

APOLLO SOLAR ENERGY, INC.  
Form 10-Q  
November 23, 2009

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: September 30, 2009

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: 0-12122

Apollo Solar Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

84-0601802  
(I.R.S. Employer  
Identification No.)

No. 485 Tengfei Third,  
Shuangliu Southwest Airport Economic Development  
Zone,  
Shuangliu, Chengdu  
People's Republic of China, 610207  
(Address of principal executive offices including zip  
code)

Registrant's Telephone Number, Including Area Code: +86 755 2580 1888

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 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 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.

Large accelerated filer

Accelerated filer

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

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

There were 44,555,131 shares of common stock outstanding as of November 19, 2009.

APOLLO SOLAR ENERGY, INC.

TABLE OF CONTENTS TO QUARTERLY REPORT ON FORM 10-Q

For the Quarterly Period Ended September 30, 2009

ITEM		Page
<b>PART I</b>	<b>FINANCIAL INFORMATION</b>	
Item 1.	Financial Statements	3
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 4T.	Controls and Procedures	23
<b>PART II</b>	<b>OTHER INFORMATION</b>	
Item 1.	Legal Proceedings	24
Item 2.	Unregistered Sales of Equity and Use of Proceeds	24
Item 3.	Defaults Upon Senior Securities	24
Item 4.	Submission of Matters to a Vote of Security Holders	24
Item 5.	Other Information	24
Item 6.	Exhibits	24
	Signatures	25

## PART 1 – FINANCIAL INFORMATION

## ITEM 1 – FINANCIAL STATEMENTS

APOLLO SOLAR ENERGY, INC.  
CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (Unaudited)	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,222,686	\$ 4,874,044
Account receivable net of allowance for doubtful accounts \$29,822 and \$14,657, respectively	833,305	961,600
Inventories	7,680,682	7,496,477
Value added taxes receivable	-	494,387
Purchase deposit	758,140	321,300
Due from related parties	1,957,390	2,313,198
Deferred tax assets	33,827	25,880
Other sundry current assets	129,190	83,001
Total current assets	12,615,220	16,569,887
Property, machinery and mining assets, net	22,837,311	19,549,909
Non-marketable investment	43,947	-
Total assets	\$ 35,496,478	\$ 36,119,796
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term loan	4,413,367	-
Notes payable	4,394,748	-
Account payable - trade	319,780	876,221
- Construction vendors	2,469,522	2,546,890
Due to shareholders	5,777,180	9,032,382
Accrued expenses and other sundry current liabilities	1,034,963	959,186
Total current liabilities	18,409,560	13,414,679
Long-term debt	-	4,397,215
Shareholders' equity		
Preferred stock, \$.001 par value, 25,000,000 shares authorized, 0 shares issued and outstanding at September 30, 2009 and December 31, 2008		

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Common stock, \$.001 par value, 100,000,000 shares authorized,	44,555	44,555
44,555,131 issued and outstanding at September 30, 2009 and December 31, 2008		
Additional paid-in capital	17,753,853	17,347,905
Accumulated deficit	(1,987,555 )	(383,221 )
Accumulated other comprehensive income	1,276,065	1,298,663
Total shareholders' equity	17,086,918	18,307,902
Total liabilities and shareholders' equity	\$ 35,496,478	\$ 36,119,796

The accompanying notes are integral part of the financial statements

APOLLO SOLAR ENERGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Sales	\$ 2,289,669	\$ 892,400	\$ 6,280,044	\$ 3,937,573
Cost of sales	1,624,416	716,163	4,723,694	2,814,875
Gross profit	665,253	176,237	1,556,350	1,122,698