APOLLO SOLAR ENERGY TECHNOLOGY HOLDINGS LIMITED
鉑陽太陽能技術控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 566)

ANNOUNCEMENT OF 2010 INTERIM RESULTS

The board of directors (the "**Board**") of Apollo Solar Energy Technology Holdings Limited ("**Apollo Solar**" or the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2010 together with comparative figures for the corresponding period and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010 — UNAUDITED

		Six months ended 30 June	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**688,025**	153,028
Cost of sales		**(325,622)**	(148,843)
Gross profit		**362,403**	4,185
Revaluation loss on investment properties		**—**	(204)
Other income and gains	*5*	**128,002**	1,393
Selling and distribution costs		**(17,323)**	(20,387)
Administrative expenses		**(229,711)**	(30,301)
Research and development costs		**(14,297)**	—
Gain on disposal of equity interests in subsidiaries		**1,605**	—
Operating profit/(loss)		**230,679**	(45,314)
Finance costs	*6*	**(111,755)**	(1)
Profit/(loss) before income tax	*7*	**118,924**	(45,315)
Income tax expense	*8*	**(81,684)**	(2,387)
Profit/(loss) for the period		**37,240**	(47,702)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		**5,350**	(259)
Other comprehensive income/(loss) for the period		**5,350**	(259)
Total comprehensive income/(loss) for the period		**42,590**	(47,961)

* *for identification purpose only*

	Note	Six months ended 30 June **2010** *HK$'000*	2009 *HK$'000*
Profit/(loss) for the period attributable to:			
Owners of the Company		**40,325**	(47,702)
Non-controlling interests		**(3,085)**	—
		37,240	(47,702)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**44,940**	(47,961)
Non-controlling interests		**(2,350)**	—
		42,590	(47,961)
		HK Cents	*HK Cents* (restated)
Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company			
Basic	*9*	**0.89**	(1.7)
Diluted	*9*	**0.84**	(1.7)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010 — UNAUDITED

	Notes	30 June 2010 HK$'000	31 December 2009 HK$'000 (restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**117,490**	125,887
Prepaid lease payments for land		**11,255**	13,475
Investment properties		—	30,000
Goodwill		**7,882,953**	7,882,953
Intangible assets		**400,279**	435,441
Deferred tax assets		**8,538**	6,686
		8,420,515	8,494,442
Current assets			
Prepaid lease payments for land		**165**	605
Inventories		**218,804**	225,742
Trade and other receivables	*10*	**572,351**	211,530
Bills receivable	*11*	**16,909**	3,574
Deposits and prepayments		**61,338**	12,143
Financial assets at fair value through profit or loss		—	3,806
Pledged bank deposits		—	864
Cash and bank balances		**111,274**	153,637
		980,841	611,901
Current liabilities			
Trade and other payables	*12*	**128,493**	55,085
Bills payable		—	711
Deposits and accruals		**229,400**	210,898
Tax payable		**75,190**	49,740
		433,083	316,434
Net current assets		**547,758**	295,467
Total assets less current liabilities		**8,968,273**	8,789,909
Non-current liabilities			
Convertible bonds		**2,872,714**	2,802,885
Deferred tax liabilities		**93,966**	82,881
		2,966,680	2,885,766
Net assets		**6,001,593**	5,904,143
Equity			
Issued capital	*13*	**11,531**	11,532
Reserves		**5,881,427**	5,713,654
Equity attributable to the owners of the Company		**5,892,958**	5,725,186
Non-controlling interests		**108,635**	178,957
Total equity		**6,001,593**	5,904,143

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Hong Kong Accounting Standard ("HKAS") 34 *"Interim Financial Reporting"* and other relevant HKASs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2009 and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs, and Interpretations) issued by the HKICPA, except that the Group has in the current period applied, for the first time, the following new and revised HKFRSs:

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*

Apart from the above, the Group has also adopted *Improvements to HKFRSs** issued by the HKICPA which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* *Improvements to HKFRSs* contain amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16.

The adoption of these new and revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements, except for the followings:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 January 2010. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. HKAS 27 (Revised) has also resulted in the renaming of "minority interests" as "non-controlling interests".

The changes by HKFRS 3 (Revised) and HKAS 27 (Revised) will affect current and future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

(b) HKAS 17 Amendments *Leases — Classification of Leases of Land and Building*

HKAS 17 Amendments delete specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Prepaid lease payments for land", and amortised over the lease term.

HKAS 17 Amendments have been applied retrospectively for annual period beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold lands from operating lease to finance lease.

When the property interest is held for own use, that land interest is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful life of asset and the lease term.

The effect of the adoption of this amendment is as below:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
Decrease in prepaid lease payments for land	**(13,457)**	(13,620)
Increase in property, plant and equipment	**13,457**	13,620

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Decrease in amortisation of prepaid lease payments for land	**(163)**	(164)
Increase in depreciation of property, plant and equipment	**163**	164

The adoption of the other HKFRSs has had no effect on the Group's unaudited condensed consolidated financial statements.

The Group has not early adopted any other new and revised HKFRSs that was issued but is not yet effective.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue from the Group's principal activities recognised during the period is as follows:

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Manufacture and sales of turnkey production lines	**527,643**	—
Sales of toys and moulds	**160,382**	153,028
Total revenue	**688,025**	153,028

4. SEGMENT INFORMATION

The executive directors and senior management have identified the Group's product and service lines as operating segments.

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors and senior management for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

— Turnkey production lines and equipment — the manufacturing of equipment and turnkey production lines for the manufacturing of silicon based thin-film solar photovoltaic modules

— Toy and moulds — the design, manufacture and sale of toys; manufacture of moulds for sales to customers

— Hybrid bus accessories — the manufacturing of accessories for hybrid buses

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

— expenses related to share-based payments

— finance costs

— income tax

— corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

These operating segments are monitored and strategic decisions are made based on segment's performance.

For the six months ended 30 June 2010

	Turnkey production lines and equipment *HK$'000*	Toys and moulds *HK$'000*	Hybrid bus accessories *HK$'000*	Total *HK$'000*
Revenue				
Reportable segment revenue	**527,643**	**160,382**	**—**	**688,025**
Reportable segment profit/(loss)	**301,750**	**(3,229)**	**(4,068)**	**294,453**
Other information				
Additions to non-current assets	**14,215**	**1,864**	**413**	**16,492**
Amortisation of intangible assets	**2,278**	**—**	**—**	**2,278**
Amortisation of prepaid lease payments for land	**—**	**165**	**—**	**165**
Bank interest income	**(391)**	**(30)**	**—**	**(421)**
Bad debt recovery	**—**	**(85)**	**—**	**(85)**
Depreciation of property, plant and equipment	**278**	**12,079**	**66**	**12,423**
Gain on disposal of property, plant and equipment	**—**	**(25)**	**—**	**(25)**
Gain on disposal of an intangible asset, net of business tax	**(42,852)**	**—**	**—**	**(42,852)**
Income from transfer of certain technology know-how, net of business tax	**(81,060)**	**—**	**—**	**(81,060)**
Allowance for slow moving inventories	**—**	**714**	**—**	**714**

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the unaudited condensed consolidated financial statements are as follows:

	Six months ended 30 June 2010 *HK$'000*
Reportable segment revenue	**688,025**
Other income and gains	**128,002**
Group revenue	**816,027**
Reportable segment profit	**294,453**
Unallocated corporate income	**129,607**
Equity settled share based payments	**(179,143)**
Unallocated corporate expenses	**(14,238)**
Finance costs	**(111,755)**
Profit before income tax	**118,924**

For the six months ended 30 June 2009, the Group only has a single reportable segment — design, manufacture and sale of toys and moulds. Accordingly, no operating segment analysis has been presented.

On 25 November 2009, the Group acquired Apollo Precision Ltd. ("Apollo Precision") and its subsidiaries (collectively "Apollo Sub-Group") (the "Acquisition"), the principal activities of which are manufacturing of equipment and turnkey production lines for the manufacturing of silicon based thin-film solar photovoltaic modules in the People's Republic of China (the "PRC").

Set out below are the results of Apollo Sub-Group for the six months ended 30 June 2010, and the effects of the respective fair value adjustments arising from the Acquisition completed in November 2009 in accordance with HKFRS 3:

	Six months ended 30 June 2010		Fair value adjustments	Included in the unaudited condensed consolidated financial statements
	HK$'000		*HK$'000* *(notes)*	***HK$'000***
Revenue	527,643			**527,643**
Cost of sales	(162,874)	*(i)*	(35,306)	**(203,522)**
		(ii)	(5,342)	
Gross profit	364,769			**324,121**
Selling and distribution costs	(744)			**(744)**
Administrative expenses	(9,101)	*(ii)*	(1,140)	**(10,241)**
Research and development costs	(11,386)			**(11,386)**
Reportable segment profit	343,538			**301,750**

Note (i) Represented the fair values recognised in respect of the inventories and customer contracts of Apollo Sub-Group upon the completion of the Acquisition and charged to the cost of sales upon the recognition of revenue of relating customer contracts during the current period.

(ii) Represented the additional amortisation of intangible assets acquired in the Acquisition as a result of fair value adjustment.

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Other income and gains includes:		
Bank interest income	**421**	66
Bad debt recovery	**85**	1,020
Gain on disposal of an intangible asset, net of business tax	**42,852**	—
Income from transfer of certain technology know-how, net of business tax	**81,060**	—
Government grant	**580**	—
Rental income	**—**	6

6. FINANCE COSTS

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Imputed interest expenses on convertible bonds	**111,548**	—
Interest on a bank loan repayable within one year	**206**	—
Interest on bank overdrafts	**1**	1
	111,755	1

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Amortisation of prepaid lease payments for land	**165**	367
Depreciation of property, plant and equipment	**12,423**	13,829
Amortisation of intangible assets	**2,278**	—
Fair value (gains)/losses on financial assets at fair value through profit or loss	**(1,858)**	1,150

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
Current tax for the period:		
— Hong Kong	**188**	934
— The PRC		
Charge for the period	**72,183**	35
Underprovision in respect of prior year	**436**	—
	72,619	35
Deferred tax		
Charge for the period	**40,127**	1,418
Attributable to change in tax rate	**(31,250)**	—
	8,877	1,418
	81,684	2,387

Hong Kong profits tax has been provided at 16.5% (2009: 16.5%) of the estimated assessable profits for the period. Taxes on profits assessable in the PRC have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

In July 2010, Apollo Precision (Fujian) Limited ("Fujian Apollo"), an indirectly wholly-owned subsidiary of the Company, was designated as a "High and New Technology Enterprise" and accordingly can enjoy a preferential Corporate Income Tax rate of 15% commencing from 1 January 2010 onwards.

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2010	2009
	HK'000	*HK'000*
Earnings/(loss)		
Profit/(loss) for the period attributable to the owners of the Company, for the purpose of the calculation of basic and diluted earnings/(loss) per share	**40,325**	(47,702)
Number of shares	***'000***	*'000* (restated)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**4,519,197**	2,850,225
Effect of dilutive potential ordinary shares: Share options	**257,078**	—
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**4,776,275**	2,850,225

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended 30 June 2009 has been adjusted for the share subdivision as mentioned in note 13(iii).

The calculation of diluted earnings/(loss) per share for the six months ended 30 June 2010 did not include the impact of the conversion of convertible bonds because these outstanding convertible bonds had anti-dilutive effects on the basic earnings/(loss) per share.

10. TRADE AND OTHER RECEIVABLES

The Group normally allows a credit period of 0 to 90 days to its trade customers.

Based on invoice date or the payment terms as stipulated in the relevant contracts, the ageing analysis of the Group's net trade receivables is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
0 – 30 days	**30,591**	113,908
31 – 60 days	**102,802**	11,290
61 – 90 days	**1,262**	7,525
Over 90 days	**100,204**	1,731
Trade receivables — net	**234,859**	134,454
Other receivables	**159,017**	77,076
Gross amount due from customer for contract works	**178,475**	—
	572,351	211,530

The directors of the Company considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods.

11. BILLS RECEIVABLE

The ageing analysis of the Group's bills receivable outstanding at the reporting dates based on invoice date is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
0 – 30 days	**15,512**	863
31 – 60 days	**1,193**	2,341
61 – 90 days	**83**	—
Over 90 days	**121**	370
	16,909	3,574

The directors of the Company considered that the fair values of bills receivable are not materially different from their carrying amounts because these amounts have short maturity periods.

12. TRADE AND OTHER PAYABLES

Based on the invoice date, the ageing analysis of the Group's trade payables is as follows:

	30 June 2010 *HK$'000*	31 December 2009 *HK$'000*
0 – 30 days	**72,005**	20,617
31 – 60 days	**6,436**	10,442
61 – 90 days	**560**	2,467
Over 90 days	**5,871**	1,748
Trade payables	**84,872**	35,274
Other payables	**43,621**	19,811
	128,493	55,085

All amounts are short term and hence the carrying amounts of trade and other payables are considered to be a reasonable approximation of their fair values.

13. SHARE CAPITAL

	Number of shares ***'000***	**Nominal value** ***HK$'000***
Authorised:		
At 1 January 2009 (Ordinary shares of HK$0.05 each)	1,600,000	80,000
Capital reorganisation *(note (i)*)	6,400,000	—
Share subdivision *(note (iii))*	24,000,000	—
At 31 December 2009 and 30 June 2010 (Ordinary shares of HK$0.0025 each)	32,000,000	80,000
Issued and fully paid:		
At 1 January 2009 (Ordinary shares of HK$0.05 each)	794,513	39,726
Capital reorganisation *(note (i))*	(635,611)	(38,136)
Issue of new shares upon open offer *(note (ii))*	635,611	6,356
Share subdivision *(note (iii))*	2,383,541	—
Issue of consideration shares *(note (iv))*	1,116,614	2,791
Issue of commission shares *(note (v))*	318,000	795
At 31 December 2009 (Ordinary shares of HK$0.0025 each)	4,612,668	11,532
Repurchase of own shares *(note (vi))*	(209,500)	(524)
Conversion of convertible bonds *(note (vii))*	168,089	420
Exercise of share options	40,992	103
At 30 June 2010 (Ordinary shares of HK$0.0025 each)	4,612,249	11,531

Notes:

For the year ended 31 December 2009

(i) Pursuant to the special resolution passed on 22 April 2009, the Company implemented the capital reorganisation which involves the followings (the "Capital Reorganisation"):

Share consolidation

The Company effects the share consolidation pursuant to which every five existing shares of HK$0.05 each have been consolidated into one consolidated share of HK$0.25 each (the "Consolidation Share").

Capital reduction and share subdivision

— The issued share capital of the Company has been reduced through a cancellation of the paid-up capital of the Company to the extent of HK$0.24 on each of the issued Consolidation Shares such that the nominal value of each issued Consolidation Share was reduced from HK$0.25 to HK$0.01;

— The entire amount standing to the credit to the share premium account of the Company as at 22 April 2009 has been reduced and cancelled;

— The credit arising in the book of the Company from the reduction of the paid-up capital of the Company and the cancellation of the share premium account of the Company as at 22 April 2009 meeting has been credited to the contributed surplus account of the Company; and

— Each of the authorised but unissued consolidated shares of HK$0.25 each has been subdivided into 25 new shares of HK$0.01 each;

Immediately following the Capital Reorganisation, the authorised share capital of the Company remains as HK$80,000,000 divided into 8,000,000,000 new shares with a par value of HK$0.01 each, of which 158,902,712 new shares has been in issue and the aggregate nominal value of the issued share capital of the Company is HK$1,589,027.

(ii) Pursuant to a resolution passed on 4 June 2009, an open offer of 635,610,848 shares of HK$0.1 each to the shareholders on the basis of 4 offer shares for every share of the Company was approved. The open offer was completed on 26 June 2009.

(iii) Pursuant to the resolutions passed at the Special General Meeting held on 4 November 2009, the Company subdivided the issued and unissued shares of HK$0.01 each into four shares of HK$0.0025 each. The share subdivision took place on 5 November 2009.

(iv) On 25 November 2009, an aggregate of 1,116,613,652 shares of HK$0.0025 were alloted and issued at an issue price of HK$0.329 as partial consideration for the acquisition of the share capital of Apollo Precision.

(v) On 25 November 2009, the Company allotted and issued 318,000,000 commission shares of HK$0.0025 each to the introducing agent for the acquisition of the share capital of Apollo Precision.

For the six months ended 30 June 2010

(vi) The Company repurchased 63,900,000 of its own shares through purchase on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2009 at an aggregate consideration of HK$81,970,000. The shares have been cancelled in January 2010. During the period ended 30 June 2010, the Company further repurchased 145,600,000 ordinary shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$149,476,000, all of which have been cancelled.

(vii) On 4 May 2010, convertible bonds of principal amount of HK$55,301,473 were converted into 168,089,584 ordinary shares of HK$0.0025 each in the Company at the conversion price of HK$0.329.

BUSINESS REVIEW

For the six months ended 30 June 2010, the Group recorded a revenue of HK$688,025,000, representing an increase of about 350% as compared to HK$153,028,000 of the same period last year. The increase was due to the revenue generated from the newly acquired solar energy business in November 2009. Due to its relatively high gross profit margin, the Group's profit increased to HK$37,240,000 for the current period.

Solar Energy Business

In November 2009, the Group successfully ventured into solar energy business by acquiring Apollo Sub-Group, one of the leading companies in providing equipment and turnkey production line for the manufacturing of amorphous silicon thin-film solar photovoltaic ("PV") modules, and achieved encouraging results. During the period under review, solar energy business has achieved impressive performance. Apollo Solar is excited to report that the profit after tax of Apollo Sub-Group was HK$509,746,000 for the eleven months ended 30 June 2010, which exceeds the profit target of US$55 million (equivalent to HK$429,000,000) by HK$80,746,000.

Before any fair value adjustments of work-in-progress and customers contracts arising from the Acquisition, the financial performance of the solar energy business/Apollo Sub-Group for the six months ended 30 June 2010 was summarised as follows:

	HK$'000	*%*
Revenue	527,643	100
Gross profit	364,769	69
Profit before other income and gains and income tax	343,538	65

The Group's mass production line for the manufacturing of amorphous silicon/amorphous silicon-germanium (a-Si/a-SiGe) double junction thin-film solar PV modules has already been launched in the market to supply equipment and turnkey solutions to our customers. According to our market information, we are the first in supplying commercial and large-scale production line for that technology in which 100MW production line has been delivered to our customers during the period.

The Group is also pleased to report a significant move during the period. Fujian Apollo, an indirect wholly-owned subsidiary of the Company, and 漢能控股集團有限公司, (unofficial English translation as Hanergy Holding Group Limited) ("Hanergy"), entered into a principal sales contract of providing Hanergy turnkey equipment, tools and machinery of Solar PV Modules Production System and integrated turnkey solutions for the manufacturing of silicon-based thin-film solar PV modules, for a total contract sum of US$2.55 billion (equivalent to approximately HK$19.84 billion). In addition, the Group introduced Hanergy as a strategic investor and one of the major shareholders of the Group. On 20 May 2010, the Group and Hanergy entered into a principal subscription agreement pursuant to which Hanergy has agreed to subscribe, or procure the Hanergy's nominee to subscribe, for 4,911,528,960 subscription shares at a price of HK$0.239 per share.

Hanergy is one of the largest privately owned renewable energy players in China. Both Apollo Solar and Hanergy have well-established research and development ("R&D") centres in the PRC. Currently, the Group operates R&D centres in Beijing and Quanzhou, while Hanergy operates a 10,000 square meter R&D centre with the world's leading clean energy laboratories, and jointly operates collaboration projects with leading universities in China. Hanergy has been awarded around 200 patents in the area of new energy, of which 60% are invention patents. The collaboration between Apollo Solar and Hanergy demonstrates the widely accepted and recognised technology level and R&D capability of the Group and also strengthens Apollo Solar's leading position in the global equipment and integrated turnkey solutions for the manufacturing of silicon-based thin-film solar PV modules supplier market, representing a key milestone of the Group's solar energy business development.

Toy Business

The global market experienced a slow recovery in the first half of 2010. To cope with the market situation, the Group has streamlined its sales and administrative functions to enhance operational efficiency of the toy business. The segment turnover has recorded a slight increase from HK$153,028,000 to HK$160,382,000.

Since the economic headwinds in 2008, the long-running consumption spree has subsided in traditional markets, especially the United States and the European Union. Sales of discretionary items like toys, watches and consumer electronics are expected to slow down and the short term foreseeable operating environment for toy business is expected to be tough and difficult.

Investment Business

During the period under review, the investment business recorded a segment loss of HK$4,068,000.

On 8 January 2010, the Group entered into a sale and purchase agreement with an independent third party to dispose of Talent Link Holdings Limited and its subsidiary RBI Conglomerate Limited holding the investment property at Kwai Chung at an aggregate consideration of HK$30,000,000. On 30 June 2010, the Company and Power Design Holdings Limited ("Power Design") entered into the agreement for the sale and purchase of the 49 shares of US$1 each of RBI Conglomerate (Holdings) Limited ("Sale Shares"), holding the office premises situated at 7th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and the four carparks in the same building (the "Properties"), pursuant to which the Company had sold and Power Design had acquired the Sale Shares at a consideration of HK$44,100,000. The directors of the Company consider that the disposal represents a good opportunity for the Group to realise part of its indirect investment in the Properties at market price. The Company intends to use the net proceeds from the disposal to fund its future development and as general working capital of the Company. It is the intention of the Group that the property investment portfolio would be gradually liquidated so as to concentrate the Group's resources in the solar energy business. For hybrid bus business, the pace of its R&D was satisfactory. It is still in the R&D stage and has not yet commercialised. To focus and allocate more resources in solar energy business, the Group has disposed the hybrid bus business after careful review and evaluation during the period.

BUSINESS PROSPECT

In light of the gradual decrease of demand in toy markets, Apollo Solar's toy business has recorded a less than satisfactory sales in July, which was regarded as the peak month for the industry. It is expected that the toy industry will take a long time to recover and the foreseeable future of the toy market will continue to be challenging.

Undeniably, the development of renewable energy industry has become a world trend. In the United States, the federal government announced that it would be awarding nearly US$2 billion in conditional investments to two solar companies. The funding, coming from the American Recovery and Reinvestment Act, highlights the confidence of the current United States administration on the tremendous potential that clean energy will be able to boost the country's economic recovery. While in China, according to the latest "Development Plan for Emerging Energy Industries (新興能源產業發展規劃)", the government is set to invest RMB5 trillion in renewable energy industry between 2011 and 2020. In August this year, the PRC government officially started the bidding process of 280MW PV power generation project, indicating an ample room for growth in the industry.

According to the November 2009 report of iSuppli, solar panels that apply thin-film technology are expected to have more than double their market share from 14% in 2008 to 31% by 2013. The Group has successfully advanced the development of the thin-film technology during the period. We believe that the conversion efficiency of the Group's a-Si based multi-junction PV modules could be further enhanced to more than 10% in 2011-2012. Thus, the Group's thin-film modules will be more competitive, driving more demand.

By bringing in Hanergy as a strategic investor, Apollo Solar will complement each other and share the R&D resources to achieve operational synergy. The sales order will generate large amount of cash flow to the Group which enhance its R&D resources, and strengthen its R&D capability. It will also significantly improve Apollo Solar's global market position and brand image to step up sales to international market. In addition, Apollo Solar has appointed three individuals nominated by Hanergy to the board, one of which to be the Chairman and executive director, to strengthen management excellence of the Group.

To align with the positioning of the Group, the board of directors proposed to change the Company name from "Apollo Solar Energy Technology Holdings Limited" to "China Solar Technology Holding Limited" and to adopt the Chinese name "中國光伏科技控股集團有限公司" to replace the existing Chinese name "鉑陽太陽能技術控股有限公司" for identification purposes only in August 2010. This will provide the Group with a more appropriate identification and image which will benefit our future development and is in the interest of the Group and the shareholders as a whole.

Apollo Solar will maintain its capital flexibility for 2010 and beyond, with spending not less than 60% of the amount equal to the operating profit of each immediately preceding half year in R&D for upgrading the Solar PV Modules Production System as well as bringing returns to shareholders. Looking forward, we are confident in the prospect of solar energy industry. We will continuously explore opportunities for business development and maintain our existing leading position in the solar energy industry.

EVENTS AFTER REPORTING DATE

(i) On 20 May 2010, Fujian Apollo and Hanergy entered into the principal sales contract (as varied and supplemented by the supplemental sales contract entered into between Fujian Apollo and Hanergy on 9 June 2010) (the "Sales Contract") pursuant to which Fujian Apollo agreed to sell, and Hanergy agreed to purchase, the new turnkey equipment, tools and machinery of the Solar PV Modules Production System for a total contract sum of US$2.55 billion (equivalent to approximately HK$19.84 billion).

(ii) On 20 May 2010, the Company and Hanergy entered into the principal subscription agreement (as varied and supplemented by the first supplemental subscription agreement and the second supplemental subscription agreement entered into between Fujian Apollo and Hanergy on 31 May 2010 and 10 June 2010 respectively) (the "Subscription Agreements") pursuant to which Hanergy has agreed to subscribe or procure the nominee of Hanergy to subscribe, for 4,911,528,960 subscription shares at the subscription price of HK$0.239 per subscription share.

Details of the Sales Contract and the Subscription Agreements are set out in the Company's circular dated 8 July 2010. The Sales Contract and the Subscription Agreements have been duly approved by the shareholders of the Company at the Special General Meeting held on 23 July 2010.

INTERIM DIVIDEND

The Board of Directors has resolved not to declare interim dividend for the six months ended 30 June 2010 (2009: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the Group did not have any bank borrowings (2009: Nil) while the cash and bank balances amounted to approximately HK$111,274,000 (2009: approximately HK$153,637,000).

Gearing ratio (total borrowings over shareholders' equity) as at 30 June 2010 was 0% (2009: 0%).

TREASURY POLICIES AND EXCHANGE & OTHER EXPOSURES

The Group's monetary transactions and deposits continued to be in the form of US dollars, Renminbi and HK dollars. The Group expected that the exposure to exchange rates fluctuation was not significant and therefore had not engaged in any hedging activities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2010 (2009: Nil).

CHARGES ON ASSETS

As at 30 June 2010, leasehold land and buildings with carrying value of HK$19,820,000 (31 December 2009: HK$20,265,000) were pledged to secure banking facilities of HK$55,200,000 (31 December 2009: HK$55,200,000) which were not drawn down as at 30 June 2010.

PERSONNEL

The average number of employees of the Group during the period under review was approximately 3,600 (year ended 31 December 2009: 3800) of whom 590 (year ended 31 December 2009: 570) were office administration staff, while the remuneration of empolyees of the Group during the period under review was approximately HK$71,595,000.

Bonuses are awarded based on individual performance and made to certain employees of the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010, with deviation from code provision A4.1 of the Code.

Code Provision A4.1

Mr. Wu Tak Lung (who is an existing independent non-executive director) and Mr. Chow King Lok (who was an independent non-executive director and resigned on 13 August 2010) were not appointed for specific term. However, as the directors are subject to the retirement by rotation provisions under the bye-laws of the Company, the directors of the Company consider that sufficient measures have been in place to ensure that the Company's corporate governance practices are not less exacting than the Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIERS OF THE COMPANY

During the six months ended 30 June 2010, the Company repurchased 145,600,000 shares of the Company on the Stock Exchange. The repurchased shares were cancelled in February 2010. Details of the repurchase were as follows:

Month of repurchase	Number of repurchased shares	Price per share Highest	Price per share Lowest	Aggregate price paid
	'000	*HK$*	*HK$*	*HK$'000*
January 2010	25,900	1.12	1.02	27,548
February 2010	119,700	1.09	0.89	121,928

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors of the Company adopted by the Company.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited interim financial statements for the six months ended 30 June 2010 ("Interim Financial Statements") had been reviewed by the Company's audit committee, who are of opinion that the Interim Financial Statements comply with applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

APPRECIATION

Our Group's success depends on all our staff's commitment, dedication and professionalism. On behalf of the Board, I would like to thank every staff for their diligence and dedication. I would also take this opportunity to express my sincere appreciation to our shareholders, customers and suppliers for their continuous and valuable support.

On behalf of the Board
Xu Guo Jun
Executive Director

Hong Kong, 27 August 2010

As at the date of this announcement, the executive Directors are Mr. Frank Mingfang Dai (Chairman), Mr. Li Guangmin, Mr. Xu Guo Jun (CEO) and Mr. Peng Li Bin and the independent non-executive Directors are Mr. Wu Tak Lung, Mr. Jiang Zhesheng, and Mr. Xie Boyang.