ISSUER INFORMATION AND DISCLOSURE STATEMENT
PURSUANT TO
Rule 15c2-11

SINO AGRO FOOD, INC.

GZ Office: Unit 11, 37/F
China Shine Plaza, No. 9 Lin He Xi Road
Tianhe District
Guangzhou 510610
China

Federal ID No.: NV19741004142 **CUSIP No.:** 829355106

ISSUER'S EQUITY SECURITIES

As of January 20, 2010

Capital Stock
100,000,000 Shares of Common Stock authorized, par value $0. 001 per share
5,3241,016 Common Shares issued and outstanding
10,000,000 Shares of Preferred Stock authorized, par value $0.001 per share
No Shares outstanding

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OF SINO AGRO FOOD, INC. (THE "COMPANY") IN ACCORDANCE WITH RULE 15c2-11 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY. ANY REPRESENTATIONS NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY.

DELIVERY OF THIS INFORMATION FILE, AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE FIRST WRITTEN ABOVE.

The undersigned hereby certifies that they have prepared and reviewed the information and the notes hereto, and the information herein is true, complete and presented fairly, in all materials respects.

January 20, 2010 By:

....
Mr. Lee Yip Kun (Solomon)
Chief Executive Officer & Chairman

COPIES OF THIS INFORMATION AND DISCLOSURE STATEMENT ARE AVAILABLE FROM THE ISSUER UPON REQUEST.

INFORMATION AND DISCLOSURE STATEMENT

All information in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The enumerated items and captions contained herein correspond to the format as set forth in that rule.

Forward-looking Statements

This Information and Disclosure Statement contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements represent the Company's expectations or beliefs concerning future events. The words "*believe,*"" *expect,*" "*anticipate,*" "*intend,*" "*estimate,*" "*project*" and similar expressions are intended to identify forward-looking statements. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including without limitations, the factors described in this Information and Disclosure Statement.

Investors are cautioned not to place undue reliance on such forward-looking statements because they speak only of the Company's views as of the statement dates. Although the Company has attempted to list the important factors that presently affect the Company's business and operating results, the Company further cautions investors that other factors may in the future prove to be important in affecting the Company's results of operations. the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART A: GENERAL COMPANY INFORMATION

Item I. The exact name of the issuer and its predecessor (if any) in the past five (5) years and the dates of the name changes.

The exact name of the issuer is: **Sino Agro Food, Inc.**

The issuer's exact name of its predecessor in the past five (5) years:

Formerly	Date changed
Sino Agro Food, Inc.	October 2007 (Current name)
A Power Argo Agriculture Development, Inc.	August 2007
Volcanic Gold, Inc.	August 2007

Item II. The address of the issuer's principal executive offices.

The address of the issuer's principal executive offices are:

GZ Office: Unit 11, 37/F
China Shine Plaza, No. 9 Lin He Xi Road
Tianhe District
Guangzhou 510610
China
Tel: 86-20-22057868 / 86-20-38880923
Fax: 86-20-22057868
Email: solomon.lee1@gmail.com

Investor Relations:

Item III. The state and date of the issuer's incorporation or organization.

State of Incorporation:	Nevada
Date Incorporated:	October 1, 1974

Item IV. The name and address of the transfer agent

The Issuer's Stock Transfer Agent is:

Pac West Transfer, LLC
Attn: Joanna DiBella
500 E. Warm Springs Road, Suite 240
Las Vegas, NV 89119
P (702) 270-9646
F (702) 433-1979

The transfer agent is registered under the Exchange Act and is regulated by the Securities and Exchange Commission.

Item V. The nature of the issuer's business during the last three (3) years.

Our Organization

Sino Agro Food, Inc. (SIAF.PK) is an agricultural business focused on developing, producing and distributing high quality agricultural products throughout the People's Republic of China (PRC).

In the PRC, the rapid progress of industrialization over the last decade has created an imbalance with regards to the needs of the agriculture industry, i.e. diminishing supply of useful agriculture land, scarcity of farm laborers, industrial pollution and the generally over usage of chemical etc. In response to the industry's current needs, the PRC Government has in recent years directed many incentive programs and policies directed towards revitalization and modernization of the agriculture industry. Current programs have been tailored towards protection of agriculture land, stringent laws in governing the ownership and usage of agriculture land, tax free incentive applying to incomes generated from the industry and enforcing environmental friendly developments, to name a few.

Our management possesses many years of practical and professional experience in all sectors relating to the agriculture industry. Great timing came in 2004, where we were able to identify many opportunities available to develop agricultural ventures in the PRC.

The Company intends to focus on meeting the increasing demand of China's rising middle class for gourmet and high quality organic food products. Currently in production, our current lines of business include Fisheries, Fairies, and operation of Hylocereus Undatus plantations.

Our shares of common stock are traded on the Pink Sheets under the ticker symbol "SIAF.PK."

A. *A list of all companies that have been submitted for quotation on the OTC Bulletin Board or NQB Pink Sheets for which the above officers and directors were an officer, director or major shareholder. In addition, identify any other companies for which they are currently an officer, director, or major shareholder.*

N/A.

B. *For all companies referenced in A above, provide a detailed description of the current corporate status of these companies and any current involvement by the above officers and directors. In addition, identify all companies that have merged and the current name and the trading symbol of these companies.*

N/A.

C. *For all the companies referenced in A above, identify all the companies that were formed as a blank check.*

N/A.

D. *Has the Issuer, its shareholders, affiliates or any entity representing the Issuer entered into any agreements with the sponsoring market maker?*

None.

E. *Is the Issuer working with any consultants or public relations firms? If so, provide compensation exchanged (to date and future), dates of service, services provided and future expected services.*

None.

F. *Has the Issuer entered into any discussions or negotiations concerning potential merger or acquisition candidates? If so, describe the discussions and provide any related documentation.*

While the prospects of potential mergers and acquisitions are routinely discussed, the Company is not currently engaged in any substantial discussions or negotiations with regards to such.

G. *Has the sponsoring market maker entered into any agreements with the Issuer, our shareholders, affiliates or any entity representing the Issuer?*

None.

A. <u>Business Development</u>

1. *the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);*

The Company is a Corporation.

2. *the year that the issuer (or any predecessor) was organized;*

1974 in the State of Nevada.

3. *the issuer's fiscal year end date;*

December 31st

4. *whether the issuer (and/or any predecessor) has been in bankruptcy, receivership or any similar proceeding;*

None.

5. *any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business;*

On July 24, 2007, we entered into a Stock Purchase Agreement and Share Exchange with Belmont Partners, LLC, Capital Award Inc, a Belize Corporation and Capital Adventure Inc., the sole shareholder of Capital Award, Inc. Under the Agreement, Capital Adventure Inc. transferred all of its shares of Capital Award Stock in exchange for an aggregate of 32,000,000 shares of Volcanic Gold common stock.

On September 5, 2007 we purchased 100% equity interest in Hang Yu Tai Investment Limited (Hang Yu Tai) that was incorporated in Macau on September 21, 2006 from two non-affiliated shareholders of Hang Yu Tai. Hang Yu Tai that has a 78% equity interest in ZhungXing Cattle Husbandry Co. Ltd. (ZhungXing Cattle) that was incorporated in China on March 1, 2006. The purchase price was $26,910,000, satisfied by: Cash payment of $10,000,000 and 7,000,000 shares of our common stock

On September 5, 2007 we purchased 100% equity interest in Macau Eiji Company Limited, (Macau Eiji) that was incorporated in Macau on September 5, 2005 from September 5, 2007 non-affiliated shareholders of Macau Eiji. Macau Eiji has a 75% equity interest in HengSingTai Agriculture Development Co. Ltd, (Heng Sing Tai) that was incorporated in China on April 16, 2007. The purchase price was $6.75 million, satisfied by: Cash payment of US$2 million and the issuance of 2 million shares.

On September 5, 2007 we purchased 100% equity interest in Tri-way Industrial Limited (Triway) that was incorporated in Hong Kong on April 4, 1999 from September 5, 2007 non-affiliated shareholders of Triway. Triway had a 30% equity interest in TianQuan Science And Technology Co, Ltd. (TianQuan Science) that was incorporated in China on April 4, 1999. The purchase price was $3.25 million, satisfied by: cash payment of US$ 1 million and the issuance of One million shares.

By agreement dated October 29, 2008, Triway sold its 30% equity interest in TianQuan Science to an unrelated party at consideration of $4,500,000 that was satisfied by the payment of $4,500,000 on December 18, 2008 plus our share of TianQuan Science's profits in 2008 which amounted to $1.25 million and was paid on November 15, 2008.

By an agreement dated November 12, 2008, Triway brought a patented "Intellectual Property" namely "Zhi Wu Jei Gan Si Liao Chan Ye Hua Chan Pin Ji Qi Zhi Bei Fang Fa" registered under the Patent Number "ZL2005 10063039.9" and Certificate number "329722" of China, (Livestock feed Manufacturing Technology), for the manufacturing of Livestock feed designed and applied for the consumption of beef cattle, cows, sheep and other animals from a non-affiliated owner of the Intellectual Property. As consideration for the transaction, we paid $8,000,000 that was satisfied by:

- The payment of $4,500,000 that was paid on December 18, 2008
- The balance of $3,500,000 to be paid at our discretion either by cash payment or by the issuance of our shares that will be settled in three tranches and as follows:
    - 1st Tranche of $1,000,000 on or before December 31, 2009,
    - 2nd Tranche of $1,000,000 on or before December 31, 2010 and
    - 3rd Tranche of $1,500,000 on or before November 11, 2012

If the payment is made in our shares, the per share value will be valued at a three months weighted average of the OTCB Pink Sheets price index counting backward from the date of settlement.

Note: All English names in the Chinese companies are translation.

6. *any default of the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments;*

   None.

7. *any change of control;*

   None.

8. *any increase in 10% or more of the same class of outstanding equity securities;*

None.

9. *describe any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;*

See Number 5 above.

On July 24, 2007, we entered into a Stock Purchase Agreement and Share Exchange with Belmont Partners, LLC, Capital Award Inc, a Belize Corporation and Capital Adventure Inc., the sole shareholder of Capital Award, Inc. Under the Agreement, Capital Adventure Inc. transferred all of its shares of Capital Award Stock in exchange for an aggregate of 32,000,000 shares of Volcanic Gold common stock. As additional consideration, Capital Award paid a total of $175,000 to Belmont Partners for consulting fees rendered as part of the transaction. Prior to Closing, Volcanic Gold effected a 1-50 reverse split.

10. *any delisting of the issuer's securities by any securities exchange or NASDAQ or deletion from the OTC Bulletin Board; and*

None.

11. *any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations. Any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.*

None.

B. ***Business of the Issuer***

All information pertaining in this information statement to the risks, business and operations of the issuer pertains to Sino Agro Food, Inc. Unless otherwise noted, terms such as the "Company," "SIAF", "Sino", "Sino Agro", "we," "us," "our" collectively refer to Sino Agro Food, Inc. and our subsidiaries.

Our Organization

Sino Agro Food, Inc. (SIAF.PK) is an agricultural business focused on developing, producing and distributing high quality agricultural products throughout the People's Republic of China (PRC).

In the PRC, the rapid progress of industrialization over the last decade has created an imbalance with regards to the needs of the agriculture industry, i.e. diminishing supply of useful agriculture land, scarcity of farm laborers, industrial pollution and the generally over usage of chemical etc. In response to the industry's current needs, the PRC Government has in recent years directed many incentive programs and policies directed towards revitalization and modernization of the agriculture industry. Current programs have been tailored towards protection of agriculture land, stringent laws in governing the ownership and usage of agriculture land, tax free incentive applying to incomes generated from the industry and enforcing environmental friendly developments, to name a few.

Our management possesses many years of practical and professional experience in all sectors relating to the agriculture industry. Great timing came in 2004, where we were able to identify many opportunities available to develop agricultural ventures in the PRC.

The Company intends to focus on meeting the increasing demand of China's rising middle class for gourmet and high quality organic food products. Currently in production, our current lines of business include Fisheries, Dairies, and operation of Hylocereus Undatus plantations

Principals and Operational Personnel

SIAF Group CEO: Mr. Solomon Lee Yip Kun (Australian)
The Dairy MD: Mr. Mr. Sun Xi Min (Chinese)
The Fishery: MD: Mr. Chen Bor Hann (Taiwanese)
The HU Planation: Mr. Fang Xiang Jun (Chinese)

Our Organization's Business Objective

- Specializing in the growing, produce production and processing of high quality organic produce and products.
- Development of modern agriculture and aquaculture technologies and system and adapting efficient educational programs to develop local human resources both in management and operation.
- Development of farm corporative to produce high quality produces with uniform quality standard.
- To help upgrade and modernize the agriculture and aquaculture industry in China in conjunction accordance with the China new Chinese agriculture policies.

Marketing Strategies

Our marketing strategy is to create a marketing network that will bring our produce and products directly from farm to the end consumers' markets based on high standard of quality and efficient personal services.

Our Products:

- For human consumption:
    - Fresh Liquid Milk
    - Dairy products
    - HU Flowers (Fresh and dried products)
    - Fresh Fish and prawns (chemical and pollution free)
    - Beef Cattle
- For Farm products:
    - Organic fertilizer
    - Livestock feed.

Market for Products

Our regional markets presently cover Beijing City, Guangzhou city, and Xiling city. Our goals include developing export markets by the year 2012.

1. *the issuer's primary and secondary SIC Codes;*

    Primary: 200
    Secondary: 100

2. *if the issuer has never conducted operations, is in the development stage or is currently conducting operations;*

    The Company is fully operational.

3. *if the issuer is considered a "shell company" pursuant to SEC Rule 405 of the Securities Act of 1933;*

No. The Company has assets and liabilities, and is operating in accordance with a specific business purpose and plan.

4. *the names of any parent, subsidiary, or affiliate of the issuer, and describe its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure document.*

SIAF has several wholly-owned subsidiaries which include the following:

- Capital Award, Inc. a Belize business entity organized on March 5th 2003. (Fishery operation).
- Macau Eiji Company Limited, (Macau Eiji) incorporated in Macau on September 5, 2006.Macau Eiji has a 75% equity interest in HengSingTai Agriculture Development Co. Ltd, (Heng Sing Tai) that was incorporated in China on April 16, 2007 (Plantation development and operation).
- Tri-way Industrial Limited (Triway), incorporated in Hong Kong on April 4, 1999
  Triway has no business activity other than holding the license of a Livestock Feed Manufacturing technology under the Patent Number "ZL2005 10063039.9" and Certificate number "329722" of China.
- Hang Yu Tai Investment Limited (Hang Yu Tai) incorporated in Macau on September 21, 2006.
- Hang Yu Tai. Hang Yu Tai that has a 78% equity interest in ZhungXing Cattle Husbandry Co. Ltd. (ZhungXing Cattle) that was incorporated in China on March 1, 2006,.ZhungXing Cattle is a dairy milk producer supplying fresh liquid milk to some of the biggest dairy value added manufacturers of the country (i.e Mongnui and Yili Dairy Group)

5. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;*

We have not devoted a substantial amount of funds on research and development within the past two years.
.

6. *costs and effects of compliance with environmental laws (federal, state and local); and*

Our technologies have been tailored to comply with the applicable PRC environmental and other related regulations. Since our technologies and developments are all based on organic nature and environmentally friendly fundamentals, we believe that we are fully compliant with all relevant environmental regulations and do not expect to incur any substantial costs related to future compliance with such laws.

7. *number of total employees and number of full-time employees.*

As of January 20, 2010, we had 358 full-time employees, and 175 part-time employees, the majority of which are located in PRC.

C. Investment Policies

For any investments that the issuer has, provide clear descriptions of the investments, any restrictions or impairments the investments may have and the policies used to value and/or depreciate such assets from a financial and tax perspective. State whether there are any limitations of the percentage of assets which may be invested in any one investment, or type of instrument, and indicate whether such policy may be changed without a vote of security holders. State whether the issuer's policy is to acquire assets primarily for possible capital gain or primarily for income.

None.

D. Schematic Diagram that depicts how the Issuer came to its current state. The diagram should include, but is not limited to, dates of mergers, name changes and any transaction involving issuances of shares.

The exact name of the issuer is Sino Agro Food, Inc.

Date	Event(s)	Notes
July 24, 2007	Acquisition and Merger with Capital Award Inc.	None.
September 5th, 2007	Acquisition of Hang Yu Tai Investment Limited	None.
September 5th, 2007	Acquisition of Macau Eiji Company Limited	None.
September 5, 2007	Acquisition of Triway Industrial Limited (Triway)	None.
October 29, 2008	Triway brought the Livestockfeed manufacturing technology registered under patent # 329722 of China.	None.

Item VI. The nature of products or services offered

Business

We generate revenue through the operation of three of our subsidiaries described in the table below:

Name of subsidiary	**% of equity held**	**Business activities**
Capital Award Inc.	100%	Fishery Development and Consulting • Selling Technology Sub-licenses • Providing fishery consulting services • Selling fishery plants and equipment • Marketing of fish and fish products • Management of fisheries.
ZhungXing Cattle Husbandry Co. Ltd.	78%	Dairy & Cattle ranch for production and sale of: • Fresh liquid milk • Beef cattle • Stock–feed • Fertilizer
Heng Sing Tai Agriculture Development Co. Ltd	75%	Grower of green Dragon Fruit flowers and Processor of Green Dragon Fruit Flowers

CAPITAL AWARD INC.

Capital Award currently engages in the following activities:

- Sublicensing of A Power Technology
- Management and consulting of modern fishery projects

[1] Capital Award did not sell any Sublicense during 2008 due to abandoning for economic reasons for development of two demonstration farms in 2008 as described below. When this plan was put on hold, management decided that it would not be advantageous to continue selling sublicenses without these farms being built on schedule.

A Power Technology

A Power Technology, or "APT," which is a fish growing system and technology including the designs of A Power Integrated Water Treatment System covering all related parts and components and the A Power farm operation's management systems and procedures. The system and technology are based upon a Re-circulating Aquaculture System, or “RAS”. In an APT designed fish growing system, fish are grown in what is called an A Power Module, or “Module.” Fish are grown on land in an enclosed Module under fully controlled conditions. Thus fish growing is not subject to any seasonal variations.

It is an environmental friendly system that recycles all water and waste without having any adverse impact on the environment. It will enable the production and supply of fish within close proximity of the urban area all year round consistently. The RAS has been commercially used in Europe and Australia for the past 30 years and the APT has been commercially used in Australia since 1998. However the RAS and APT systems and technologies are new to the Asian countries including China.

APT is not a patented technology because it is derived from the principles of RAS, but there are many parts and components of the plants and equipment of the APT fish farms that are designed by Capital Award, such as the system’s:

- Solid Waste Filter and Separator
- Micro-Bio Filter for the treatment of insoluble wastes
- Oxygen Injector
- Infrared Heating compartment
- Disinfection Chamber
- Air Blower Configuration
- Designs of the Grow-out Tanks
- Designs of the Quarantine Station
- Designs of the Nursery Station
- Designs of the farm’s fish Storage Tanks

Ours is a unique system in that this technology is coupled with the Farm Operation management systems and supporting services developed by Capital Award, which includes:

- Rotational Stocking of fish and Rotational Harvesting of fish systems designed to stock the growing fish tanks with certain variety of fish of certain age group at a pre-planned timing periodically, thus resulting the harvesting of the grown fish at predetermined time frame to give the farm consistent production of multiple varieties all year round or as and when the markets require
- Standard of quality checking systems designed to ensure constant quality of production and water quality
- Diseases control and prevention system designed to enhance better production cycles of the farms
- Maintenance programs designed to ensure the smooth running of the farms’ equipment
- Training programs designed to ensure the continuous supply of skilled workers with uniform working quality.

A standard APT farm consists of many Modules. The surface area of a Module is 70 square meters (or m2), containing approximately 145 cubic meters (or m3) of water.

The APT system has economic efficiencies in the areas of reduced energy requirement, water usage, labor cost, low fish mortality rates and good conversion rate of yield to feed consumption compares to fish farming using traditional technologies and systems. In China most of the inland fish farms are in open dams measuring at an average of 660 m2 x 2m deep / dam supported by old aeration pumps that often are not functioning with about 10% of these dams in some districts that have good sources of water supplies to supply under- ground fresh water that constantly renewing the dams with clean water, but the balanced 90% of the dams in the country are kept in still water that may be changed every 12 to 18 months supplied through the irrigation channels. Most of the river or big water dam fish farms are in cages measuring at an average of 120 m2 x 1.5m deep / cage subject to the available sizes of the river and big water dams and in normal practice, the sea fish farms are also done by cages similar to river cages. These kinds of aquaculture systems were still sustainable about one decade ago prior to the rapid progress of modernization and industrialization of China, since then, problems of adverse environment impacts caused through these progresses are affecting the aquaculture industry coupled with the rising costs of land, labor, logistic, utilities, feed etc. and the industry’s inability to export its fish and fish products that are substandard quality. It is now a sunset industry that needs revitalization by means of modern technologies and reorganization of industrial structures encouraged by current incentive schemes offered by the China Government.

Based upon management's knowledge of and experience with APT and the operations of many traditional fish farms in China and results obtained from the operations of the APT farms in Australia, management of Capital Award has compiled the following table comparing farms averages using APT system growing fish in Modules and farms using traditional technologies and systems in China:

Items of comparison	**APT Farms**	**Traditional Farms**
Surface area measured for productivity	25 Tons / Year / 70 m2	0.5 Tons / year / 660m2
Water capacity measured for productivity	25 tons /year/ 145 m3	0.5 Tons/year/1320m3
Labor content	One man / 25 Tons / year	One man / 6 tons / year
Water usage	Minimal	100% Changed every year
Energy requirement	2.5% cost of production	No specified records
Quality standard	Can be organic or non-organic Guaranteed free from chemical and pollution Export standard	No consistency Non-export quality
Harvesting	All year round	Once annually
Subjecting to seasonal variation	No	Yes
Subjecting to external predators and diseases	No	Yes
Usage of antibiotics and chemicals	No	Yes
Environmental friendly	Yes	No
Live span of major plants & equipment	25 years or more	Two years
Average Gross profit	60% of sales	No accurate calculation
Averaged mortality rate for the Grow-out	8%	25%
Average of Conversion rate between yielded fish to feed consumption	1Kg of yielded fish results from 1 Kg of feed being consumed.	I Kg. of yielded fish results from 2.5 Kg. of feed being consumed

Sublicensing of A Power Technology

Capital Award has been granted a Master Licensee for APT in China. Infinity Environmental Group, or Infinite, a Belize Incorporation with operation based in Australian that owns a RAS fish farm in Australia, is the inventor and developer of the APT Technology. We were granted our Mater License by Infinite for the territory of China on August 1, 2005 for term of 55 years originally that was amended to 60 years in an supplementary agreement on December 19, 2005. Under the terms of the Agreement with Infinite, we are to pay $5,000 to Infinite for each Module that we develop or sell in China through any Sublicense arrangements or direct development of the Modules. We are required to inform Infinite the number of Modules that have been sold within 30 days from date of sales. We paid to Infinite a performance bond guarantee of $2,500,000 in 2006 representing License Fee covering 500 Modules construed as the minimum performance required of us as the Licensee during the period from August 1, 2006 to July 31, 2008. There was no other specific term governs our performance of sales of the Modules in the Master Licensing within the term of the license. There was no related party involved in the granting of the Master License by Infinite Environmental Group to us.

Under the terms of the Master License, Capital Award is allowed to issue and has been selling Sublicenses in the form of Developer's Licenses that grant the developer of the fish farms the right to develop the fish farms in designated districts in China using the technical know-how of APT under the supervision and management of Capital Award. In this respect we sold over 1,500 modules under 3 sub-licenses collectively over the period of the past three years.

The Developer's Licenses are for terms of 55 years required a payment of $20,000 per Module in 2005 and $25,000 per Module from 2006 and onward. All Sublicenses for Developer's Permits contained terms and conditions similar to the Master License agreement.

We have only sold three Developer's Licenses (with each license to contain 500 Modules) from 2005 to 2007 when we ceased selling these licenses. We only sell Developer's Licenses to companies we deem have the size and financial resources necessary to effectively use the technology. These three customers were:

- “Guangdong Seafood Imports and Exports Co. Ltd. China”, or Guangdong Seafood – established in China for more than 50 years and up to 2006, it was one of the four companies in Guangdong Province, China with the authority to grant Imports and Exports Quotas for the imports and exports of seafood into / from China.
- “Beijing JinHaJin” , or Beijing JinHaJin, a company incorporated in China, has multiple business interest including property development, super-market chain operation and controlling interest in a Public Company listed on the first board of the Hong Kong Stock Exchange.
- “Beijing Hengxintianyi Counseling of Invest Co. Ltd”, (or HengXintianyi), is a company incorporated in China and is a finance and financial advisory company providing financing to commercial businesses.

We can also sell but have not yet sold Operator’s Licenses that permit the operator of the developed fish farms to operate the farms using APT and our management systems and associated support.

The Operator’s Licenses are for terms of 55 years and estimated to be charged out at $15,000 / 15 years per Module. All Sublicenses for Operator’s Licenses will contain terms and conditions similar to the Master License agreement.

Management and Consulting on Fishery Projects in China

Capital Award has its own team of management and staff specializing in the aquaculture industry consisting of designers, engineers, installation builders, building supervisors, fish and marine veterinaries, laboratory scientists, trainers of farm operation, operation supervisors, market and marketing personnel, and general supporting personnel. We also have identified and use additional aquaculture industrial professional sub-contractors .

We provide the following types of consulting services:

- Investigation and viability studies on the layout of the project sites and buildings, water flows designs and types of the building designs and designs of all tank systems, filter systems and related plants and equipment
- Supervision services for the constructional of a farm and
- installation work
- Management and skilled worker training services

Consulting and professional services are charged out based on hourly rates that varied based upon the skill and complexity of the different types of services that are provided. These rates range from $200 to $500 per hour calculated in accordance with the ranking and qualification of our expatriate personnel however for locally recruited personnel their rates are much less.

All services provided by us in recent years were mostly for clients of the Sub-licensees. Services were performed normally upon verbal requests without any formal contracts followed by billings and issuance of receipts accordingly. However there were a few services provided under written contracts over the past years.

Future Fish Farm Development

We intend to locate China partners and together form a Sino Joint Venture Company to develop a fish farm. We anticipate that the following will occur in connection with the development of this fish farm:

- The minimum production capacity of this first demonstration farm in China is 500 Tons of fish per year.
- The China Partner(s), not yet identified, will provide the project land estimated at no less than 5,500 square meters with all basic infrastructure available such as access roads, internal roads, drainages, power, water supply and connections and communications.
- The China partner(s) will provide cash fund up to 40% of the total estimated development capital, including working capital prior to income generation, in the amount of approximately $10 million for a 500 Tons annual capacity farm.
- We shall provide services amounting to about $6 million including but not limited to the Technology Sub-Licenses fees of $2.5 million, related professional services and the supply of part of the required plants and equipment. We intend to fund this amount through internally generated revenues and income generated through this development.

- Farm site: Not yet decided. Currently studying locations within district of Guangdong province and close proximity of GuangZhou City.

We are targeting the following development schedule:

- Formation of the new SJVC for this development on or before year end 2009.
- Commencement of the construction of the farm on or before January 20, 2010.
- Completion of construction of farm on or before December 31, 2010
- First Income generation on or before July 1, 2011.

Suppliers of Raw Materials for the proposed fish farm

Fingerling Stocks and Feed Stocks

Capital Award intends to import for the SJVC during its early years of operation from Australia the majority of its required fingerling stocks and feed stocks to avoid interruption to fish production as much as possible. However, air-lifting of live fingerlings is difficult and needs precise arrangements. Management of Capital Award has identified potential suppliers of fingerlings in Australia and shall make appropriated arrangements in accordance with the time frame referred to the schedule above.

Presently in China, special pathogen free, or SPF, fingerlings in some of the species of fish that we intend to grow in the demonstration farm are not readily available. However the demonstration farm will have a nursery, quarantine station and laboratory to be developed, and Capital Award will provide the training and education of its staff to adapt to the handling and development of SPF fingerlings such that eventually the importation of SPF fingerlings will be reduced. An annual capacity of 500 Tons farm when fully developed will require over 15 million pieces of fingerlings per year within 3 years of operation, and Capital Award is targeting to reduce the importation of fingerling to within 5 million / year on or before the end of 3 year.

In respect of the fish feed supplies, there are many good feed manufacturers available in China. Therefore Capital Award is targeting that after one year of practical production experience of the farm, some reputable manufacturers will be selected to manufacture all of its farms required stock feed.

Sales of Fish

The species of fish intended to be grown in its first demonstration farm at first year of production will consist of some tropical varieties, i.e. fresh and marine water cod family, perch family, barramundi, and Tiger prawns, that we believe will have good niche markets in the Asian markets such that Capital Award is aiming at dividing their sales evenly between export and local domestic markets.

All future fish produced from production farms with which we are associated will have uniform quality standard that will be marketed and promoted under uniform brands and labels at comparable costs that will be supported by collective resources instead of by individual farm.

Local Markets

Capital Award's aim is to produce high quality table fish that are free from chemical and pollution based on sustainable and efficient economic factors. Sales of fish for the China domestic markets will be mainly based on live fish that are traditionally preferred in the Chinese markets for generations. The demands on higher quality fish are increasing rapidly over the recent years due to the improvement of living standards in China especially so in its urban and city regions. Because Chinese wholesalers' and retailers' traditional methods of handling live fish sales by using water from any sources that they can obtain including polluted and unclean sources of water, Capital Award must distribute its farmed fish with associated services to ensure that its fish will be sold in clean and unpolluted environment to maintain their quality standard before they reach to the end consumers. For this reason, Capital Award is planning to establish two distribution centers by 2010 in Guangzhou City and Hong Kong respectively, aiming to sell all fish and fish products produced by Guangzhou Power Agriculture directly to the end consumers' markets of the said localities with supporting services via these two distribution centers. This will be the beginning of Capital

Award's long term marketing strategy of bring its own farmed fish directly from its farms to the end consumers.

Capital Award will be the owners of these distribution centers that will be equipped with live fish and seafood holding tanks, refrigeration storages for the fish products, its direct marketing and sales teams and servicing departments to look after the local end consumers' markets directly. The marketing plan involves the following:

- Sales of a controlled quantity of fish and fish products through the wholesale markets of the localities.
- Local distributors selected to sell our fish and fish products at different designed districts with our own teams will market and sell fish at other districts.
- Establishment of seafood food courts in some of the popular urban centers where our fish and seafood will be supplied by our own supplied outlets set in the compound and served by a number of high quality kitchens of the localities.
- Lease certain retail areas from the supermarket chains to sell our own fish and fish products by our trained personnel to ensure the quality standard of fish and products will be kept at their best and brought by the end consumers with confidence.
- Sell our specially designed and tailor made portion packs of fish and fish products to the airline caterers and cruise ship caterers, such that travelers will be treated with chemical and pollution free fish and fish products.

Sales to the Export Markets

Capital Award also intends to grow organic-fish for the export markets, and intends to do freshly chilled fillets for air lift out to be sold in the wholesale markets of UK, Japan and Spain, with the balance of the processed residues (i.e. bones, heads) to be processed into either fish meals recycled back for the manufacturing of fish feed or canned soups aiming at the local domestic markets.

We believe that there are niche markets available for high quality fish and seafood especially of organic quality in the developed countries' markets where they have established wholesale markets to sell fish by daily auctions and their auctioned prices are available on their respective website each day with corresponding payments to be paid within 7 days from day of auctioned sales. Capital Award will need to organize freight forwarding agents in the designated countries to clear our cargoes from their respective custom departments and to delivery them to the designed wholesale markets to effect the sales accordingly.

Normally the associated added on costs will be well compensated by the much higher corresponding sales prices in these countries. In general, it will not be necessary to have any written contracts to be drawn with the wholesale markets to sell our fish and fish products, but pre-organized arrangements will be established directly by management teams of Capital Award with these wholesale markets in advance.

All of our fish farms that will export their fish and fish products must obtain Export Permits that will meet all stringent health and quality standards and regulation required by the respective importing countries. Once each farm will start production, the farm will start the procedures needed for obtaining these permits which at time may take as long as 8 months to be finalized.

The residues of the filleted fish (i.e. heads and bones) will be frozen and kept under refrigeration for further processing that will be governed by market conditions at the time. For instance if fish meal which is one of the raw materials used to make fish feed becomes expenses to buy, this residue will be processed into fish meals or if we shall accumulate a large quantity of the said residues over a certain period, they will be processed into soup stocks and canned to be sold as fish soup stocks in the retailing markets. Fish soup stocks are frequently prepared by and customarily to the older generation of Chinese who believe that they are one of the best nutritional stocks to bring up young children. We don't intend to have any canning processing line of our own in the earlier years of operation such that the canning processing will be contracted out to the local canning factories.

Future Sale of Fishery Plant and Equipment

Two demonstration fish farms, each of annual production capacity 200 Tons of fish, were planned to be built in China in year 2008, but it was due to the costs of building materials and components were at their highest during 2008 plus the global economic trauma in the late quarters of 2008, management of Capital Award decided to delay the construction to 2009-2010.

In 2008, management of Capital Award studied the feasibility and viability of manufacturing the main parts and components for some of the core plants and equipment of the APT Module in China with a number of Chinese manufacturers and factories, the parts and component were then assembled by Capital Award's own team of workmen. The finished plants and equipment were found comparable to most the imports in quality standard but at cost of saving measuring up to 55% overall. Based upon this experience, Capital Award will manufacture up to 60% of the plants and equipment in China by buying related parts and components in China then assemble them at the fishery project site by its own team of workmen and to sell these plants and equipment to the new SJVCs' fishery projects.

Order Backlog

Currently, there is no backlog of orders in respect of any of Capital Award's sales and services.

Marketing and Sales

Sublicenses

We sold all the sublicenses directly by members of our own team as follows:

- Through the introduction of connections that we made over the years, we made approaches primarily to introduce ourselves and our line of business to the potential clients and to investigate the interest of our potential clients might have in venturing into such a modern aquaculture development project using our APT Technology and systems. Normally this would take a few months with constant follow up activities.
- Once the potential clients were identified, we would investigate their financial status and their commercial performances through various means, tests and procedures to ensure a high percentage rate of success if and when we should spent our ultimate efforts on the selected clients.
- Once the potential client was selected, we would invite and take them and some of the officials from their district Government departments whose service s might be needed in the development of a project to Australia and / or Malaysia and / or Europe where some of the RAS farms are operating to see for themselves the physical operations of the said farms, associated services of the aquaculture industry, government supporting facilities, seafood wholesale markets and distribution services, breeding farms and nursery farms, veterinary services and other related facilities and services.

Management and Consulting Services

Sales of our management and consulting services were generated primarily through the Sub-licensees. Our team coordinates the Sub-licensees directives and we did not need seek jobs all over China.

Competition

There are numerous traditional fish farms operating in China. Many of our existing and potential competitors have substantially greater financial, technical, marketing and distribution resources than we do. Additionally, many of these companies have greater name recognition and more established relationships with our target customers. Furthermore, these competitors may be able to adopt more aggressive pricing policies and offer customers more attractive terms than we can. If we are unable to compete successfully, our business may suffer and our sales cycles could lengthen, resulting in a loss of market share or revenues.

We believe that competition within the industry based principally on a combination of quality, price, design, responsiveness and delivery, reputation, production capacity and after sales customer services. We distinguish ourselves from our competitors by being focused on RAS technology

There are really no competitors in China as far as RAS technology is concerned, we provide and support the APT fishery development with complete services from the designs of a farm's lay-out and farm building's structure to all filtration systems, from the supplies of core plants and equipment to their maintenance services, from training of workers to the full management of operation services and from the importation of SPF fingerlings to the sales and marketing of the farmed fish and fish products. There is no other RAS providers in the China that is providing what we have provided for our clients in China. Our team of management have significant experience in the industry that cover all aspects of the industry including but not limiting to RAS technologies know-how, management of farm operation, training of operators and with extensive knowledge of the markets and sales.

In respect of the sales of our fish, we are competing against sub-standard quality of fish and fish products that are being supplied to the local markets in the multiple of tens of millions of tons per year, however there is really no commercial farm in China producing chemical and pollution free fish or certified organic fish.

Our quality fish and fish products will be competing against high quality imports that are selling at premium prices but consisting of mostly frozen items. We will compete by offering our live or fresh chilled fish and fish products.

We also believe that our cost of saving in building the APT farms in China will greatly reduce the capital investments needed than if they would be built in any other countries. By reducing the development capital, the cost of production and sales of the fish will be reduced, increasing the competitiveness of our fish and fish products against any fish and fish products that would be produced by other RAS farms of any developed nations.

Patents, Trademarks & Licenses

We have no patented or trademarked intellectual property. We were granted a Master License for APT by Infinity Environmental Group for the territory of China in March 2005 for term of 55 years.

Environmental Matters

All new developments in China are required to furnish with an Environmental Impact Study to its local authorities, such that Guangzhou Power Agriculture has submitted the environmental impact study that was prepared by our professional staff for its demonstration farm project to the Environmental Department of China on June 22, 2009. We are expecting that the approval on the Environmental Impact study will be granted within the next four to five weeks.

Research and Development

We have no research and development expenses.

ZHUNGXING CATTLE HBANDRY CO. LTD.

ZhungXing currently engages in the following income generating activities:

- Production and sales of fresh Liquid milk
- Rearing and sales of beef cattle
- Planting of crops for the purpose of further processing into livestock feed
- Processing and packaging and sales of value added dairy products
- Processing and sales of livestock feed
- Processing and sales of fertilizer

These activities are supported by following integrated activities that are not income generating:

- Breeding of cows and cattle
- Veterinary services

Dairy Farm

ZhungXing has established a modern dairy farm equipped with:

- The most up-to-date feed mixing machines and milking equipment
- Efficient housing and supporting facilities for the dairy and breeding cows that can accommodate up to 3,500 cows

- In house-veterinary facilities and services, established with a modern equipped quarantine station that has the capacity to handle up to 2,000 cows
- Significant feed and forages storages areas to handle up to 25,000 Tons of live livestock feed at a time.
- A crop plantation on more than 1,000 acres of land
- Processing factories for the manufacturing of livestock feed and fertilizer.

The farm is currently milking from 3,100 head of cows. Currently ZhungXing has approximately 2,000 acres of land, obtained under "Land Usage Right" Regulations for terms between 30 years to 70 years. Management believes that this large amount of land is a critical factor in ZhungXing's overall operation.

The main dairy farm operation is at FengNing District which is considered by management to be a prime cattle and dairy country that has long daylight to sustain crop plantations up to seven months a. It is only 90 Km away from the Beijing City. Current progress of the construction of a freeway between Beijing and FengNing is schedule to be completed mid-year 2010. When completed, it will take less than 1.5 hours drive to reach FengNing from Beijing. That will save more than half of traveling time presently required and will bring FengNing much faster and easier access to the Beijing City.

ZhungXing's aim is to produce high quality milk and milk products starting from the basic fundamental of producing high quality livestock feed for consumption by its own cows and cattle grown with the supply of organic fertilizer that is manufactured in house on our crop plantations to ensure all our products start from an organic base. On November 2007 ZhungXing's liquid milk was certified by the China Agriculture Authority as "Organic Milk," as such ZhungXing became a commercial organic milk producer in China. As a result, ZhungXing is selling organic milk to value added manufacturers at an average of $515/ton for its fresh liquid milk which is approximately 68% more than the averaged amount of $308/ton that a common dairy farmer is getting for their fresh liquid milk. Whereas the daily wholesale prices of liquid milk (non-organic) in different Provinces of the country are displaced in news papers and the Government information web-site daily but, they do not show prices for organic milk due may be to that the availability of organic milk is too little to establish any averaged representation.

Currently ZhungXing is selling mainly fresh liquid milk in bulk directly to the value added manufacturers who use the milk to make products such as yoghurt, milk candies, cream cheese products and almost 300 other lines of products. Although trials has been carried out on pre-packed milk using the facilities of FengNing Government R & D Institution with test marketing in Beijing City, ZhungXing has no direct milk packaging facility and is not ready yet to enter into the retail markets directly based on a singular product. We are targeting to be in such a position by the end of 2009 after completing the development of our value added processing lines. The first processing line of manufacturing cream cheese products to produce three different varieties of cheese products was completed in May 2009 and trials of the cream cheese products have been launched with the retailers in June 2009. Subjecting to the availability of funds generated from internal revenues, we are planning to establish a packaging facility to portion pack our milk and to increase 5 more varieties of cream cheese products estimated to cost around $5 million within 2010.

The brand name of "YuanTianRan" (meaning Green and Natural) is now registered with the Business Code Department of China to prepare for the future launching of ZhungXing's future value added organic dairy products into the retailing markets. However, we estimate that it will take at least 5 months thereon before commercial production can be achieved and we launch multiple product lines for the retail markets. Presently, we really do not have a large surplus quantity of milk after we maintain the supply up to 75% of our milk to the existing value added processors, such that we are aiming to supply only to two groups of chain stores in the Beijing city with our portion packed organic milk and cream cheese products starting from March 2010 to test the actual market responds before mapping out the next action plans regarding our strategy needed for the retailing markets. We know the markets are available out there for our milk and milk products with over 60 million people in the Beijing City and from our small trialed results, yet the competitions from the big value added processors are very strong in value added milk products, they have deep financial resources, 3 to 4 hundred lines of products and established delivery, sales and servicing systems that we do not have. Therefore we must implement our plan carefully and gradually to ensure profitability that our milk and milk products should deserved. However management's opinion is that the company must create diversified markets for its milk and products and should not be relying totally on the value added processors.

Other Products

ZhungXing also sells part of the livestock feed that is manufactured in house for use to the regional farmers. Raw materials such as corn, sunflowers and various other types of cereal seeds and pasture grass are cut up and mixed by our mixing machines that are designed to mix the exact nutrients needed for the dairy cows or cattle. The livestock feed is stored in our storage facilities that can store 26 thousand tons over the winter period that normally lasts approximately 5 months of the year.

Manure is collected and processed into fertilizer, part of which is sold to the regional farms.

Supplies of Raw Materials

There are many growers in FengNing that grow crops needed for our livestock feed, such as corn, sunflowers and various other types of cereal seeds and pasture grass. We have no contracts with any supplier. We believe external supplies of raw materials for ZhungXing's manufacturing of stockfeed are always readily available. In addition, we secure these crops from our own crop plantations.

We have an adequate internal supply of manure needed for the manufacturing of fertilizer.

Customers

Milk

The four large value added manufacturers to whom ZhungXing supplies bulk liquid milk are:

- TianJin Mu Dairy Co. Ltd.
- Chengde Huang Yuan Dairy Co. Ltd.
- Mengniu Dairy Group
- YiLi Dairy Group

We have no contracts with these customers. Rather, we sell to them based on the best offers of the day received from them.

Livestock feed

There are many smaller farms in our region districts who purchase our livestock feed. Many smaller farmers in the region do not have the storage holding capacity to hold enough livestock feed to feed their livestock through the winter and thus have to buy from us. Our method in selling the livestock feed is traditional Chinese barter trade in which our customers can pay for the livestock feed by means of cash or by their livestock. In this respect we brought more than 1,800 young cows through barter trade in livestock feed in 2008 and we anticipate that this trading pattern will continue for many years.

Currently we are producing more fertilizer than we could use on our own developed land, therefore we sell our fertilizer also using barter trade by supplying the regional farmers with our fertilizer and in return they are given us a share of their harvested produces that we used to manufacture our livestock feed.

These transactions are beneficial to us as much logistic costs are being saved on the deliveries of raw materials and finished products due to the normal practices of the farmers to deliver the raw materials directly to us and pick up the livestock feed by themselves.

Order Backlog

We have no order backlog.

Competition

The dairy business in China is highly competitive. Many of our existing and potential competitors have substantially greater financial, technical, marketing and distribution resources than we do. Additionally, many of these companies have greater name recognition and more established relationships with our target customers. Furthermore, these competitors may be able to adopt more aggressive pricing policies and offer customers more attractive terms than we can. If we are unable to compete successfully, our business may suffer and our sales cycles could lengthen, resulting in a loss of market share or revenues.

Specifically, in China there are a number of big value added dairy companies such as Mengniu Dairy Group and Yili Dairy Group that have significant financial resources and have modern value added productions lines turning out all ranges of dairy product items. However, we believe that but most of these corporations are collecting fresh milk from regional small dairy farmers and own only a small number of dairy farms to supply their own needs. Thus their sourced milk is not uniformly standardized and often requires the added on of undesired materials to increase their nutrient level.

Although ZhungXing will not be able to compete on a national scale with the big value added dairy corporations as far as value added lines of products are concerned, it will compete by remaining a fresh milk supplier to supply high quality organic milk to China's niche market to the significant value added manufacturers. Because of the integrated way we produce milk, we believe we compete against other local sellers of milk based upon quality and purity. We do not believe we face significant competition from the imports because most of the imports are in power form.

In addition, ZhungXing will compete to capture a small sector of the retail markets with a portion of its organic milk and organic milk products. We will compete in this market by presentation of good and consistent quality products made from our organic milk. As far as we know, and after checking with the Agriculture Department, there is no certified commercial producers in China is producing organic milk that makes ZhungXing unique with niche demands.

We will also compete by producing our own livestock feed as, based upon management's experience in the industry, there is not enough high quality and suitable nutritional livestock feed all year round to sustain the production of high quality milk especially in the Northern, West-Northern and East-Northern part of the country where most of the dairy farms are situated, and the small dairy farmers are not getting enough money for their milk in order that they can afford to feed their cows with quality feed and to house their cows in suitable facilities.

Patents, Trademarks & Licenses

ZhungXing does not own any patent, but it has been awarded with the "Organic Milk" certification by the China Agriculture Authority in August 2008 and registered a brand name for its Organic milk namely " Green and Natural" when translated into English with the Business Code Department of China in October 2008.

Environmental Matters

FengNing District is one of the main water supplied sources of Beijing City such that FengNing is an industry free zone without any other types of industry except agriculture. ZhungXing is an agriculture company having compiled to all local environmental regulation and procedures, (for instance: no discharge of any industrial waste, no omission of any toxic material, transportation of manures in proper equipped vehicles etc). So far, the company has not encountered any environmental issues causing concerns of the relevant authorities. We do not anticipate any capital expenditures for environmental control facilities for the remainder of our fiscal year or any future periods.

Research and Development

ZhungXing has not had any research and development expenses in the past year.

Regulatory Environment

In addition to general regulatory matters affecting all businesses operating in China, as discussed below, there are following regulations that govern ZhungXing's business:

ZhungXing was established on March 2006 as a Share Capital Company or SCC, in China and as such its transformation into a Sino Joint Venture Company must be approved by both of the Local Government as well as by the Central Government of China. In this respect the Local Government granted its approval on November 2007. Shareholders of ZhungXing, namely SIAF and Mr. Sun, have been advised by the Central Government that upon conversion to an SJVC, SIAF as its foreign partner and Mr. Sun as its local owner must inject a further approximately $6.7 million and $1.9 million within a period set by the approval authority. Thus, Shareholders of the Company decided to delay the said application to the Central Government until such time SIAF has completed its listing exercise on the OTCBB. As such, until such time the SJVC of ZhungXing has obtained such approval from the Central Government, the China Foreign Exchange Control Act will restrict SIAF's repatriation of its investment in and investment return gained on ZhungXing.

FengNing District's population has the majority of "Muchinian" that is regarded as one of the "Minority Natives" of China. The China Government granted to the "Minority Natives" with special rights in the ownership of land such that some of the agriculture land in FengNing can be owned by persons of such native origins instead of the Government having sole ownership on agriculture land in most of China. Mr. Sun's origin is Muchinian such that up to 85% of ZhungXing's land banks are owned by Mr. Sun contracted out to us under the regulation of "Land Usage Right."

China "Land Contract Laws" stipulate that the parties who use agriculture lands must apply to both of the local and central government to obtain related Land Usage Right that are issued under "Land Used Right Certificates" and given a new tenure of 30 years disregarding how many years left in its original lease when the original holder first given the land by the Government , whereas the original holders are the normally the previous occupants of the farm land that their leases were alienated by the Government to them under the "Land Alienation Law" originated since 1985 bearing tenure of 30 years (for land that the Government have the ownerships) which is renewable subject to the law of "Right of Compulsive Acquisition " of the Government. Lands that are not owned by the Government which is the case in ZhungXing's land, tenure of the "Land Usage Right" certificates could be approved to a period as mutually agreed upon between the owners and the land contractors. In this respect 85% of ZhungXing's lands are issued with respective "Land Used Right Certificates" for tenure up to 70 years.

What is known as the Milk Scare in China due to contaminated milk occurred during the first Quarter of 2009. As a result, most of the Chinese consumers are now fully aware of the water down milk and added on of undesirable material in milk supplied by the value added manufacturers and the stringent new Regulations enforcing on the industry, such as:

- All milk and milk products are being tested by the Health Departments of all districts, cities, and provinces daily at source as well as at retailed outlets.
- Establishment of quality standards for all fresh milk and related products.
- Increases in penalties for breaking the laws applicable to the industry.
- Upgrading health standard in all production farms and factories.
- Upgrading all enforcement systems

Effectively, and since then, consumers are getting much improved quality supply of milk and milk products, although it will take many years before the Chinese will forget the "Milk Scare" of 2009. Out the four biggest milk processors in the country, there are only two remaining operation.

HENG SING TAI AGRICULTURE DEVELOPMENT CO. LTD.

HengSingTai currently engages in the development and planting of Hylocereous Undatus, or HU Plants, commonly known as Dragon Fruits, in Juntang Town, Enping City, Guangdong Province, China. We currently generate revenue by:

- Harvesting the green flowers from the HU Plants before they mature into fruits and sell them as vegetables.

When our new processing facilities are completed, anticipated to be August 2009, we will also generate revenue by:

- Drying, processing and packaging the HU Plant's green flowers to be sold through the year after the fresh green flowers season, which runs from July to November is over.

Harvesting and Sales of HU Plant Green Flowers

HengSingTai has over 1,094 Chinese acres, called Mu, equivalent to approximately 180 acres, of land available for growing and processing HU Plants obtained under Land Usage Right regulation for a term of 30 years commencing May 2007. The land is located in EnPing City in the northwest of Guangdong Province situated along the ZhuJiang Delta Region. It has good freeway access, is 150 Km from the Guangzhou City and 250 Km from Hong Kong or Macau.

EnPing is ideally suited for growing HU Plants because it has a tropical monsoon climate with short winter and long summer. It is warm in winter and cool in summer with abundant rainfall. It is one of the few ideal growing districts for HU Plants left in China that have not been taken over by the progress of industrialization. Before 1989, there were over 100,000 Mu of HU plantation situated among the said growing districts in Guangdong supplied the local and South East Asian markets with HU Flowers and products, and it was due to the Anti-China Trade of the World in 1990 coupled with the industrialization progress of recent years, by 2007 there are less than 3,000 Mu of HU Plantation left in the said old growing districts.

A HU Plant normally takes three years to reach maturity which means that:

- Year 1 plants yield only about 10% of Green Flowers (compared to matured plants).

- Year 2 plants yield about 50% Green Flowers compared to matured plants.

- Year 3 plants are fully matured plants yielding an average of 70,000 green flowers/plant/year over the next 25 years, the expected average of full production life span of a HU plant.

The harvest period of HU Plants in Enping District is between middle of July to middle of November each year divided into approximately 5 harvesting sessions during the period. There is no fixed number days can be predetermined in respect of each harvesting session as the plants have a natural habit of showing on the day straight after the rainy day or days. The Green Flowers must be harvested on those days otherwise they will bloom into colorful flowers that are not accepted in the market as a vegetable.

Out of our Land Use Rights, 285 Mu or approximately 47 acres and 252.3 Mu or approximately 41.5 acres were planted with HU Plants in 2007, that are now reaching two years old, and 2008, that are now reaching one year old respectively. There were no HU Plants planted in 2009 as we focused on the development of our drying and processing facilities.

In 2008, the 47 acres of first year plants showed a yield at an average of 7,500 flowers/Mu/year resulting in total yield of over 2.15 million pieces of flowers being harvested and sold as fresh flowers. In 2009, for the 47 acres of plants in their second year and the 41.5 acres of plants in their first year, based upon our past experience, it is expected that the first session of harvest will start on or before the third week July 2009 with the possible yield of about 10 million pieces of fresh flowers and 1.8 million pieces of fresh flowers from the 47 acres of plants and 41.5 acres of plants respectively.

Future Sales of Dried Flowers Products after the Development of Drying and Processing Facilities

In 2009 HengSengTai began developing a drying and processing facility for the drying and processing of the Green Flowers into value added products such as portion packs in “Steamed and dried flowers,” “ Natural Dried Flowers” and “Favorite Dried flowers” etc). By the mid-June 2009, Stage One development of a drying house to dry up to five tons of fresh Green flowers per day on a 6,600 m2 block land in the compound is almost completed. It is targeted that Stage Two development of a cool room facility and an associated packaging facility to be completed on or before the end of July 2009 such that the processing operation will be in production by August 2009.

We are developing our drying and processing facilities using the traditional drying and processing systems and methods that have been used in the industry in China for decades.

The traditional drying and processing methods are rather simple and straightforward processes as follows:

- All harvested Green Flowers will be stored and kept cool in the cool room while waiting to be processed.

- They will then be steamed in batches at boiling temperature for less than 15 minutes or if for the natural dried flowers that will require washing and grading or if for favored dried flowers that will be aromatically cured after steaming.
- Thereafter they will be sent into the drier to be dried around 140 degree C for about 3 hours and at gradually decreased temperature for another 5 hours.
- Packaging procedures follow.
- They will then be stored and sold through the winter period until next harvest season.

Although these traditional facilities are less expensive to build than facilities using more modern dryers and processors, they are more labor intensive. However, we chose the more traditional methods because:

- Our access to affordable labor pool in Enping District.

- Our experience in the industry with suggests that the end processed products produced by these systems and methods are the most acceptable quality of the local markets.

- These kinds of construction and development which in the agriculture districts are regarded as temporary agriculture construction that do not require regional council approval as long as the village committee of the district was informed accordingly. In this respect, we have the consent of the village committee.

Development Schedule and related matters covering financing and first revenue generating of the dried products

- The first two drying houses and storage and boiling / cooling facilities were completed on July 13, 2009.
- Testing of these two drying houses are being carried out to the third week of July 2009.
- Subject to the said test satisfactorily, first batch of drying will start on the fourth week of July 2009 subjecting to the timing of rain at the time to determine the exact day of harvest.
- We are expecting this sub-harvest session will yield over 250,000 pieces of fresh green flowers, and out of which we intend to dry over 50% of them over 3 days to produce an average of 250 Kg of dried flowers / day totaling to 750 Kg for this sub-session. The other 50% will be sold as fresh flowers in the wholesale markets of Guangzhou City.
- We have currently invested $75,000 for the two drying units and facilities. At this rate if the wholesale prices of dried flowers will hold at an average of $6.15 / Kg (and although current price is at $7.18 / Kg which we think will not last as the heavy harvest seasons approaching).
- On or before end of 2009, we anticipate completing the 10 dried houses and related facilities planned and we are planning to finance this development of dried houses with internally generated revenues.

Marketing and Sales

Fresh and dried flowers of HU Plants are traditionally marketed in China as well as in Asian countries as a form of health food customary to the Chinese population for many centuries.

Because we did not have any drying and processing facilities established in 2008, all Green Flowers harvested in 2008 were sold as fresh vegetables in the wholesale markets around Guangzhou City. The fresh flowers are normally sold to the more than 25 wholesale vegetable markets in Guangzhou City.

There are many wholesalers buying dried and processed flowers directly from the processing factories without any need to sell them through any wholesale markets.

Prices have risen from an average of 2007 was at $4.68/Kg to $5.85/Kg in 2008. Early market pricing in 2009 indicates prices of $7.61/Kg.

All marketing and sales activities are conducted by our own employees.

Order Backlog

There is no backlog order.

Competition

The market in China for HU Plant products is extremely competitive. According to official statistics, at peak time, there are more than 100 companies engaged in HU Plant product production in China and most of these operators source their flowers from their neighboring growers and their own farms.

Our major competitors are Zhao Qing Branch of Guangdong Zhong Dian Imp & Exp Inc. and He Yuan Livestock Imp & Exp Co. Ltd. There are other smaller operators namely Qing Xiang Agricultural Product Co. Ltd., Sheng Yi Food Co. Ltd., Shi Feng Food Development Co. Ltd. and Hua Yao Business Farm. At this juncture, we rank in the bottom levels of these competitors, the larger of which in general have greater financial and personnel resources and have achieved greater market penetration than we have. However, because there are no published statistics concerning our competitors, this is based solely upon management's experience in the industry. We compete by producing quality products in a market in which we believe based upon our experience in the industry that demand will be greater than supply in the foreseeable future.

Patents, Trademarks & Licenses

We have no intellectual property.

Environmental Matters

There are no material effects that compliance with national, regional or and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have upon our capital expenditures, earnings and competitive position. We do not anticipate any capital expenditures for environmental control facilities for the remainder of its our fiscal year or any future periods.

Research and Development

We have no research and development expenditures.

Government Regulation Specific to our Business

One of the incentives granted by the China Government to the agriculture industry which is applicable to HengSingTai is that the transportation of our Fresh Flowers to the markets are exempted from paying the toll fees charged along the highways.

Item VII. The nature and extent of the issuer's facilities

Regulations Concerning Land Ownership and Usage In China

Under the 1982 Constitution, urban land in China is owned by the State and collectives own the rural land. Since the local and central governments administer the rural collectives, it can be construed that all land ownership is under control of the State. However, the Constitution's Amendment Act of 1988 to Article 10 adopted on April 12, 1988, states that a land use right may be transferred in accordance to law. Based on this statement, a land use right becomes divisible from land ownership, thus making land use right likely to be privatized. Individuals, including foreigners can hold long-term leases for land use. They can also own buildings, apartments, and other structures on land, as well as own personal property.

Real estate transfers in China take place in the form of transfer of right to use land. To obtain land-use rights, the land user must sign a land-grant contract with the local land authority and pay a land-grant fee up front. The grantee will enjoy a fixed land-grant term and must use the land for the purpose specified in the land-grant contract. Depending on the type and purposes of land use, the maximum term of a land grant ranges from 40 years for commercial usage, 50 years for industrial purpose, to 70 years for residential use.

The application of "Land Usage Right" on any leased land must be submitted to and approved by many authorities of the local and central government supported by a minimum of 80% of the signatories of its original land leasers who had leased the land from the government before they transfer the land to the new leasers.

Description of properties owned by SIAF group's subsidiaries under "Land Usage Right" (LUR) Regulation

LUR owned by HENG SING TAI AGRICULTURE DEVELOPMENT CO. LTD. **Location**	**Land Area in Mu (Equivalent to 1/6.6 acres)**	**Current Application**	**Zoned agriculture For production of produce.**
LiangXi Town ZhangMuTou	168.5	Growing of HU Flowers	60 years
LiangXi Town ZhangMuTou	368.65 Mu	Growing of HU Flowers	60 Years
LiangXi Town	322 Mu	Growing of HU Flowers	60 Years
DaWan	175 Mu	Growing of HU Flowers	60 years
Sanxiang Middle School	3300 m2	Processing of HU Flowers	60 Years
LUR owned by **ZhungXing Cattle and Husbandry Co. Ltd.** **Location**			
Ba Langgou Village, Hebei Province	160	Dairy Farm operation	30 Years
Ba Langgou Villiage, Hebei Province	3	Office	Industrial
Seventeen Channels Villiage, Hebei Province	420	Dairy Farm operation	44 years
Seventeen Channel Villiage Hebei Province	450	Growing of crops and pasture	44 years
Langwo Channels	6,000	Grazing and undeveloped land	70 years
Langwo Channals	5,000	Grazing and cropping land	

PART B: SHARE STRUCTURE AND ISSUANCE HISTORY

Item VIII. The exact title and class of each class of securities outstanding

Trading Symbol
SIAF.PK (Pink Sheets)

Class of Stock Outstanding	CUSIP Number
Common Stock	829355106
Preferred Stock	N/A

Item IX. Description of the security.

A. Par or stated value.

Class of Stock Outstanding	Par Value
Common Stock	$0.001
Preferred Stock	$0.001

B. Common or Preferred Stock.

General

Our authorized capital consists of 100,000,000 shares of Common Stock, par value $0.001 per share, and 10,000,000 shares of Preferred Stock, par value $0.001 per share.

Common Stock

There are currently 53,241,016 shares of Common Stock issued and outstanding. Each share of our Common Stock is entitled to one vote at all meetings of our stockholders. Our stockholders are not permitted to cumulate votes in the election of directors. All shares of our Common Stock are equal to each other with respect to liquidation rights and dividend rights. There are no preemptive rights to purchase any additional shares of our Common Stock. In the event of our liquidation, dissolution or winding up, holders of our Common Stock will be entitled to receive, on a pro rata basis, all of our assets remaining after satisfaction of all liabilities and preferences of outstanding preferred stock, if any. Neither our Certificate of Incorporation nor our By-Laws contain any provisions which limit or restrict the ability of another person to take over our company; however, our By-Laws do permit our Board of Directors to be classified.

Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock with such designations, rights and preferences as may be determined from time to time by the Board of Directors. Accordingly, the Board of Directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of our Common Stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of The Company. We presently have no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Item X The number of shares or total amount of the securities outstanding for each class of securities outstanding.

Common Stock	**Fiscal Quarter End**	**Fiscal Year End**	**Current**
(i) period end date	September 30, 2009	December 31, 2008	January 20, 2010
(ii) number of shares of authorized	100,000,000	100,000,000	100,000,000
(iii) number of shares outstanding	52,943,519	52,943,519	53,241,016
(iv) freely tradable shares (public float)	13,266,357	13,266,357	13,266,357
(v) the total number of shareholders	5,250	5,250	5,250

Preferred	**Fiscal Quarter End**	**Fiscal Year End**	**Current**
(i) period end date	September 30, 2009	December 31, 2008	December 14, 2009
(ii) number of shares of authorized	500,000	500,000	500,000
(iii) number of shares outstanding	0	0	0
(iv) freely tradable shares (public float)	0	0	0
(v) the total number of shareholders	0	0	0

Item XI List of securities offerings and shares issued for services in the past three (3) years.

	2007	2008	2009

	# of shares	# of shares	# of shares
Opening Balance as at 1st Jan. of the year	32,000,000	52,943,579	52,943,579
Issued from additional paid in capital			
24th July 2007 to existing debenture holders	10,804,579		
24th July 2007 to existing public shareholders	139,000		
Sept. 5th 2007 for acquisition of 100% equity in Macau Eiji Company Limited	2,000,000		
Sept. 5th 2007 for acquisition of 100% equity in HangYuTai Investment Limitada	7,000,000		
Sept. 5th 2007 for acquisition of 100% equity in Triway Industries Limited	1,000,000		
Other issuances	0		392,000
Employees compensation	0		690,437
Rescinding shares returned to treasury	0		-785,000
Total issued and outstanding as at 31st Dec. of the year	52,943,579	52,943,579	53,241,016

During the past three years, we have issued the following securities listed above which were not registered under the Securities Act of 1933, as amended ("Securities Act"):

Issuer's Business Operations and Business Purpose at the time the above shares were issued

Same as described throughout this document.

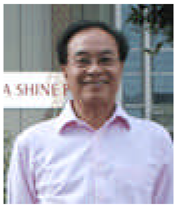
PART C MANAGEMENT AND CONTROL STRUCTURE

Item XII The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Executive Officers, Directors, and Key Personnel

NAME	POSITION
Mr. Lee Yip Kun (Solomon)	Chief Executive Officer Chairman of the Board of Directors
Mr. Tan Poay Teik (Peter)	Director
Mr. Chen Bor Hann (Michael)	Director

Biographies:



Mr. Lee Yip Kun (Solomon)
Chairman and Chief Executive Officer – Solomon is a Pioneer of Modern Fishery Projects in the South Pacific Region, who has over 35 years experience in the Fishery Industry and Food Industry created various sizable projects in the Asian region. Chairman and Chief Executive Officer

Mr. Tan Poay Teik (Peter)
Director – Peter has 28 years of experience in the food Industry and has much practical experience in accounting, strategic planning, merger and joint venture matters and financial management having held directorship in several private limited and public listed companies.

Mr. Chen Bor Hann (Michael)
Director – Michael is Manager of Fishery, Director and Company secretary of SIAF. 13 years of experience in the Fishery Industry, one of the pioneers of CA and RAS Projects in Asia.

Board of Directors

Directors are elected at our annual meeting of shareholders and serve for one year until the next annual meeting of shareholders or until their successors are elected and qualified. We reimburse all directors for their expenses in connection with their activities as directors of the Company. Directors of the Company who are also employees of the Company do not receive additional compensation for their services as directors.

Board Committees and Director Independence

Board and Committees

We currently have four directors. Our Bylaws authorized the Board of Directors to designate from among its members one or more committees and alternate members thereof, as they deem desirable, each consisting of one or more members, with such powers and authority (to the extent permitted by law and these Bylaws) as may be provided in such resolution. No incumbent director attended fewer than seventy-five percent (75%) of the total number of meetings of the Board of Directors held during 2008 or any part of 2009. We do not currently have any committees.

Director Independence

Our determination of independence of our directors is made using the definition of "independent director" contained under NASDAQ Marketplace Rule 4200(a)(15), even though such definitions do not currently apply to us because we are not listed on NASDAQ. Our Chief Executive Officer, Mr. Lee Yip Kun (Solomon) is also our Chairman, and therefore is not "independent" under this rule.

The Pink Sheets on which we have our shares of common stock quoted does not have any director independence requirements. In determining whether our directors are independent, we refer to NASDAQ Stock Market Rule 4200(a)(15). Based on those widely-accepted criteria, we have determined that our Chairman is not independent at this time. Our two other directors are independent as they are not executive officers of our Company.

No member of management is currently required by us to work on a full time basis, although our Chief Executive

Officer currently devotes fulltime to us. Accordingly, certain conflicts of interest may arise between us and our officer(s) and director(s) in that they may have other business interests in the future to which they devote their attention, and they may be expected to continue to do so although management time must also be devoted to our business. As a result, conflicts of interest may arise that can be resolved only through their exercise of such judgment as is consistent with each officer's understanding of his/her fiduciary duties to us.

The Sarbanes-Oxley Act of 2002, as well as rule changes proposed and enacted by the SEC, the New York and American Stock Exchanges and the Nasdaq Stock Market, as a result of Sarbanes-Oxley, require the implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities that are listed on those exchanges or the Nasdaq Stock Market. Because we are not presently required to comply with many of the corporate governance provisions and because we chose to avoid incurring the substantial additional costs associated with such compliance any sooner than legally required, we have not yet adopted these measures.

We do not currently have independent audit or compensation committees. As a result, our directors have the ability, among other things, to determine their own level of compensation. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest, if any, and similar matters and investors may be reluctant to provide us with funds necessary to expand our operations.

We intend to comply with all corporate governance measures relating to director independence as and when required. However, we may find it very difficult or be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management as a result of Sarbanes-Oxley Act of 2002. The enactment of the Sarbanes-Oxley Act of 2002 has resulted in a series of rules and regulations by the SEC that increase responsibilities and liabilities of directors and executive officers. The perceived increased personal risk associated with these recent changes may make it more costly or deter qualified individuals from accepting these roles.

Disclosure Of Commission Position On Indemnification For Securities Act Liabilities

Neither our Articles of Incorporation nor Bylaws prevent us from indemnifying our officers, directors and agents to the extent permitted under the Nevada Revised Statute ("NRS"). NRS Section 78.502, provides that a corporation shall indemnify any director, officer, employee or agent of a corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with any the defense to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to Section 78.502(1) or 78.502(2), or in defense of any claim, issue or matter therein.

NRS 78.502(1) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.
NRS Section 78.502(2) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable pursuant to NRS 78.138; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to

indemnity for such expenses as the court deems proper.

NRS Section 78.747 provides that except as otherwise provided by specific statute, no director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the director or officer acts as the alter ego of the corporation. The court as a matter of law must determine the question of whether a director or officer acts as the alter ego of a corporation.

No pending material litigation or proceeding involving our directors, executive officers, employees or other agents as to which indemnification is being sought exists, and we are not aware of any pending or threatened material litigation that may result in claims for indemnification by any of our directors or executive officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed hereby in the Securities Act and we will be governed by the final adjudication of such issue.

Family Relationships

There are no family relationships between any of our directors or executive officers. There is no arrangement or understanding between any of our directors or executive officers and any other person pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current board of directors. There are also no arrangements, agreements or understandings to our knowledge between non-management shareholders that may directly or indirectly participate in or influence the management of our affairs.

Involvement in Certain Legal Proceedings

To the best of our knowledge, during the past five years, none of the following occurred with respect to a present or former director or executive officer of the Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the commodities futures trading commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Audit Committee Financial Expert

The Company does not have an audit committee or a compensation committee of its board of directors. In addition, the Company's board of directors has determined that the Company does not have an audit committee financial expert serving on the board. When the Company develops its operations, it will create an audit and a compensation committee and will seek an audit committee financial expert for its board and audit committee.

B. Legal/Disciplinary History.

None of the above-named parties have, in the past five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. There entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such party's involvement in any type of business or securities activities.

C. Disclosure of Certain Relationships. Describe any relationships existing among and between the issuer's officers, directors and shareholders. To the extent not otherwise disclosed, describe all relationships and affiliations among and between the shareholders and the issuer, its predecessors, its present and prior officers and directors, and other shareholders.

None.

D. Disclosure of Conflicts of Interest. Describe any related party transactions or conflicts of interests. Provide a description of the circumstances, parties involved and mitigating factors for any related party transactions or executive officer or director with competing professional or personal interests.

None.

Item XIII Beneficial Owners

The following table sets forth information regarding beneficial ownership as of the date of this Information Statement by (i) each Named Executive Officer, (ii) each member of our Board of Directors, (iii) each person deemed to be the beneficial owner of more than five percent (5%) of any class of our common stock, and (iv) all of our executive officers and directors as a group. Unless otherwise indicated, each person named in the following table is assumed to have sole voting power and investment power with respect to all shares of our common stock listed as owned by such person. Unless otherwise noted, the address for each reporting person below is the Company's principal executive office address.

As of the date of this Prospectus, we have 52,843,016 shares of common stock issued and outstanding and no shares of the Series B Preferred Stock issued and outstanding

Name and Position	Shares of Common Stock(1)	Percentage of Class (Common)	Shares of Preferred Stock(1) (2)	Percentage of Class (Preferred)
Mr. Lee Yip Kun (Solomon) Chairman, CEO, (Principal Executive Officer and Principal Financial Officer)	15,120,000	28.61%	0	0

Mr. Tan Poay Teik (Peter) Director	5,400,000	10.21%	0	0
Mr. Chen Bor Hann (Michael) Director	1,080,000	2%	0	0
Note: None of the directors mentioned above are holding shares in their own names, but collectively all 40.82% Equity are held by Capital Adventure Inc. (a Belize incorporation) owned 70%, 25% and 5% by Mr. Solomon Lee Yip Kun, Mr. Tan Poay and Mr. Chen Bor Hann respectively.				
Directors and Officers as a group (3 people)		40.82%	0	0
Footnotes: (1) As of January 20, 2010, we had 53,241,016 shares of our common stock issued and outstanding and 0 shares of our Preferred Stock issued and outstanding, respectively.				

CORPORATE SHAREHOLDERS

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

None.

Item XIV The name of any outside providers that advise the issuer on matters relating to the operations, business development and disclosure. The information should include the advisor(s) name, address, telephone, and email address.

1. Investment Banker;

None.

2. Promoters; Placement Agents

None.

3. Counsel;

SEC Corporate Counsel:

The Sourlis Law Firm
Virginia K. Sourlis, Esq.
214 Broad Street
Red Bank, New Jersey 07701
Phone: (732) 530-9007
Fax: (732) 530-9008
Email: Virginia@SourlisLaw.com
www.sourlislaw.com

4. *Accountant or Auditor - The information should clearly describe if an outside accountant provides audit or review services, state the work done by the outside accountant, describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.).*

Accountant/Auditor

Madsen & Associates CPAs, Inc.
30600 Telegraph Rd.
Suite 2175
Bingham Farms, MI 48025

Responsibilities:

Pre-audit work, Preparation Assistance with Company's Financial Statements

Licensing and Qualifications to perform such duties on behalf of the Issuer:

Certified Public Accountant

5. *Public Relations Consultant(s)*

None.

6. *Investor Relations Consultant(s)*

Chad Sykes
14830 Forest Lodge Dr.
Houston, TX 77070

7. *Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation - the information should include the advisor(s)' telephone number and email address.*

None.

PART D FINANCIAL INFORMATION

Item XV. Adequate disclosure of the issuer's (or its predecessor's) current financial position, which should include the most recent fiscal year and any interim quarters.

A. *The following Financial Statements are attached at the end of this Information Statement:*

1) Unaudited Financial Statements for the year ended December 31, 2008.

2) Unaudited Financial Statements for the nine months ended September 30, 2009.

The President of the Issuer herein certifies that the attached financial statements and the notes thereto, present fairly, in all material respects, the financial position of the issuer and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

B. The issuer should provide a summary of the types of information that the Company will provide to security holders in the future and the schedule for providing this information.

Financial Information will be updated and posted quarterly and annually on the Pink Sheets News Service.

This Information Statement will be updated periodically to reflect any and all material changes to our business and operations.

Item XVI. Similar financial information for such part of the 2 preceding fiscal years as the issuer or its predecessor has been in existence.

Included in the Financial Statements presented in Item XV.

Item XVII Management's Discussion and Analysis or Plan of Operation.

Forward Looking Statements

Some of the statements contained in this information statement that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this prospectus, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition; and
- General economic conditions.

All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Sino Agro Food, Inc. (SIAF.PK) is an agricultural business focused on developing, producing and distributing high quality agricultural products throughout the People's Republic of China (PRC).

In the PRC, the rapid progress of industrialization over the last decade has created an imbalance with regards to the needs of the agriculture industry, i.e. diminishing supply of useful agriculture land, scarcity of farm laborers, industrial pollution and the generally over usage of chemical etc. In response to the industry's current needs, the PRC Government has in recent years directed many incentive programs and policies directed towards revitalization and modernization of the agriculture industry. Current programs have been tailored towards protection of agriculture land, stringent laws in governing the ownership and usage of agriculture land, tax free incentive applying to incomes generated from the industry and enforcing environmental friendly developments, to name a few.

Our management possesses many years of practical and professional experience in all sectors relating to the agriculture industry. Great timing came in 2004, where we were able to identify many opportunities available to develop agricultural ventures in the PRC.

The Company intends to focus on meeting the increasing demand of China's rising middle class for gourmet and high quality food. Currently in production, our current lines of business include fisheries, dairies, and agricultural production of capers and sod with the direct association of modern fishery and cultivation technologies.

Our shares of common stock are traded on the Pink Sheets under the ticker symbol "SIAF.PK."

Corporate History

Sino Agro Food, Inc. (formerly known as A Power Agro Agriculture Development, Inc. and previously known as Volcanic Gold, Inc.) (the "Company") is an International Business Corporation incorporated on October 1, 1974 in the State of Nevada, United States of America. The shares that are listed are publicly tradable comprise currently the un-restricted shares which are quoted on the Pink Sheets under the ticker symbol of "SIAF.PK". The Company was dormant without any business activity up until August 24, 2007 when a Merger and Acquisition exercise between the Company and Capital Award, Inc. ("CA") was officially completed under its original name of Volcanic Gold, Inc. which name was changed to A Power Agro Agriculture Development, Inc.

On December 8, 2007, the Company officially changed its name to Sino Agro Food, Inc. On September 5, 2007, the Company made further acquisitions by acquiring three existing businesses in the People's Republic of China ("PRC") by acquiring of: a) Hang Yu Tai Investmento Limitada ("HYT"), a Macau incorporated company, the owner of 78% equity stake in ZhongXing Agriculture and Husbandry Co. Limited. ("ZX"); b) Tri-way Industries Limited ("TRW"), a Hong Kong incorporated company, the owner of 30% equity stake of TianQuan Science Technology Co. Limited. ("TQST") and c) Macau EIJI Company Limitada ("MEIJI"), a Macau incorporated company, the owner of 75% equity stake in Hang Sing Tai Agriculture Co. Limited. ("HST"). With these acquisitions, the Company became an ultimate holding company with its business operations located in the PRC.
The Company is headquartered in the USA with an operating office established in Guangzhou China on December 13, 2007.

Statement from our auditor Madsen & Associates CPAs, Inc.

"We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United State). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor have we been engaged to perform, an audit of its internal control over financial reports. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examination, on test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion."

Statement from our Financial Management Team (Internal Accountants)

"In agreement of the Company's auditor's opinion that the Company's financial statements referred to herein present fairly, in all material respects, the financial position of SIAF and subsidiaries as at December 2007's audited report and 2008 and 2009's management accounts the results of its operation, and its cash flow for each of the year ended 31st December 2007, 2008 and 2009, in conformity with the accounting principles generally accepted in United State of America."

Results of Operations

Results of Operations for the Years Ended December 31, 2009 compared to December 31, 2008

Assets. Our total assets were $83,082,592 at December 31, 2009 compared to $75,211,285 as of December 31, 2008 This increase of assets from 2008 to 2009 was primarily as a result of the growth in net earnings.

Liabilities. Our total liabilities were $16,391,231 at December 31, 2009 compared to $24,167,890 at December 31, 2008. This decrease was primarily due to the improvement of the Company's cash flows during the years.

Total Stockholders' Equity. Our stockholders' equity was $66,691,361 at December 31, 2009 compared to $51,043,395 at December 31, 2008. This increase in deficit was primarily due to an increase in common stock issued and outstanding.

Gross Profits. For the fiscal year ended December 31, 2009, we had a gross profit of $11,769,763 compared to a gross profit of $7,786,961 for the fiscal year ended December 31, 2008. This increase was due to increase on productivities, Higher sales margins/profits and direct production costs being reduced to an efficient level due to more crops being grown and harvested internally instead of having to buy and sources raw materials from externally sources, also as the maturity of our HU Plantations and our cows reaching better yield cycles that also help to increase productivity while their basic cost of upkeep would increase only marginally at a rate much lower the rate of growth. Managements of the Company is expecting this trend to be sustained for the coming years.

Our net income from operation was $9,596,964 and $4,057,179 for the fiscal years ended December 31, 2009 and 2008, respectively. This increase from 2008 to 2009 was due to an increased profit margin from 2008 to 2009.

Interest expense was 298,602 and $96,528 for the years ended December 31, 2009 and 2008, respectively, an increase of $202,074. The increase is due to an increase in debt facilities.

Summary of Significant Accounting Policies (Taken from Notes to Financial Statements)

2.1 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("US GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

2.2 FISCAL YEAR

The company has adopted December 31 as its fiscal and financial year-end.

2.3 BASIS OF CONSOLIDATION

Subsidiary companies are wholly-owned subsidiaries, namely CA, HYT, TRW and MEIJI which in turn own, ZX , HST and TQST which are enterprises controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of the enterprises so as to obtain benefits from their activities. HST and TQST have been officially approved as Sino Joint Venture Companies (SJVCs) on December 17, 2007 and December 18, 2007 respectively by the relevant authorities of PRC. Once approval are granted, the China Central Bank will provide SJVC with an approved foreign currency bank account to govern all movements (imports and exports) of the foreign currency made by the SJVC .

Reverse merger

Effective August 24, 2007 , CA, a Belize Corporation, completed a reverse merger transaction with SIAF; a public shell into which CA merger pursuant to which SIAF acquired all the outstanding common stock of CA from Capital Adventure, a shareholder of CA for 32,000,000 shares of the company's common stock. Although legally the issuing publicly tradable entity is regarded as the parent and the private entity is regarded as the subsidiary, the legal subsidiary is the acquirer if it has the power to govern the financial and operating policies of the legal parent so as to obtain benefits from its activities. For accounting purposes, CA is considered the accounting acquirer. Accordingly, the reverse merger was accounted for as recapitalization of CA and the assets and liabilities of the company have been recorded using CA historical values and the shareholders of CA received approximately 100% of the post reverse merger common stock of SIAF. In addition, the historical shareholders equity of CA prior to the reverse merger has been retroactively restated (recapitalization) for the equivalent number of shares received in acquisition. The consolidated retained earnings of CA have been carried forward after the reverse merger.

Under reverse merger, the consolidated financial statements shall be issued under the name of the legal parent, but described in the notes as a continuation of the financial statements of the legal subsidiary (ie: the acquirer for accounting purposes). Because such consolidated financial statements represent a continuation of the financial statements of the legal subsidiary:

(a) the assets and liabilities of the legal subsidiary shall be recognized and measured in those consolidated financial statements at their pre-combination carrying amounts.

(b) the retained earnings and other equity balances recognized in those consolidated financial statements shall be the retained earnings and other equity balances of the legal subsidiary immediately before the business combination.

(c) the amount recognized as issued equity instruments in those consolidated financial statements shall be determined by adding to the issued equity of the legal subsidiary immediately before the business combination the cost of the combination determined. However, the equity structure appearing in those consolidated financial statements (ie the number and type of equity instruments issued) shall reflect the equity structure of the legal parent, including the equity instruments issued by the legal parent to effect the combination.

(d) comparative information presented in those consolidated financial statements shall be that of the legal subsidiary.

2.3 BASIS OF CONSOLIDATION

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The consolidated financial statements are prepared on the basis of subsidiaries and unconsolidated equity investee acquired by the Company on September 5, 2007, and profits up to this date are recognized as pre-acquisition profits and profits thereafter are recognized as post-acquisition profits. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries are accounted for by the parent at cost less any allowance for impairment. Acquisitions are accounted for using the purchase / acquisition method of accounting for HYT, TRW and MEIJI. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Minority interests represent the portion of profit or loss (where attributable) and net assets in ZX, HST and TQST not held by the Group and are presented separately in the consolidated statements of income and balance sheets respectively.

2.4 BUSINESS ACQUISITION

(a) HYT and ZX Group acquisition

On September 5, 2007, the Company made further acquisitions by acquiring of Hang Yu Tai Investmento Limited ("HYT"), a Macau incorporated company, the owner of 78% equity stake in ZhongXing Agriculture and Husbandry Co. Ltd. ("ZX"). The results of ZX's operations have been included in the consolidated financial statements of the Company since that date. The aggregate purchase price was $17,760,099 including $10,000,000 of cash and common stock valued at $7,7610,099

2.5 PROPERTY, PLANT AND EQUIPMENT AND IMPAIRMENT OF ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalization when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalization. The assets' residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at each financial year-end.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Milk cows 10 years

Plant and machinery 5 - 10 years

Leasehold improvements 10 years

Motor vehicles 5 -10 years

Furniture, fixtures and equipment 2.5 - 10 years

An item of property, plant and equipment is written upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of income in the period the item is disposed.

2.6 CONSTRUCTION IN PROGRESS

Construction in progress represents direct costs of construction as well as acquisition and design fees incurred. Capitalization of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided until construction is completed and the asset is ready for its intended use.

2.7 LAND USE RIGHTS

Land use rights represent acquisition of land use right rights of agriculture land from farmers and are amortized on the straight line basis over their respective lease periods. The lease period of agriculture land are in the range from 30 years to 60 years.

2.8 OTHER ASSETS

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with SFAS No.144, "Accounting for the Impairment of Disposal of Long-Lived Assets." Factors we consider important which could trigger an impairment review include, but are not limited to, significant underperformance relative to expected or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, a significant decline in our stock price for a sustained period, or a significant decline in our market capitalization relative to net book value. An asset is considered impaired if its carrying amount exceeds its fair market value. We assess the recoverability of our long-lived assets by determining whether the unamortized balances can be recovered through undiscounted future net cash flows of the related assets. The amount of impairment, if any, is measured based on projected discounted future net cash flows using a discount rate reflecting our average cost of capital.

2.9 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- sale of goods – revenue is recognized when goods are delivered and title has passed and when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer;
- service fee – revenue is recognized when services have been rendered to a buyer by reference to stage of completion;
- license fee – income is recognized on the accrual basis in accordance with the underlying agreements; and
- dividends – revenue is recognized when the shareholders' right to receive the payment is established.

2.10 TRADE AND OTHER RECEIVABLES

Trade receivables in general, which are non-interest bearing and generally have 2 to 30 day terms, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables due from Government related contracts (primarily receivable of TQST) generally have a 180 day terms, are recognized and carried at original invoice less an allowance for any uncollectible amounts, if any.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

2.11 INVENTORIES

Inventories are valued at the lower of cost and net realizable value.
Costs incurred in bringing each product to its location and conditions are accounted for as follows:

- raw materials – purchase cost on a weighted average basis;
- manufactured finished goods and work-in-progress – cost of direct materials and labor and a proportion of manufacturing overheads based on normal operation capacity but excluding borrowing costs; and
- retail and wholesale merchandise finished goods – purchase cost on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 EQUITY METHOD INVESTMENTS

Investee entities in which the company can exercise significant influence, but not control, are accounted for under the equity method of accounting. Under the equity method of accounting, the company's share of the earnings or losses of these companies is included in net income.

A loss in value of an investment that is other than a temporary decline is recognized as a charge to operations. Evidence of a loss in value might include, but would not necessarily be limited to absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment.

The company holds indirectly a 30% equity investment in TianQuan Science and Technology Co Ltd

2.13 INCOME TAXES

We account for income taxes under an asset and liability approach that requires the expected future tax consequences of temporary differences between book and tax basis of assets and liabilities be recognized as deferred tax assets and liabilities. Generally accepted accounting principles require us to evaluate the realizability of our net deferred tax assets on an ongoing basis. A valuation allowance is recorded to reduce the net deferred tax assets to an amount that will more likely than not be realized. Significant factors considered by management in assessing the need for a valuation allowance include our historical operating results, the length of time over when the differences will be realized, tax planning opportunities and expectations for future earnings. In the consideration of the realisability of net deferred tax assets, recent losses must be given substantially more weight than any projections of future profitability. The Company's consolidated earnings are not subjected to income tax of Nevada USA. Its branch office in china is primarily an administration office looking after its subsidiaries' operations in China will not derive profit so as to cause income tax to arise in China. However the PRC Government will impose Income Tax on all foreign owned offices operating in China including the Company's representative office in GuangZhou, China based on the following formulas:

Income = All expenses paid or incurred by its representative office in China will be multiplied 1.172 times

Income tax payable = 5% x Income

This means if your China office expense is USD 100, the income will be deemed USD 117.20 and taxed at 5% or USD 5.86.

The Company's income are derived through its subsidiaries and associate such that its consolidated earnings will incur income tax payable in accordance with the tax law of Nevada USA, if any. Its subsidiaries' incomes are subject to income tax of respective country where the subsidiaries were incorporated.

CA is a international business company incorporated in Belize, and its earnings are not subjected to income tax, The Company has an associated office in China. However, all sales invoicing were raised by its representative office in Malaysia for its sales outside of Malaysia and as such income received in its offshore bank account, and thus does not result in any tax being imposed as a result of its trading and servicing activities in China nor Malaysia, which tax is imposed on a territorial basis and not on a worldwide basis.

Accordingly, no necessity to provide for income taxes in the CA's 2004 to 2007 financial statements which position is confirmed by the respective CPA firms in Malaysia and China.

Upon the commencement of the development of the fishery project, CA will participate as a foreign partner in a Sino Joint Venture Company (SJVC) to be incorporated in China. As a foreign partner of the SJVC the Company will officially be allowed to repatriate all capital investments invested and corresponding earnings earned from China but subject to whatever income tax payable in China then. However, the PRC Government has allowed income tax concession for agriculture, aquaculture and high technology industries starting from January 1, 2008 that will cap CA's income tax at a minimum and maximum rate of 5 to 13% respectively.

Since year 2006, the Government of China has exempted sales tax of all primary produce and related value added products derived from the agriculture or husbandry or aquaculture industry, and provided much incentive schemes to encourage the developments of the industries. New tax legislation of China has been effective from January 2008 to allow the agriculture, husbandry and aquaculture sectors with free income tax, free sales tax and free value added tax. Therefore no enterprise income taxes are provided in the financial statements of CA, ZX, and HST.
Net income from unconsolidated equity investee (TQST) of the company is not subjected to income tax for the year and will not be taxable even though the investment is sold. Therefore no China Enterprise income tax and deferred tax have been provided in the financial statements.

The Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109) that requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between income tax basis and financial reporting basis of assets and liabilities. Provision for income taxes consist of taxes currently due plus deferred taxes. Since the Company had no operations within the United States there is no provision for US income taxes and there are no deferred tax amounts as of December 31, 2007.

The charge for taxation is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probably that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company adopted FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), as of January 1, 2007. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no affect on the Company's financial statements.

2.14 GOODWILL

The company accounts for goodwill and intangible assets in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 requires that good will and other intangibles with indefinite lives tested for impairment annually or an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value..

Goodwill represents that the excess of the purchase price over the fair value of net assets acquire in business acquisitions. SFAS No.142 requires that goodwill be tested for impairment at reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests when circumstances indicate that the recoverability of the carrying amount of goodwill may of reporting units, assign be in doubt. Application of the goodwill impairment test requires judgment, including the identification of reporting unit. Significant judgments required to estimate the fair value of a reporting unit include estimating future cash flows, determining appropriate discounts rates and other assumptions. Changes in these estimates and assumptions or the occurrence of one or more confirming events in future periods could cause the actual results or outcomes to materially differ from such estimates and could also affect the determination of fair value and/ or goodwill impairment at future reporting dates. The company performs its impairment test annually during the fourth quarter of the fiscal year. During the year ended December 31, 2006, the Company decided to recognize impairment loss on goodwill of $19,657,157 immediately as the result of reverse merger with the CA. During the year ended December 31, 2007, the Company decided to recognize impairment loss on goodwill of $6,786,942 immediately as the result of business acquisition with the HYT group.

Impairment losses recognized for goodwill are not subsequently reversed.

2.15 IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with SFAS No. 144, "Long-Live Assets", the Company reviews the carrying value of other long-lived assets for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of long-lived assets is measured by comparison of their carrying amounts to be undiscounted cash flows that the assets or assets group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any exceeds its fair market value. The Company determined that there was no impairment of long-lived assets as of December 31, 2007 and December 31, 2006.

2.16 TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortized cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are non-interest bearing and are normally settled on 7 to 60 day terms.

2.17 FOREIGN CURENCY TRANSACTIONS AND TRANSLATIONS

The Company uses Renminbi (RMB) as the functional currency and United States Dollars (US$) as the reporting currency. Transactions denominated in other than reporting currency are translated into US$ at the average rate of exchange for the year. Monetary assets and liabilities denominated in other than reporting currency are translated into US$ at rates of exchange at the balance sheet dates. Exchange differences are reported in equity and classified as other comprehensive income.

2.18 CONCENTRATION OF CREDIT RISK

Our cash and cash equivalents and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are deposited with financial institutions that we believe are of high credit quality. Our customers are selected based on the quality of their credit standing. The directors of the Company, subsidiaries and associate apply a strict credit policy when extending credit so as to mitigate risks associated with delinquent or bad debts notwithstanding that credit may be concentrated in the names of a few customers in the case of CA, ZX, HST and TQST. To date there are no incidence of any material doubtful and or bad debts due to the strict assessment of credit worthiness of customers.

2.19 EARNINGS PER SHARE

The Company reports earnings per share in accordance with the provisions of SFAS 128, "Earnings per Share." SFAS 128 requires presentation of basic and diluted earnings per share in conjunction with the disclosure of the methodology used in computing such earnings per share. Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average common shares outstanding during the period

The equity structure appearing in the consolidated financial statements prepared following a reverse merger reflects the equity structure of the legal parent, including the equity instruments issued by the legal parent to effect the business combination.

For the purpose of calculating the weighted average numbers of common stockholders outstanding (the denominator) during the period in which the reverse merger occurs:

(a) the number of common shares outstanding from the beginning of that period to the reverse merger date shall be deemed to be the number of common shares issued by the legal parent to the owners of the legal subsidiary; and

(b) the number of ordinary shares outstanding from the reverse merger date to the end of that period shall be the actual number of common shares of the legal parent outstanding during that period.

The basic earnings per share disclosed for each comparative period before the reverse merger date that is presented in the consolidated financial statements following a reverse merger shall be calculated by dividing the income or loss of the legal subsidiary attributable to common stockholders in each of those periods by the number of common shares issued by the legal parent to the owners of the legal subsidiary in the reverse merger date.

On the assumption that there were no changes in the number of the legal subsidiary’s issued common shares during the comparative periods and during the period from the beginning of the period in which the reverse merger occurred to the reverse merger date. The calculation of earnings per share shall be appropriately adjusted to take into account the effect of a change in the number of the legal subsidiary’s issued common shares during those periods.

Diluted earnings per share takes into account the potential dilution (using the treasury stock method) that could occur if securities or other contracts to issue common stock were exercised and converted into common stock.

2.20 RETIREMENT BENEFIT COSTS

PRC state managed retirement benefit programs are defined contribution scheme and the payments to the scheme are charged as expenses when employees have rendered service entitling them to the contribution.

2.21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2.22 STOCK-BASED COMPENSATION

At December 31, 2007 and December 31, 2006, the Company had no stock-based compensation plans.

2.23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107 (SFAS 107), "Disclosures about Fair Value of Financial Instruments" requires disclosure of the fair value of financial instruments held by the Company. SFAS 107 defines the fair value of financial instruments as the amount at which the instrument could be exchanged in a current transaction between willing parties. The Company considers the carrying amount of cash, accounts receivable, other receivables, accounts payable, accrued liabilities, other payables and line of credit to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest.

Recent Accounting Pronouncements

2.24 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The Company does not expect any recent accounting pronouncements to have a material effect on the Company's financial position, results of operations, or cash flows.

In September 2006, FASB issued SFAS No. 157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. The adoption of SFAS No. 157 is not expected to have a material effect on the Company's consolidated balance sheets and consolidated statement of income.

In February 2007, the FASB released SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities", which is effective for fiscal years beginning after November 15, 2007. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The adoption of SFAS No. 159 is not expected to have a material effect on the Company's consolidated balance sheet and consolidated statement of income.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations". This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which SFAS No. 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the Statement. That replaces SFAS No. 141's cost-allocation process, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values. The Statement retains the guidance in SFAS No. 141 for identifying and recognizing intangible assets separately from goodwill. SFAS 141(R) will now require acquisition costs to be expensed as incurred, restructuring costs associated with a business combination must generally be expensed prior to the acquisition date and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, which is the Company's 2009 fiscal year. Earlier adoption is prohibited.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements", which is an amendment of Accounting Research Bulletin ("ARB") No. 51 ("SFAS 160"). This statement clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This statement changes the way the consolidated income statement is presented, thus requiring consolidated net income to be reported at amounts that include the amounts attributable to both parent and the noncontrolling interest. This statement is effective for the fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 will change the accounting and reporting for minority interests, which will be classified as a component of equity. Early adoption is not permitted. Management is currently evaluating the impact this standard may have on the company's consolidated operating results and financial position upon adoption.

In April 2008, the FASB issued FSP FAS 142-3 "Determination of the useful life of Intangible Assets", which amends the factors a company should consider when developing renewal assumptions used to determine the useful life of an intangible asset under SFAS142. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. SFAS 142 requires companies to consider whether renewal can be completed without substantial cost or material modification of the existing terms and conditions associated with the asset. FSP FAS 142-3 replaces the previous useful life criteria with a new requirement—that an entity consider its own historical experience in renewing similar arrangements. If historical experience does not exist, then the Company would consider market participant assumptions regarding renewal including 1) highest and best use of the asset by a market participant, and 2) adjustments for other entity-specific factors included in SFAS 142. The adoption of FSP FAS 142-3 did not have a material impact on the Company's financial statements.

In May 2008, the FASB issued SFAS 162, "The Hierarchy of Generally Accepted Accounting Principles." This Statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the "GAAP hierarchy"). SFAS 162 did not have any effect on the Company's financial statements.

In October 2008, the FASB issued FSP FAS 157-3, "Determining the Fair Value of a Financial Asset in a Market That Is Not Active" (FSP 157-3), which clarifies the application of SFAS 157 when the market for a financial asset is inactive. Specifically, FSP 157-3 clarifies how (1) management's internal assumptions should be considered in measuring fair value when observable data are not present, (2) observable market information from an inactive market should be taken into account, and (3) the use of broker quotes or pricing services should be considered in assessing the relevance of observable and unobservable data to measure fair value. The Company adopted the provisions of FSP 157-3, which did not impact Company's financial position or results of operations.

In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly". FSP FAS 157-4 amends SFAS 157 and provides additional guidance for estimating fair value in accordance with SFAS 157 when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. This FSP shall be applied prospectively with retrospective application not permitted. This FSP shall be effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity early adopting this FSP must also early adopt FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments". Additionally, if an entity elects to early adopt either FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" or FSP FAS 115-2 and FAS 124-2, it must also elect to early adopt this FSP. We are currently evaluating this new FSP but do not believe that it will have a significant impact on the determination or reporting of our financial results.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2. This FSP amends SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," SFAS 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," and EITF 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," to make the other-than-temporary impairments guidance more operational and to improve the presentation of other-than-temporary impairments in the financial statements. This FSP will replace the existing requirement that the entity's management assert it has both the intent and ability to hold an impaired debt security until recovery with a requirement that management assert it does not have the intent to sell the security, and it is more likely than not it will not have to sell the security before recovery of its cost basis. This FSP provides increased disclosure about the credit and noncredit components of impaired debt securities that are not expected to be sold and also requires increased and more frequent disclosures regarding expected cash flows, credit losses, and an aging of securities with unrealized losses. Although this FSP does not result in a change in the carrying amount of debt securities, it does require that the portion of another-than-temporary impairment not related to a credit loss for a held-to-maturity security be recognized in a new category of other comprehensive income and be amortized over the remaining life of the debt security as an increase in the carrying value of the security. This FSP shall be effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may early adopt this FSP only if it also elects to early adopt FSP FAS 157-4. Also, if an entity elects to early adopt either FSP FAS 157-4 or FSP FAS 107-1 and APB 28-1, the entity also is required to early adopt this FSP. We are currently evaluating this new FSP but do not believe that it will have a significant impact on the determination or reporting of our financial results. In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1. This FSP amends SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," to require disclosures about fair value of financial instruments not measured on the balance sheet at fair value in interim financial statements as well as in annual financial statements. Prior to this FSP, fair values for these assets and liabilities were only disclosed annually. This FSP applies to all financial instruments within the scope of SFAS 107 and requires all entities to disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments. This FSP shall be effective for interim periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may early adopt this FSP only if it also elects to early adopt FSP FAS 157-4 and FSP FAS 115-2 and FAS 124-2. This FSP does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending after initial adoption. We are currently evaluating the disclosure requirements of this new FSP.

2.25 ACCUMULATED OTHER COMPREHENSIVE INCOME

SFAS No. 130, "Reporting Comprehensive Income", establishes standards for reporting and displaying comprehensive income (loss) and its components in financial statements. Comprehensive income (loss) is defined as the change in stockholders' equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The comprehensive income (loss) for all periods presented includes both the reported net income (loss) and net change in cumulative translation adjustments.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources and would be considered material to investors. Certain officers and directors of the Company have provided personal guarantees to our various lenders as required for the extension of credit to the Company.

PART E: EXHIBITS

Item XVIII Material Contracts.

None.

Item XIX Articles of Incorporation and Bylaws.

A. Articles of Incorporation

See attached.

B. Bylaws

See attached.

Item XVIII **Material Contracts.**

None.

Item XIX **Articles of Incorporation and Bylaws.**

A. Articles of Incorporation

See attached.

B. Bylaws

See attached.

Item XX **Issuer's Certifications.**

I, Solomon Lee, certify that:

1. I have reviewed this initial disclosure statement of Sino Agro Food, Inc., a Nevada corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, and is not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly represent in all material respects, the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

January 20, 2010 By: ....

Mr. Lee Yip Kun (Solomon)
Chief Executive Officer & Chairman

PART F MISCELLANEOUS

Item XXI. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

The following table provides information with respect to any purchase made by or on behalf of the issuer or any "Affiliated Purchaser" of shares or other units of any class of the issuer's equity securities. The term "Affiliated Purchaser" means:

1. Any person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or

2. Any affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however*, that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer's or director's participation in the decision to authorize purchases by or on behalf of the issuer.

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plan or Programs	Column (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
As of the date of this Information Statement	None	n/a	None	n/a
As of the end of the issuer's most recent fiscal quarter	None	n/a	None	n/a
As of the issuer's most recent fiscal year end.	None	n/a	None	n/a

Item XXII Whether the broker or dealer or any associated person is affiliated, directly or indirectly with the issuer.

None.

Item XXIII Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so, the name of such broker or dealer

None.

Item XXIV Whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person.

None.