FORM 10-Q

Sino Agro Food, Inc. - N/A

Filed: November 14, 2017 (period: September 30, 2017)

Quarterly report with a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarter ended September 30, 2017
OR

☐ TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________________ to ____________________________

Commission file number: **000-54191**

SINO AGRO FOOD, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**33-1219070**
(State of Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
Room 3801, Block A, China Shine Plaza **No. 9 Lin He Xi Road** **Tianhe District, Guangzhou City, P.R.C.**	**510610**
(Address of Principal Executive Offices)	(Zip Code)

(860) 20 22057860
(Registrant's Telephone Number, Including Area Code)

Copies to:
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1185 Avenue of the Americas, 37th Floor
New York, NY 10036
Attn: Marc Ross, Esq.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of September 30, 2017 there were 27,811,573 shares of our common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SINO AGRO FOOD, INC. AND SUBSIDIARIES

QUARTERLY FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

INDEX TO QUARTERLY FINANCIAL REPORT

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors and Stockholders of
Sino Agro Food, Inc.
(Incorporated in the State of Nevada, United States of America)

We have reviewed the consolidated balance sheets of Sino Agro Food, Inc. and subsidiaries as of September 30, 2017 and December 31, 2016, the related consolidated statements of income and other comprehensive income for the three-months periods ended September 30, 2017 and 2016, and the nine-month periods ended September 30, 2017 and 2016, and cash flows for the nine-month periods ended September 30, 2017 and 2016. This interim financial information is the responsibility of the company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

/s/ ECOVIS David Yeung Hong Kong

Hong Kong
November 11, 2017

SINO AGRO FOOD, INC.
CONSOLIDATED BALANCE SHEETS

	Note	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	7	$ 1,865,684	$ 2,576,058
Inventories	8	80,345,197	62,592,272
Costs and estimated earnings in excess of billings on uncompleted contracts	22	1,249,187	740,984
Deposits and prepayments	9	93,935,479	84,845,966
Accounts receivable, net of allowance for doubtful accounts	10	105,155,243	122,912,086
Other receivables	11	58,789,381	47,120,800
Total current assets		341,340,171	320,788,166
Plant and equipment			
Plant and equipment, net of accumulated depreciation	12	207,621,360	189,727,227
Construction in progress	14	41,509,210	35,157,213
Land use rights, net of accumulated amortization	15	54,504,006	53,673,690
Total plant and equipment		303,634,576	278,558,130
Other assets			
Goodwill	16	724,940	724,940
Proprietary technologies, net of accumulated amortization	17	9,719,678	10,090,697
Interests in unconsolidated equity investees	18	144,519,533	139,133,443
Long term investments	19	753,352	720,773
Temporary deposits paid to entities for investments in Sino joint venture companies	20	15,644,998	15,644,998
Total other assets		171,362,501	166,314,851
Total assets		$ 816,337,248	$ 765,661,147
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses		$ 12,552,569	$ 8,789,324
Billings in excess of costs and estimated earnings on uncompleted contracts	22	5,602,681	2,630,752
Due to a director		850,274	2,070,390
Other payables	23	5,095,113	5,962,092
Borrowings - Short term bank loan	24	1,506,705	2,883,090
Negotiable promissory notes	25	368,462	1,113,140
Income tax payable		1,227	1,130
		25,977,031	23,449,918
Non-current liabilities			
Other payables	23	22,184,443	11,192,117
Borrowings - Long term bank loan	24	6,026,819	5,766,182
Notes payable		20,058,798	21,314,877
		48,270,060	38,273,176
Commitments and contingencies		-	-
Stockholders' equity			
Preferred stock: $0.001 par value (10,000,000 shares authorized, 100 shares issued and outstanding as of September 30, 2017 and December 31 , 2016, respectively)			
Series A preferred stock: $0.001 par value (100 shares designated, 100 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively)	26	-	-
Series B convertible preferred stock: $0.001 par value (10,000,000 shares designated, 0 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively)	26	-	-
Series F Non-convertible preferred stock: $0.001 par value (1,000,000 shares designated, 0 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively)	26	-	-
Common stock: $0.001 par value (50,000,000 shares authorized, 27,811,573 and 22,726,859 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively)	26	27,811	22,727
Additional paid - in capital		168,193,890	155,741,280
Retained earnings		467,117,365	454,592,652
Accumulated other comprehensive income		2,209,103	(4,335,355)
Treasury stock	26	(1,250,000)	(1,250,000)
Total Sino Agro Food, Inc. and subsidiaries stockholders' equity		636,298,169	604,771,304
Non - controlling interest		105,791,988	99,166,749
Total stockholders' equity		742,090,157	703,938,053

Total liabilities and stockholders' equity	$ 816,337,248	$ 765,661,147

The accompanying notes are an integral part of these consolidated financial statements.

SINO AGRO FOOD, INC.
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Continuing operations					
Revenue					
- Sale of goods		$ 45,414,562	$ 88,280,225	$ 150,564,890	$ 207,057,021
- Consulting and service income from development contracts		2,978,371	23,062,838	16,167,636	54,727,215
- Commission and management fee		-	314,517	-	1,049,199
	3	48,392,933	111,657,580	166,732,526	262,833,435
Cost of goods sold	3	(39,612,509)	(69,021,740)	(128,230,874)	(158,360,354)
Cost of services	3	(2,234,070)	(12,450,460)	(11,016,962)	(35,377,800)
Gross profit		6,546,354	30,185,380	27,484,690	69,095,281
General and administrative expenses		(3,254,065)	(4,741,193)	(15,133,146)	(12,368,561)
Net income from operations		3,292,289	25,444,187	12,351,544	56,726,720
Other income (expenses)					
Government grant		-	-	457,288	1,617,615
Other income		4,468	1,305,147	4,468	210,929
Interest expense		(331,596)	(1,013,094)	(1,561,908)	(3,155,277)
Net income (expenses)		(327,128)	292,053	(1,100,152)	(1,326,733)
Net income before income taxes		2,965,161	25,736,240	11,251,392	55,399,987
Provision for income taxes	4	-	-	-	-
Net income		2,965,161	25,736,240	11,251,392	55,399,987
Share of income from unconsolidated equity investee		1,379,672	-	5,452,523	-
Net income from continuing operations		4,344,833	25,736,240	16,703,915	55,399,987
Less: Net (income) loss attributable to non - controlling interest		(893,985)	(7,211,538)	(4,179,202)	(18,171,791)
Net income from continuing operations attributable to the Sino Agro Food, Inc. and subsidiaries		3,450,848	18,524,702	12,524,713	37,228,196
Discontinued operations					
Net income from discontinued operations		-	2,900,128	-	12,288,230
Less: Net income attributable to non - controlling interest		-	(132,353)	-	(820,973)
Net income from discontinued operations attributable to the Sino Agro Food, Inc. and subsidiaries		-	2,767,775	-	11,467,257
Net income attributable to Sino Agro Food and subsidiaries		3,450,848	21,292,477	12,524,713	48,695,453
Other comprehensive income (loss)					
- Foreign currency translation gain (loss)		569,938	(1,793,042)	8,555,686	(4,975,721)
Comprehensive income		4,020,786	19,499,435	21,080,399	43,719,732
Less: Other comprehensive (income) loss attributable to non - controlling interest		(983,217)	226,668	(2,011,228)	963,215
Comprehensive income attributable to the Sino Agro Food, Inc. and subsidiaries		$ 3,037,569	$ 19,726,103	$ 19,069,171	$ 44,682,947
Earnings per share attributable to the Sino Agro Food, Inc. and subsidiaries common stockholders:					
From continuing and discontinued operations					
Basic	28	$ 0.14	$ 1.04	$ 0.62	$ 2.45
Diluted	28	$ 0.15	$ 0.95	$ 0.63	$ 2.24
From continuing operations					
Basic	28	$ 0.14	$ 0.91	$ 0.62	$ 1.81
Diluted	28	$ 0.15	$ 0.81	$ 0.63	$ 1.72
Weighted average number of shares outstanding:					
Basic		24,231,617	20,376,225	20,309,014	19,900,082
Diluted		26,357,758	22,754,892	22,496,396	22,434,847

The accompanying notes are an integral part of these consolidated financial statements.

SINO AGRO FOOD, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Nine months ended September 30, 2017		Nine months ended September 30, 2016
Cash flows from operating activities				
Net income for the period				
- Continuing operations	$	16,703,915	$	55,399,987
- Discontinued operations		-		12,288,230
Adjustments to reconcile net income for the period to net cash from operations:				
Share of income from unconsolidated equity investee		(5,452,523)		-
Depreciation		6,997,754		3,406,801
Amortization		2,020,253		1,483,625
Common stock issued for services		4,083,724		2,354,153
Other amortized cost arising from convertible notes and others		2,074,106		2,509,296
Changes in operating assets and liabilities:				
Increase in inventories		(17,752,925)		(2,207,149)
Increase in cost and estimated earnings in excess of billings on uncompleted contacts		(508,203)		(250,828)
Increase in deposits and prepaid expenses		(2,395,890)		(9,202,525)
(Decrease) increase in due to a director		(1,220,116)		299,243
Increase in accounts payable and accrued expenses		3,763,245		5,749,473
Increase in other payables		10,125,347		14,573,279
Decrease/(increase) in accounts receivable		17,756,843		(84,654)
Increase (decrease) in billings in excess of costs and estimated earnings on uncompleted contracts		2,971,929		(7,053,426)
Increase in other receivables		(11,668,581)		(17,205,037)
Net cash provided by operating activities		27,498,878		62,060,468
Cash flows from investing activities				
Purchases of property and equipment and non-current assets held for sale		(14,552,588)		(9,773,377)
Interests in unconsolidated equity investees		-		(150,806)
Payment for construction in progress		(7,073,340)		(47,834,113)
Net cash used in investing activities		(21,625,928)		(57,758,296)
Cash flows from financing activities				
Convertible note payable repaid through director's account		(1,500,000)		(7,676,760)
Negotiable promissory notes repaid through director's account		(900,000)		-
Long term debts repaid		--		(823,526)
Short term bank loan repaid		(1,448,462)		(3,849,707)
Short term bank loan raised		-		6,738,544
Capital contribution from non-controlling interest		434,809		-
Net cash used in financing activities		(3,413,653)		(5,611,449)
Effects on exchange rate changes on cash		(3,169,671)		3,132,646
(Decrease) increase in cash and cash equivalents		(710,374)		1,823,369
Cash and cash equivalents, beginning of period		2,576,058		7,229,197
Cash and cash equivalents, end of period	$	1,865,684	$	9,052,566
Supplementary disclosures of cash flow information:				
Cash paid for interest	$	280,532	$	224,059
Cash paid for income taxes	$	-	$	-
Non - cash transactions				
Common stock issued for services and employee compensation	$	403,650	$	7,963,889
Common stock issue for debts issue and trade facilities	$	12,054,044	$	5,764,207
Common stock purchased back for cancellation		-		(5,820,000)
Transfer to plant and equipment from construction in progress	$	1,506,705	$	1,443,313
Transfer to plant and equipment from deposits and prepayments	$	5,484	$	1,350,000

The accompanying notes are an integral part of these consolidated financial statements.

SINO AGRO FOOD, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sino Agro Food, Inc. (the "**Company**" or "**SIAF**") (formerly known as Volcanic Gold, Inc. and A Power Agro Agriculture Development, Inc.) was incorporated on October 1, 1974 in the State of Nevada, United States of America.

The Company was engaged in the mining and exploration business but ceased its mining and exploring business on October 14, 2005. On August 24, 2007, the Company entered into a Merger and Acquisition Agreement with Capital Award Inc., a Belize corporation (" **CA**") and its subsidiaries Capital Stage Inc. ("**CS**") and Capital Hero Inc. ("**CH**"). Effective the same date, CA completed a reverse merger transaction with SIAF. SIAF acquired all the outstanding common stock of CA from Capital Adventure, a shareholder of CA, for 3,232,323 shares of the Company's common stock.

On August 24, 2007 the Company changed its name from Volcanic Gold, Inc. to A Power Agro Agriculture Development, Inc. On December 8, 2007, the Company changed its name to Sino Agro Food, Inc.

On September 5, 2007, the Company acquired three existing businesses in the People's Republic of China (the **"P.R.C."**):

(a) Hang Yu Tai Investment Limited (" **HYT**"), a company incorporated in Macau, the owner of 78% equity interest in ZhongXingNongMu Ltd ("**ZX**"), a company incorporated in the P.R.C.;

(b) Tri-way Industries Limited ("**TRW**"), a company incorporated in Hong Kong; and

(c) Macau Eiji Company Limited ("**MEIJI**"), a company incorporated in Macau, the owner of 75% equity interest in Enping City Juntang Town Hang Sing Tai Agriculture Co. Ltd. ("**HST**"), a P.R.C. corporate Sino-Foreign joint venture. HST was dissolved in 2010.

On November 27, 2007, MEIJI and HST established a corporate Sino - Foreign joint venture, Jiang Men City Heng Sheng Tai Agriculture Development Co. Ltd. (" **JHST**"), a company incorporated in the P.R.C. with MEIJI owning a 75% interest and HST owning a 25% interest.

On November 26, 2008, SIAF established Pretty Mountain Holdings Limited ("**PMH**"), a company incorporated in Hong Kong with an 80% equity interest. On May 25, 2009, PMH formed a corporate Sino-Foreign joint venture, Qinghai Sanjiang A Power Agriculture Co. Ltd. (" **SJAP** "), incorporated in the P.R.C., of which PMH owns a 45% equity interest. At the time, the remaining 55% equity interest in SJAP was owned by the following entities:

- Qinghai Province Sanjiang Group Company Limited (English translation) ("**Qinghai Sanjiang**"), a company incorporated in the P.R.C with major business activities in the agriculture industry; and
- Guangzhou City Garwor Company Limited (English translation) ("**Garwor**"), a company incorporated in the P.R.C., specializing in sales and marketing.

SJAP is engaged in the business of manufacturing bio-organic fertilizer, livestock feed and development of other agriculture projects in the County of Huangyuan, in the vicinity of the Xining City, Qinghai Province, P.R.C.

In September 2009, the Company carried out an internal reorganization of its corporate structure and business, and formed a 100% owned subsidiary, A Power Agro Agriculture Development (Macau) Limited ("**APWAM**"), which was formed in Macau. APWAM then acquired PMH's 45% equity interest in SJAP. By virtue of the acquisition, APWAM assumed all obligations and liabilities of PMH under the Sino Foreign Joint Venture Agreement. On May 7, 2010, Qinghai Sanjiang sold and transferred its equity interest in SJAP to Garwor. The State Administration for Industry and Commerce of Xining City Government of the PRC approved the sale and transfer. As a result, APWAM owned 45% of SJAP and Garwor owned the remaining 55%

On September 9, 2010, an application was submitted by the Company to the Companies Registry of Hong Kong for deregistration of PMH under Section 291AA of the Hong Kong Companies Ordinance. On January 28, 2011, PMH was dissolved.

On March 23, 2017, new investor, Qinghai Quanwang Investment Management Co., Limited (English translation) ("**Quanwang**") a company incorporated in the P.R.C., introduced additional capital of $435,414 into SJAP. As a result, APWAM owned 41.25% of SJAP , Garwor owned the remaining 50.45%., and Quanwang owned the remaining 8.30%. This remains the case as of the date of this report (the "**Report**").

1. CORPORATE INFORMATION (CONTINUED)

On February 15, 2011 and March 29, 2011, the Company entered into an agreement and a memorandum of understanding (an "**MOU**"), respectively, to sell 100% equity interest in HYT group (including HYT and ZX) to Mr. Xin Ming Sun, a director of ZhongXingNong Nu Co., Ltd for $45,000,000, with effective date of January 1, 2011.

On February 28, 2011, the Company applied to form Enping City Bi Tao A Power Prawn Culture Development Co Limited (" **EBAPCD**"), and the Company would indirectly own a 25% equity interest in future Sino Joint Venture Company (pending approval).

On February 28, 2011, TRW applied to form a corporate joint venture, Enping City Bi Tao A Power Fishery Development Co., Limited (" **EBAPFD**"), incorporated in the PRC. TRW owned a 25% equity interest in EBAPFD. On November 17, 2011, TRW formed Jiang Men City A Power Fishery Development Co., Limited ("**JFD**") in which it acquired a 25% equity interest, while withdrawing its 25% equity interest in EBAPFD. As of December 31, 2011, the Company had invested for total cash consideration of $1,258,607 in JFD. JFD operates an indoor fish farm. On January 1, 2012, the Company acquired an additional 25% equity interest in JFD for total cash consideration of $1,662,365. As of January 1, 2012, the Company had consolidated the assets and operations of JFD. On April 1, 2012, the Company acquired an additional 25% equity interest in JFD for the total cash consideration of $1,702,580. These acquisitions were at our option according the terms of the original development agreement. The Company owned a 75% equity interest in JFD, representing majority of voting rights and controls its board of directors. On August 15, 2016, the acquisition agreement was executed by TRW for acquiring the other 25% equity in JFD which was a Sino Foreign Joint Venture Co. that TRW had 100% equity interest with effect on October 5, 2016. Upon the acquisitions of 3 additional prawn farms assets at fair value of $238.32 million from respective third parties and the master technology license at fair value of $30 million from Capital Award, Inc. by JFD, and the consideration of the above acquisitions were planned to be settled by the new issue shares of 99,990,000 TRW shares at $3.41 amounting to $340.53 million on or before March 31, 2017. As a result, SIAF's equity interest in TRW was diluted from 100% to 23.89% with effective on October 5, 2016. The above transactions leaded the Company loss of control over TRW group, the Company's investments in TRW and JFD were reclassified from a subsidiary to investments in unconsolidated equity investees as of October 5, 2016. The dilution of the Company's investments in TRW group constituted a deemed disposal of the subsidiaries. On October 1, 2016, SIAF took up all assets and liabilities of TRW and JFD except fish farm. The deemed gain on disposal of $56,947,005 was recorded in net income from discontinued operations of the consolidated statements of income and other comprehensive income of the Company for the year ended 31 December 2016. The Company intends to convert the amount due from and into equity interest in its unconsolidated equity investee ($40,788,236) during the fourth quarter 2017, which would result in an equity interest in TRW increasing from its current 23.89% to 36.60%.

On April 15, 2011, MEIJI applied to form Enping City A Power Cattle Farm Co., Limited (" **ECF**"), all of which the Company would indirectly own a 25% equity interest on November 17, 2011. On January 1, 2012, the Company had invested $1,076,489 in ECF and the amount was settled in contra against accounts receivable due from ECF. On September 17, 2012 MEIJI formed Jiang Men City Hang Mei Cattle Farm Development Co., Limited ("**JHMC**") and acquired additional 50% equity interest for the total cash consideration of $2,944,176 on September 30, 2012 while withdrawing its 25% equity interest in ECF. This acquisition was at our option according to the terms of the original development agreement. The Company presently owns 75% equity interest in JHMC, representing majority of voting right and controls its board of directors. As of September 30, 2012, the Company had consolidated the assets and operations of JHMC. Up to September 30, 2017, MEIJI further invested $400,000 in JHMC.

On July 18, 2011, the Company formed Hunan Shenghua A Power Agriculture Co., Limited (" **HSA**"), in which the Company owns a 26% equity interest, and SJAP owns a 50% equity interest with the Chinese partner owning the remaining 24%. As of September 30, 2017, MEIJI and SJAP total investment in HSA were $857,808 and 629,344, respectively.

On November 12, 2013, the Company acquired a shell company, Goldcup9203 AB, incorporated in Sweden, in which the Company owns a 100% equity interest. Goldcup 9203 AB changed its name to Sino Agro Food Sweden AB (publ) (" **SAFS**"). As of June 30, 2017, the Company invested $77,664 in SAFS. During the year ended December 31, 2016, SAFS changed from a public to a private company.

SJAP formed Qinghai Zhong He Meat Products Co., Limited ("**QZH**") , with SJAP would owning 100% equity interest. As of March 31, 2017, the SJAP's total investment in QZH was $4,645,489.

The Company's principal executive office is located at Room 3801, Block A, China Shine Plaza, No. 9 Lin He Xi Road, Tianhe District, Guangzhou City, Guangdong Province, P.R.C., 510610.

The nature of the operations and principal activities of the Company and its subsidiaries are described in Note 2.2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 FISCAL YEAR

The Company has adopted December 31 as its fiscal year end.

2.2 REPORTING ENTITIES

Name of subsidiaries	Place of incorporation	Percentage of interest	Principal activities
Capital Award Inc. ("CA")	Belize	100% (12.31.2016: 100%) directly	Fishery development and holder of A-Power Technology master license.
Capital Stage Inc. ("CS")	Belize	100% (12.31.2016: 100%) indirectly	Dormant
Capital Hero Inc. ("CH")	Belize	100% (12.31.2016: 100%) indirectly	Dormant
Sino Agro Food Sweden AB ("SAFS")	Sweden	100% (12.31.2016: 100%) directly	Dormant
Macau Eiji Company Limited ("MEIJI")	Macau, P.R.C.	100% (12.31.2016: 100%) directly	Investment holding, cattle farm development, beef cattle and beef trading
A Power Agro Agriculture Development (Macau) Limited ("APWAM")	Macau, P.R.C.	100% (12.31.2016: 100%) directly	Investment holding
Jiang Men City Heng Sheng Tai Agriculture Development Co. Ltd ("JHST")	P.R.C.	75% (12.31.2016: 75%) indirectly	HylocereusUndatus Plantation ("HU Plantation").
Jiang Men City Hang Mei Cattle Farm Development Co., Limited ("JHMC")	P.R.C.	75% (12.31.2016:75%) indirectly	Beef cattle cultivation
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	P.R.C.	76% (12.31.2016:76%) indirectly	Manufacturing of organic fertilizer, livestock feed, and beef cattle and sheep cultivation, and plantation of crops and pastures
Name of variable interest entity	Place of incorporation	Percentage of interest	Principal activities
Qinghai Sanjiang A Power Agriculture Co., Ltd ("SJAP")	P.R.C.	41.25% (12.31.2016: 45%) indirectly	Manufacturing of organic fertilizer, livestock feed, and beef cattle and plantation of crops and pastures
Qinghai Zhong He Meat Products Co., Ltd ("QZH")	P.R.C.	100% (12.31.2016: 100%)indirectly	Cattle slaughter
Name of unconsolidated equity investees	Place of incorporation	Percentage of interest	Principal activities
Tri-way Industries Limited ("TRW")	Hong Kong, P.R.C.	23.89% (12.31.2016: 23.89%) directly	Investment holding, holder of enzyme technology master license for manufacturing of livestock feed and bio-organic fertilizer and has not commenced its planned business of fish farm operations.
Jiang Men City A Power Fishery Development Co., Limited ("JFD")	P.R.C	100% (12.31.2016: 100%) indirectly	Fish cultivation

* This represents stockholding percentage of total equity.

In addition, according to investment agreement between QZH and QQI, (i) QQI only enjoyed interest 6% annually on its capital contribution and did not enjoy any profit distribution; (ii) investment period was 3 years only, and (iii) SJAP shared 100% (12.31.2016: 100%) on profit or loss after deduction 6% interest to QQI and enjoyed 100% (12.31.2016: 100%) voting rights of QZH's board and stockholders meetings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 BASIS OF PRESENTATION

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("**US GAAP** ").

Reverse stock split and new conversion rate of Series B preferred stock to share of common stock on December 16, 2014, the Company implemented a 9.9-for-1 reverse stock split. On December 17, 2014, the Company implemented new conversion rate of 9.9 for 1 share of common stock. All share information contained within this report, including consolidated balance sheets, consolidated statements of income and other comprehensive income, and footnotes have been retroactively adjusted for the effects of reverse stock split and new conversion rate of Series B preferred stock to share of common stock.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company, its subsidiaries CA, CS, CH, MEIJI, JHST, JHMC, HSA, APWAM, SAFS and its variable interest entity SJAP and QZH. All material inter-company transactions and balances have been eliminated in consolidation.

SIAF, CA, CS, CH, MEIJI, JHST, JHMC, HSA, APWAM, SAFS, SJAP and QZH are hereafter referred to as (the "Company").

2.5 BUSINESS COMBINATION

The Company adopted the accounting pronouncements relating to business combination (primarily contained in ASC Topic 805 "Business Combinations"), including assets acquired and liabilities assumed on arising from contingencies. These pronouncements established principles and requirement for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquisition as well as provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. In addition, these pronouncements eliminate the distinction between contractual and non-contractual contingencies, including the initial recognition and measurement criteria and require an acquirer to develop a systematic and rational basis for subsequently measuring and accounting for acquired contingencies depending on their nature. The Company's adoption of these pronouncements will have an impact on the manner in which it accounts for any future acquisitions.

2.6 NON - CONTROLLING INTEREST IN CONSOLIDATED FINANCIAL STATEMENTS

The Company adopted the accounting pronouncement on non-controlling interests in consolidated financial statements, which establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This guidance is primarily contained in ASC Topic "Consolidation." It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated financial statements. The adoption of this standard has not had material impact on the Company's consolidated financial statements.

2.7 USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with US GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods covered thereby. Actual results could differ from these estimates. Judgments and estimates of uncertainties are required in applying the Company's accounting policies in certain areas. The following are some of the areas requiring significant judgments and estimates: determinations of the useful lives of assets, estimates of allowances for doubtful accounts, cash flow and valuation assumptions in performing asset impairment tests of long-lived assets, estimates of the realization of deferred tax assets and inventory reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 REVENUE RECOGNITION

The Company's revenue recognition policies are in compliance with ASC 605. Sales revenue is recognized when all of the following have occurred: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the price is fixed or determinable, and (iv) the ability to collect is reasonably assured. These criteria are generally satisfied at the time of shipment when risk of loss and title passes to the customer.

Government grants are recognized when (i) the Company has substantially accomplished what must be done pursuant to the terms of the grant that are established by the local government; and (ii) the Company receives notification from the local government that the Company has satisfied all of the requirements to receive the government grants; and (iii) the amounts are received.

Multiple-Element Arrangements

To qualify as a separate unit of accounting under ASC 605-25 "*Multiple Element Arrangements*", the delivered item must have value to the customer on a standalone basis. The significant deliverables under the Company's multiple-element arrangements are consulting and service under development contract, commission and management service.

Revenues from the Company's consulting and services under development contracts are performed under fixed-price contracts. Revenues under long-term contracts are accounted for under the percentage-of-completion method of accounting in accordance with the Financial Accounting Standards Board ("**FASB**") Accounting Standards Codification ("**ASC**") Topic 605, *Revenue Recognition* ("ASC 605"). Under the percentage-of-completion method, the Company estimates profit as the difference between total estimated revenue and total estimated cost of a contract and recognize that profit over the contract term. The percentage of costs incurred determines the amount of revenue to be recognized. Payment terms are generally defined by the installation contract and as a result may not match the timing of the costs incurred by the Company and the related recognition of revenue. Such differences are recorded as either costs or estimated earnings in excess of billings on uncompleted contracts or billings in excess of costs and estimated earnings on uncompleted contracts. The Company determines a customer's credit worthiness at the time an order is accepted. Sudden and unexpected changes in a customer's financial condition could put recoverability at risk.

The percentage of completion method requires the ability to estimate several factors, including the ability of the customer to meet its obligations under the contract, including the payment of amounts when due. If the Company determines that collectability is not assured, the Company will defer revenue recognition and use methods of accounting for the contract such as the completed contract method until such time as the Company determines that collectability is reasonably assured or through the completion of the project.

For fixed-price contracts, the Company uses the ratio of costs incurred to date on the contract to management's estimate of the contract's total costs, to determine the percentage of completion on each contract. This method is used as management considers expended costs to be the best available measure of progression of these contracts. Contract costs include all direct material, subcontract and labor costs and those indirect costs related to contract performance, such as supplies, tool repairs and depreciation. The Company accounts for maintenance and repair services under the guidance of ASC 605 as the services provided relate to construction work. Contract costs incurred to date and expected total contract costs are continuously monitored during the term of the contract. Changes in job performance, job conditions, and estimated profitability arising from contract penalty, change orders and final contract settlements may result in revisions to the estimated profit ability during the contract. These changes, which include contracts with estimated costs in excess of estimated revenues, are recognized as contract costs in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. At the point the Company anticipates a loss on a contract, the Company estimates the ultimate loss through completion and recognizes that loss in the period in which the loss was identified.

The Company does not provide warranties to customers on a basis customary to the industry, however, customers can claim warranty directly from product manufacturers for defects in equipment or products. Historically, the Company has experienced no warranty claims.

The Company provides various management services to its customers in the P.R.C. based on a negotiated fixed-price contract. The clients usually pay the fees when the services contract is signed and services are rendered. The Company recognizes these services-based revenues from contracts when (i) management services are rendered; (ii) clients recognize the completion of services; and (iii) collectability is reasonably assured. Fees received in advance are recorded as deferred revenue under current liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 COST OF GOODS SOLD AND COST OF SERVICES

Cost of goods sold consists primarily of direct purchase cost of merchandise goods, and related levies. Cost of services consist primarily direct cost and indirect cost incurred to date for development contracts and provision for anticipated losses for development contracts.

2.10 SHIPPING AND HANDLING

Shipping and handling costs related to cost of goods sold are included in general and administrative expenses, which totaled $1,716, $2,988, $17,862 and 17,272 for the three months and the nine months ended September 30, 2017 and 2016, respectively.

2.11 ADVERTISING

Advertising costs are included in general and administrative expenses, which totaled $382,424, $382,596, $1,386,186 and $1,163,547 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

2.12 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are included in general and administrative expenses, which totaled $449,910, $0, $449,910 and $0 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

2.13 FOREIGN CURRENCY TRANSLATION AND OTHER COMPREHENSIVE INCOME

The reporting currency of the Company is the U.S. dollars. The functional currency of the Company is the Chinese Renminbi (RMB).

For those entities whose functional currency is other than the U.S. dollars, all assets and liabilities are translated into U.S. dollars at the exchange rate on the balance sheet date; shareholders' equity is translated at historical rates and items in the statements of income and of cash flows are translated at the average rate for the period. Because cash flows are translated based on the average translation rate, amounts related to assets and liabilities reported in the statements of cash flows will not necessarily agree with changes in the corresponding balances in the balance sheets. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of shareholders' equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of income and comprehensive income, as incurred.

Accumulated other comprehensive income in the consolidated statement of shareholders' equity amounted to $2,643,911 as of September 30, 2017 and $(4,335,355) as of December 31, 2016. The balance sheet amounts with the exception of equity as of September 30, 2017 and December 31, 2016 were translated using an exchange rate of RMB 6.64 to $1.00 and RMB 6.94 to $1.00, respectively. The average translation rates applied to the statements of income and other comprehensive income and of cash flows for the nine months ended September 30, 2017, and 2016 were RMB 6.80 to $1.00 and RMB 6.58 to $1.00, respectively.

2.14 CASH AND CASH EQUIVALENTS

The Company considers all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. Cash and cash equivalents kept with financial institutions in the P.R.C. are not insured or otherwise protected. Should any of those institutions holding the Company's cash become insolvent, or should the Company become unable to withdraw funds for any reason, the Company could lose the cash on deposit with that institution.

2.15 ACCOUNTS RECEIVABLE

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Reserves are recorded primarily on a specific identification basis.

The standard credit period for most of the Company's clients is three months. The collection period over 1 year is classified as long-term accounts receivable. Management evaluates the collectability of the receivables at least quarterly. Provision for doubtful accounts as of September 30, 2017 and December 31, 2016 are $0.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 INVENTORIES

Inventories are valued at the lower of cost (determined on a weighted average basis) and net realizable value. Costs incurred in bringing each product to its location and conditions are accounted for as follows:

(a) raw materials - purchase cost on a weighted average basis;

(b) manufactured finished goods and work-in-progress - cost of direct materials and labor and a proportion of manufacturing overhead based on normal operation capacity but excluding borrowing costs; and

(c) 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 for completion and the estimated costs necessary to make the sale.

2.17 PLANT AND EQUIPMENT

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 depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

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

Plant and machinery	5 - 10 years
Structure and leasehold improvements	10 - 20 years
Mature seeds and herbage cultivation	20 years
Furniture and equipment	2.5 - 10 years
Motor vehicles	5 - 10 years

An item of plant and equipment is removed from the accounts 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.

2.18 GOODWILL

Goodwill is an asset representing the fair economic benefits arising from other assets acquired in a business combination that are not individually identified or separately recognized. Goodwill is tested for impairment on an annual basis at the end of the Company's fiscal year, or when impairment indicators arise. The Company uses a fair-value-based approach to test for impairment at the level of each reporting unit. The Company directly acquired MEIJI, which is the holding company of JHST that operates the Hu Plantation. As a result of this acquisition, the Company recorded goodwill in the amount of $724,940. This goodwill represents the fair value of the assets acquired in these acquisitions over the cost of the assets acquired.

2.19 LONG TERM INVESTMENT

On October 29, 2014, the Company invested in Huangyuan County Rural Credit Union ("RCU"), Huangyuan County, Xining City, Qinghai Province, the P.R.C. RCU is engaged in the financing and crediting business to agricultural projects for local farmers. The Company has a 5% stake in RCU. The Company has no representative on the board of directors to oversee corporate operations. The Company accounts for its long term investment at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 PROPRIETARY TECHNOLOGIES

A master license of stock feed manufacturing technology was acquired and the costs of acquisition are capitalized as proprietary technologies when technological feasibility has been established. Cost of acquisition of stock feed manufacturing technology master license is amortized using the straight-line method over its estimated life of 20 years.

An aromatic cattle-feeding formula was acquired and the costs of acquisition are capitalized as proprietary technologies when technological feasibility has been established. Cost of acquisition on aromatic cattle-feeding formula is amortized using the straight-line method over its estimated life of 25 years.

The cost of sleepy cods breeding technology license is capitalized as proprietary technologies when technological feasibility has been established. Cost of granting sleepy cods breeding technology license is amortized using the straight-line method over its estimated life of 25 years.

Bacterial cellulose technology license and related trade mark are capitalized as proprietary technologies when technological feasibility has been established. Cost of license and related trade mark is amortized using the straight-line method over its estimated life of 20 years.

The Company has determined that technological feasibility is established at the time a working model of products is completed. Proprietary technologies are intangible assets of finite lives. Management evaluates the recoverability of proprietary technologies on an annual basis at the end of the Company's fiscal year, or when impairment indicators arise. As required by ASC Topic 350 "Intangible - Goodwill and Other", the Company uses a fair-value-based approach to test for impairment.

2.21 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 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.

2.22 LAND USE RIGHTS

Land use rights represent acquisition of rights to agricultural land from farmers and are amortized on the straight-line basis over their respective lease periods. The lease period of agricultural land is in the range from 10 to 60 years. Land use rights purchase prices were determined in accordance with the P.R.C. Government's minimum lease payments on agricultural land and mutually agreed to terms between the Company and the vendors.

2.23 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.

2.24 CORPORATE JOINT VENTURE

A corporation formed, owned, and operated by two or more businesses as a separate and discrete business or project (venture) for their mutual benefit is considered to be a corporate joint venture. 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, the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 VARIABLE INTEREST ENTITY

A variable interest entity ("**VIE**") is an entity (investee) in which the investor has obtained less than a majority interest, according to the Financial Accounting Standards Board (FASB). A VIE is subject to consolidation if a VIE meets one of the following three criteria as elaborated in ASC Topic 810-10, Consolidation:

(a) equity-at-risk is not sufficient to support the entity's activities;

(b) as a group, the equity-at-risk holders cannot control the entity; or

(c) the economics do not coincide with the voting interest.

If a firm is the primary beneficiary of a VIE, the holdings must be disclosed on the balance sheet. The primary beneficiary is defined as the person or company with the majority of variable interests. A corporation formed, owned, and operated by two or more businesses (ventures) as a separate and discrete business or project (venture) for their mutual benefit is defined as a joint venture.

2.26 TREASURY STOCK

Treasury stock means shares of a corporation's own stock that have been issued and subsequently reacquired by the corporation. Converting outstanding shares to treasury shares does not reduce the number of shares issued but does reduce the number of shares outstanding. These shares are not eligible to receive dividends. Accounting for excesses and deficiencies on treasury stock transactions is governed by ASC 505-30-30.

State laws and federal agencies closely regulate transactions involving a company's own capital stock, so the purchase of outstanding shares must have a legitimate purpose. Some of the most common reasons for purchasing outstanding shares are as follows:

(a) to meet additional stock needs for various reasons, including newly implemented stock option plans, stock for convertible bonds or convertible preferred stock, or a stock dividend.

(b) to make more shares available for acquisitions of other entities.

The cost method of accounting for treasury shares has been adopted by the Company. The purchase of outstanding shares and thus converting them into treasury shares is treated as a temporary reduction in shareholders' equity in view of the expectation to reissue the shares instead of retiring them. When the Company reissues the treasury shares, the temporary account is eliminated. The cost of acquiring outstanding shares for converting into treasury shares is charged to a contra account, in this case a contra equity account that reduces the stockholder equity balance.

2.27 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Property and equipment are not depreciated once classified as held for distribution. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated balance sheets. A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of income and other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 INCOME TAXES

The Company accounts for income taxes under the provisions of ASC Topic 740 "Accounting for Income Taxes." Under ASC Topic 740, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

The provision for income tax 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 at 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 probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred income taxes are 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.

ASC Topic 740 also prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken, or for one expected to be taken, in a tax return. ASC Topic 740 also provides guidance related to, among other things, classification, accounting for interest and penalties associated with tax positions, and disclosure requirements. Any interest and penalties accrued related to unrecognized tax benefits will be recorded as tax expense.

2.29 POLITICAL AND BUSINESS RISK

The Company's operations are carried out in the P.R.C. Accordingly, the political, economic and legal environment in the P.R.C. may influence the Company's business, financial condition and results of operations by the general state of the P.R.C.'s economy. The Company's operations in the P.R.C. are subject to specific considerations and significant risks not typically associated with companies in North America and Western Europe. The Company's results may be adversely affected by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

2.30 CONCENTRATION OF CREDIT RISK

Cash includes cash at banks and demand deposits in accounts maintained with banks within the P.R.C. Total cash in these banks as of September 30, 2017 and December 31, 2016 amounted to $1,775,634 and $2,395,355, respectively, none of which is covered by insurance. The Company has not experienced any losses in such accounts and believes it is not exposed to any risks to its cash in bank accounts.

The Company had 5 major customers (A, B, C, D and E) whose business individually represented the following percentages of the Company's total revenue for the period indicated:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Customer A	24.59%	19.82%	24.83%	19.56%
Customer B	21.89%	-%	22.03%	-%
Customer C	16.34%	11.95%	14.42%	9.52%
Customer D	10.32%	6.68%	9.22%	7.56%
Customer E	6.15%	-%	9.70%	-%
Customer F	-%	16.59%	-%	14.17%
Customer G	-%	4.74%	-%	9.58%
	79.29%	59.78%	80.20%	60.39%

		Percentage of revenue	Amount
Customer A	Corporate and others Division	24.83%	$ 41,405,509
Customer B	Organic fertilizer and Bread Grass Division	22.03%	$ 36,729,604
Customer C	Cattle farm development and Hu plantation division	14.42%	$ 24,034,972

Accounts receivable are derived from revenue earned from customers located primarily in the P.R.C. The Company performs ongoing credit evaluations of customers and has not experienced any material losses to date.

The Company had 5 major customers whose accounts receivable balance individually represented the following percentages of the Company's total accounts receivable:

September 30, 2017	December 31, 2016

Customer A	21.02%	19.61%
Customer B	20.70%	12.83%
Customer C	18.82%	18.11%
Customer D	7.34%	-%
Customer E	6.37%	5.96%
Customer F	-%	7.52%
	74.25%	64.03%

As of September 30, 2017, amounts due from customers A, B and C are $22,106,909, $21,767,182 and $19,793,205, respectively. The Company has not experienced any significant difficulty in collecting its accounts receivable in the past and is not aware of any financial difficulties of its major customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 IMPAIRMENT OF LONG-LIVED ASSETS AND INTANGIBLE ASSETS

In accordance with ASC Topic 360, "Property, Plant and Equipment," long-lived assets to be held and used are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company reviews the carrying amount of its long-lived assets, including intangibles, for impairment, during each reporting period. An asset is considered impaired when estimated future cash flows are less than the carrying amount of the asset. In the event the carrying amount of such asset is considered not recoverable, the asset is adjusted to its fair value. Fair value is generally determined based on discounted future cash flow. As of June 30, 2017 and December 31, 2016, the Company determined no impairment losses were necessary.

2.31 EARNINGS PER SHARE

As prescribed in ASC Topic 260 "*Earnings per Share,*" Basic Earnings per Share ("**EPS**") is computed by dividing net income available to common stockholders by the weighted average number of common stock shares outstanding during the year. Diluted EPS is computed by dividing net income available to common stockholders by the weighted-average number of common stock shares outstanding during the year plus potential dilutive instruments such as stock options and warrants. The effect of stock options on diluted EPS is determined through the application of the treasury stock method, whereby proceeds received by the Company based on assumed exercises are hypothetically used to repurchase the Company's common stock at the average market price during the period.

ASC 260-10-55 requires that stock dividends or stock splits be accounted for retroactively if the stock dividends or stock splits occur during the year, or retroactively if the stock dividends or stock splits occur after the end of the period but before the release of the financial statements, by considering it outstanding of the entirety of each period presented. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the year.

For the three months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries common stockholders for continuing and discontinued operations amounted to $0.14 and $1.04, respectively. For the three months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.15 and $0.95, respectively.

For the three months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries common stockholders for continuing operations amounted to $0.14 and $0.91, respectively. For the three months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing operations amounted to $0.15 and $0.81, respectively.

For the nine months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries common stockholders for continuing and discontinued operations amounted to $0.62 and $2.45, respectively. For the nine months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.63 and $2.24, respectively.

For the nine months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries common stockholders for continuing operations amounted to $0.62 and $1.81, respectively. For the nine months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing operations amounted to $0.63 and $1.72, respectively.

2.32 ACCUMULATED OTHER COMPREHENSIVE INCOME

ASC Topic 220 "*Comprehensive Income*" establishes standards for reporting and displaying comprehensive income and its components in financial statements. Comprehensive income 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 for all periods presented includes both the reported net income and net change in cumulative translation adjustments.

2.33 RETIREMENT BENEFIT COSTS

P.R.C. state managed retirement benefit programs are defined contribution plans and the payments to the plans are charged as expenses when employees have rendered service entitling them to the contribution made by the employer.

2.34 STOCK-BASED COMPENSATION

The Company has adopted both ASC Topic 718, "Compensation - Stock Compensation" and ASC Topic 505-50, "Equity-Based Payments to Non-Employees" using the fair value method in which an entity issues its equity instruments to acquire goods and services from employees and non-employees. Stock compensation for stock granted to non-employees has been determined in accordance with this accounting standard and the accounting standard regarding accounting for equity instruments that are issued to other than employees for acquiring, or in conjunction with selling goods or services, as the fair value of the consideration received or the fair value of equity instruments issued, whichever is more reliably measured. This accounting standard allows the "simplified" method to determine the term of employee options when other information is not available. Under ASC Topic 718 and ASC Topic 505-50, stock compensation expenses is measured at the grant date on the value of the option or restricted stock and is recognized as expenses, less expected forfeitures, over the requisite service period, which is generally the vesting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accrued expenses, approximate their fair values because of the short maturity of these instruments. The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value as of September 30, 2017 or December 31, 2016, nor gains or losses are reported in the statements of income and comprehensive income that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the fiscal period ended September 30, 2017 or 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.36 NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* (ASU 2016-02), which generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet. This guidance will be effective for us in the first quarter of 2019 on a modified retrospective basis and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (ASU 2016-08) which clarifies the implementation guidance on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. This guidance will be effective for us in the first quarter of 2018, with the option to adopt it in the first quarter of 2017. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Compensation-Stock Compensation (Topic 718): Improvement to Employee Share-based Payment Accounting* (ASU 2016-09) to simplify the accounting for share-based payment transactions, including the income tax consequences, an option to recognize gross share-based compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This guidance will be effective for us in the first quarter of 2017, and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers Other than Inventory* (ASU 2016-16), which requires companies to recognize the income-tax consequences of an intra-entity transfer of an asset other than inventory. This guidance will be effective for us in the first quarter of 2018, with the option to adopt it in the first quarter of 2017. We currently anticipate adopting the new standard effective January 1, 2018, and do not expect the standard to have a material impact on our consolidated financial statements.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18), which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance will be effective for us in the first quarter of 2018 and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosure

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (ASU 2017-01), which revises the definition of a business and provides new guidance in evaluating when a set of transferred assets and activities is a business. This guidance will be effective for us in the first quarter of 2018 on a prospective basis, and early adoption is permitted. We do not expect the standard to have a material impact on our consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (ASU 2017-04), which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value up to the amount of goodwill allocated to that reporting unit. This guidance will be effective for us in the first quarter of 2020 on a prospective basis, and early adoption is permitted. We do not expect the standard to have a material impact on our consolidated financial statements.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

3. SEGMENT INFORMATION

The Company establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as business segments and major customers in consolidated financial statements. The Company operates in five principal reportable segments: Fishery Development Division, HU Plantation Division, Organic Fertilizer and Bread Grass Division, Cattle Farm Development Division and Corporate and Others Division. On October 5, 2016, (i) Jiang Men City A Power Fishery Development Co., Limited ("JFD") and Tri- Way Industries Limited ("TRW'), part of Fishery Division, were disposed from the Company; and (ii). Capital Award Inc. ("CA"), part of Fishery Development Division, ceased its income from sale of goods - fishery since October 5, 2016. As a result, Fishery Development Division – sale of goods was treated as Discontinued operations. No geographic information is required as all revenue and assets are located in the P.R.C.

For the three months ended September 30, 2017

	Continuing operation					Discontinued operation	
	Fishery Development Division(1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division(1)	Total
Revenue	$ 2,978,371	$ 1,486,465	$ 21,057,805	$ 7,281,156	$ 15,589,136	$ -	$ 48,392,933
Net income (loss)	$ 696,266	$ 10,010	$ 575,316	$ 684,685	$ 1,484,571	$ -	$ 3,450,948
Total assets	$ 74,754,393	$ 48,728,564	$ 379,508,585	$ 36,656,931	$ 276,688,775	$ -	$ 816,337,248

For the three months ended September 30, 2016

	Continuing operation					Discontinued operation	
	Fishery Development Division(1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division(1)	Total
Revenue	$ 23,377,355	$ 6,692,140	$ 48,697,145	$ 9,658,454	$ 23,232,486	$ 12,460,878	$ 124,118,458
Net income (loss)	$ 10,191,548	$ 2,479,488	$ 5,833,910	$ 1,060,267	$ (1,040,511)	$ 2,767,775	$ 21,292,477
Total assets	$ 164,123,917	$ 49,180,420	$ 350,422,450	$ 36,538,577	$ 107,268,695	$ 8,381,108	$ 715,915,167

For the nine months ended September 30, 2017

	Continuing Operation					Discontinued operation	
	Fishery Development Division(1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division(1)	Total
Revenue	$ 16,167,636	$ 3,565,220	$ 67,135,311	$ 23,094,392	$ 56,769,967	$ -	$ 166,732,526
Net income (loss)	$ 5,006,568	$ (488,030)	$ 3,086,832	$ 2,574,705	$ 1,840,866	$ -	$ 12,020,941
Total assets	$ 74,754,393	$ 48,728,564	$ 379,508,585	$ 36,656,931	$ 276,688,775	$ -	$ 816,337,248

For the nine months ended September 30, 2016

	Continuing Operation					Discontinued operation	
	Fishery Development Division(1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division(1)	Total
Revenue	$ 55,776,414	$ 12,194,399	$ 124,003,741	$ 21,555,101	$ 49,303,780	$ 57,480,332	$ 320,313,767
Net income (loss)	$ 19,838,145	$ 3,611,696	$ 15,989,599	$ 2,121,686	$ (4,332,930)	$ 11,467,257	$ 48,695,453
Total assets	$ 164,123,917	$ 49,180,420	$ 350,422,450	$ 36,538,577	$ 107,268,695	$ 8,381,108	$ 715,915,167

3. SEGMENT INFORMATION (CONTINUED)

(1) Operated by Capital Award, Inc. (“CA”) and Jiang Men City A Power Fishery Development Co., Limited (“JFD”). On September 30, 2016, part of JFD was disposed from the Company.

(2) Operated by Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited (“JHST”).

(3) Operated by Qinghai Sanjiang A Power Agriculture Co., Limited (“SJAP”), Qinghai Zhong He Meat Products Co., Limited (“QZH”), A Power Agro Agriculture Development (Macau) Limited (“APWAM”), and Hunan Shenghua A Power Agriculture Co., Limited (“HSA”).

(4) Operated by Jiang Men City Hang Mei Cattle Farm Development Co. Limited (“JHMC”) and Macau Eiji Company Limited (“MEIJI”).

(5) Operated by Sino Agro Food, Inc. (“SIAF”) and Sino Agro Food Sweden AB (publ) (“SAFS”).

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of revenue:-

	For the three ended September 30, 2017						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	1,486,465	-	-	-	-	1,486,465
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	1,669,684	-	-	-	1,669,684
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	6,282,189	-	-	-	6,282,189
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	13,105,932	-	-	-	13,105,932
Macau Eiji Company Limited ("MEIJI")	-	-	-	7,281,156	-	-	7,281,156
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	15,589,136	-	15,589,136
Consulting and service income for development contracts Capital Award, Inc. ("CA")	2,978,371	-	-	-	-	-	2,978,371
Commission and management fee Capital Award, Inc. ("CA")	-	-	-	-	-	-	-
	$ 2,978,371	$ 1,486,465	$ 21,057,805	$ 7,281,156	$ 15,589,136	$ -	$ 48,392,933

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of revenue:-

	For the three months ended September 30, 2016						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ 12,460,878	$ 12,460,878
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	6,692,140	-	-	-	-	6,692,140
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	5,248,212	-	-	-	5,248,212
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	14,054,405	-	-	-	14,054,405
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	29,394,528	-	-	-	29,394,528
Macau Eiji Company Limited ("MEIJI")	-	-	-	9,658,454	-	-	9,658,454
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	23,232,486	-	23,232,486
Consulting and service income for development contracts Capital Award, Inc. ("CA")	23,062,838	-	-	-	-	-	23,062,838
Commission and management fee Capital Award, Inc. ("CA")	314,517	-	-	-	-	-	314,517
	$ 23,377,355	$ 6,692,140	$ 48,697,145	$ 9,658,454	$ 23,232,486	$ 12,460,878	$ 124,118,458

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of revenue:-

	For the nine months ended September 30, 2017						
	Continuing Operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	3,565,220	-	-	-	-	3,565,220
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	5,393,285	-	-	-	5,393,285
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	21,695,718	-	-	-	21,695,718
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	40,046,308	-	-	-	40,046,308
Macau Eiji Company Limited ("MEIJI")	-	-	-	23,094,392	-	-	23,094,392
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	56,769,967	-	56,769,967
Consulting and service income for development contracts Capital Award, Inc. ("CA")	16,167,636	-	-	-	-	-	16,167,636
Commission and management fee Capital Award, Inc. ("CA")	-	-	-	-	-	-	-
	$ 16,167,636	$ 3,565,220	$ 67,135,311	$ 23,094,392	$ 56,769,967	$ -	$ 166,732,526

SINO AGRO FOOD, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of revenue:-

	For the nine months ended September 30, 2016						
	Continuing Operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ 57,480,332	$ 57,480,332
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	12,194,399	-	-	-	-	12,194,399
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	15,561,982	-	-	-	15,561,982
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	35,484,854	-	-	-	35,484,854
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	72,956,905	-	-	-	72,956,905
Macau Eiji Company Limited ("MEIJI")	-	-	-	21,555,101	-	-	21,555,101
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	49,303,780	-	49,303,780
Consulting and service income for development contracts Capital Award, Inc. ("CA")	54,727,215	-	-	-	-	-	54,727,215
Commission and management fee Capital Award, Inc. ("CA")	1,049,199	-	-	-	-	-	1,049,199
	$ 55,776,414	$ 12,194,399	$ 124,003,741	$ 21,555,101	$ 49,303,780	$ 57,480,332	$ 320,313,767

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of cost of goods sold and cost of services:-

COST OF GOODS SOLD

	For the three months ended September 30, 2017						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	1,248,695	-	-	-	-	1,248,695
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	1,228,851	-	-	-	1,228,851
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	4,289,390	-	-	-	4,289,390
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	12,654,496	-	-	-	12,654,496
Macau Eiji Company Limited ("MEIJI")	-	-	-	6,319,872	-	-	6,319,872
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	13,871,205	-	13,871,205
	$ -	$ 1,248,695	$ 18,172,737	$ 6,319,872	$ 13,871,205	$ -	$ 39,612,509

COST OF SERVICES

	For the three months ended September 30, 2017						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity							
Consulting and service income for development contracts							
Capital Award, Inc. ("CA")	2,234,070	-	-	-	-	-	2,234,070
	$ 2,234,070	$ -	$ -	$ -	$ -	$ -	$ 2,234,070

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of cost of goods sold and cost of services:-

COST OF GOODS SOLD

	For the three months ended September 30, 2016						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ 9,291,339	$ 9,291,339
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	3,009,881	-	-	-	-	3,009,881
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	3,063,392	-	-	-	3,063,392
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	9,710,033	-	-	-	9,710,033
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	23,542,313	-	-	-	23,542,313
Macau Eiji Company Limited ("MEIJI")	-	-	-	9,119,428	-	-	9,119,428
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	20,576,693	-	20,576,693
	$ -	$ 3,009,881	$ 36,315,738	$ 9,119,428	$ 20,576,693	$ 9,291,339	$ 78,313,079

COST OF SERVICES

	For the three months ended September 30, 2016						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity							
Consulting and service income for development contracts							
Capital Award, Inc. ("CA")	12,450,460	$ -	$ -	$ -	$ -	$ -	$ 12,450,460
	$ 12,450,460	$ -	$ -	$ -	$ -	$ -	$ 12,450,460

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of cost of goods sold and cost of services (Continued):-

COST OF GOODS SOLD

	For the nine months ended September 30, 2017						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	2,334,052	-	-	-	-	2,334,052
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	3,765,816	-	-	-	3,765,816
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	14,517,323	-	-	-	14,517,323
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	37,555,254	-	-	-	37,555,254
Macau Eiji Company Limited ("MEIJI")	-	-	-	19,582,042	-	-	19,582,042
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	50,476,389	-	50,476,389
	$ -	$ 2,334,052	$ 55,838,391	$ 19,582,042	$ 50,476,389	$ -	$ 128,230,874

COST OF SERVICES

	For the nine months ended September 30, 2017						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Consulting and service income for development contracts							
Capital Award, Inc. ("CA")	11,016,962	-	-	-	-	-	11,016,962
	$ 11,016,962	$ -	$ -	$ -	$ -	$ -	$ 11,016,962

3. SEGMENT INFORMATION (CONTINUED)

Further analysis of cost of goods sold and cost of services (Continued):-

COST OF GOODS SOLD

	For the nine months ended September 30, 2016						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Sale of goods Capital Award, Inc. ("CA")	$ -	$ -	$ -	$ -	$ -	$ 44,401,078	$ 44,401,078
Jiang Men City Heng Sheng Tai Agriculture Development Co., Limited ("JHST")	-	5,664,598	-	-	-	-	5,664,598
Hunan Shenghua A Power Agriculture Co., Limited ("HSA")	-	-	9,373,214	-	-	-	9,373,214
Qinghai Sanjiang A Power Agriculture Co., Limited ("SJAP")	-	-	23,879,210	-	-	-	23,879,210
Qinghai Zhong He Meat Products Co., Limited ("QZH")	-	-	55,598,165	-	-	-	55,598,165
Macau Eiji Company Limited ("MEIJI")	-	-	-	20,392,263	-	-	20,392,263
Sino Agro Food, Inc. ("SIAF")	-	-	-	-	43,452,904	-	43,452,904
	$ -	$ 5,664,598	$ 88,850,589	$ 20,392,263	$ 43,452,904	$ 44,401,078	$ 202,761,432

COST OF SERVICES

	For the nine months ended September 30, 2016						
	Continuing operations					Discontinued operations	
	Fishery Development Division (1)	HU Plantation Division (2)	Organic Fertilizer and Bread Grass Division (3)	Cattle Farm Development Division (4)	Corporate and others (5)	Fishery Development Division (6)	Total
Name of entity Consulting and service income for development contracts							
Capital Award, Inc. ("CA")	35,377,800	-	-	-	-	-	35,377,800
	$ 35,377,800	$ -	$ -	$ -	$ -	$ -	$ 35,377,800

5. INCOME TAXES

United States of America

The Company was incorporated in the State of Nevada, in the United States of America. The Company has no trading operations in United States of America and no U.S. corporate tax has been provided for in the consolidated financial statements of the Company.

Undistributed Earnings of Foreign Subsidiaries

The Company intends to use the remaining accumulated and future earnings of foreign subsidiaries to expand operations outside the United States and accordingly, undistributed earnings of foreign subsidiaries are considered to be indefinitely reinvested outside the United States and no provision for U.S. Federal and State income tax or applicable dividend distribution tax has been provided thereon.

The Company appointed US tax professionals to assist in filing income tax returns for the years ended December 31, 2016 in compliance with US Treasury Internal Revenue Code and we filed our 2015 Tax returns with the Internal Revenue Service ("IRS") in 2016.

As of September 30, 2017, the Company reviewed its tax position with the assistance US tax professionals and believed that there would be no taxes and no penalties assessed by the IRS in the United States of America.

5. INCOME TAXES (CONTINUED)

China

Beginning January 1, 2008, the new Enterprise Income Tax ("**EIT**") law replaced the existing laws for Domestic Enterprises ("**DE's**") and Foreign Invested Enterprises ("**FIE's**"). The new standard EIT rate of 25% replaced the 33% rate currently applicable to both DE's and FIE's. The Company is currently evaluating the impact that the new EIT will have on its financial condition. Beginning January 1, 2008, China unified the corporate income tax rule on foreign invested enterprises and domestic enterprises. The unified corporate income tax rate is 25%.

Under new tax legislation in China beginning in January 2008, the agriculture, dairy and fishery sectors are exempt from enterprise income taxes.

No EIT has been provided in the financial statements of SIAF, CA, JHST, JHMC, HSA, SJAP and QZH since they are exempt from EIT for the nine months ended September 30, 2017 and 2016 as they are within the agriculture, and cattle sectors.

No EIT has been provided in the financial statements of JFD since they are exempt from EIT for the nine months ended September 30, 2016.

Belize

CA, CS and CH are international business companies incorporated in Belize, and are exempt from corporate tax in Belize.

Hong Kong

No Hong Kong profits tax has been provided in the consolidated financial statements of TRW, since these entities did not earn any assessable profits arising in Hong Kong for the nine months ended September 30, 2016.

Macau

No Macau Corporate income tax has been provided in the consolidated financial statements of APWAM and MEIJI since these entities did not earn any assessable profits for the nine months ended September 30, 2017 and 2016.

Sweden

No Sweden Corporate income tax has been provided in the consolidated financial statements of SAFS since SAFS incurred a tax loss for the nine months ended September 30, 2017 and 2016.

No deferred tax assets and liabilities are of September 30, 2017 and December 31, 2016 since there was no difference between the financial statements carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the period in which the differences are expected to reverse.

Provision for income taxes is as follows:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
SIAF	$ -	$ -	$ -	$ -
SAFS	-	-	-	-
TRW	-	-	-	-
MEIJI and APWAM	-	-	-	-
JHST, JFD, JHMC, SJAP, QZH and HSA	-	-	-	-
	$ -	$ -	$ -	$ -

The Company did not recognize any interest or penalties related to unrecognized tax benefits in the nine months ended September 30, 2017 and 2016. The Company had no uncertain positions that would necessitate recording of tax related liability. The Company is subject to examination by the respective tax authorities.

6. NET INCOME FROM DISCONTINUED OPERATIONS

On August 15, 2016, the acquisition agreement was executed by TRW for acquiring the other 25% equity in JFD which was a Sino Foreign Joint Venture Co. that TRW had 100% equity interest with effect on October 5, 2016. Upon the acquisitions of 3 additional prawn farms assets at fair value of US$238.32 million from respective third parties and the master technology license at fair value of US$30 million from Capital Award, Inc. by JFD, and the consideration of the above acquisitions were planned to be settled by the new issue shares of 99,990,000 TRW shares at $3.41 amounting to $340.53 million on or before March 31, 2017. As a result, SIAF's equity interest in TRW was diluted from 100% to 23.89% with effective on October 5, 2016. The above transactions leaded the Company loss of control over TRW group, the Company's investments in TRW and JFD were reclassified from a subsidiary to investments in unconsolidated equity investees as of October 5, 2016. The dilution of the Company's investments in TRW group constituted a deemed disposal of the subsidiaries. The deemed gain on disposal of $56,947,005 was recorded in the consolidated statement of profit and loss account of the Company for the year ended December 31, 2016. On October 1, 2016, SIAF took all assets and liabilities of TRW and JFD except plant and equipment - fish farm. The Company intends to convert the amount due from and into equity interest in its unconsolidated equity investee ($40,788,236) during the fourth quarter 2017, which would result in an equity interest in TRW increasing from its current 23.89% to 36.60%.

Prior to loss of control over TRW group, the Fishery Development Division represented a separate business segment. On October 5, 2016, (i) Jiang Men City A Power Fishery Development Co., Limited ("JFD") and Tri- Way Industries Limited ("TRW"), part of Fishery Division, were disposed from the Company; and (ii) Capital Award Inc. ("CA"), part of Fishery Development Division, ceased its income from sale of goods - fishery since October 5, 2016. As a result, Fishery Development Division - sale of goods was treated as Discontinued operations. The post-tax result of the Fishery Development Division has been disclosed as a discontinued operation in the consolidated statements of income and comprehensive income. Loss of control over TRW and JFD were not subject to business tax of PRC and income tax of PRC and Hong Kong.

The Company did not retain any significant continuing involvements with discontinued operations - Fishery Development Division, and retained its investment in the discontinued operations as unconsolidated equity investee upon closing the transaction pursuant to ASC 205-20-50-24A and B. There was no option to repurchase a discontinued operation.

Net income from discontinued operations

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Revenue				
-Sale of goods	$ -	$ 12,460,878	$ -	$ 57,480,332
Cost of sales	-	(9,291,339)	-	(44,401,078)
Gross profit	-	3,169,539	-	13,079,254
General and administrative expenses	-	(270,028)	-	(791,347)
Income from operations	-	2,899,511	-	12,287,907
Interest income/(expenses)	-	617	-	323
Net income from discontinued business	-	2,900,128	-	12,288,230
Provision for income taxes	-	-	-	-
Net income from discontinued operations	-	2,900,128	-	12,288,230
Less: Net income attributable to the non-controlling interest	-	(132,3532)	-	(820,973)
Net income from discontinued operations attributable to Sino Agro Food, Inc. and subsidiaries	$ -	$ 2,767,775	$ -	$ 11,467,257

7. CASH AND CASH EQUIVALENTS

	September 30, 2017	December 31, 2016
Cash and bank balances	$ 1,865,684	$ 2,576,058

8. INVENTORIES

As of September 30, 2017, inventories are as follows:

	September 30, 2017	December 31, 2016
Sleepy cods, prawns, eels and marble goby	-	481,509
Beef and mutton	23,435,619	13,217,456
Bread grass	1,423,165	2,115,815
Beef cattle	6,638,851	6,814,132
Organic fertilizer	19,451,282	15,901,153
Forage for cattle and consumable	8,787,059	6,536,517
Raw materials for bread grass and organic fertilizer	18,534,940	15,829,424
Immature seeds	2,074,281	1,696,266
	$ 80,345,197	$ 62,592,272

9. DEPOSITS AND PREPAYMENTS

	September 30, 2017	December 31, 2016
Deposits for		
- purchases of equipment	$ 6,733,546	$ 5,555,471
- acquisition of land use rights	3,373,110	3,373,110
- inventories purchases	15,685,124	13,729,305
- aquaculture contracts	2,261,538	2,261,538
- consulting service providers and others	6,317,702	8,150,000
- construction in progress	13,871,440	13,719,339
- issue of shares as collateral	35,250,553	26,493,841
Prepayments - debts discounts and others	3,812,152	5,007,015
Shares issued for employee compensation and overseas professional and bond interest	302,738	3,982,812
Others	6,327,576	2,573,535
	$ 93,935,479	$ 84,845,966

10. ACCOUNTS RECEIVABLE

The Company has performed an analysis on all of its accounts receivable and determined that all amounts are collectible by the Company. As such, all accounts receivable are reflected as a current asset and no allowance for bad debt has been recorded as of September 30, 2017 and December 31, 2016. Bad debts written off for the three months ended and the nine months ended September 30, 2017, and 2016 are $0.

Aging analysis of accounts receivable is as follows:

	September 30, 2017	December 31, 2016
0 - 30 days	$ 16,093,379	$ 28,550,628
31 - 90 days	23,944,325	29,905,888
91 - 120 days	11,707,115	39,219,847
over 120 days and less than 1 year	53,410,424	25,235,723
over 1 year	-	-
	$ 105,155,243	$ 122,912,086

11. OTHER RECEIVABLES

	September 30, 2017	December 31, 2016
Advanced to employees	$ 326,587	$ 260,007
Advanced to suppliers	14,655,824	9,428,841
Advanced to customers	18,635,244	19,469,256
Advanced to developers	16,032,772	7,500,000
Others	9,138,954	10,462,696
	$ 58,789,381	$ 47,120,800

Advanced to employees, suppliers, customers and developers are unsecured, interest free and with no fixed terms of repayment.

The Company entered loan agreements with suppliers, customers and developers to assist them to procure project loans.

12. PLANT AND EQUIPMENT

	September 30, 2017	December 31, 2016
Plant and machinery	$ 7,203,563	$ 6,022,686
Structure and leasehold improvements	171,577,557	163,414,025
Mature seeds and herbage cultivation	44,206,623	28,781,286
Furniture and equipment	912,754	827,356
Motor vehicles	963,254	926,511
	224,863,751	199,971,864
Less: Accumulated depreciation	(17,242,391)	(10,244,637)
Net carrying amount	$ 207,621,360	$ 189,727,227

Depreciation expense was $2,491,515, $1,142,872, $6,997,754 and $3,406,801 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

14. CONSTRUCTION IN PROGRESS

	September 30, 2017	December 31, 2016
Construction in progress		
- Office, warehouse and organic fertilizer plant in HSA	$ 4,670,785	$ 4,474,428
- Oven room, road for production of dried flowers	5,155,478	3,603,863
- Organic fertilizer and bread grass production plant and office building	3,341,861	622,036
- Rangeland for beef cattle and office building	10,558,715	8,674,515
- Fish pond	17,782,371	17,782,371
	$ 41,509,210	$ 35,157,213

15. LAND USE RIGHTS

Private ownership of agricultural land is not permitted in the P.R.C. Instead, the Company has leased seven lots of land. The cost of the first lot of land use rights acquired in 2007 in Guangdong Province, the P.R.C. was $6,408,289 and consists of 180.26 acres with the lease expiring in 2067. The cost of the second lot of land use rights acquired in 2008 in Guangdong Province, the P.R.C. was $764,128, which consists of 31.84 acres with the lease expiring in 2068. The cost of the third lot of land use rights acquired in 2011 was $12,040,571, which consists of 84.5 acres in Guangdong Province, the P.R.C. with the lease expires in 2037. The cost of the fourth lot of land use rights acquired in 2011 was $35,405,750 which consisted of 287.27 acres in the Hunan Province, the P.R.C. and the leases expire in 2051, 2054 and 2071. The cost of the fifth lot of land use rights acquired in 2012 was $528,240 which consisted of 21.09 acres in Qinghai Province, the P.R.C. and the lease expires in 2051. The cost of the sixth lot of land use rights acquired in 2013 was $489,904 which consisted of 6.26 acres in Guangdong Province, the P.R.C. and the lease expires in 2023. The cost of the seventh lot of land use rights acquired in 2014 was $4,453,665 which consisted of 33.28 acres in Guangdong Province, the P.R.C. and the lease expires in 2044.

15. LAND USE RIGHTS (CONTINUED)

	September 30, 2017	December 31, 2016
Cost	$ 64,703,394	$ 62,300,409
Less: Accumulated amortization	(10,199,388)	(8,626,719)
Net carrying amount	$ 54,504,006	$ 53,673,690

	Amount
Balance @1.1.2016	$ 65,961,071
Exchange difference	(3,660,662)
Balance @12.31.2016	$ 62,300,409
Exchange difference	2,402,985
Balance @9.30.2017	$ 64,703,394

Land use rights are amortized on the straight-line basis over their respective lease periods. The lease period of agriculture land is 30 to 60 years. Amortization of land use rights was $567,309, $361,634, $1,572,669 and $1,053,668 for the three months and the nine months ended September 30, 2017 and 2016 respectively.

16. GOODWILL

Goodwill represents the fair value of the assets acquired the acquisitions over the cost of the assets acquired. It is stated at cost less accumulated impairment losses. Management tests goodwill for impairment on an annual basis or when impairment indicators arise. In these instances, the Company recognizes an impairment loss when it is probable that the estimated cash flows are less than the carrying value of the assets. To date, no such impairment loss has been recorded.

	September 30, 2017	December 31, 2016
Goodwill from acquisition	$ 724,940	$ 724,940
Less: Accumulated impairment losses	-	-
Net carrying amount	$ 724,940	$ 724,940

17. PROPRIETARY TECHNOLOGIES

By an agreement dated November 12, 2008, TRW acquired an enzyme technology master license, registered under a Chinese patent, for the manufacturing of livestock feed and bioorganic fertilizer and its related labels for $8,000,000. On October 1, 2015, the Company took up such assets at $5,473,720 from TRW. On October 5, 2016, TRW and JFD were derecognized as subsidiaries.

On March 6, 2012, MEIJI acquired an aromatic-feed formula technology for the production of aromatic cattle for $1,500,000. On October 1, 2013, SIAF was granted a license to exploit sleepy cods breeding technology to grow out of sleepy cods for $2,270,000 for 50 years. SJAP booked bacterial cellulose technology license and related trademark for $2,119,075 and amortized expenditures for 20 years starting from January 1, 2014.

17. PROPRIETARY TECHNOLOGIES (CONTINUED)

	September 30, 2017	December 31, 2016
Cost	$ 11,184,696	$ 11,108,131
Less: Accumulated amortization	(1,465,018)	(1,017,434)
Net carrying amount	$ 9,719,678	$ 10,090,697

Amortization of proprietary technologies was $152,440, $145,055, $447,584 and $429,937 for the three months and the nine months ended September 30, 2017 and 2016, respectively. No impairments of proprietary technologies have been identified for the three months and the nine months ended September 30, 2017 and 2016.

18. INTERESTS IN UNCONSOLIDATED EQUITY INVESTEES

On February 28, 2011, TRW applied to form a corporate joint venture, Enping City Bi Tao A Power Fishery Development Co., Limited ("EBAPFD"), incorporated in the PRC. TRW owned a 25% equity interest in EBAPFD. On November 17, 2011, TRW formed Jiang Men City A Power Fishery Development Co., Limited ("JFD") in which it acquired a 25% equity interest, while withdrawing its 25% equity interest in EBAPFD. As of December 31, 2011, the Company had invested for total cash consideration of $1,258,607 in JFD. JFD operates an indoor fish farm. On January 1, 2012, the Company acquired an additional 25% equity interest in JFD for total cash consideration of $1,662,365. As of January 1, 2012, the Company had consolidated the assets and operations of JFD. On April 1, 2012, the Company acquired an additional 25% equity interest in JFD for the total cash consideration of $1,702,580. These acquisitions were at our option according the terms of the original development agreement. The Company owned a 75% equity interest in JFD, representing majority of voting rights and controls its board of directors.

On August 15, 2016, the acquisition agreement was executed by TRW for acquiring the other 25% equity in JFD which was a Sino Foreign Joint Venture Co. that TRW had 100% equity interest with effect on October 5, 2016. Upon the acquisitions of 3 additional prawn farms assets at fair value of $238.32 million from respective third parties and the master technology license at fair value of $30 million from Capital Award, Inc. by JFD, and the consideration of the above acquisitions were planned to be settled by the new issue shares of 99,990,000 TRW shares at $3.41 amounting to $340.53 million on or before March 31, 2017. As a result, SIAF's equity interest in TRW was diluted from 100% to 23.89% with effective on October 5, 2016. The above transactions leaded the Company loss of control over TRW group, the Company's investments in TRW and JFD were reclassified from a subsidiary to investments in unconsolidated equity investees as of October 5, 2016. The dilution of the Company's investments in TRW group constituted a deemed disposal of the subsidiaries. The deemed gain on disposal of $56,947,005 was recorded in net income from discontinued operations of the consolidated statements of income and other comprehensive income of the Company for the year ended December 31, 2016. On October 1, 2016, SIAF took up all assets and liabilities of TRW and JFD except plant and equipment - fish farm. The Company intends to convert the amount due from and into equity interest in its unconsolidated equity investee ($40,788,236) during the fourth quarter 2017, which would result in an equity interest in TRW increasing from its current 23.89% to 36.60%.

On May 6, 2016, SJAP invested in 30% equity interest in Guangzhou Horan Taita Information Technology Co., Limited ("**HTIT**"), a company incorporated in P.R.C. for $150,806.

	September 30, 2017	December 31, 2016
Investments at cost		
- TRW	$ 124,657,542	$ 83,869,286
- HITT	160,670	144,154
Amount due from a consolidated equity investee - TRW	14,438,797	55,120,003
Share of post-acquisition profits	5,262,524	-
	$ 144,519,533	$ 139,133,443

19. LONG TERM INVESTMENT

	September 30, 2017	December 31, 2016
Investment in Huangyuan County Rural Credit Union	$ 753,352	$ 720,773
Less: Accumulated impairment losses	-	-
	$ 753,352	$ 720,773

20. TEMPORARY DEPOSITS PAID TO ENTITIES FOR EQUITY INVESTMENTS IN FUTURE SINO JOINT VENTURE COMPANIES

Intended unincorporated Investee	Projects Engaged		September 30, 2017	December 31, 2016
A	Trade center	*	$ 4,086,941	$ 4,086,941
B	Fish Farm 2 GaoQiqiang Aquaculture	*	6,000,000	6,000,000
C	Cattle farm 2	*	5,558,057	5,558,057
			$ 15,644,998	$ 15,644,998

The Company made temporary deposits paid to entities for equity investments in future Sino Joint Venture companies (“SJVCs”) engaged in projects development of trade and seafood centers, fish, prawns and cattle farms. Such temporary deposits represented as deposits of the respective consideration required for the purchase of equity stakes of respective future SJVCs. The amounts were classified as temporary because legal procedures of formation of SJVCs have not yet been completed. As of Semptember 30, 2017, the percentages of equity stakes of A (trade center), B (fish farm 2 GaoQiqiang Aquaculture Farm) and C (cattle farm 2) are 31%, 23% and 35% respectively.

* The above amounts were subject to conversion to an additional equity investment in the investees upon the completion of legal procedures of formation of SJVCs.

21. VARIABLE INTEREST ENTITY

On September 28, 2009, APWAM acquired the PMH’s 45% equity interest in the Sino-Foreign joint venture company, Qinghai Sanjiang A Power Agriculture Co. Limited (“**SJAP**”), which was incorporated in the P.R.C. As of September 30, 2017, the Company has invested $2,251,359 in this joint venture. SJAP is engaged in its business of the manufacturing of organic fertilizer, livestock feed, and beef cattle and plantation of crops and pastures.

Continuous assessment of the VIE relationship with SJAP

The Company may also have a controlling financial interest in an entity through an arrangement that does not involve voting interests, such as a VIE. The Company evaluates entities deemed to be VIE’s using a risk and reward model to determine whether to consolidate. A VIE is an entity (1) that has total equity at risk that is not sufficient to finance its activities without additional subordinated financial support from other entities, (2) where the group of equity holders does not have the power to direct the activities of the entity that most significantly impact the entity’s economic performance, or the obligation to absorb the entity’s expected losses or the right to receive the entity’s expected residual returns, or both, or (3) where the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity’s activities either involve or are conducted on behalf of an investor that has disproportionately fewer voting rights.

21. VARIABLE INTEREST ENTITY (CONTINUED)

The Company also quantitatively and qualitatively examined if SJAP is considered a VIE. Qualitative analyses considered the extent to which the nature of its variable interest exposed the Company to losses. For quantitative analyses, the Company also used internal cash flow models to determine if SJAP was a VIE and, if so, whether the Company was the primary beneficiary. The projection of these cash flows and probabilities thereof requires significant managerial judgment because of the inherent limitations that relate to the use of historical data for the projection of future events. On September 30, 2017, the Company evaluated the above VIE testing results and concluded that the Company is the primary beneficiary of SJAP's expected losses or residual returns and that SJAP qualifies as a VIE of the Company. As result, the Company has consolidated SJAP as a VIE.

The reasons for the changes are as follows:

- Originally, the board of directors of SJAP consisted of 7 members; 3 appointees from Qinghai Sanjiang (one stockholder), 1 from Garwor (one stockholder), and 3 from the Company, such that the Company did not have majority interest represented on the board of directors of SJAP.

- On May 7, 2010, Qinghai Sanjiang sold and transferred its equity interest in SJAP to Garwor. The State Administration for Industry and Commerce of Xining City Government of the P.R.C. approved the sale and transfer.

Consequently Garwor, Quanwang and the Company agreed that the new board of directors of SJAP would consist of 3 members; 1 appointee from Garwor and 2 appointees from the Company, such that the Company now had a majority interest in the board of directors of SJAP. Also, and in accordance with the Company's Sino Joint Venture Agreement, the Company's management appointed the chief financial officer of SJAP. As a result, the financial statements of SJAP were included in the consolidated financial statements of the Company.

Continuous assessment of the VIE relationship with QZH

The Company may also have a controlling financial interest in an entity through an arrangement that does not involve voting interests, such as a VIE. The Company evaluates entities deemed to be VIE's using a risk and reward model to determine whether to consolidate. A VIE is an entity (1) that has total equity at risk that is not sufficient to finance its activities without additional subordinated financial support from other entities, (2) where the group of equity holders does not have the power to direct the activities of the entity that most significantly impact the entity's economic performance, or the obligation to absorb the entity's expected losses or the right to receive the entity's expected residual returns, or both, or (3) where the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately fewer voting rights.

The Company also quantitatively and qualitatively examined if QZH is considered a VIE. Qualitative analyses considered the extent to which the nature of its variable interest exposed the Company to losses. For quantitative analyses, the Company also used internal cash flow models to determine if QZH was a VIE and, if so, whether the Company was the primary beneficiary. The projection of these cash flows and probabilities thereof requires significant managerial judgment because of the inherent limitations that relate to the use of historical data for the projection of future events. On September 30, 2017, the Company evaluated the above VIE testing results and concluded that the Company is the primary beneficiary of QZH's expected losses or residual returns and that QZH qualifies as a VIE of the Company. As result, the Company has consolidated QZH as a VIE.

SJAP is sole stockholder of QZH and SJAP appointed sole director of QZH. Consequently, the Company indirectly control directorship of QZH, such that the Company now had a majority interest in the directorship of QZH. Also, and in accordance with the Company's Sino Joint Venture Agreement, the Company's management appointed the chief financial officer of QZH. As a result, the financial statements of QZH were included in the consolidated financial statements of the Company.

22. CONSTRUCTION CONTRACT

(i) Costs and estimated earnings in excess of billings on uncompleted contracts

	September 30, 2017	December 31, 2016
Costs	$ 8,208,913	$ 7,288,360
Estimated earnings	6,740,288	5,846,890
Less: Billings	(13,700,014)	(12,394,266)
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 1,249,187	$ 740,984

(ii) Billings in excess of costs and estimated earnings on uncompleted contracts

	September 30, 2017	December 31, 2016
Billings	$ 40,590,477	$ 24,115,354
Less: Costs	(23,404,302)	(13,907,143)
Estimated earnings	(11,583,494)	(7,577,459)
Billing in excess of costs and estimated earnings on uncompleted contracts	$ 5,602,681	$ 2,630,752

(iii) Overall

	September 30, 2017	December 31, 2016
Billings	$ 54,290,491	$ 36,509,620
Less: Costs	(31,613,215)	(21,195,503)
Estimated earnings	(18,323,782)	(13,424,349)
Billing in excess of costs and estimated earnings on uncompleted contracts	$ 4,353,494	$ 1,889,768

23. OTHER PAYABLES

	September 30, 2017	December 31, 2016
Due to third parties	$ 3,806,880	$ 451,195
Due to debts loan	7,692,222	4,797,332
Promissory notes issued to third parties	14,492,221	11,192,117
Due to local government	1,288,233	713,565
	$ 27,279,556	$ 17,154,209
Less: Amount classified as non-current liabilities		
Promissory notes issued to third parties	(14,492,221)	(11,192,117)
Due to debts loan	(7,692,222)	-
Amount classified as current liabilities	$ 5,095,113	$ 5,962,092

Due to third parties are unsecured, interest free and have no fixed terms of repayment.

As of September 30, 2017, the Company issued 1,344,098 shares of common stock as collateral to secure debts loan of $7,692,222.

24. BORROWINGS

There are no provisions in the Company's bank borrowings and long term debts that would accelerate repayment of debt as a result of a change in credit ratings or a material adverse change in the Company's business. Under certain agreements, the Company has the option to retire debt prior to maturity, either at par or at a premium over par.

Short term bank loan

Name of lender	Interest rate	Term	September 30, 2017	December 31, 2016
Da Tong National Development Rural Bank Limited				
Da Tong County, Xining City, Qinghai Province, the P.R.C.	10%	July 14 ,2016 - May 28, 2017	$ -	$ 2,883,090
Da Da Tong National Development Rural Bank Limited				
Da Tong County, Xining City, Qinghai Province, the P.R.C.	10%	June 7, 2017 - June 6, 2018	1,506,705^+@	-
			$ 1,506,705	$ 2,883,090

Long term bank loan

Name of lender	Interest rate	Term	September 30, 2017	December 31, 2016
China Development Bank Beijing City, the P.R,C.	5.39%	December 9, 2016 - December 15, 2026	$ 6,026,819^*#	$ 5,766,182

The above note agreements contained regular provisions requiring timely repayment of principals and accrued interests, payment of default interest in the event of default, and without specific financial covenants. Management of the Company believes the Company is in material compliance with the terms of the loan agreements.

^ personal and corporate guaranteed by third parties.

* secured by land use rights with net carrying amount of $309,257 (12.31.2016: $416,973).

+ secured by property and equipment with net carrying amount of $870,736 (12.31.2016: $ 1,036,889).

@ secured by land use rights with net carrying amounts of $330,507 (12.31.2016: $363,092).

repayable $72,078, $216,232, $288,308, $432,464, $432,464, $720,773, $720,773, $1,441,545 and $1,702,182 in 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026, respectively (31.12.2016: repayable $72,078, $216,232, $288,308, $432,464, $432,464, $720,773, $720,773, $1,441,545 and $ 1,441,545 in 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026, respectively).

25. NEGOTIABLE PROMISSORY NOTES

On August 29, 2015, TRW issued negotiable promissory notes to three fund companies and one individual for $3,450,000 and the company acted as guarantor for repayment. As of October 1, 2016, the Company entered assignment agreement with TRW to take up liabilities of negotiable promissory notes.

	September 30, 2017	December 31, 2016
Negotiable promissory notes	$ 368,462	$ 1,113,140

Principal amount:	$135,479 (12.31.2016: $1,035,479)
Interest payable:	$232,983 (12.31.2016: $77,661)
Interest rate:	2.5% (12.31.2016: 2.50% %) per month on principal amount. Interest shall be calculated on the basis of a 30/360 day count convention
Default interest rate	15% per month on principal amount. Interest shall be calculated on the basis of a 30/360 day count convention
Interest payment	Accrued interest on the principal amount shall be paid by cash in arrears on each interest payment date
Issue date:	August 29, 2015 and October 12, 2015
Repayment date:	Repaid in full within 283 calendar days from the issue of notes
Conversion option:	Notes holders can exercise at any time from and including the day falling 60 calendar days from the date of the notes, upon the note holders giving not less than 5 business day prior written notices to TRW and the Company, the principal amount shall be converted to shares of the Company. The TRW may at their own discretion choose to settle such conversion option with newly issue shares or existing shares, at their sole discretion. In the event a dividend, share split or consolidation or spin-off (each a Corporate Event") from the Company, the conversion price shall be adjusted to provide the same economic value to the notes holders as if such Corporate Event did not occur.
Security:	Corporate guarantee by the Company

26. SHAREHOLDERS' EQUITY

The Group's share capital as of September 30, 2017 and December 31, 2016 shown on the consolidated balance sheet represents the aggregate nominal value of the share capital of the Company as of that date.

On March 22, 2010, the Company designated 100 shares of Series A preferred stock at a par value per share of $0.001. As of the same date, 100 shares of Series A preferred stock were issued at $1 per share for cash in the amount of $100.

The Series A preferred stock:

(i) does not pay a dividend;

(ii) votes together with the shares of Common Stock of the Corporation as a single class and, regardless of the number of shares of Series A Preferred Stock outstanding and as long as at least one of such shares of Series A Preferred Stock is outstanding, shall represent eighty percent (80%) of all votes entitled to be voted at any annual or special meeting of shareholders of the Corporation or action by written consent of shareholders. Each outstanding share of the Series A Preferred Stock shall represent its proportionate share of the 80%, which is allocated to the outstanding shares of Series A Preferred Stock; and

(ii) ranks senior to common stockholders, holders of Series B convertible preferred stockholders and any other stockholders on liquidation.

The Company has designated 100 shares of Series A preferred stock with 100 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively.

26. SHAREHOLDERS' EQUITY (CONTINUED)

The Series B convertible preferred stock:

On March 22, 2010, the Company designated 7,000,000 shares of Series B convertible preferred stock at a par value per share of $0.001. The Series B convertible preferred stock is redeemable, the stockholders are not entitled to receive any dividend and voting rights but rank senior over common stockholders on liquidation, and can convert to common stock on a one for one basis at any time. On June 26, 2010, 7,000,000 shares of common stock were surrendered for cancellation and the Company issued 7,000,000 shares of Series B convertible preferred stock at $9.90 per share. Pursuant to share exchange agreement made as of December 22, 2012, between the Company and a stockholder, Capital Adventure Inc., a holder of 3,000,000 shares of common shares, with the consent of Board of Directors, to exchange for 3,000,000 shares of Series B convertible preferred stock on a one-for-one basis. As of December 23, 2012, 3,000,000 shares of Series B convertible preferred stock were issued to Capital Adventure Inc., for the exchange of its holding of 3,000,000 shares of common stocks. As of December 31, 2012, 3,000,000 shares of common stocks were still not returned to the Company. On March 27, 2013, 3,000,000 Series B convertible preferred stock were cancelled. On December 17, 2014, the Company approved an amendment to certificate designation in respect of Series B preferred stock. Pursuant to the above new amendment, each holder of Series B preferred stock shall have the rights, at any time or from time to time, to convert each 9.9 shares of Series B preferred to one fully paid and non-assessable share of common stock of par value $0.001 per share. On June 15, 2015, Series B preferred stockholder exercised at the above conversion ratio to convert 7,000,000 shares of Series B preferred stock to 707,070 shares of common stock.

There were 0 shares of Series B convertible preferred stock issued and outstanding as of September 30, 2017 and December 31, 2016, respectively.

The Series F Non-Convertible Preferred Stock:

(i) is not redeemable subject to (iv);

(ii) except for (iv), with respect to dividend rights, rights on liquidation, winding up and dissolution, rank junior and subordinate to (a) all classes of Common Stock,(b) all other classes of Preferred Stock and (c) any class or series of capital securities of the Company.

(iii) shall not entitled to receive any further dividend; and

(iv) on May 30, 2014, the holders of shares of Series F Non-Convertible Preferred Stock with coupon shall be entitled to a coupon payment directly from the Company at the redemption rate of $3.40 per share. Upon redemption, the Holder shall no longer own any shares of Series F with coupon that have been redeemed, and all such redeemed shares shall disappear and no longer exist on the books and records of the Company; redeemed shares of Series F which no longer exist upon redemption shall thereafter be counted toward the authorized but unissued "blank check" preferred stock of the Company.

On August 22, 2012, the Company's Board of Directors declared that the Company's stockholders were entitled to receive one share of restricted Series F Non-convertible Preferred Stock for every 100 shares of Common Stock owned by the stockholders as of September 28, 2012, with lesser or greater amounts being rounded up to the nearest 100 shares of Common Stock for purpose of the computing the dividend. The holders of record of shares of Series F Non-Convertible Preferred Stock shall be entitled to a coupon payment directly from the Company at the redemption rate of $3.40 per share and be payable on May 30, 2014. However, the Company was unable to issue the Series F Non-convertible Preferred Stock as originally contemplated. Consequently, The Company's transfer agent was instructed to note in its record date rather than actual issue the Preferred F shares. On June 14, 2014, the Company announced the delay in payment of the coupon until May 30, 2015. The company reserved the excess over the nominal amount of the Series F Non-convertible Preferred Stock of $3,124,737 as Series F Non-convertible Preferred Stock redemption payable. As of May 30, 2015, payment on the F series shares has been made, and respective shares cancelled, accordingly.

As a result, total issued and outstanding of Series F Non-Convertible Preferred Stock as of September 30, 2017 and December 31, 2016 are 0 shares and grand total issued and outstanding preferred stock as of September 30, 2017 and December 31, 2016 are 100 shares.

26. SHAREHOLDERS' EQUITY (CONTINUED)

Common Stock:

During the year ended December 31, 2016, the Company (i) issued 1,199,068 shares of common stock to employees and directors valued at fair value of $5.98 per share for $7,169,823 for employee compensation; (ii) issued 132,787 shares of common stock valued to professionals at fair value of $5.98 per share for $794,066 for service compensation; (iii) issued 2,461,247 shares of common stock ranging from $6.96 to $8.91 amounting to $5,765,476 as collateral to secure debts loan of $4,797,332, and the shares issued by the Company were valued at the trading price of the stock on the date the shares were issued; and purchased 1,200,000 shares of common stock of $4.85 amounting to $5,820,000 for cancellation.

The Board of directors and the holders of a majority of the voting power of our stockholders of the company have approved an amendment to articles of incorporation to increase its authorized shares of Common Stock from 22,727,273 to 27,000,000 and the amendment was filed on December 28, 2016.

The Board of directors and the holders of a majority of the voting power of our stockholders of the company have approved an amendment to articles of incorporation to increase its authorized shares of Common Stock from 27,000,000 to 50,000,000 and the amendment was filed on on August 24, 2017 with an effective date of August 25, 2017.

During the three months ended September 30, 2017, the Company issued 2,382,246 shares of common stock valued at fair value of $1.40 amounting to $3,335,144 as additional collateral to secure loan and trade facility shares issued by the Company were valued at the trading price of the stock on the date the shares were issued.

During the nine months ended September 30, 2017, the Company issued (i) 425,103 shares of common stock to employees and directors valued at fair value of $3.45 per share for $403,650 for employee compensation; (ii) 4,074,979 shares of common stock valued at fair value ranging from $1.4 to $5.15 amounting to $12,054,044 as additional collateral to secure loan and trade facility and the shares issued by the Company were valued at the trading price of the stock on the date the shares were issued.

The Company has 27,811,573 and 22,726,859 shares of common stock issued and outstanding as of September 30, 2017 and December 31, 2016, respectively.

27. OBLIGATION UNDER OPERATING LEASES

The Company leases (i) 2,178 square feet of agriculture space used for offices for a monthly rent of $634 in Enping City, Guangdong Province, P.R.C., its lease expiring on March 31, 2019; (ii) 5,081 square feet of office space in Guangzhou City, Guangdong Province, P.R.C. for a monthly rent of $12,733, its lease expiring on July 8, 2018; and (iii) 1,555 square feet of staff quarters in Linli District, Hunan Province, P.R.C. for a monthly rent of $226, its lease expiring on May 1, 2018.

Lease expenses were $42,790, $42,790, $126,569 and $226,524 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

The future minimum lease payments as of September 30, 2017, are as follows:

Year ending December 31, 2017	$	45,790
Year ending December 31, 2018 and thereafter		123,680
	$	169,470

28. STOCK BASED COMPENSATION

On May 10, 2016, the Company issued directors and employees a total of 1,199,068 shares of common stock valued at fair value of $5.98 per share for services rendered to the Company. The fair values of the common stock issued were determined by using the trading price of the Company's common stock on the date of issuance of $5.98 per share. On the same date, the Company issued professionals a total of 132,787 shares of common stock valued at fair value of $5.98 per share for services rendered to the Company. The fair values of the common stock issued were determined by using the trading price of the Company's common stock on the date of issuance of $5.98 per share.

The Company calculated stock based compensation of $7,965,624 and recognized $4,345,993 for the year ended December 31, 2016. As of December 31, 2016, the deferred compensation balance for staff was $3,982,813 and the deferred compensation balance of $3,982,813 was to be amortized over 6 months beginning on January 1, 2017.

On June 30, 2017, the Company issued professionals a total of 117,000 shares of common stock valued at fair value of $3.45 per share for services rendered to the Company. The fair values of the common stock issued were determined by using the trading price of the Company's common stock on the date of issuance of $3.45 per share.

The Company calculated stock based compensation of $4,386,463 and recognized $100,912, $1,990,972, $4,083,725 and $2,354,153 for the three months and the nine months ended September 30, 2017 and 2016, respectively. As of September 30, 2017, the deferred compensation balance for staff was $302,738 and the deferred compensation balance of $302,738 was to be amortized over 9 months beginning on October 1, 2017.

29. CONTINGENCIES

As of September 30, 2017 and December 31, 2016, the Company did not have any pending claims, charges, or litigation that it expects would have a material adverse effect on its consolidated balance sheets, consolidated statements of income and other comprehensive income or consolidated statements of cash flows.

The Company entered into loan and pledge agreement with a Shanghai, P.R.C. based lender (the "lender") The lender has various trading facilities and has agreed to allow the Company or its nominee to use parts of trading facilities up to an amount of $20 million (31.12.2016: $20 million) to be used in tranches and revolved up to a period of three years, of which $16,626,325 (31.12.2016: $13,982,640) was utilized.

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances as disclosed elsewhere in these consolidated financial statements, during the nine months ended September 30, 2017 and 2016, the Company had the following significant related party transactions:-

Name of related party	Nature of transactions
Mr. Solomon Yip Kun Lee, Chairman	Included in due to a director, due to Mr. Solomon Yip Kun Lee is $850,274 and $2,070,390 as of September 30, 2017 and December 31, 2016, respectively. The amounts are unsecured, interest free and have no fixed terms of repayment.
Tri-way Industries Limited, ("TRW') Unconsolidated equity investee	Included in interest in unconsolidated equity investee, due from Tri-way Industries Limited is $14,438,797 and $55,120,003 as of September 30, 2017 and December 31, 2016, respectively. The amounts are unsecured, interest free and have no fixed terms of repayment.
	Included in accounts receivable, due from Tri-way Industries Limited is $21,767,182 and $15,771,795 as of September 30, 2017 and December 31, 2016, respectively. The amounts are unsecured, interest free and have no fixed terms of repayment.
	The Company has consulting and service income from development contracts of $2,978,371, $0, $16,167,636 and $0 from Tri-way Industries Limited for the three months and the nine months ended September 30, 2017 and 2016, respectively.

31. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution of securities by including other potential common stock, including convertible preferred stock, stock options and warrants, in the weighted average number of common shares outstanding for the year, if dilutive. The numerators and denominators used in the computations of basic and dilutive earnings per share are presented in the following table:

	Three months ended September 30, 2017	Three months ended September 30, 2016 (Restated)
BASIC		
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing and discontinued operations	$ 3,450,848	$ 21,292,477
Net income used in computing basic earnings per share - continuing operations	$ 3,450,848	$ 18,524,702
Basic earnings per share - continuing and discontinued operations	$ 0.14	$ 1.04
Basic earnings per share - continuing operations	$ 0.14	$ 0.91
Basic weighted average shares outstanding	24,231,617	20,376,225

	Three months ended September 30, 2017	Three months ended September 30, 2016 (Restated)
DILUTED		
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing and discontinued operations	$ 3,450,848	$ 21,292,477
Convertible note interest	526,543	404,877
Net income used in computing diluted earnings per share	$ 3,977,391	$ 21,697,354
Diluted earnings per share - continuing and discontinued operations	$ 0.15	$ 0.95

	Three months ended September 30, 2017	Three months ended September 30, 2016
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing operations	$ 3,450,848	$ 18,524,702
Convertible mote interest	526,543	404,877
Net income used in computing diluted earnings per share	$ 3,997,391	$ 18,929,579
Diluted earnings per share - continuing operations	$ 0.15	$ 0.83
Basic weighted average shares outstanding	24,231,617	20,376,225
Add:		
weight average of common stock convertible from convertible note payables	2,126,141	2,378,667
Diluted weighted average shares outstanding	26,357,758	22,754,892

31. EARNINGS PER SHARE (CONTINUED)

	Nine months ended September 30, 2017	Nine months ended September 30, 2016 (Restated)
BASIC		
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing and discontinued operations	$ 12,524,713	$ 48,695,453
Net income used in computing basic earnings per share - continuing operations	$ 12,524,713	$ 37,228,196
Basic earnings per share - continuing and discontinued operations	$ 0.62	$ 2.45
Basic earnings per share - continuing operations	$ 0.62	$ 1.87
Basic weighted average shares outstanding	20,309,014	19,900,082

	Nine months ended September 30, 2017	Nine months ended September 30, 2016 (Restated)
DILUTED		
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing and discontinued operations	$ 12,524,713	$ 48,695,453
Convertible note interest	1,579,630	1,466,044
Net income used in computing diluted earnings per share	$ 14,104,343	$ 50,161,497
Diluted earnings per share - continuing and discontinued operations	$ 0.63	$ 2.24

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Numerator for basic earnings per share attributable to the Company's common stockholders:		
Net income used in computing basic earnings per share - continuing operations	$ 12,524,713	$ 37,228,196
Convertible mote interest	1,579,630	1,466,044
Net income used in computing diluted earnings per share	$ 14,104,343	$ 38,694,240
Diluted earnings per share - continuing operations	$ 0.63	$ 1.72
Basic weighted average shares outstanding	20,309,014	19,900,082
Add:		
weight average of common stock convertible from convertible note payables	2,187,382	2,534,765
Diluted weighted average shares outstanding	22,496,396	22,434,847

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q (the "Form 10-Q") contains "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act. Forward-looking statements can be identified by the use of forward-looking terminology, such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative thereof or other variations thereon, or by discussions of strategy that involve risks and uncertainties These statements reflect management's current beliefs and are based on information now available to it. Accordingly, these statements are subject to certain risks, uncertainties and contingencies that could cause the Company's actual results, performance or achievements in 2017 and beyond to differ materially from those expressed in, or implied by, such statements. Such statements, include, but are not limited to, statements contained in this Form 10-Q relating to the Company's business, financial performance, business strategy, recently announced transactions and capital outlook. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: a continued decline in general economic conditions nationally and internationally; decreased demand for our products and services; market acceptance of our products; the impact of any litigation or infringement actions brought against us; competition from other providers and products; the inability to raise capital to fund continuing operations; changes in government regulation; the ability to complete customer transactions, and other factors relating to our industry, our operations and results of operations and any businesses that may be acquired by us. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned. Readers of this Form 10-Q should not place undue reliance on any forward-looking statements. Except as required by federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

You should read the following discussion and analysis of the financial condition and results of operations of the Company together with the financial statements and the related notes presented in Item 1 of Part I of this Form 10-Q.

Description and interpretation and clarification of business category on the consolidated results of the operations

The Company's strategy is to manage and operate its businesses under five (5) business divisions or units on a standalone basis, namely:

Beef & Organic Fertilizer Division	(SJAP, QZH and HSA)
Plantation Division	(JHST)
Cattle Farm Division	(MEIJI and JHMC)
Corporate & Others Division	(SIAF)
Fishery Division	(CA)

A summary of each business division is described below:

- **Beef and Organic Fertilizer Division** refers to:

  (i) The operation of SJAP in manufacturing and sales of organic fertilizer, bulk livestock feed, concentrated livestock feed, and the sales of live cattle inclusive of: (a) cattle that are not being slaughtered in our own slaughter house operated by Qinghai Zhong He Meat Products Co., Limited ("QZH") are sold live to third party livestock wholesalers and, (b) cattle that are sold to QZH and slaughtered and deboned and packed by QZH. The sales of meats deboned and packed by QZH that are sold to various meat distributors, wholesalers and super market chains and our own retail butcher stores. QZH is a fully owned subsidiary of our partially owned subsidiary Qinghai Sanjiang A Power Agriculture Co., Ltd. ("SJAP"); as such, the financial statements of these two companies (SJAP and QZH), as well as those of HAS (described immediately below) are consolidated into our wholly owned subsidiary, A Power Agro Agriculture Development (Macau) Limited ("APWAM"), as one entity. SJAP and QZH are both variable interest entities over which we exercise significant control.

  (ii) The operation of Hunan Shenghua A Power Agriculture Co. Ltd. ("HSA") in manufacturing and sales of organic fertilizer**.**

- **Plantation Division** refers to the operations of Jiangmen City Heng Sheng Tai Agriculture Development Co. Ltd. ("JHST") in the HU Plantation business where dragon fruit flowers (dried and fresh) and immortal vegetables are sold to wholesale and retail markets. JHST's financial statements are consolidated into the financial statements of Macau EIJI Company Ltd. ("MEIJI") as one entity**.**

- **Cattle Farm Division** refers to the operations of Cattle Farm 1 under Jiangmen City Hang Mei Cattle Farm Development Co. Ltd ("JHMC") where cattle are sold live to third party livestock wholesalers who sell them mainly to Guangzhou and Beijing livestock wholesale markets. The financial statements of JHMC are consolidated into MEIJI as one entity along with MEIJI's operation in the consulting and service for development of other cattle farms (e.g., Cattle Farm 2) or related projects**.**

- **Corporate & Others Division** refers to the business operations of Capital Award Inc. and Sino Agro Food, Inc., including import/export business and consulting and service operations provided to projects that are not included in the above categories, and not limited to corporate affairs**.**

- **Fishery Division** refers to the operations of Capital Award Inc. ("Capital Award" or "CA") covering its engineering, technology and consulting service management of fishery farms and seafood sales operations and marketing, where;

  Capital Award generates revenues from providing engineering consulting services as turnkey contractors to owners and developers of fishery projects that are being designed and engineered into turnkey contracts by Capital Award in China using its A Power Module Technology Systems ("APM") as follows:

  A. Engineering and Technology Services; via Consulting and Service Contracts ("CSC's") for the development, construction, and supply of plant and equipment, and management of fishery (and prawn or shrimp) farms and related business operations.

  B. Seafood Sales from CA's projected farms: which is now a dis-continued operation.

CONSOLIDATED RESULTS OF OPERATIONS

Part A. Unaudited Income Statements of Consolidated Results of Operations for three months ended September 30, 2017 compared to the three months ended September 30, 2016.

A (1) Income Statements (Unaudited)

In $	Three months ended September 30, 2017	Three months ended September 30, 2016	Difference	Note
Continuing operations				
Revenue	**48,392,933**	**111,657,580**	**(63,264,647)**	1
Consulting, services, commission and management fee	2,978,371	23,377,355	(20,398,984)	
Sale of goods	45,414,562	88,280,225	(42,865,663)	
Cost of goods sold and services	**41,846,579**	**81,472,200**	**(39,625,621)**	2
Consulting, services, commission and management fee	2,234,070	12,450,460	(10,216,390)	
Sale of goods	39,612,509	69,021,740	(29,409,231)	
Gross Profit	**6,546,354**	**30,185,380**	**(23,639,026)**	3
Consulting, services, commission and management fee	744,301	10,926,895	(10,182,594)	
Sale of goods	5,802,053	19,258,485	(13,456,432)	
Other income (expenses)	(327,128)	292,670	(619,798)	
General and administrative expenses	(3,254,065)	(4,741,686)	1,487,621	4
Net income (expenses) before income tax	**2,965,161**	**25,736,364**	**(22,771,203)**	
Net Income from continuing operations	2,965,161	25,736,364	(22,771,203)	
Income on investment	1,379,672	-	1,379,672	4.a.
Less: Net(income) loss attributable to Non - controlling interest	(893,985)	(7,211,439)	6,317,454	5
Net income from continuing operations attributable to SIAF Inc. and subsidiaries	**3,450,848**	**18,524,925**	**(15,074,077)**	
Discontinued operations				
Net income from discontinued operations	-	2,900,004	(2,900,004)	
Less: Net (income) loss attributable to Non - controlling interest	-	(132,452)	132,452	
Net income from discontinuing operations attributable to SIAF Inc. and subsidiaries		**2,767,552**	**(2,767,552)**	
Net income attributable to SIAF Inc. and subsidiaries	**3,450,848**	**21,292,477**	**(17,841,629)**	
Other comprehensive income (loss) Foreign currency translation gain (loss)	569,938	(1,793,042)	2,362,980	
Comprehensive income	**4,020,786**	**19,499,435**	**(15,478,649)**	
Less: other comprehensive (income) loss attributed to the non-controling interest	(983,217)	226,668	(1,209,885)	
Comprehensive income attributed to Sino Agro Food, Inc and subsidiaries	**3,037,569**	**19,726,103**	**(16,688,534)**	
Weighted average number of shares outstanding				
- Basic	24,231,617	20,376,225	3,855,392	
- Diluted	26,357,758	22,754,892	3,602,866	
From continuing and discontinued operations				6
Basic	0.14	1.04	(0.90)	
Diluted	0.15	0.95	(0.80)	6.a.
From continuing operations				
Basic	0.14	0.91	(0.77)	
Diluted	0.15	0.81	(0.66)	

Note (1, 2 & 3) Sales, cost of sales and gross profit information and analysis:

- **The Company's revenues were generated from (1) Sale of Goods and (2) Consulting and Services provided in project and business developments covering engineering, construction, supervision, training, management and technology etc.**

The table below shows the segmental sales, gross profit and corresponding cost of sales for the three months ended September 30, 2017 (Q3 2017) compared to the three months ended September 30, 2016 (Q3 2016).

	In US$	Sales of goods		Cost of Goods sold		Sales of Goods' Gross profit	
		2017Q3	2016Q3	2017Q3	2016Q3	2017Q3	2016Q3
SJAP	Sales of live cattle	1,988,257	7,119,057	1,898,480	5,937,538	89,777	1,181,519
	Sales of feedstock			-		-	
	Bulk Livestock feed	991,871	1,622,283	456,382	730,130	535,489	892,154
	Concentrate livestock feed	2,715,027	4,471,123	1,537,340	2,480,922	1,177,687	1,990,201
	Sales of fertilizer	587,034	841,942	397,188	561,443	189,846	280,499
	SJAP Total	**6,282,189**	**14,054,405**	**4,289,390**	**9,710,033**	**1,992,799**	**4,344,372**
	* QZH's (Slaughter & Deboning operation)	-	330,754		143,320		187,434
	** QZH's (Deboning operation)			-		-	-
	on cattle & Lamb locally supplied	1,204,236	4,460,323	1,081,470	3,406,372	122,766	1,053,951
	on imported beef and mutton	11,901,696	24,603,451	11,573,026	19,992,621	328,670	4,610,830
	Sales of live cattle		-	-	-	-	
	QZH Total	**13,105,932**	**29,394,528**	**12,654,496**	**23,542,313**	**451,436**	**5,852,215**
HSA	Sales of Organic fertilizer	928,982	908,272	803,411	701,757	125,571	206,515
	Sales of Organic Mixed Fertilizer	740,702	4,339,940	425,440	2,361,635	315,262	1,978,305
	HSA Total	**1,669,684**	**5,248,212**	**1,228,851**	**3,063,392**	**440,833**	**2,184,820**
	SJAP's & HS.A./Organic fertilizer total	**21,057,805**	**48,697,145**	**18,172,737**	**36,315,738**	**2,885,068**	**12,381,407**
JHST	Sales of Fresh HU Flowers	22,399	475,340	20,420	196,554.86	1,979	278,785
	Sales of Dried HU Flowers	628,063	5,173,014	604,913	2,122,825	23,150	3,050,189
	Sales of Dried Immortal vegetables		-	-	-	-	-
	Sales of Vegetable products	836,003	1,043,786	623,362	690,501	212,641	353,285
	JHST/Plantation Total	**1,486,465**	**6,692,140**	**1,248,695**	**3,009,881**	**237,770**	**3,682,259**
MEIJI				-		-	
	Sale of Live cattle (Aromatic)	7,281,156	9,658,454	6,319,872	9,119,428	961,284	539,026
	MEIJI / Cattle farm Total	**7,281,156**	**9,658,454**	**6,319,872**	**9,119,428**	**961,284**	**539,026**
SIAF				-		-	
	Sales of goods through trading/import/export activities			-		-	
	on seafood	7,467,142	10,126,889	6,651,655	8,927,273	815,487	1,199,616
	on imported beef and mutton	8,121,994	13,105,597	7,219,550	11,649,420	902,444	1,456,177
	SIAF/ Others & Corporate total	**15,589,136**	**23,232,486**	**13,871,205**	**20,576,693**	**1,717,931**	**2,655,793**
				-			
Group Total		**45,414,562**	**88,280,225**	**39,612,509**	**69,021,740**	**5,802,054**	**19,258,485**
Increases/(decrease) of Q3 2017 to Q3 2016 in $		**-42,865,663**				**-13,456,431**	
Increases / (increase) of Q3 2017 to Q3 2016 in %		**-49%**				**-70%**	

Overall comparison of Q3 2017 to Q3 2016

The Company's revenues generated from the sale of goods was $45,414,562 for the quarter period ending September 30, 2017 compared to $88,280,225 for the same period ended September 30, 2016, reflecting a decrease of 49%, or $42,865,663.

The Company's cost of goods sold $39,612,509 for the quarter period ending September 30, 2017 compared to $69,021,740 for the same period ended September 30, 2016, reflecting a decrease of 43%, or $29,409,231.

Gross profits of the Company generated from goods sold $5,802,053 for the quarter period ending September 30, 2017 compared to $19,258,485 for the same period ended September 30, 2016 representing a decrease of 70%, or $13,456,431.

The overall lower performance is primarily due to (i) sales of goods in the "Fishery Sector (or CA's sales of goods)" is now discontinued and recorded as investment income, (ii) the continuously unstable, depressed local cattle and beef industry led to poorer performance in concentrated live-stock feed and deboning of the imported beef.

Details of each segment are being described below:

- **1. (i) Beef and Organic Fertilizer Division refers to operation of SJAP and QZH**

		2017Q3	2016Q3	2017Q3	2016Q3	2017Q3	2016Q3
SJAP	Sales of live cattle	1,988,257	7,119,057	1,898,480	5,937,538	89,777	1,181,519
	% of increase / decrease	-72%				-92%	
	Decrease in $	(5,130,800)				(1,091,742)	
	Sales of feedstock						
	Bulk Livestock feed	991,871	1,622,283	456,382	730,130	535,489	892,154
	Concentrate livestock feed	2,715,027	4,471,123	1,537,340	2,480,922	1,177,687	1,990,201
	% of increase / decrease	-39%				-41%	
	Decrease in $	(1,756,096)				(812,514)	
	Sales of fertilizer	587,034	841,942	397,188	561,443	189,846	280,499
	SJAP Total	**6,282,189**	**14,054,405**	**4,289,390**	**9,710,033**	**1,992,799**	**4,344,372**
	* QZH's (Slaughter & Deboning operation)	-	330,754		143,320		187,434
	** QZH's (Deboning operation)			-		-	
	on cattle & Lamb locally supplied	1,204,236	4,460,323	1,081,470	3,406,372	122,766	1,053,951
	on imported beef and mutton	11,901,696	24,603,451	11,573,026	19,992,621	328,670	4,610,830
	% of increase / decrease	-52%				-93%	
	decreases in $	(12,701,755)				(4,282,160)	
	Sales of live cattle	-		-			-
	QZH Total	**13,105,932**	**29,394,528**	**12,654,496**	**23,542,313**	**451,436**	**5,852,215**
	SJAP and QZH total	**19,388,121**	**43,448,933**	**16,943,886**	**33,252,346**	**2,444,235**	**10,196,587**
	% of increase / decrease	**-55%**				**-76%**	
	decreases in $	**(24,060,812)**				**(7,752,352)**	

As illustrated in the Table above, when comparing Q3 2017 against the same period in 2016, the losses in revenue (negative variance of $24 million, or -55%) and gross profit (negative variance of 7.75 million, or -76%) was primarily due to the continuously depressed cattle market, in which, during the Q3 2017, SJAP only sold cattle grown in its own farm without any sales from its cooperative farmers, also reflecting poor results in the sales revenue and gross profit of concentrated livestock feed, which had decreased by $1.76 million (a decrease of -39%) and $0.8 million (a decrease of 41%), respectively.

Sales revenue and gross profit of deboning and packaging imported beef meats decreased by $12.7 million (a decrease of -52%) and 4.2 million (a decrease of -93%), respectively primarily due to the increase of outside competition coming into the market, thus reducing the Company's market share and profits, accordingly.

In view of the situation referenced above, which has been ongoing for more than 12 months, and, in addition, has seen the Central Government's request for upgrades to the facilities due to more stringent environmental policies, requiring additional expended capital, SJAP's management has decided to temporarily cease QZH's operation beginning in October 2017, until such time as an effective solution is found.

The table below shows the itemized sales of goods and related cost of sales in quantity and unit price for the quarterly period ended September 30, 2017 compared to the same period ended September 30, 2016 of the beef and organic fertilizer divisions.

	Description of items					
SJAP	**Cattle Operation**		**2017Q3**	**2016Q3**	**Difference**	
	Production and Sales of live cattle	**Heads**	**853**	**3,230**	**-2,377**	A.4.1
	Average Unit sales price	US$/head	2,331	2,204	127	
	Unit cost prices	US$/head	2,226	1,838	387	
	Production and sales of feedstock					
	Bulk Livestock feed	**MT**	**5,627**	**9,013**	**-3,386**	A.4.2
	Average Unit sales price	US$/MT	176	180	-4	
	Unit cost prices	US$/MT	81	81	0	
	Concentrated livestock feed	**MT**	**6,330**	**9,967**	**-3,637**	A.4.3
	Average Unit sales price	US$/MT	429	449	-20	
	Unit cost prices	US$/MT	243	249	-6	
	Production and sales of fertilizer	**MT**	**3,420**	**6,341**	**-2,921**	A.4.4
	Average Unit sales price	US$/MT	172	133	39	
	Unit cost prices	US$/MT	116	89	28	
*** QZH (Slaughter & De-boning operation)**						
	Slaughter operation					
	Slaughter of cattle	**Heads**		**850**	**-850**	A.4.5
	Service fee	US$/Head		10	-10	
	Sales of associated products	Pieces		**850**	-850	
	Average Unit sales price	US$/Piece		379	-379	
	Unit cost prices	US$/Piece		169	-169	
	De-boning & Packaging activities					A. 4.6.
	From Cattle supplied locally					
	De-boned Meats	**MT**	**361**	**478**	**-117**	
	Average Unit sales price	US$/MT	3,336	9,329	-5,993	
	Unit cost prices	US$/MT	2,996	7,125	-4,129	
	From imported beef	**MT**	**1,653**	**2,707**	**-1,054**	
	Average Unit sales price	US$/MT	7,200	9,089	-1,889	
	Unit cost prices	US$/MT	7,001	7,386	-384	

The decrease in the sales of bulk and concentrated stock feed was 3,386 MT in bulk feed from 9,013 MT in Q3 2016 to 5,627 MT in Q3 2017, and 3,637 MT in concentrated feed from 9,967 MT in Q3 2016 to 6,330 MT in Q3 2017, again for the same reasons as mentioned above.

The big difference in unit prices of the de-boned local meat is mainly due to this quarter's meat sales were derived from the clearance of old stock, at reduced prices.

1. (ii). The operations of HSA in manufacturing and sales of organic fertilizer itemizing unit sales, costs and quantity of sales:

	In US$	Sales of goods		Cost of good sold		Gross Profit	
		2017Q3	**2016Q3**	**2017Q3**	**2016Q3**	**2017Q3**	**2016Q3**
HS.A	Sales of Organic fertilizer	928,982	908,272	803,411	701,757	125,571	206,515
	Sales of Organic Mixed Fertilizer	740,702	4,339,940	425,440	2,361,635	315,262	1,978,305
	HS.A Total	**1,669,684**	**5,248,212**	**1,228,851**	**3,063,392**	**440,833**	**2,184,820**
	% of increase or decrease (-)	-68%		-60%		-80%	

			2017Q3	2016Q3	difference
HSA	**Fertilizer and Cattle operation**				**-**
	Organic Fertilizer	**MT**	**6,082**	**3,593**	**2,489**
	% of increase or decrease (-)		69.27%		
	Average Unit sales price	US$/MT	153	245	-92
	Unit cost prices	US$/MT	132	192	-60
	Organic Mixed Fertilizer	**MT**	**1,796**	**10,040**	**-8,244**
	% of increase or decrease (-)		**-82%**		
	Average Unit sales price	US$/MT	412	432	-20
	Unit cost prices	US$/MT	237	235	2
	Retailing packed fertilizer (For super marlet sales)	MT		**37**	**-37**
	% of increase or decrease (-)				
	Average Unit sales price	US$/MT		725	-725
	Unit cost prices	US$/MT		365	-365

During Q3 2017, HSA improved its production and sales of organic fertilizer by 2,489 MT from Q3 2016's 3,593 MT to Q3 2017's 6,082 MT primarily due to the drop of unit sale prices from Q3 2016's $245 MT to Q3 2017's $153 MT which was mainly due to increasing competition in the Fertilizer Trade; the sales on Organic Mixed Fertilizer has dropped by 8,244 MT compared between Q3 2016 and Q3 2017 mainly due to the late start-up of this section's remodeled/retrofitted production plant operating only one month, during the quarter.

Without incurring further capital expenditure at this juncture until such time as self-generated results allow, HAS's sales improved by $0.7 million from Q2 2017's $0.9 million to Q3 2017's $1.6 million with improved gross profit by $0.3 million from Q2 2017's $0.17 million to Q3 2017's $0.48 million.

- **Plantation Division** refers to the operations of Jiangmen City Heng Sheng Tai Agriculture Development Co. Ltd. ("JHST"). JHST is engaged in the HU Plantation business where dragon fruit flowers (dried and fresh), cash vegetable crops and immortal vegetables are sold to wholesale and retail markets. JHST's financial statements are consolidated into the financial statements of MEIJI as one entity.

	In US$	Sales of goods		Cost of Goods sold		Sales of Goods' Gross profit	
		2017Q3	2016Q3	2017Q3	2016Q3	2017Q3	2016Q3
JHST	Sales of Fresh HU Flowers	22,399	475,340	20,420	196,555	1,979	278,785
	Sales of Dried HU Flowers	628,063	5,173,014	604,913	2,122,825	23,150	3,050,189
	Sales of Dried Immortal vegetables		-	-	-	-	-
	Sales of Other Value added products	836,003	1,043,786	623,362	690,501	212,641	353,285
	JHST/Plantation Total	**1,486,465**	**6,692,140**	**1,248,695**	**3,009,881**	**237,770**	**3,682,259**
	Increases / (decrease) in $	(5,205,675)				(3,444,488)	
	% of increases / (decrease)	-78%				-94%	

Description of items		2017Q3	2016Q3	Differences
Fresh HU Flowers	**Pieces**	**248,808**	**3,285,600**	**-3,036,792**
Average Unit sales price	US$/piece	0.09	0.14	-0.05
Unit cost prices	US$/piece	0.08	0.06	0.02
Dried HU Flowers	**MT**	**125.0**	**446**	**-321**
Average Unit sales price	US$/MT	5,025	11,599	-6,574
Unit cost prices	US$/MT	4,839	4,760	80
Dried Immortal vegetables	**MT**			
Average Unit sales price	US$/MT			
Unit cost prices	US$/MT			
Vegetable products	**MT**	**776**	**1,381**	**-605**
Average Unit sales price	US$/MT	1,077	756	321
Unit cost prices	US$/MT	803	500	303

Revenue from our plantation division decreased by $5.2 million (or 78%), from $6.7 million for Q3 2016 to $1.5 million for Q3 2017. The decrease was primarily due to lower prices both in fresh flowers by $0.05/piece and dried flowers by $6,574/MT, primarily due to the poorer quality of flowers, which in turn resulted from root diseases caused by excessive rain during the past few years.

JHST is experimenting with many different crops and other biological plant products aiming at the development of more stable crops and/or products that will eventually help the Company to develop the plantation into much larger economical scale of operation free from effects caused by the vagaries of weather in Guangdong Province. To date, our experimental crop of Passion Fruits harvested during the quarter had good reception with reasonable and stable prices averaging over RMB20/kg (or approximately US$3/kg)m which is encouraging; consequently, we are working on improving the yield per acre targeting to start commercial production in spring 2018 with about 100 acres; at the same time we have successfully attracted the interest of a health-products purveyor to market our Immortal vegetable plants ("IVP") under their brand label via their e-commerce platform with shipments covering all corners of China. In this respect, we are redesigning and repackaging our IVPs with the aim to have this sale program launched with commercial harvests beginning from spring of 2018.

- **<u>Cattle Farm Division</u>** refers to the operations of Cattle Farm 1 under Jiangmen City Hang Mei Cattle Farm Development Co. Ltd ("JHMC") where cattle are sold live to third party livestock wholesalers who are selling them mainly in Guangzhou and Beijing livestock wholesale markets. The financial statements of JHMC are consolidated into MEIJI as one entity along with MEIJI's operation in the consulting and service for development of other cattle farms, such as Cattle Farm 2, or related projects.

	In US$	Sales of goods		Cost of Goods sold		Sales of Goods' Gross profit	
		2017Q3	2016Q3	2017Q3	2016Q3	2017Q3	2016Q3
MEIJI							
(CF1)	Sale of Live cattle (Aromatic)	7,281,156	9,658,454	6,319,872	9,119,428	961,284	539,026
	MEIJI / Cattle farm Total	**7,281,156**	**9,658,454**	**6,319,872**	**9,119,428**	**961,284**	**539,026**
	Increases / (decrease) in $	- 2,377,298				422,258	
	% of increase or (decrease)	-25%				78%	

MEIJI	**Production and sale of Live cattle (Aromatic)**	**Heads**	**4,731**	**4,417**	**314**
CF1	Average Unit sales price	US$/head	1,539	2,187	-648
	Unit cost prices	US$/head	1,336	2,065	-729

Cattle Farm 1 revenue decreased sales by $2,377,298 (or 25%) from Q3 2016's $9,658,454 to Q3 2017's $7,281,156 while gross profit increased by $422,258 (or 78%) from $539,026 in Q3 2016 to Q3 2017's $961,284, reflecting price-points of the local "Yellow Cattle" breed.

- **Corporate & Others Division** refers to the business operations of Sino Agro Food, Inc., including import/export business and consulting and service operations provided to projects not included in the above categories, and not limited to corporate affairs**.**

In US$	Sales of goods 2017Q3	Sales of goods 2016Q3	Cost of Goods sold 2017Q3	Cost of Goods sold 2016Q3	Sales of Goods' Gross profit 2017Q3	Sales of Goods' Gross profit 2016Q3
SIAF						
Sales of goods through trading/import/export activities						
on seafood	7,467,142	10,126,889	6,651,655	8,927,273	815,487	1,199,616
Increases / (decrease) in $	-2,659,747				-384,129	
% of increases / (decrease)	-26%				-32%	
on imported beef and mutton	8,121,994	13,105,597	7,219,550	11,649,420	902,444	1,456,177
Increases / (decrease) in $	(4,983,603)				(553,733)	
% of increases / (decrease)	-38%				-38%	
SIAF/ Others & Corporate total	**15,589,136**	**23,232,486**	**13,871,205**	**20,576,693**	**1,717,931**	**2,655,793**
Increases / (decrease) in $	(7,643,350)				(937,862)	
% of increases / (decrease)	-33%				-35%	

	Description of items		**2017Q3**	**2016Q3**	**Difference**
SIAF	**Seafood trading from imports**				
	Mixed seafoods	**MT**	**400**	**542**	**-142**
	Average of sales price	**US$/MT**	18,668	18,702	(34)
	Average of cost prices	US$/MT	16,629	16,486	143
	Beef & Lambs trading from imports	MT	**417**	**1,239**	**-822**
	Average of sales price	US$/MT	19,501	10,578	8,923
	Average of cost prices	US$/MT	17,334	9,402	7,932

Revenue from the corporate division decreased by $7.6 million or (33%) from Q3 2016's $23.2 million to Q3 2017's $15.6 million. The decrease was primarily due to our decision to trade in selective products that could maintain certain profit margins developed with selected clients.

Gross profit from the corporate sector decreased by $0.94 million or (35%) from $2.66 million for Q3 2016 to $1.72 million for Q3 2017. The decrease was marginal and will improve as we increase the importing of higher quality products sourced from an increasing number of reputable suppliers.

In this respect, the Company is confident that this segment will continue to improve as the disposable income of China's middle class continues to grow.

- ***5.A. Engineering technology consulting and services:***

<u>Notes to Table A (1) Note (1.1, 2.1 and 3.1)</u>

Table A.5 below shows the revenue, cost of services and gross profit generated from consulting, services, commission and management fee for three months ended September 30, 2016 (Q3 2017).

<u>Revenues (consulting, service, commission and management fee):</u>

			2017Q3	2016Q3	Difference	Description of work
Sales Revenues (Consulting and Services)						
		CA	2,978,371	23,377,355	-20,398,984	Working in progress of PF(2), NPF
	Group Total Revenues		**2,978,371**	**23,377,355**	**-20,398,984**	
Cost of sales					-	
		CA	2,234,070	12,450,460	-10,216,390	
	Group Total Cost of sales		**2,234,070**	**12,450,460**	**-10,216,390**	
Gross Profit					-	
		CA	744,301	10,926,895	-10,182,594	
	Group Total Gross Profit		**744,301**	**10,926,895**	**-10,182,594**	
	% of increase or (decrease)					
	Group revenues		-87%			
	Group gross profits		-93%			

Revenues decreased by $20.40 million (or 87%) from $23.38 million for Q3 2016 to $2.98 million for Q3 2017. Cost of services for consulting, service, commission and management fees decreased by $10.22 million (or 82%) from $12.45 million for Q3 2016 to $2.23 million for Q3 2017. Gross profit decreased by $10.19 million (or 93%) from $10.93 million for Q3 2016 to $0.74 million for Q3 2017.

The decrease in revenue/cost of sales was primarily due to the current policy of Tri-way (the developer of the Fishery properties) to restrict its development capital expenditures (CapEx) until they have successfully sourced its funding.

<u>The issuance of shares for Q3 2017</u>

- Total issued and outstanding shares as at 30.09.2017 is at 27,811,573 shares reflecting an increase of 2,382,246 shares for the quarter from Q2 2017's total issued and outstanding count of 25,429,327 shares. The primarily reason is due to the decrease in the market price of our shares of common stock, from an average of $12 per share in Q3 2015 to $1.40 per share end of Q3 2017, which reduced the overall value of the security (collateral shares), thus requiring the Company to increase its securitized collateral for loans and facilities totaling $36.8 million, consisting of Trade Facility Loans totaling $26.7 m and loans from third parties collectively amounting to $12.6 million, less $2.5 million having been repaid (net $10.1 million), resulting in a total of 8.45 million shares issued as collateral security averaged at $4.35/share, which remains at a favorable margin when compared to the market price of $1.40/share as at 30.09.2017.

Collateral shares do not hold voting or dividend rights and thus do not carry the same ownership rights as the shares of our common stock held by common shareholders of the Company.

The Table below shows the actual increase of shares from year end 2014 to 30.09.2017:

As at		# of Collateral Shares	Total issued and outstanding ("I&O") shares	% of increase Inclusive of the collateral shares	Effective share count, net of C/S	Real % of increase Net of C/S
31.12.2014	The fully diluted total I&O shares inclusive the B series shares		17,869,786			
31.12.2015	The fully diluted total I&O shares inclusive the B series shares		20,133,757	13%	17,917,573	0%
	The Collateralized shares	2,216,184				
31.12.2016	The fully diluted total I&O shares inclusive the B series shares		22,726,569	13%	19,249,138	7%
	The Collateralized shares	3,477,431				
30.09.2017	The fully diluted total I&O shares inclusive the B series shares		27,811,573	22%	19,366,138	1%
	The Collateralized shares	8,445,435				

<u>The Gain/Loss on extinguishment of debts historical previously stated:</u>

During the last three years, we have issued unregistered securities to Chinese persons none of them residents of the United States. None of these transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The sales of these securities were, except as set forth below, deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(a)(2) thereof, and/or Rule 506 of Regulation D promulgated there under, as transactions by an issuer not involving a public offering. The recipients of securities in each transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the certificates issued in such transactions. All purchasers of our securities were accredited or sophisticated persons and had adequate access, through employment, business or other relationships, to information about us.

We relied upon Regulation S of the Securities Act of 1933, as amended, for these issuances, none of which was made to US citizens or residents. We believe that Regulation S was available because:

- None of these issuances involved underwriters, underwriting discounts or commissions;
- We placed Regulation S required restrictive legends on all certificates issued;
- No offers or sales of stock under the Regulation S offering were made to persons in the United States; and
- No direct selling efforts of the Regulation S offering were made in the United States.

The other income for the three months ended September 30, 2017 amounted to $(327,128) and derived from the combination of (1) Gain on extinguishment of debt $0 (Note 4), Government Grant $0 and other income $4,468 less interest expense of $331,596. The other income for the three months ended September 30, 2016 amounted to $292,670 derived from the combination of (1) Gain on extinguishment of debt $0 (Note 4), Government Grant $1,305,147 and other income $0 less interest expense of $1,012,477.

Gain (loss) of extinguishment of debts

Any deficit (excess) of the fair value of the shares over the carrying cost of the debt has been reported as a gain (loss) on the extinguishment of debt of $ 0 and $0 has been credited (charged) to operations for the three months ended September 30, 2016 and 2015, respectively.

<u>Note (4) to Table A 1 General and Administrative Expenses and Interest Expenses</u>

General and administrative and interest expenses (including depreciation and amortization) decreased by $2,168,502 or 38%, from $5,754,163 for Q3 2016 to $3,585,661 for Q3 2017. The decrease was primarily due to decrease in Wages and salaries of $1,685,158 from $2,225,651 for Q3 2016 to $540,493 for Q3 2017, and decrease in office and corporate expenses of $508,985 from $1,481,203 for Q3 2016 to $972,218 for Q3 2017 since part of these costs in the past were associated with discontinued operations, Tri-way, and are now charged to that entity, instead. This change-over also reflected in the decrease in interest expense of $680,881 from $1,012,477 for Q3 2016 to $331,596 for Q3 2017.

Note to Table A 1 Depreciation and Amortization

Depreciation and amortization increased by $1,561,703 or 95% to $3,211,264 for Q3 2017 from $1,649,561 for Q3 2016.The increase was primarily due to the increase of depreciation by $1,348,643 to $2,491,515 for Q3 2017 from depreciation of $1,142,872 for Q3 2016 whereas the increase of amortization by $213,060 to $719,749 for Q3 2017 from amortization of $506,689 for Q3 2016.

In this respect, total depreciation and amortization amounted to $3,211,264 for Q3 2017, out of which amount $1,096,271 was reported under general and administration expenses and $2,114,993 was reported under cost of goods sold; whereas total depreciation and amortization was at $1,649,561 for Q3 2016 and out of which amount $852,427 was reported under General and Administration expenses and $797,134 was reported under cost of goods sold.

Note (5) to Table A 1 Non-controlling interests

Table (F) below shows the derivation of non-controlling interest

Names of intermediate holdco. subsidiaries Abbreviated names	**Capital Award Inc. (Belize) CA**	**Macau EIJI Company Ltd. (Macau) (MEIJI)**			**A Power Agro Agriculture Development (Macau) Ltd. (APWAM)**		**Total**
% of equity holding on below subsidiaries (in China)	n.a.	75%	75%	26%	45%		
Name of China subsidiaries	None	Jiangmen City Heng Sheng Tai Agriculture Development Co. Ltd. (China)	Jiangmen City Hang Mei Cattle Farm Development Co. Ltd. (China)		Quinghai Sangjiang A Power Agrivulture Co. Ltd. (China)	Qing Hai Zhonghe Meat product Co.Ltd (China)	
Abbreviated names		**(JHST)**	**(JHMC)**	**(HSA)**	**(SJAP)**	**(QZH)**	
				Hunan Shanghua A Power Agriculture Co. Ltd (China	50%		
Net income of the P.R.C. subsidiaries for the period ended 30. June 2017 in $		$ 13,347	$ 576,549	$ 86,510	$ 907,590	$ 327,727	
Equity % of non-controlling interest		25%	25%	24.0%	58.75%	58.75%	
Non-controlling interest's shares of Net incomes in $		$ 3,337	$ 144,137	$ 20,762	$ 533,209	$ 192,540	**$ 893,985**

The net income attributed to non-controlling interest is $893,985 shared by (JHST, JHMC, HSA, SJAP, QZH and JFD collectively) for **Q3 2017** as shown in Table (F) above.

Note (6) to Table A 1 Earnings per share (EPS)

Earnings per share decreased by $0.90 (basic) and $0.80 (diluted) per share from EPS of $1.04 (basic) and$0.95 (diluted) for Q3 2016 to EPS of $0.14 (basic) and $0.15 (diluted) for Q3 2017. The reason for the decrease is primarily due to the decrease of net income attributable to Sino Agro Food, Inc. and subsidiaries by $17.8 million from $21.3 million for Q3 2016 to $3.5 million for Q3 2017.

Part B: Unaudited Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016 (audited)

Consolidated Balance sheets	September 30,2017 $	December 31,2016 $	Changes +- $	Note
ASSETS				
Current assets				
Cash and cash equivalents	1,865,684	2,576,058	(710,374)	B
Inventories	80,345,197	62,592,272	17,752,925	9
Costs and estimated earnings in excess of billings on uncompleted contracts	1,249,187	740,984	508,203	
Deposits and prepaid expenses	93,935,479	84,845,966	9,089,513	10
Accounts receivable	105,155,243	122,912,086	(17,756,843)	11
Other receivables	58,789,381	47,120,800	11,668,581	
Total current assets	**341,340,171**	**320,788,166**	**20,552,005**	
Property and equipment				
Property and equipment, net of accumulated depreciation	207,621,360	189,727,227	17,894,133	12
Construction in progress	41,509,210	35,157,213	6,351,997	13
Land use rights, net of accumulated amortization	54,504,006	53,673,690	830,316	14
Total property and equipment	**303,634,576**	**278,558,130**	**25,076,446**	
Other assets				
Goodwill	724,940	724,940	-	
Proprietary technologies, net of accumulated amortization	9,719,678	10,090,697	(371,019)	
Investment in unconsolidated equity investee	144,519,533	139,133,443	5,386,090	15
Long term investment	753,352	720,773	32,579	
Temporary deposits paid to entities for investments in future Sino Joint Venture companies	15,644,998	15,644,998	-	
Total other assets	**171,362,501**	**166,314,851**	**5,047,650**	
Total assets	**816,337,248**	**765,661,147**	**50,676,101**	
Current liabilities				16
Accounts payable and accruals	12,552,569	8,789,324	3,763,245	
Billings in excess of cost and estimated earnings on uncompleted contracts	5,602,681	2,630,752	2,971,929	
Due to a director	850,274	2,070,390	(1,220,116)	
Other payables	9,892,445	5,962,092	3,930,353	
Borrowings-Short term bank loan	1,506,705	2,883,090	(1,376,385)	
Negotiable promissory notes	368,462	1,113,140	(744,678)	
Income tax payable	1,227	1,130	97	
Total current liabilities	**30,774,363**	**23,449,918**	**7,324,445**	
Non-current liabilities				
Other payables	17,387,111	11,192,117	6,194,994	
Long term debts	6,026,819	5,766,182	260,637	
Notes payable	20,058,798	21,314,877	(1,256,079)	16D
Total non-current liabilities	**43,472,728**	**38,273,176**	**5,199,552**	
Stockholders' equity				
Common stock	27,811	22,727	5,084	
Additional paid-in capital	168,193,890	155,741,280	12,452,610	
Retained earnings	467,117,365	454,592,652	12,524,713	
Accumulated other comprehensive income	2,209,103	-4,335,355	6,544,458	
Treasury stock	-1,250,000	-1,250,000	-	
Total SIAF Inc. and subsidiaries' equity	**636,298,169**	**604,771,304**	**31,526,865**	
Non-controlling interest	105,791,988	99,166,749	6,625,239	
Total stockholders' equity	**742,090,157**	**703,938,053**	**38,152,104**	
Total liabilities and stockholders' equity	**816,337,248**	**765,661,147**	**50,676,101**	

Note B. Cash and Cash Equivalents

The change in cash and cash equivalents of $(710,374) was derived from cash and cash equivalents of $1,865,684 and $2,576,058 as of September 30, 2017 and December 31, 2016, respectively.

Note (9) Breakdown of inventory

	Sept. 30, 2017
	$
Bread grass	1,423,165
Beef cattle	6,638,851
Organic fertilizer	19,451,282
Forage for cattle and consumable	8,787,059
Raw materials for bread grass and organic fertilizer	18,534,940
Beef and mutton	23,435,619
Immature seeds	2,074,281
	80,345,197

Note (10) Breakdown of Deposits and Prepaid Expenses

Note (10.1)

	Sept. 30. 2017	**Note**
	$	
Deposits for		
- purchases of equipment	6,733,547	
- acquisition of land use rights	3,373,110	10.1
- inventories purchases	15,685,124	
- aquaculture contracts	2,261,538	
- consulting service providers and others	6,317,702	
- construction in progress	13,871,440	
- Collaterals of shares	35,250,553	
Prepayments - debts discounts and others	3,812,152	
Shares issued for employee compensation and overseas professional and bond interest	302,738	
Others	6,327,576	
	93,935,479	

Note (10.1) Breakdown of Deposit for- acquisition of Land Use Right:

As of September 30, 2017, we have $3,373,110 for a deposit paid for the acquisition of a Land Use Right derived from the following transactions:

- $3,182,180 (or RMB20,000,000) was full payment made on June 6, 2012 for Land Use Right by HSA comprising a block of land measuring 150 Mu (or 25 acres of prime agriculture land) located at Linli District of Hunan Province within 10 Km of HSA's complex. The process of application to register the said "Land Use Right," sometimes referred to as a LUR, is in progress, and, as such, this payment is recorded as Deposit and Prepaid Expenses pending final approval. Due to the delay in approving the LUR, HSA has revised and supplemented the contract of this land by a lease agreement until official approval is granted, and, in the interim, the deposit and prepayment on the land is being treated as a rent-to-own lease arrangement providing a prepayment on the property until the LUR is granted.

- $190,930 (or RMB1, 200,000) was paid by SJAP as deposit for the acquisition of "Land Use Right" on a block of land measuring 15 Mu (or 2.475 acres) located at Huangyuan district next to SJAP's complex on October 15, 2012. The process of rezoning this piece of land to residential (at present, agriculture) continues, and once completed will be transferred from the Local Government (Huangyuan County) to SJAP to build new staff quarters.

Note (11): Breakdown of Accounts receivable:

		September 30,2017				
		Accounts receivable $	0-30 days $	31-90 days $	91-120 days $	over 120 days and less than 1 year $
Consulting and Service totaling	CA	43,874,092	2,957,651	-	-	40,916,441
Sales of Live Fish, eels and prawns (from Farms) (CA)		-	-	-	-	-
Sales of imported seafood (SIAF)		13,643,100	5,747,626	4,995,831	2,899,644	-
Sales of Cattle and Beef Meats (from Enping Farm) (MEIJI)		5,868,206	-	4,834,166	1,034,039	-
Sales of HU Flowers (Fresh & Dried) (JHST)		3,663,388	467,096	1,026,312	486,385	1,683,595
Sales Fertilizer, Bulk Stock feed and Cattle by (SJAP)		9,382,408	2,001,184	3,885,134	2,238,028	1,258,062
Sales Fertilizer from (HSA)		4,778,889	555,311	1,085,381	317,326	2,820,871
Sales of Beef (QZH)		23,945,160	4,364,511	8,117,501	4,731,693	6,731,455
Total		**105,155,243**	**16,093,379**	**23,944,325**	**11,707,115**	**53,410,424**

- The bulk of the over 120-days accounts receivable under CA's consulting and service sector represents outstanding debt owed by Tri-way to the Company, expected to be settled within Q4 2017, either in cash or shares of the debtor.

Information on trading terms and provision for diminution in value of accounts receivable:

Our accounts receivable aging is less than 12 months old. Receivables from revenue derived from consulting and services billed for work completed are within our normal trading terms of 180 days and therefore no diminution in value is required, as the credit quality of the receivables is not in doubt. SIAF's receivables in consulting and services are mainly provided to WHX, WC1 and Shanghai wholesale centers collectively, and the extended credit terms for this quarter for more than 120 days to WHX and WC1 is primarily to allow them more time to accommodate their development of import sales in beef that requires much more working capital; this also applies to the higher credit terms on CA's sales of fish to WC1 and Shanghai WC.

Sales of fertilizer and bulk livestock feed: These comprise sales made to regional farmers contracted by us to grow crops and pastures using and purchasing our fertilizer. We in turn agree to buy their cattle that are fed with our bulk and concentrated cattle feed purchased from us. Under this arrangement, our accounts receivable are normally carried forward until such time they can be offset against our account payables due to these contracted farmers(that is, the amount owed for the amount of crops and pastures is ultimately offset against the amount of cattle that we have purchased from them, respectively). As these debtors are our contract farmers and operate a profitable and viable business with us and have a good track record we consider their credit quality is good and collection from them is not in doubt, thus no diminution in value is required.

Information on concentration of credit risk of account receivables:

We have 4 major long-term customers (referring to Customer A, B, C and D mentioned in the Financial Statement of this report under Note), who have accounted for 55.04% of our consolidated revenues for Q3 2017 as shown in the table below:

	three months ended Sept. 30, 2017		
	% of total Revenue	$	Customer's Total Revenue
Customer A	24.59%		11,901,694
Customer B	21.89%		10,593,305
Customer C	16.34%		7,909,219
Customer D	10.32%		4,995,831
	73.15%		35,400,049

Customer A is Hunan City Bo Bo Go Supermarket chain ("BBG"), which is a publicly traded company in China with more than 5,000 chain stores and 11,000 7/11 stores operating in various districts and cities of China. During Q3 2017, we sold $11.9 million of goods to BBG representing 24.59% of our total revenue of $48.4 million derived mainly from SJAP (QZH)'s segment of beef.

Customer B is ShangHai Virgo Trading co. Ltd, which is one of our major distributors of imported beef and seafood as well as our farmed seafood. We sold $10.6 million of goods to Virgo during Q3 2017 representing 21.89% of our total revenue of $48.4 million during the quarter.

Customer C is Cattle Wholesale represented by Mr. Zhen Runchi who buys our fattened cattle to sell them in the Guangdong and Beijing cattle markets and at the same time supplies us with young cattle. During Q3 2017, transactions through Mr. Zhen Runchi generated 16.34 % of our total consolidated revenue (equivalent to $7,909,219 out of our total revenue of $48,392,933).

Customer D is WSC 1, which is owned and operated by Guangzhou City A Power NaWei Trading Co. Ltd ("APNW"). APNW distributes seafood to other wholesalers in various cities in China. WSC 1 is ideally situated at the center of all interprovincial logistic services. At the same time, APNW has obtained all relevant Import Quotas and Permits as of September 30, 2014. As such, SIAF relies on APNW's import permits for its import and export trades to be carried out in China. Sales affected through WSC 1 contribute 10.32% of our total consolidated revenue (equivalent to $4,995,831 out of our total revenue of $48,392,933).

The Company had 4 major customers whose accounts receivable balance individually represented the following percentages of the Company's total accounts receivable during Q3 2017:

	Sept. 30.2017 % of total Accounts receivables	**amount in $**	**Total Accounts receivables**
Customer A	21.02%		22,106,909
Customer B	20.70%		21,767,182
Customer C	18.82%		19,793,205
Customer D	7.34%		7,721,316
	67.88%		71,388,612

Note (12)

Property and equipment, net of accumulation depreciation

	Sept. 30. 2017 $
Plant and machinery	7,203,563
Structure and lease hold improvements	171,577,557
Mature seeds and herbage cultivation	44,206,623
Furniture and equipment	912,754
Motor vehicles	963,254
	224,863,751
Less: Accumulated depreciation	-17,242,391
Net carrying amount	**207,621,360**

Note (13) Construction in progress

	Sept. 30. 2017 $
Construction in progress	
- Oven room、road for production of dried flowers	4,670,785
- Office, warehouse and organic fertilizer plant in HAS	5,155,478
- Organic fertilizer and bread grass production plant and office building	3,341,861
- Rangeland for beef cattle and office building	10,558,715
- Fish pond	17,782,371
	41,509,210

Note (14) Land Use Rights, net of accumulated amortization:

Item	Owner	Location	Acres	Date Acquired	Tenure	Expiry dates	Cost $	Monthly amortization $	2017.09.30 Balance $	Nature of ownership	Nature of project
Hunan lot1	HS.A	Ouchi Village, Fenghuo Town, Linli County	31.92	4/5/2011	43	4/4/2054	242,703	470	206,015	Lease	Fertilizer production
Hunan lot2	HS.A	Ouchi Village, Fenghuo Town, Linli County	247.05	7/1/2011	60	6/30/2071	36,666,141	50,925	32,846,751	Management Right	Pasture growing
Hunan lot3	HS.A	Ouchi Village, Fenghuo Town, Linli County	8.24	5/24/2011	40	5/23/2051	378,489	789	317,773	Land Use Rights	Fertilizer production
Guangdong lot 1	JHST	Yane Village, Liangxi Town, Enping City	8.23	8/10/2007	60	8/9/2067	1,064,501	1,478	884,127	Management Right	HU Plantation
Guangdong lot 2	JHST	Nandu Village of Yane Village, Liangxi Town, Enping City	27.78	3/14/2007	60	3/13/2067	1,037,273	1,441	854,310	Management Right	HU Plantation
Guangdong lot 3	JHST	Nandu Village of Yane Village, Liangxi Town, Enping City	60.72	3/14/2007	60	3/13/2067	2,267,363	3,149	1,867,426	Management Right	HU Plantation
Guangdong lot 4	JHST	Nandu Village of Yane Village, Liangxi Town, Enping City	54.68	9/12/2007	60	9/11/2067	2,041,949	2,836	1,698,788	Management Right	HU Plantation
Guangdong lot 5	JHST	Jishilu Village of Dawan Village,Juntang Town, Enping City	28.82	9/12/2007	60	9/11/2067	960,416	1,334	799,013	Management Right	HU Plantation
Guangdong lot 6	JHST	Liankai Village of Niujiang Town, Enping City	31.84	1/1/2008	60	12/31/2068	821,445	1,141	687,960	Management Right	Fish Farm
Guangdong lot 7	JHST	Nandu Village of Yane Village, Liangxi Town, Enping City	41.18	1/1/2011	26	12/31/2037	5,716,764	18,323	4,232,604	Management Right	HU Plantation
Guangdong lot 8	JHST	Shangchong Village of Yane Village, Liangxi Town, Enping City	11.28	1/1/2011	26	12/31/2037	1,566,393	5,020	1,159,734	Management Right	HU Plantation
Guangdong lot 9	MEIJI	Xiaoban Village of Yane Village, Liangxi Town, Enping City	41.18	4/1/2011	20	3/31/2031	5,082,136	21,176	3,430,442	Management Right	Cattle Farm
Qinghai lot 1	SJAP	No. 498, Bei Da Road, Chengguan Town of Huangyuan County,Xining City, Qinghai Province	21.09	11/1/2011	40	10/30/2051	527,234	1,098	449,248	Land Use Right & Building ownership	Cattle farm, fertilizer and livestock feed production
Guangdong lot 10	JHST	Niu Jiang Town, Liangxi Town, Enping City	6.27	3/4/2013	10	3/3/2023	489,904	4,083	265,365	Management Right	Processing factory
Guangdong lot 11	CA	Da San Dui Wei ,You Nan Village, Conghua District of Guangzhou City	33.28	10/28/2014	30	10/27/2044	4,453,665	12,371	4,008,299	Management Right	Agriculture
	JHST	Land improvement cost incurred		12/1/2013			3,914,275	6,155	3,631,167		
Exchange difference							-2,527,259		-2,835,015		
			654				64,703,394	131,789	54,504,006		

Note (15) Other Receivables

	Sept. 30, 2017 $	Note
Advanced to employees	326,587	15.A
Advanced to suppliers	14,655,824	15.B
Advanced to customers	18,635,244	
Advanced to developers	16,032,772	
Others	9,138,954	
	58,789,381	

Note 15 A & B: Breakdown of Advances to Suppliers at SJAP's operations:

At SJAP it is a common practice to make cash advances to our cooperative growers (presently standing at 22 corporatives with over 2,000 members) who are our suppliers, to carry them through respective growing periods (for cropping or pasturing or cattle growing purposes) before final harvests of produce or sale of their cattle. On average, it works out to less than $5,325 per member that in the management's opinion is a normal season to season process deemed fair and equitable. In this respect, as the average increases it means that the typical cooperative farmer is increasing his productivity (whether in the growth of crops or cattle), and in simple terms, it represents good progress indicating that SJAP's revenue is also increasing.

The sub-contractors and suppliers of the Zhongshan Projects are reputable entities that in management's opinion are employing their funds in and are working on the Zhongshan Project, such that the project will progress smoothly.

Note (16) Current Liabilities:

	Sept. 30, 2017	Note
Current liabilities		
Accounts payable and accruals	12,552,569	16.A
Billings in excess of cost and estimated earnings on uncompleted contracts	5,602,681	
Due to a director	850,274	
Other payables	9,892,445	16 B
Borrowings-Short term bank loan	1,506,705	
Negotiable promissory notes	368,462	
Income tax payable	1,227	
	30,774,363	

Note 16A: Accounts payables and accrued expenses clarification:

Our current trading environment is limited to a number of suppliers who offer prolonged credit terms, which means that most purchases are paid for in cash or short credit terms (7 to 10 days); this grants us better bargaining ability to obtain cash discounts resulting in the low trade account payables balance of $12.55 million, about 25.9% of total revenue of $48.4 million.

Note (16B): Analysis of Other Payables:

As of September 30 2017, other payables totaling $27,279,556 was composed of the following:

During Q3 2017 we redeemed $0 of Promissory Notes for advances granted by third parties in fiscal year 2017 by the issuance of shares leaving a balance of $14,492,221 of Promissory Notes still due and outstanding as of September 30, 2017.

A grant of $1,288,233 was received from the Chinese government to SJAP for the development of a certain project; however if SJAP will not be able to complete the project, it will have to repay the grant to the Government. As of September 30, 2017, as work is in progress on the said project but it is not yet completed, the grant is recorded as other payables.

During the nine months ended September 30, 2017, other advances provided by other unrelated third parties collectively to our subsidiaries with no fixed term of repayment at interest free terms that do not have any promissory note or agreement but verbal understandings. These sums amount to $11,499,102 unpaid and outstanding as of September 30, 2017

Part C. Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016 (presented in summarized Charts below):

Revenue:

Revenues decreased by $153,581,241 or 48% to $166,732,526 for the nine months ended September 30, 2017 from $320,313,767 for the nine months ended September 30, 2016. The decrease was primarily due to the decrease of revenue generated from our fishery, beef, organic fertilizer, and cattle farm whereas corporate and others operations and the maturity of on-going divisional businesses improved their revenues.

The following chart illustrates the changes by category from the nine months ended September 30, 2017 to September 30, 2016

Revenue

Category	2017 Q1-Q3	2016 Q1-Q3	Difference $
Fishery	16,167,636	113,256,746	(97,089,110)
Plantation	3,565,220	12,194,399	(8,629,179)
Beef	47,241,793	88,813,154	(41,571,361)
Organic fertilizer	19,893,518	35,190,587	(15,297,069)
Cattle farm	23,094,392	21,555,101	1,539,291
Corporate and others	56,769,967	49,303,780	7,466,187
Total	166,732,526	320,313,767	(153,581,241)

Cost

Cost decreased by $98,891,396 or 42% to $139,247,836 for the nine months ended September 30, 2017 from $238,139,232 for the nine months ended September 30, 2016. The decrease was primarily due to the reciprocal decrease in sales generated from the Company's fishery, plantation, beef, organic fertilizer, cattle farm and corporate and other operations for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016.

The following chart illustrates the changes by category from the nine months ended September 30, 2017 to September 30, 2016.

Cost

Category	2017 Q1- Q3 $	2016 Q1- Q3 $	Difference $
Fishery	11,016,962	79,778,878	(68,761,916)
Plantation	2,334,052	5,664,598	(3,330,546)
Beef	44,148,494	68,857,559	(24,709,065)
Organic fertilizer	11,689,897	19,993,030	(8,303,133)
Cattle farm	19,582,042	20,392,263	(810,221)
Corporate and others	50,476,389	43,452,904	7,023,485
Total	139,247,836	238,139,232	(98,891,396)

Gross Profit

Gross profit decreased by $54,689,845 or 67% to $27,484,690 for the nine months ended September 30, 2017 from $82,174,535 for the nine months ended September 30, 2016. The decrease was primarily due to the corresponding decreases in operation revenues.

The following chart illustrates the changes by category from the nine months ended September 30, 2017 to September 30, 2016.

The gross profit by category is as follows:

Gross profit

Category	2017 Q1-Q3	2016 Q1-Q3	Difference $
Fishery	5,150,674	33,477,868	(28,327,194)
Plantation	1,231,168	6,529,801	(5,298,633)
Beef	3,093,299	19,955,595	(16,862,296)
Organic fertilizer	8,203,621	15,197,557	(6,993,936)
Cattle farm	3,512,350	1,162,838	2,349,512
Corporate and others	6,293,578	5,850,876	442,702
Total	27,484,690	82,174,535	(54,689,845)

General and Administrative Expenses and Interest Expenses

General and administrative expenses and interest expenses (including depreciation and amortization) increased by $380,192 or 2% to $16,695,054 for the nine months ended September 30, 2017 from $16,314,862 for the nine months ended September 30, 2016. The change was primarily due to (i) an increase in Wages and salaries of $1,776,151 for the nine months ended September 30, 2017 from $3,264,942 for the nine months ended September 30, 2016 and (ii) a decrease in Office and corporate expense of $533,568 for the nine months ended September 30, 2017 from $4,227,072 for the nine months ended September 30, 2016.

Category	2017 Q1-Q3	2016 Q1-Q3	Difference $
Office and corporate expenses	3,693,504	4,227,072	(533,568)
Wages and salaries	5,041,093	3,264,942	1,776,151
Traveling and related lodging	38,721	119,580	(80,859)
Motor vehicles expenses and local transportation	79,998	119,256	(39,258)
Entertainments and meals	185,549	634,507	(448,958)
Others and miscellaneous	2,258,306	2,156,311	101,995
Depreciation and amortization	3,835,975	2,638,240	1,197,736
Sub-total	15,133,146	13,159,908	1,973,238
Interest expenses	1,561,908	3,154,954	(1,593,046)
Total	16,695,054	16,314,862	380,192

Depreciation and Amortization

Depreciation and amortization increased by $4,127,580 or 84% to $9,018,006 for the nine months ended September 30, 2017 from $4,890,426 for the nine months ended September 30, 2016. The increase was primarily due to the increase of depreciation by $3,590,593 to $6,997,754 for the nine months ended September 30, 2017 from depreciation of $3,406,801 for the nine months ended September 30, 2016, and the increase of amortization by $536,628 to $2,020,253 for nine months ended September 30, 2017 from amortization of $1,483,625 for nine months ended September 30, 2016.

In this respect, total depreciation and amortization amounted to $9,018,006 for the nine months ended September 30, 2017, out of which amount $3,835,975 was reported under General and administration expenses and $5,182,031 was reported under cost of goods sold; whereas total depreciation and amortization was at $4,890,426 for the nine months ended September 30, 2016, out of which amount $2,638,240 was reported under General and Administration expenses and $2,252,186 was reported under cost of goods sold.

Income Taxes

The Company was incorporated in the State of Nevada, in the United States of America. The Company has no trading operations in United States of America and no US corporate tax has been provided for in the consolidated financial statements of the Company.

Undistributed Earnings of Foreign Subsidiaries

The Company intends to use the remaining accumulated and future earnings of foreign subsidiaries to expand operations outside the United States and accordingly, undistributed earnings of foreign subsidiaries are considered to be indefinitely reinvested outside the United States and no provision for U.S. Federal and State income tax or applicable dividend distribution tax has been provided thereon.

The Company appointed US tax professionals to assist in filing income tax returns for the years ended December 31, 2016 in compliance with US Treasury Internal Revenue Code and we filed our 2015 Tax returns with the Internal Revenue Service ("IRS") in 2016.

No EIT has been provided in the financial statements of SIAF, CA, JHST, JHMC, JFD, HAS, QZH and SJAP since they are exempt from EIT for the nine months ended September 30, 2017 and 2016 as they are within the agriculture, dairy and fishery sectors.

CA, CS and CH are international business companies incorporated in Belize, and are exempt from corporate tax in Belize.

No Hong Kong profits tax has been provided in the consolidated financial statements, since TRW did not earn any assessable profits arising in Hong Kong for the nine months ended September 30, 2017 and 2016.

No Macau Corporate income tax has been provided in the consolidated financial statements, since APWAM and MEIJI did not earn any assessable profits for the nine months ended September 30, 2017 and 2016.

No Swedish Corporate income tax has been provided in the consolidated financial statements, since SAFS incurred a tax loss for the nine months ended September 30, 2017 and 2016.

No deferred tax assets and liabilities are of September 30, 2017 and December 31, 2016 since there was no difference between the financial statements carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the period in which the differences are expected to reverse.

Off Balance Sheet Arrangements

None.

Liquidity and Capital Resources

As of September 30 2017, unrestricted cash and cash equivalents amounted to $1,865,684 (see notes to the consolidated financial statements), and our working capital as of September 30, 2017 was $315,363,140.

As of September 30, 2017, our total long-term debts are as follows:

Contractual Obligations	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Short Term Bank Loan	1,506,705				1,506,705
Negotiable Promissory Notes	368,462				368,462
Long Term Bank Loan		6,026,819			6,026,819
Promissory Notes	14,492,221				14,492,221
Notes Payable		20,058,798			20,058,798

Cash provided by operating activities amounted to $27,498,878 for Q1-3 2017. This compares with cash provided by operating activities totaling $62,060,468 for Q1-3 2016. The decrease in cash flows provided by operating activities resulted primarily from the increase in inventories of $17,752,925 for Q1-3 2017 from $2,207,149 for Q1-3 2016.

Cash used in investing activities totaled $21,625,928 for Q1-3 2017.This compares with cash used in investing activities totaling $57,758,296 for Q1-3 2016. The increase in cash flows used in investing activities resulted primarily from payment for construction of $7,073,340 for Q1-3 2017 compared to $47,834,113 for Q1-3 2016.

Cash used in financing activities totaled $3,413,653 for Q1-3 2017. This compares with cash used in financing activities totaling $5,611,449 for Q1-3 2016. The decrease in cash used in financing activities was primarily due to convertible notes repaid of $1,500,000 during Q1-3 2017 from $7,676,760 paid during Q1-3 2016.

Acquisition of SFJVC's and further acquisition plan:

An SFJVC agreement typically contains an option clause for further investment. Initially, the China Developer of project companies invites us to invest in their venture. If management believes it advisable, it carries out an in-depth study of the target company including legal due diligence, business plan, budget and projected financial information. The final decision is made through the resolution of the Company's Board of Directors. If the decision is made to proceed with an investment, there is first formed an SFJVC, within which in turn the Company acquires further equity interest. The acquisition price of such interest is determined in accordance to the book value of the SFJVC as of the acquisition date. Consideration generally consists in part of cash and in part of contract against trade debts owed by the China Developer due to Consulting & Services fees charged to the China Developer by the Company in accordance with the Consulting & Services agreement. Project companies' record development cost as construction in progress and treat the amount due to us as partial investment in new SFJVC.

The Company's expenditures as the consulting and service provider providing turnkey services to the China Developer for the development of the project include (i) administrative and operational expenses provided for and incurred in the project (charged and recorded under general and administrative operation expenses), billable to the China Developer, (ii) other development expenditures (inclusive of subcontractors' and sub-suppliers' cost plus mark-up) billable to the Developer, as well. Consulting & Services fees are exclusively billed to the 3rdparty China Developer, and not to the future SFJVC companies.

There is currently no concrete plan to establish any additional SFJVCs.

CRITICAL ACCOUNTING POLICIES

BASIS OF PRESENTATION

The unaudited consolidated financial statements for the nine months ended September 30, 2017 are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

The unaudited quarterly financials for the nine months ended September 30, 2017 results are for the months and do not necessarily indicate the results for a full year. The information included in this interim report should be read in conjunction with the information included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2016.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of SIAF, its subsidiaries Capital Award, CS, CH, TRW, MEIJI, JHST, JFD, JHMC, HSA, APWAM, SAFS and its variable interest entity SJAP and QZH. All material inter-company transactions and balances have been eliminated in consolidation. The results of companies acquired or disposed of during the year are included in the consolidated Financial Statements from the effective date of acquisition.

BUSINESS COMBINATIONS

The Company adopted the accounting pronouncements relating to business combinations (primarily contained in ASC Topic 805 "Business Combinations"), including assets acquired and liabilities assumed arising from contingencies. These pronouncements established principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquire as well as provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. In addition, these pronouncements eliminate the distinction between contractual and non-contractual contingencies, including the initial recognition and measurement criteria and require an acquirer to develop a systematic and rational basis for subsequently measuring and accounting for acquired contingencies depending on their nature. Our adoption of these pronouncements will have an impact on the manner in which we account for any future acquisitions.

NON-CONTROLLING INTEREST IN CONSOLIDATED FINANCIAL STATEMENTS

The Company adopted the accounting pronouncement on non-controlling interests in consolidated financial statements, which establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. This guidance is primarily contained in ASC Topic "Consolidation". It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated financial statements. The adoption of this standard has not had material impact on our consolidated financial statements.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods covered thereby. Actual results could differ from these estimates. Judgments and estimates of uncertainties are required in applying the Company's accounting policies in certain areas. The following are some of the areas requiring significant judgments and estimates: determinations of the useful lives of assets, estimates of allowances for doubtful accounts, cash flow and valuation assumptions in performing asset impairment tests of long-lived assets, estimates of the reliability of deferred tax assets and inventory reserves.

REVENUE RECOGNITION

The Company's revenue recognition policies are in compliance with ASC 605. Sales revenue is recognized when all of the following have occurred: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the price is fixed or determinable, and (iv), the ability to collect is reasonably assured. These criteria are generally satisfied at the time of shipment when risk of loss and title passes to the customer. Service revenue is recognized when services have been rendered to a buyer by reference to the stage of completion. License fee income is recognized on the accrual basis in accordance with the underlying agreements.

Government grants are recognized upon (i) the Company has substantially accomplished what we must be done pursuant to the terms of the policies and terms of the grant that are established by the local government; and (ii) the Company receives notification from the local government that the Company has satisfied all of the requirements to receive the government grants; and or (iii) the amounts are received.

Multiple-Element Arrangements

To qualify as a separate unit of accounting under ASC 605-25 "*Multiple Element Arrangements*", the delivered item must have value to the customer on a standalone basis. The significant deliverables under the Company's multiple-element arrangements are consulting and service under development contract, commission and management service.

Revenues from the Company's fishery development services contract are performed under fixed-price contracts. Revenues under long-term contracts are accounted for under the percentage-of-completion method of accounting in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 605, *Revenue Recognition* ("ASC 605"). Under the percentage-of-completion method, the Company estimates profit as the difference between total estimated revenue and total estimated cost of a contract and recognized that profit over the contract term. The percentage of costs incurred determines the amount of revenue to be recognized. Payment terms are generally defined by the installation contract and as a result may not match the timing of the costs incurred by the Company and the related recognition of revenue. Such differences are recorded as either costs or estimated earnings in excess of billings on uncompleted contracts or billings in excess of costs and estimated earnings on uncompleted contracts.

The Company determines a customer's credit worthiness at the time an order is accepted. Sudden and unexpected changes in a customer's financial condition could put recoverability at risk.

The percentage of completion method requires the ability to estimate several factors, including the ability of the customer to meet its obligations under the contract, including the payment of amounts when due. If the Company determines that collectability is not assured, we will defer revenue recognition and use methods of accounting for the contract such as the completed contract method until such time as the Company determines that collectability is reasonably assured or through the completion of the project.

For fixed-price contracts, the Company uses the ratio of costs incurred to date on the contract (excluding uninstalled direct materials) to management's estimate of the contract's total costs, to determine the percentage of completion on each contract. This method is used as management considers expended costs to be the best available measure of progression of these contracts. Contract costs included all direct material, subcontract and labor costs and those indirect costs related to contract performance, such as supplies, tool repairs and depreciation. The Company accounts for maintenance and repair services under the guidance of ASC 605 as the services provided relate to construction work. Contract costs incurred to date and expected total contract costs are continuously monitored during the term of the contract. Changes in job performance, job conditions, and estimated profitability arising from contract penalty, change orders and final contract settlements may result in revisions to the estimated profitability during the contract. These changes, which include contracts with estimated costs in excess of estimated revenues, are recognized as contract costs in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. At the point the Company anticipates a loss on a contract, the Company estimates the ultimate loss through completion and recognizes that loss in the period in which the possible loss was identified.

The Company does not provide warranties to customers on a basis customary to the industry; however, the customers can claim warranty directly from product manufacturers for defects in equipment or products. Historically, the Company has experienced no warranty claims.

The Company's fishery development consultancy services revenues are recognized when the relevant services are rendered, and are subject to a Chinese business tax at a rate of 0% of the gross fishery development contract service income approved by the Chinese local government.

COST OF GOODS SOLD AND SERVICES

Cost of goods sold consists primarily of direct purchase cost of merchandise goods, and related levies. Cost of services consists primarily of direct cost and indirect cost incurred to date for development contracts and provision for anticipated losses on development contracts.

SHIPPING AND HANDLING

Shipping and handling costs related to cost of goods sold are included in general and administrative expenses, which totaled $1,716, $2,988, $17,861 and $17,272 for the three months and the nine months ended September 30, 2017 and 2016, respectively.

ADVERTISING

Advertising costs are included in general and administrative expenses, which totaled $382,424, $382,596, $1,386,186 and $1,163,547 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are included in general and administrative expenses, which totaled $449,910, $449,910 and $0 for the three months ended and the nine months ended September 30, 2017 and 2016, respectively.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. Cash and cash equivalents kept with financial institutions in People's Republic of China ("P.R.C") are not insured or otherwise protected. Should any of those institutions holding the Company's cash become insolvent, or the Company is unable to withdraw funds for any reason, the Company could lose the cash on deposit at that institution.

ACCOUNTS RECEIVABLE

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Terms of the sales vary. Reserves are recorded primarily on a specific identification basis.

The standard credit period of the Company's most of customers is three months. Any amount that has an extended settlement date of over one year is classified as a long term receivable. Management evaluates the collectability of the receivables at least quarterly. There were no bad debts written off for the nine months ended September 30, 2017 or September 30, 2016.

INVENTORIES

Inventories are valued at the lower of cost (determined on a weighted average basis) 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 overhead 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.

PROPERTY AND EQUIPMENT

Property 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. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each year.

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
Structure and leasehold improvements	10 -20 years
Mature seed and herbage cultivation	20 years
Furniture, fixtures and equipment	2.5 - 10 years
Motor vehicles	5 -10 years

An item of property and equipment is removed from the accounts 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.

GOODWILL

Goodwill is an asset representing the fair economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is tested for impairment on an annual basis at the end of the company's fiscal year, or when impairment indicators arise. The Company uses a fair-value-based approach to test for impairment at the level of each reporting unit. The Company directly acquired MEIJI which is engaged in Hu Plantation. As a result of this acquisition, the Company recorded goodwill in the amount of $724,940. This goodwill represents the fair value of the assets acquired in these acquisitions over the cost of the assets acquired.

PROPRIETARY TECHNOLOGIES

The Company has determined that technological feasibility is established at the time a working model of products is completed. Master license of stock feed manufacturing technology was acquired and the costs of acquisition were capitalized as proprietary technologies when technological feasibility had been established. Proprietary technologies are intangible assets of finite lives. Proprietary technologies are amortized using the straight line method over their estimated lives of 25 years.

An aromatic cattle-feeding formula was acquired and the costs of acquisition are capitalized as proprietary technologies when technological feasibility has been established. Cost of acquisition on aromatic cattle-feeding formula is amortized using the straight-line method over its estimated life of 25 years.

The cost of sleep cod breeding technology license is capitalized as proprietary technologies when technological feasibility has been established. Cost of granting sleep cod breeding technology license is amortized using the straight-line method over its entitled life of 25 years.

Bacterial cellulose technology license and related trademark are capitalized as proprietary technologies when technological feasibility has been established. Cost of license and related trademark is amortized using the straight-line method over its estimated life of 20 years.

Management evaluates the recoverability of proprietary technologies on an annual basis of the end of the company's fiscal year, or when impairment indicators arise. As required by ASC Topic 350 "Intangible - Goodwill and Other", the Company uses a fair-value-based approach to test for impairment.

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 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.

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 the respective lease periods. The lease period of agriculture land is in the range from 10 years to 60 years. Land use rights purchase prices were determined in accordance with the P.R.C Government's minimum lease payments of agriculture land and mutually agreed between the company and the vendors. No independent professional appraiser performed a valuation of land use rights at the balance sheet dates.

CORPORATE JOINT VENTURE

A corporation formed, owned, and operated by two or more businesses (ventures) as a separate and discrete business or project (venture) for their mutual benefit is considered to be a corporate joint venture. 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.

VARIABLE INTEREST ENTITY

An entity (investee) in which the investor has obtained less than a majority-owned interest, according to the Financial Accounting Standards Board (FASB). A variable interest entity (VIE) is subject to consolidation if a VIE is an entity meeting one of the following three criteria as elaborated in ASC Topic 810-10, *Consolidation*.

(a) equity-at-risk is not sufficient to support the entity's activities
(b) as a group, the equity-at-risk holders cannot control the entity; or
(c) the economics do not coincide with the voting interest.

If a firm is the primary beneficiary of a VIE, the holdings must be disclosed on the balance sheet. The primary beneficiary is defined as the person or company with the majority of variable interests

TREASURY STOCK

Treasury stock consists of a Company's own stock which has been issued, but is subsequently reacquired by the Company. Treasury stock does not reduce the number of shares issued but does reduce the number of shares outstanding. These shares are not eligible to receive cash dividends. Accounting for excesses and deficiencies on treasury stock transactions is governed by ASC 505-30-30.

State laws and federal agencies closely regulate transactions involving a company's own capital stock, so the purchase of outstanding shares and converting them into treasury shares must have a legitimate purpose. Some of the most common reasons for purchasing outstanding shares are as follows:

(i) to meet additional stock needs for various reasons, including newly implemented stock option plans, the issuance stock for convertible bonds or convertible preferred stock, or a stock dividend;

(ii) to eliminate the ownerships interests of a stockholder;

(iii) to increase the market price of the stock that returns capital to shareholders; and

(iv) to potentially increase earnings per share of the stock by decreasing the shares outstanding on the same earnings.

The cost method of accounting for treasury stock shares has been adopted by the Company. The purchase of outstanding shares is treated as a temporary reduction in shareholders' equity in view of the expectation to reissue the shares instead of retiring them. When the Company reissues the treasury shares, the temporary account is eliminated. The cost of treasury stock shares reacquired is charged to a contra account, in this case a contra equity account that reduces the stockholder equity balance.

INCOME TAXES

The Company accounts for income taxes under the provisions of ASC 740 "Accounting for Income Taxes". Under ASC 740, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

The provision for income tax 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 at the balance sheet date. Deferred taxes area 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 probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred income taxes are 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 relates to items credited or charged directly to equity, in which case the deferred tax is also adjusted in the equity accounts. 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. ASC 740 also prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. ASC 740 also provides guidance related to, among other things, classification, accounting for interest and penalties associated with tax positions, and disclosure requirements. Any interest and penalties accrued related to unrecognized tax benefits will be recorded in tax expense.

POLITICAL AND BUSINESS RISK

The Company's operations are carried out in the PRC. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environment in the PRC, and by the general state of the PRC's economy. The Company's operations in the PRC are subject to specific considerations and significant risks not typically associated with companies in North America and Western Europe. The Company's results may be adversely affected by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

IMPAIRMENT OF LONG-LIVED ASSETS AND INTANGIBLE ASSETS

In accordance with ASC 360, "Property, Plant and Equipment", long-lived assets to be held and used are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company reviews the carrying amount of its long-lived assets, including intangibles, for impairment, at the end of each fiscal year. An asset is considered impaired when estimated future cash flows are less than the carrying amount of the asset. In the event the carrying amount of such asset is considered not recoverable, the asset is adjusted to its fair value. Fair value is generally determined based on discounted future cash flow. As of September 30, 2016 and December 31, 2015, the Company determined no impairment losses were necessary.

EARNINGS PER SHARE

As prescribed in ASC Topic 260 "*Earning per Share*", Basic Earnings per Share ("EPS") is computed by dividing net income available to common stockholders by the weighted average number of common stock shares outstanding during the year. Diluted EPS is computed by dividing net income available to common stockholders by the weighted-average number of common stock shares outstanding during the year plus potential dilutive instruments such as stock options and warrants. The effect of stock options on diluted EPS is determined through the application of the treasury stock method, whereby proceeds received by the Company based on assumed exercises are hypothetically used to repurchase the Company's common stock at the average market price during the period.

For the three months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.14 and $1.04, respectively. For the three months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.15 and $0.95, respectively.

For the three months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries' common stockholders for continuing operations amounted to $0.14 and $0.91, respectively. For the three months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing operations amounted to $0.15 and $0.81, respectively.

For the nine months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.62 and $2.45, respectively. For the nine months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing and discontinued operations amounted to $0.63 and $2.24, respectively.

For the nine months ended September 30, 2017 and 2016, basic earnings per share attributable to Sino Agro Food, Inc. and subsidiaries' common stockholders for continuing operations amounted to $0.62 and $1.81, respectively. For the nine months ended September 30, 2017 and 2016, diluted earnings per share attributable to Sino Agro Food, Inc. and its subsidiaries' common stockholders for continuing operations amounted to $0.63 and $1.72, respectively.

FOREIGN CURRENCY TRANSLATION

The reporting currency of the Company is the U.S. dollar. The functional currency of the Company is the Chinese Renminbi (RMB). For those entities whose functional currency is other than the U.S. dollars, all assets and liabilities are translated into U.S. dollars at the exchange rate on the balance sheet date; shareholder equity is translated at historical rates and items in the statements of income and of cash flows are translated at the average rate for the period.

Because cash flows are translated based on the weighted average translation rate, amounts related to assets and liabilities reported in the statements of cash flows will not necessarily agree with changes in the corresponding balances in the balance sheets. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the consolidated statements of equity.

For the nine months ended September 30, 2016

Translation gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of income and comprehensive income as incurred. The balance sheet amounts with the exception of equity as of September 30, 2016 and December 31, 2015 were translated at RMB6.68 to $1.00 and RMB6.36 to $1.00, respectively. The average translation rates applied to the consolidated statements of income and comprehensive income and of cash flows for the nine months ended September 30, 2016 and September 30, 2015 were RMB6.58 to $1.00 and RMB6.17 to $1.00, respectively

For the nine months ended September 30, 2017

Translation gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of income and comprehensive income as incurred. The balance sheet amounts with the exception of equity as of September 30, 2017 and December 31, 2016 were translated at RMB6.64 to $1.00 and RMB6.94 to $1.00, respectively. The average translation rates applied to the consolidated statements of income and comprehensive income and of cash flows for the nine months ended September 30, 2017 and September 30, 2016 were RMB6.80 to $1.00 and RMB6.58 to $1.00, respectively.

ACCUMULATED OTHER COMPREHENSIVE INCOME

ASC Topic 220 "*Comprehensive Income"* establishes standards for reporting and displaying comprehensive income and its components in financial statements. Comprehensive income 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 for all periods presented includes both the reported net income and net change in cumulative translation adjustments.

RETIREMENT BENEFIT COSTS

P.R.C. state managed retirement benefit programs are defined contribution plans and the payments to the plans are charged as expenses when employees have rendered service entitling them to the contribution.

STOCK-BASED COMPENSATION

The Company adopts both ASC Topic 718, "Compensation - Stock Compensation" and ASC Topic 505-50,"Equity-Based Payments to Non-Employees" using the fair value method in which an entity issues its equity instruments to acquire goods and services from employees and non-employees. Stock compensation for stock granted to non-employees has been determined in accordance with this accounting standard and the accounting standard regarding accounting for equity instruments that are issued to other than employees for acquiring, or in conjunction with selling goods or services, as the fair value of the consideration received or the fair value of equity instruments issued, whichever is more reliably measured. This accounting standard allows the "simplified" method to determine the term of employee options when other information is not available. Under ASC Topic 718 and ASC Topic 505-50, stock compensation expenses is measured at the grant date on the value of the option or restricted stock and is recognized as expenses, less expected forfeitures, over the requisite service period, which is generally the vesting period.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accrued expenses, approximate their fair values because of the short maturity of these instruments.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accrued expenses, approximate their fair values because of the short maturity of these instruments. The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value as of September 30, 2017 or December 31, 2016, nor gains or losses are reported in the statements of income and comprehensive income that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the nine months ended September 30, 2017 or 2016.

NEW ACCOUNTING PRONOUNCEMENTS

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 February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* (ASU 2016-02), which generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet. This guidance will be effective for us in the first quarter of 2019 on a modified retrospective basis and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (ASU 2016-08) which clarifies the implementation guidance on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. This guidance will be effective for us in the first quarter of 2018, with the option to adopt it in the first quarter of 2017. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Compensation-Stock Compensation (Topic 718): Improvement to Employee Share-based Payment Accounting* (ASU 2016-09) to simplify the accounting for share-based payment transactions, including the income tax consequences, an option to recognize gross share-based compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This guidance will be effective for us in the first quarter of 2017, and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers Other than Inventory* (ASU 2016-16), which requires companies to recognize the income-tax consequences of an intra-entity transfer of an asset other than inventory. This guidance will be effective for us in the first quarter of 2018, with the option to adopt it in the first quarter of 2017. We currently anticipate adopting the new standard effective January 1, 2018, and do not expect the standard to have a material impact on our consolidated financial statements.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18), which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance will be effective for us in the first quarter of 2018 and early adoption is permitted. We are still evaluating the effect that this guidance will have on our consolidated financial statements and related disclosure.

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (ASU 2017-01), which revises the definition of a business and provides new guidance in evaluating when a set of transferred assets and activities is a business. This guidance will be effective for us in the first quarter of 2018 on a prospective basis, and early adoption is permitted. We do not expect the standard to have a material impact on our consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (ASU 2017-04), which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value up to the amount of goodwill allocated to that reporting unit. This guidance will be effective for us in the first quarter of 2020 on a prospective basis, and early adoption is permitted. We do not expect the standard to have a material impact on our consolidated financial statements.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, exchange rates, commodity prices, equity prices and other market changes.

Foreign Currency Risk

Currency fluctuations and restrictions on currency exchange may adversely affect our business, including limiting our ability to convert Chinese Renminbi (RMB) into foreign currencies and, if the RMB were to decline in value, reducing our revenue in U.S. dollar terms.

The Chinese government currently manages the exchange rate of the RMB. The value of our common stock is indirectly affected by the foreign exchange rate between the U.S. dollar and the RMB. Appreciation or depreciation in the value of the RMB relative to the U.S. dollar does affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Translation gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of income and comprehensive income as incurred. The average translation rates applied to the consolidated statements of income and comprehensive income and of cash flows for the years ended December 31, 2013 through 2016 were RMB6.19, RMB6.14, RMB6.23, and RMB6.64, respectively.

Depository Insurance Risk

Cash and cash equivalents are held for working capital purposes and consist primarily of bank deposits. We do not enter into investments for trading or speculative purposes.

Banks and other financial institutions in the PRC do not provide insurance for funds held on deposit. A portion of our assets are in the form of cash deposited with banks in the PRC, and in the event of bank failure, we may not have access to, or may lose entirely, our funds on deposit. This exposure could result in our inability to immediately access funds to pay our suppliers, employees and/or other creditors.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation (the “Evaluation”), under the supervision and with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of our disclosure controls and procedures (“Disclosure Controls”) as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our CEO and CFO concluded that our Disclosure Controls were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

We have also evaluated our internal controls for financial reporting, and there has been no change in our internal control over financial reporting that occurred during the three months ended September 30, 2017 that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

Not applicable

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the 3 months period ended September 30, 2017, the Company issued 2,382,246 shares as additional security against working capital made available through a trade facility loan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibits
31.1	Section 302 Certification of Principal Executive Officer+
31.2	Section 302 Certification of Principal Financial Officer+
32.1	Section 906 Certification of Principal Executive Officer and Principal Financial Officer *
101.INS	XBRL Instance Document +
101.SCH	XBRL Taxonomy Extension Schema Document +
101.CAL	XBRL Taxonomy Calculation Linkbase Document +
101.LAB	XBRL Taxonomy Labels Linkbase Document +
101.PRE	XBRL Taxonomy Presentation Linkbase Document +
101.DEF	XBRL Definition Linkbase Document +

+filed herewith
* furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SINO AGRO FOOD, INC.
November 14, 2017	By: /s/ LEE YIP KUN SOLOMON Lee Yip Kun Solomon Chief Executive Officer (Principal Executive Officer)
November 14, 2017	By: /s/ DANIEL RITCHEY Daniel Ritchey Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

November 14, 2017	By: /s/ Lee Yip Kun Solomon Lee Yip Kun Solomon Chief Executive Officer, Director
November 14, 2017	By: /s/ Daniel Ritchey Daniel Ritchey Chief Financial Officer and Director
November 14, 2017	By: /s/ Tan Poay Teik Tan Poay Teik Chief Marketing Officer and Director
November 14, 2017	By: /s/ Chen Bor Hann Chen Bor Hann Corporate Secretary and Director
November 14, 2017	By: /s/ Yap Koi Ming Yap Koi Ming Director
November 14, 2017	By: /s/ Nils Erik Sandberg Nils Erik Sandberg Director
November 14, 2017	By: /s/ Soh Lim Chang Soh Lim Chang Director

Exhibit 31.1

Certification of the Chief Executive Officer

I, LEE YIP KUN SOLOMON, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 of Sino Agro Food, Inc.;

2. Based on my knowledge, this report 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, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: November 14, 2017

By: /s/ Lee Yip Kun Solomon
Name: Lee Yip Kun Solomon
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of the Chief Financial Officer

I, Dan Ritchey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 of Sino Agro Food, Inc.;

2. Based on my knowledge, this report 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, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2017

By: /s/ Daniel Ritchey
Name: Daniel Ritchey
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Sino Agro Food, Inc. (the “Registrant”) on Form 10-Q for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lee Yip Kun Solomon, Principal Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 14, 2017

By: /s/ Lee Yip Kun Solomon
Name: Lee Yip Kun Solomon
Title: Chief Executive Officer

In connection with the Quarterly Report of Sino Agro Food, Inc. (the “Registrant”) on Form 10-Q for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel Ritchey, Principal Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 14, 2017

By: /s/ Daniel Ritchey
Name: Daniel Ritchey
Title: Chief Financial Officer