607
Accumulated other comprehensive income	1,472,805	1,134,270
Retained earnings	10,654,183	7,529,119

Total stockholders' equity	34,445,074	17,931,975
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$48,716,122	\$30,639,713
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CHINA SOLAR & CLEAN ENERGY SOLUTIONS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Currency expressed in United States Dollars ("US\$"), except for number of shares (Unaudited)

Three months ended Nine months ended

	September 30,	September 30,		
	2008	2007	2008	2007

Revenue, net	\$21,916,642	\$12,629,636	\$48,846,916	\$25,043,660
Cost of revenue	17,050,868	10,078,609	37,069,100	19,817,653

Gross profit	4,865,774	2,551,027	11,777,816	5,226,007
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Operation Expenses

Depreciation and amortization	\$183,216	\$82,731	\$464,599	\$153,697
Selling and distribution	1,440,357	583,166	3,060,961	864,698
General and administrative	719,601	532,137	1,602,809	987,093
Advertising	191,615	458,652	640,645	1,118,745
Salaries and benefit	242,813	111,656	667,964	260,649

Total operating expenses	2,777,602	1,768,342	6,436,978	3,384,882
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Other income

(expenses):

Other income	210,275	--	277,106	--
Interest income	--	--	--	--
Other expense	(42,662)	--	(86,291)	--
Interest				

expense(79,379)(31,845) (223,075) (30,207)
 Total other
 (expense)
 income 88,234 (31,845) (32,259) (30,207)
 Income before
 income taxes 2,176,406 750,840 5,308,578 1,810,918
 Income tax
 expenses 467,336 189,770 1,254,614 327,747
 Minority
 interest 69,869 61,996 928,900 61,996
 NET INCOME \$1,639,201 \$499,074 \$3,125,064 \$1,421,175

Computation
 of income
 available
 to common
 stockholders:
 Net Income 1,639,201 499,074 3,125,064 1,421,175
 Preferred
 stock
 beneficial
 conversion -- -- -- (975,807)
 NET INCOME
 AVAILABLE
 TO COMMON
 STOCKHOLDERS \$1,639,201 \$499,074 \$3,125,064 \$445,368

Net income
 (loss) per
 share - basic \$0.12 \$0.08 \$0.27 \$0.07

Net income
 (loss) per
 share - diluted \$0.11 \$0.06 \$0.23 \$0.06

Weighted
 average
 shares
 outstanding
 - basic 13,586,827 6,205,290 11,651,656 6,205,290

Weighted
 average
 shares
 outstanding
 - diluted 15,173,016 8,310,856 13,800,196 7,039,341

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