

APOLLO SOLAR ENERGY, INC.  
Form 10-K/A  
April 30, 2010

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

FORM 10-K/A

Amendment No. 1

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended: December 31, 2009

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)

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

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

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Common Stock, \$0.001 par value

OTCBB

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
(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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2009 (the last business day of the registrant's most recently completed second fiscal quarter), was \$144,201,466 based on the closing price of the registrant's common stock on the Over-the-Counter Bulletin Board, or the OTCBB, of \$5.35 per share.

There were 50,133,461 shares of common stock outstanding as of April 28, 2010.

EXPLANATORY NOTE

This Amendment to registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, is being filed in order to submit certain previously omitted information required to be included in Part III thereof in accordance with General Instruction G(3) to Form 10-K.

Part III of the registrant's Annual Report on Form 10-K is hereby amended by deleting the text of Items 10, 11, 12 and 14 of Part III thereof in their entirety and substituting the following.

APOLLO SOLAR ENERGY, INC.  
FORM 10-K/A  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

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## PART III

## ITEM 10. Directors, Executive Officers and Corporate Governance

## Directors

The following sets forth our current directors and information concerning their age and background as of April 28, 2010:

| Name         | Age | Position with the Company            | Director Since |
|--------------|-----|--------------------------------------|----------------|
| Renyi Hou    | 53  | Chairman and Chief Executive Officer | 2008           |
| Hongwei Ke   | 49  | Director and Managing Director       | 2008           |
| Kang Sun     | 54  | Director                             | 2008           |
| Zhimin Cao   | 52  | Director                             | 2008           |
| Elliot Maza  | 53  | Director                             | 2009           |
| James M. Lee | 63  | Director                             | 2009           |
| Jingong Pan  | 45  | Director and Vice President          | 2010           |

All directors hold office until the next annual meeting of our shareholders and until their successors have been elected and qualified. Officers serve at the pleasure of the Board of Directors.

Renyi Hou has been our President, Chief Executive Officer, and Chairman of the Board since October, 2008. From June, 2006 to the present date, Mr. Hou served as Chairman and Chief Executive Officer of our wholly-owned subsidiary, Sichuan Apollo Solar Science & Technology Co., Ltd. In 1986, Mr. Hou created the first privately-run iron enterprise in Chengdu, Sichuan. He then entered the mineral and natural resources business in 1998 by establishing the Sichuan Mineral Resources Development Co. Ltd, of which he was Chairman and General Manager. Mr. Hou received a medical degree from the Chengdu University of Traditional Chinese Medicine, and a Masters of Business from Chengdu Southwest Jiaotong University.

Hongwei Ke has been a director since October, 2008, and has served as the Managing Director of our wholly-owned subsidiary, Sichuan Apollo Solar Science & Technology Co., Ltd. since 2006. From 1999 through 2006, he served as Chairman of Beijing Joinkey Electronics Technology Development Co. Ltd. and as the Chairman and Chief Engineer of Beijing Jiegao Software Co. Ltd. From 1982 to 1999, he held positions with the Bohai Oil Company, Research Institute, Engineer and China National Offshore Oil Corp. (CNOOC) where he was a Senior Engineer and the Deputy Director of the Communication and Computer Center. Mr. Ke holds a Bachelor's degree in Oil Field Chemistry from Southwest Petroleum University, Department of Petroleum Engineering.

Kang Sun has been a director since October 2008. Since July 2008, Dr. Sun has served as chief executive officer and director of Amprius Inc. From September 2007 to July 2008, Dr. Sun served as the president and chief operating officer of JA Solar Holdings Co., Ltd., and as their director from January 2007 to July 2008. Dr. Sun has also served as a director and partner at Index Capital Group, an investment company in the U.S., since 2002. From 2005 through 2007 Dr. Sun served as a managing director of new business development and chief strategy officer of new business and new product group at Applied Materials Inc., the world's largest manufacturer of semiconductor capital equipment. From 2002 to 2005, Dr. Sun served as vice president of business development of Microfabrica Inc., a U.S. manufacturer of micro devices. Dr. Sun also currently serves as a director of Comtec Solar Systems Limited, DayStar Technologies Inc., and RayTracker. Dr. Sun holds a Ph. D. in Material Science from Brown University, a Master's degree in Chemistry from the University of Georgia and a Bachelor's degree in Chemistry from Nanjing University, China.



Zhimin Cao has been a director since 2008. From 2000 through the present date, Dr. Cao has been a professor at the College of Marine Geosciences, Ocean University of China. Dr. Cao's research is focused on Economic Geology, Geochemistry, Marine Geology and Submarine Resources Exploring Sensor Technology. From May 2000 to July 2000, Dr. Cao served as a visiting scientist at Colorado State University. Dr. Cao earned his Ph.D., Master's and Bachelor's degrees from Chengdu University of Technology, China University of Geosciences and Wuhan University of Geosciences (predecessor of China University of Geosciences), respectively.

Elliot M. Maza has been a director since 2009. From 2006 through the present date, Mr. Maza has served as the President and Chief Financial Officer and director of Intellect Neurosciences, Inc., a development stage biopharmaceutical company. Mr. Maza also currently serves as a director of AXM Pharma, Inc. From 2003 to 2006, Mr. Maza was Chief Financial Officer of Emisphere Technologies, Inc., a company specializing in oral drug delivery. From March 1999 to December 2003 Mr. Maza was a partner at Ernst and Young LLP and a Vice President at Goldman Sachs, Inc. and JP Morgan Securities, Inc. From 2004 to 2008, Mr. Maza served on the board of Tapestry Pharmaceuticals, Inc., a listed development stage company focused on developing proprietary therapies for the treatment of cancer. From 1985 to April 1989, Mr. Maza practiced law at Sullivan and Cromwell LLP in New York. Mr. Maza received a Bachelor's degree in accounting from Touro College and a J.D. from the University of Pennsylvania Law School. Mr. Maza is a licensed CPA in the State of New Jersey and the State of New York.

James M. Lee has been a director since 2009. From 1988 through 2008 Mr. Lee served in a number of different roles with Intel Corporation, including General Manager of Intel's manufacturing subsidiary in Shanghai and Lab Director of Intel's California Technology. During his tenure at Intel, Mr. Lee successfully led a professional team developing leading edge DRAMs and the world's first commercial flash memories. Mr. Lee received a Bachelor's degree in Electronic Engineering from the University of Illinois and a Master's Degree in Electronic Engineering from Syracuse University.

Dr. Jingong Pan, has been a director and Vice President of the Company since 2010. Dr. Pan is currently an Adjunct Professor at the New Jersey Institute of Technology. From 2000 to 2002, Dr. Pan served as a General Manager of Flaming Sun (USA) Corp., and from 1997 to 2000, he served as Vice President of the Bank of China Group. Dr. Pan received a Bachelor's degree from the Harbin Institute of Technology, Masters degrees from the Harbin Institute of Technology and the New Jersey Institute of Technology, and a Ph.D. from the New Jersey Institute of Technology.

#### Director Independence

The board of directors has determined that Kang Sun, Zhimin Cao, Elliot Maza and James Lee are each an independent director as defined by the applicable rules of the Securities and Exchange Commission, or the SEC.

#### Board Committees

Our board of directors has established the following committees: the Audit Committee, the Compensation Committee, and the Nomination and Corporate Governance Committee, each of which operates under a written charter adopted by the board of directors. Our board of directors and its committees set schedules to meet throughout the year and also can hold special meetings and act by written consent from time to time, as appropriate. The committees report on their activities and actions to the board of directors.

#### Audit Committee

The current members of our Audit Committee are Messrs. Cao, Lee and Maza (Chairman). Our board of directors has determined that each member of the Audit Committee meets the independence criteria set forth in the SEC rules for audit committee membership. The board of directors has also determined that at least one member of the audit committee, Mr. Maza qualifies as an "audit committee financial expert" as defined by the applicable rules of the SEC.





## Executive Officers

The following table sets forth the name and age of each of our current executive officers, the positions and offices held by each executive officer with us, and the period during which the executive officers has served as one of our executive officers. All officers serve at the pleasure of the board of directors.

| Name         | Age | Position with the Company   | Officer Since |
|--------------|-----|---|---------------|
| Renyi Hou    | 53  | Chairman and Chief Executive Officer  | 2008          |
| Xuefeng Li   | 37  | Interim Chief Financial Officer   | 2010          |
| Hongwei Ke   | 49  | Managing Director, Sichuan Apollo Solar Science & Technology Co., Ltd. (a wholly-owned subsidiary of the Company) | 2008          |
| Jingong Pan  | 45  | Vice President and Director   | 2010          |
| Haukang Zhou | 57  | Corporate Secretary   | 2010          |

Renyi Hou's biographical summary is included under "—Directors" above.

Hongwei Ke's biographical summary is included under "—Directors" above.

Xuefeng Li was appointed to serve as our interim Chief Financial in March of 2010. Ms. Li has served as the Chief Financial Officer of the Company's wholly-owned subsidiary, Sichuan Apollo Solar Science & Technology Co., Ltd., since 2009. From 1998 through 2008, Ms. Li served as an Accounting Manager for Sichuan Xinju Mine Co., Ltd. Ms. Li received a Bachelor's degree in business management, and is a Certified Public Accountant

Jingong Pan's biographical summary is included under "—Directors" above.

Dr. Haukang Zhou currently serves as our Corporate Secretary. Dr. Zhou has served as the President of Warner Technology & Investment Corp. since 1993. From 1994 until 2001, Dr. Zhou worked as a software consultant for Schering-Plough, Inc. Dr. Zhou received a Bachelor's degree and a Master's degree from the Beijing Science and Technology University, and a Ph.D. from the Polytechnic University of New York.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, none of Mr. Hou, Mr. Heung Sang Fong (our former Chief Financial Officer and director), Mr. Ke, Mr. Sun, Mr. Cao, Mr. Maza, Mr. Lee or Mr. Zhou have filed such reports.



## Communication with Directors

Shareholders may communicate with the company's directors by transmitting correspondence by mail addressed as follows:

Corporate Secretary  
c/o Apollo Solar Energy, Inc.  
No. 485 Tengfei Third,  
Shuangliu Southwest Airport Economic Development Zone,  
Shuangliu, Chengdu  
People's Republic of China, 610207

The Corporate Secretary will, as appropriate, forward communication to the Board or to any individual director, directors or Board committee to whom the communication is directed.

## Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, and persons performing such similar functions. A copy of our code of ethics is attached as an exhibit to our annual report on Form 10-K for fiscal year 2008 filed on April 15, 2009. If we make any substantive amendments to the code or grant any waiver from a provision of the code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver via any means required by applicable law.

## Risk Oversight

In its governance role, and particularly in exercising its duty of care and diligence, the Board is responsible for ensuring that appropriate risk management policies and procedures are in place to protect the company's assets and business. While the Board has the ultimate oversight responsibility for the risk management process, the Board has designated the Audit Committee the initial responsibility for overseeing the company's risk assessment and risk management. In fulfilling its delegated responsibility, the Audit Committee has directed the management to ensure that an approach to risk management is implemented as a part of the day-to-day operations of the company, and to design internal control systems with a view to identifying and managing material risks.

## Board Leadership Structure

In accordance with our bylaws, our Board elects our officers, including our Chief Executive Officer, Chief Financial Officer, and such other officers as the Board may appoint from time to time. This Board has not currently separated the positions of Chairman of the Board and Chief Executive Officer, and Mr. Renyi Hou currently serves as both our Chairman of the Board and our Chief Executive Officer.

## ITEM 11. Executive Compensation

## Compensation Discussion and Analysis

Our Compensation Committee assists our board of directors in reviewing and approving the compensation structure of our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. With the responsibility of establishing, implementing and monitoring our executive compensation program philosophy and practices, our Compensation Committee seeks to ensure that total compensation paid to our directors and executive officers is fair and competitive.

## Compensation Philosophy and Objectives

Our Compensation Committee's goals regarding executive compensation are primarily to recruit, hire, retain, motivate and reward. In determining what constitutes a fair and competitive compensation for each executive, our Compensation Committee evaluates individual executive performance with a goal of setting compensation at levels based on the executive's general business and industry knowledge and experience and comparable to executives in other companies of similar size and stage of development, while taking into account our relative performance and our strategic goals.

We conduct an annual review of the aggregate level of our executive compensation as part of the annual budget review and annual performance review processes. During our review of an individual executive's compensation, our Compensation Committee primarily considers individual performance of that executive and internal review of the executive's compensation, both individually and relative to other executive officers. Our Compensation Committee also considers factors of corporate performance including the stock prices, sales, revenue and the current overall economic situation. Adjustments to salary levels are typically made annually as part of the company's performance review process, as well as upon a change in job responsibility. Merit-based increases to salaries are based on our Compensation Committee's assessment of the individual's performance.

## Summary Compensation Table

The following table sets forth summary information concerning compensation of our principal executive officer and principal financial officer during fiscal 2007, 2008 and 2009. We refer to these persons as our named executive officers. There was no other officer of the Company, or Sichuan Apollo Solar Science & Technology Co., Ltd., our wholly-owned subsidiary, whose total compensation during fiscal 2007, 2008 or 2009 exceeded \$100,000.

| Named and Principal Position                  | Fiscal Year | Salary (\$) | Bonus (\$) | Option Awards (\$) | All Other Compensation (\$) | Total (\$) |
|---|-------------|-------------|------------|--------------------|-----------------------------|------------|
|   |             |             | —          | —                  | —                           |            |
| Renyi Hou,<br>Chief Executive Officer(1)      | 2009        | 22,489      |            |                    |                             | 22,489     |
|   | 2008        | 22,489      | —          | —                  | —                           | 22,489     |
|   | 2007        | 21,353      | —          | —                  | —                           | 21,353     |
| Heung Sang Fong<br>Chief Financial Officer(2) | 2009        | 75,500      | —          | —                  | —                           | 75,500     |
|   |             | —           | —          | —                  | —                           | —          |
|   | 2008        |             |            |                    |                             |            |
|   | 2007        | —           | —          | —                  | —                           | —          |

- (1) Mr. Hou served as the Chief Executive Officer of Sichuan Apollo Solar Science & Technology Co., Ltd., our wholly-owned subsidiary, prior to becoming the Chief Executive Officer of the Company.
- (2) Mr. Fong's employment with the Company terminated on March 17, 2010.

2009 Grants of Plan-Based Awards

The following table sets forth each grant of an award made to a named executive officer in fiscal 2009.

| Name               | Grant Date(2) | Estimated Future Payouts Under Equity Incentive Plan Award Targets | Exercise or Base Price of Option Awards (\$/Share) | Grant Date Fair Value of Stock and Option Awards(3) |
|--------------------|---------------|--|--|---|
| Heung Sang Fong(1) | 2/1/2009      | 0  | \$0.82   | 3.5   |

(1) Mr. Fong's employment with the Company terminated on March 17, 2010.

(2) Such option vested as to 1/24 per month from the grant date through Mr. Fong's termination of employment.

(3) This column reflects the grant date fair value of the option granted in accordance with FASB ASC Topic 718. See the notes to our financial statements contained in our annual report on Form 10-K for the fiscal year ended December 31, 2009 for a discussion of all assumptions made by us in determining the FASB ASC Topic 718 value of our equity awards.

2009 Outstanding Equity Awards at Fiscal Year End

The following table sets forth unexercised stock options, stock that has not yet vested and equity incentive plans awards for each named executive officer outstanding as of the fiscal year ended December 31, 2009.

| Name               | Grant Date | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price | Option Expiration Date |
|--------------------|------------|---|---|-----------------------|------------------------|
| Heung Sang Fong(1) | 02/01/09   | 375,000   | 375,000   | \$0.82                | 02/01/19               |

(1) Mr. Fong's employment with the Company terminated on March 17, 2010.

Employment Agreements with Named Executive Officers

On June 20, 2006, we entered into an employment agreement with Renyi Hou, our Chairman and Chief Executive Officer. Pursuant to the terms of this employment agreement, Mr. Hou will receive an annual base salary equal to RMB 95,760, and may also be entitled to receive a discretionary bonus of RMB 49,440 upon receipt of a satisfactory annual evaluation performed by the board of directors. Mr. Hou may also be entitled to receive an additional bonus at the discretion of our board of directors. This employment agreement will terminate on June 19, 2011.

On June 20, 2006, we entered into an employment agreement with Hongwei Ke, our Managing Director. Pursuant to the terms of this employment agreement, Mr. Ke will receive an annual base salary equal to RMB 63,900, and may also be entitled to receive a discretionary bonus of RMB 33,000 upon receipt of a satisfactory annual evaluation performed by the board of directors. Mr. Ke may also be entitled to receive an additional bonus at the discretion of our board of directors. This employment agreement will terminate on June 19, 2011.



## Director Compensation

Our directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board of directors and committee meetings. In addition, each of our non-employee directors receives compensation for participating on our board of directors comprised of annual retainers and fees for each meeting attended based on the following schedule:

|   | Fiscal 2010 | Fiscal 2009 |
|---|-------------|-------------|
| Meeting Attendance – In-Person                            | \$ 500      | \$ 500      |
| <b>Retainer Fees</b>                                      |             |             |
| All directors   | 17,000      | 17,000      |
| Audit Committee Chairman                                  | 10,000      | 10,000      |
| Audit Committee Member (other than Chairman)              | 1,500       | 1,500       |
| Compensation Committee Chairman                           | 2,000       | 2,000       |
| Compensation Committee (other than Chairman)              | 1,500       | 1,500       |
| Nomination and Governance Committee Chairman              | 2,000       | 2,000       |
| Nomination and Governance Committee (other than Chairman) | 1,500       | 1,500       |

In addition to the amounts set forth in the table above, each non-employee director received a stock option grant exercisable for 20,000 shares of the Company's common stock, which grants vest over a one-year period in four equal quarterly instalments beginning on the date of grant. Additional annual stock option grants may be made to each non-employee director, in the sole discretion of the board of directors.

### Fiscal 2009 Non-Employee Director Compensation

| Name        | Fees Earned or Paid<br>in Cash (\$) | Option Awards<br>(\$)(1) | All Other<br>Compensation<br>(\$) | Total (\$) |
|-------------|-------------------------------------|--------------------------|-----------------------------------|------------|
| Zhimin Cao  | 600                                 | —                        | —                                 | 600        |
| Kang Sun    | 10,000                              | —                        | —                                 | 10,000     |
| Elliot Maza | 15,000                              | —                        | —                                 | 15,000     |
| James Lee   | 10,000                              | —                        | —                                 | 10,000     |

### Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee have served as one of our officers or employees. None of our executive officers currently serves, or in fiscal 2009 served, as a member of the board or compensation committee of any entity that has one or more executive officers who serve on our Board or Compensation Committee.

### Risk Considerations in Determining Compensation

Our Compensation Committee reviewed the various design elements of our compensation program to determine whether any of its aspects encourage excessive or inappropriate risk-taking. Following the risk evaluation, the Compensation Committee concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company.

### Compensation Committee Report



We, the Compensation Committee of the Board, have reviewed and discussed the Compensation Discussion and Analysis contained in this Amendment No. 1 to Annual Report on Form 10-K with management. Based on such review and discussion, we have recommended to the Board that the Compensation Discussion and Analysis be included in this Amendment No. 1 to Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

COMPENSATION COMMITTEE

James Lee (Chair)

Zhimin Cao

Kang Sun

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## ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

## Equity Compensation Plan Information

We currently maintain one equity compensation plan that provides for the issuance of our common stock to officers and other employees, directors and consultants. This is our 2009 Stock Incentive Plan (the "Incentive Plan") which has not yet been approved by our stockholders. The following table sets forth information regarding outstanding options and shares reserved for issuance under the Incentive Plan as of December 31, 2009:

|  | Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column) |
|--|---|---|---|
| Equity compensation plans approved by security holders     | —   | —   | —   |
| Equity compensation plans not approved by security holders | 830,000   | \$0.95  | 5,845,000   |
| Total  | 830,000   | \$0.95  | 5,845,000   |

## Security Ownership and Certain Beneficial Owners and Managers

The following table sets forth as of April 28, 2010, certain information with respect to the beneficial ownership of our common stock by (i) any person or group which beneficially owns more than 5% of such common stock, (ii) each member of our board of directors, (iii) each of our named executive officers and (iv) all of our executive officers and directors as a group. In determining beneficial ownership of the Common Stock, the number of shares shown includes all shares of common stock underlying options or warrants exercisable by such person within 60 days of April 28, 2010. Unless otherwise stated, each beneficial owner has sole power to vote and dispose of the shares.

| Name and Address of Beneficial Owner (1)                    | Number of Shares Beneficially Owned | Percentage of Class |
|---|-------------------------------------|---------------------|
| Renyi Hou (2)   | 13,260,000                          | 26.45%              |
| Cede & Co.  | 2,547,441                           | 5.08%               |
| Haukang Zhou  | 2,050,000                           | 4.09%               |
| Yong Ling   | 1,920,000                           | 3.83%               |
| Xuefeng Li  | 1,451,586                           | 2.90%               |
| Hongwei Ke  | 890,000                             | 1.78%               |
| Kang Sun (3)  | 20,000                              | *                   |
| Zhimin Cao (4)  | 20,000                              | *                   |
| James Lee (5)   | 20,000                              | *                   |
| Eliot Maza (6)  | 20,000                              | *                   |
| New Greatwall Limited                                       | 6,595,800                           | 13.16%              |
| All executive officers and directors as a group (7 persons) | 19,110,586                          | 38.12%              |

\* Less than 1%

(1) Except as otherwise noted, each shareholder's address is c/o Sichuan Apollo Solar Science & Technology Co., Ltd., No. 485 Tengfei Third, Shuangliu Southwest Airport Economic Development Zone, Shuangliu, Chengdu, People's Republic of China, 610207.

(2) Includes 4,208,000 shares owned by Mr. Hou's wife, Zhenyu Liu.

(3) Represents share of our common stock issuable upon exercise of options held by Mr. Sun that may be exercised within 60 days of April 28, 2010.

(4) Represents share of our common stock issuable upon exercise of options held by Mr. Cao that may be exercised within 60 days of April 28, 2010.

(5) Represents share of our common stock issuable upon exercise of options held by Mr. Lee that may be exercised within 60 days of April 28, 2010.

(6) Represents share of our common stock issuable upon exercise of options held by Mr. Maza that may be exercised within 60 days of April 28, 2010.

## ITEM 14. Principal Accounting Fees and Services

The following table sets forth the aggregate fees billed to us for the fiscal years ended December 31, 2009 and 2008, by Partiz & Company, P.A., our independent auditors:

|                        | Fiscal<br>2009  | Fiscal<br>2008  |
|------------------------|-----------------|-----------------|
| Audit Fees (1)         | \$89,500        | \$65,000        |
| Audit-Related Fees (2) | \$0             | \$0             |
| Tax Fees (3)           | \$3,500         | \$0             |
| <b>Total</b>           | <b>\$93,000</b> | <b>\$65,000</b> |

- (1) Audit Fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by Partiz & Company, P.A. in connection with statutory and regulatory filings or engagements.
- (2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." This category includes audit-related services related to acquisitions by the Company.
- (3) Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning (domestic and international). These services include assistance regarding federal, state and international tax compliance and international tax planning.

Our audit committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular category of services. The independent auditor and management are required to periodically report to the audit committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval. The chairman of the audit committee is also authorized, pursuant to delegated authority, to pre-approve additional services and such approvals are communicated to the full audit committee at its next meeting.

The audit committee has considered the role of Partiz & Company, P.A. in providing tax services to us and has concluded that such services are compatible with Partiz & Company, P.A. independence as our auditors.

For the fiscal years ended December 31, 2009, and 2008, the audit committee pre-approved all services described above in the captions Audit Fees, Tax Fees and Registration Statement Fees.

## ITEM 15. Exhibits, Financial Statement Schedules

## Exhibits

The following exhibits are filed as a part of this Report.

| Exhibit No | Exhibit Title   | Incorporated by Reference |      |             | File No. | Filing Date |
|------------|---|---------------------------|------|-------------|----------|-------------|
|            |   | Filed Herewith            | Form | Exhibit No. |          |             |
| 31.1       | Certification of Principal Executive Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2010  | X                         |      |             |          |             |
| 31.2       | Certification of Principal Financial Officer required by Rules 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2010 | X                         |      |             |          |             |
| 32.1       | Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002                        | X                         |      |             |          |             |

\* Denotes a compensatory plan, contract or arrangement, in which the registrant's directors or executive officers may participate.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Apollo Solar Energy, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 30, 2010.

POWER OF ATTORNEY

KNOW BY ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Renyi Hou and Xuefeng Li as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments hereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons in the capacities and on the dates indicated.

| Signature                    | Title   | Date           |
|------------------------------|---|----------------|
| /s/ RENYI HOU<br>Renyi Hou   | Chief Executive Officer and<br>President<br>(Principal Executive Officer) | April 30, 2010 |
| /s/ XUEFENG LI<br>Xuefeng Li | Interim Chief Financial Officer   | April 30, 2010 |
| /s/ HONGWEI KE               | Director  | April 30, 2010 |

|                                |          |                |
|--------------------------------|----------|----------------|
| Hongwei Ke                     |          |                |
| /s/ KANG SUN<br>Kang Sun       | Director | April 30, 2010 |
| /s/ ZHIMIN CAO<br>Zhimin Cao   | Director | April 30, 2010 |
| /s/ ELLIOT MAZA<br>Elliot Maza | Director | April 30, 2010 |
| /s/ JAMES LEE<br>James Lee     | Director | April 30, 2010 |
| /s/ JINGONG PAN<br>Jingong Pan | Director | April 30, 2010 |

