

APOLLO SOLAR ENERGY, INC.

Form 10-Q

November 14, 2013

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, 2013

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

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

(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 November 12, 2013.

APOLLO SOLAR ENERGY, INC.

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For the Quarterly Period Ended September 30, 2013

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APOLLO SOLAR ENERGY, INC
CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current Assets		
Cash	\$1,570,050	\$935,750
Accounts receivable, net of allowance of \$15,603 and \$18,872	710,333	326,464
Inventories	2,684,011	3,111,643
Prepaid expenses and other current assets	573,029	285,419
Current assets of discontinued operations	-	176,926
Total Current Assets	5,537,423	4,836,202
Long-term Assets		
Property, machinery and mining assets, net	16,503,381	16,722,150
Non-marketable investment	57,038	55,546
Investment in and advances to Joint Venture	5,291,775	5,376,997
Non-current assets of discontinued operations	-	131,552
Total long-term Assets	21,852,194	22,286,245
Total Assets	\$27,389,617	\$27,122,447
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	\$8,658,171	\$7,797,845
Account payable - trade	280,669	198,706
Account payable - construction vendors	1,195,663	1,164,411
Accrued expenses and other current liabilities	2,645,730	2,499,615
Due to stockholders and related parties	441,943	373,322
Current liabilities of discontinued operations	-	250,944
Total Current Liabilities	13,222,176	12,284,843
Long-term liabilities		
Convertible loan	1,000,000	100,970
Total liabilities	14,222,176	12,385,813
Stockholders' Equity		
Preferred stock:	-	-
\$0.001 par value, 25,000,000 shares authorized; 0 shares issued and outstanding as of September 30, 2013 and December 31, 2012		
Common stock:	51,796	51,796
\$0.001 par value, 100,000,000 shares authorized; 51,795,961 shares issued and 49,377,038 shares outstanding as of September 30, 2013 and December 31, 2012		
Additional paid-in capital	33,244,465	33,032,641

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Treasury stock 2,418,923 shares at cost	(5,216,770)	(5,216,770)
Accumulated deficit	(18,302,085)	(16,125,326)
Accumulated other comprehensive income	3,390,035	2,994,293
Total stockholders' Equity	13,167,441	14,736,634
Total Liabilities and Stockholders' Equity	\$27,389,617	\$27,122,447

See accompanying notes to the consolidated financial statements

APOLLO SOLAR ENERGY, INC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	For the Three months Ended September 30,		For the Nine Months Ended September 30,	
	2013	2012	2013	2012
Sales	\$6,350,549	\$583,800	\$13,446,941	\$3,287,427
Cost of goods sold	(6,194,430)	(798,147)	(13,025,818)	(3,999,233)