



DIVISION OF  
CORPORATION FINANCE

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

July 31, 2012

Via E-Mail

Ms. Hua Hui  
Chief Financial Officer  
Apollo Solar Energy, Inc.  
No. 485 Tengfei Third Road,  
Shuangliu, Chengdu  
People's Republic of China 610207

**Re: Apollo Solar Energy, Inc.  
Form 10-K for the Fiscal Year Ended December 31, 2011  
Filed May 16, 2012  
Response dated July 20, 2012  
File No. 000-12122**

Dear Ms. Hua Hui:

We have reviewed your response letter and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by amending your filing, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Form 10-K for the Fiscal Year Ended December 31, 2011  
Notes to Consolidated Financial Statements, page F-7

Note 6 – Due from related parties, page F-15

1. We have read your response to prior comment 1 from our letter dated July 10, 2012 and understand that you recorded the repurchase of shares from Mr. Hou at a market value of \$5.2 million and recorded interest income of \$837,359 computed as the difference between market value of the repurchased shares and the carrying value of the note receivable from Mr. Hou. Tell us why you have used the market value of your stock as the cost of reacquisition and why you believe recognition of a gain on this treasury stock transaction is appropriate citing the specific accounting literature that supports your view.

Hua Hui  
Apollo Solar Energy, Inc.  
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You may contact Joanna Lam at (202) 551-3476 or Craig Arakawa at (202) 551- 3650 if you have questions regarding comments on the financial statements and related matters.

Sincerely,

/s/Tia L. Jenkins

Tia L. Jenkins  
Senior Assistant Chief Accountant  
Office of Beverages, Apparel, and  
Mining