

APOLLO SOLAR ENERGY, INC.
Form 10-Q
May 21, 2012

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 March 31, 2012

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: 000-12122

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)

Registrant's Telephone Number, Including Area Code: +86 (28) 8562-3888

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

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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	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

(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 Act). Yes No

There were 49,377,038 shares of common stock outstanding as of May 21, 2012.

APOLLO SOLAR ENERGY, INC.

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For the Quarterly Period Ended March 31, 2012

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APOLLO SOLAR ENERGY, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$1,324,044	\$363,771
Account receivable net of allowance for doubtful accounts \$58,083 and \$57,994, respectively	781,027	804,577
Inventories	3,825,120	4,065,987
Due from stockholders and related parties	4,926	-
Prepaid expenses and other current assets	2,302,992	1,001,660
TOTAL CURRENT ASSETS	8,238,109	6,235,995
Property, machinery and mining assets, net	20,176,477	20,370,831
Asset held for sale	926,178	924,765
Non-marketable investments	55,591	55,506
Investment in and advances to Joint Venture	454,125	581,963
	21,612,371	21,933,065
TOTAL ASSETS	\$29,850,480	\$28,169,060
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term loan	\$6,914,741	\$4,050,374
Account payable - trade	235,965	202,853
- Construction vendors	1,464,323	1,493,155
Accrued expenses and other current liabilities	2,365,245	2,677,948
Due to stockholders and related parties	211,221	214,213
TOTAL CURRENT LIABILITIES	11,191,495	8,638,543
STOCKHOLDERS' EQUITY		
Preferred stock, \$.001 par value, 25,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2012 and December 31, 2011	-	-
Common stock, \$.001 par value, 100,000,000 shares authorized, 51,795,961 shares issued and 49,377,038 shares outstanding at March 31, 2012 and December 31, 2011	51,796	51,796
Additional paid-in capital	32,752,661	32,609,043
Treasury stock, 2,418,923 shares at cost	(5,216,770)	(5,216,770)
Accumulated deficit	(11,941,676)	(10,897,576)
Accumulated other comprehensive income	3,012,974	2,984,024
TOTAL STOCKHOLDERS' EQUITY	18,658,985	19,530,517

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$29,850,480	\$28,169,060
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The accompanying notes are an integral part of these financial statements

APOLLO SOLAR ENERGY, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME
 (Unaudited)
 (In US Dollars)

	Three months Ended March 31,	
	2012	2011
SALES	\$1,872,034	\$3,783,220
COST OF SALES	1,768,154	3,430,156
GROSS PROFIT	103,880	353,064
OPERATING EXPENSES		
General and administrative expenses	688,019	900,781
Selling expenses	56,898	70,273
Research and development expenses	155,570	30,810
TOTAL OPERATING EXPENSES		