Deer Consumer Products, Inc.
Form 424B3
June 04, 2009

PROSPECTUS

Filed pursuant to Rule 424(b)(3)
Registration No. 333-159579

DEER CONSUMER PRODUCTS, INC.

1,841,058 Shares of Common Stock

The selling shareholders identified in this prospectus may offer and sell up to an aggregate of 1,841,058 shares of our common stock consisting of (i) 1,455,445 shares of our common stock issued to investors in the Units (as defined below), (ii) up to 363,873 shares of our common stock issuable upon exercise of warrants of which (a) warrants to purchase 218,328 shares of our common stock were issued to investors in the Units and (b) warrants to purchase 145,545 shares of our common stock were issued to placement agents and qualified finders in connection with the sale of the Units and (iii) 21,740 shares of common stock purchased by our former President. Each “Unit” was offered and sold at a purchase price of $1.84 per Unit and consisted of one share of our common stock and a warrant to purchase 15% of one share of our common stock. All warrants are immediately exercisable, expire on the third anniversary of their issuance and entitle their holders to purchase one share of our common stock at an initial exercise price of $3.45 per share. All of the shares and warrants were issued to the selling shareholders prior to the filing of this Registration Statement in four private placement transactions exempt from registration under the Securities Act of 1933, as amended, under Regulation D and Regulation S promulgated thereunder. The closing of the first private placement took place on March 31, 2009 for an aggregate of 405,445 Units, and the closing of the second and third private placements, solely pursuant to Regulation S, took place on May 1, 2009 and May 20, 2009 for an aggregate of 520,000 and 530,000 Units, respectively. Our former President purchased his common stock in a private sale from our former controlling stockholder.

We are not selling any shares of our common stock in this offering and will not receive any proceeds from this offering. We may receive proceeds on exercise of outstanding warrants for shares of common stock covered by this prospectus if the warrants are exercised for cash.

The selling shareholders may offer the shares covered by this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or negotiated prices, in negotiated transactions, or in trading markets for our common stock. We will bear all costs associated with this registration.

Our common stock trades on the OTC Bulletin Board under the symbol “DCPD.” The closing price of our common stock on the OTC Bulletin Board on May 26, 2009 was $6.25 per share.

You should consider carefully the risk factors beginning on page 4 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved these securities or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 4, 2009.

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You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission ("SEC"). You should rely only on the information provided in this prospectus and incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from that contained in or incorporated by reference into this prospectus. The selling shareholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock. The rules of the SEC may require us to update this prospectus in the future.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information you should consider in making your investment decision. Before investing in the securities offered hereby, you should read the entire prospectus, including our financial statements and related notes included in this prospectus and the information set forth under the headings “Risk Factors” and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In this prospectus, the terms “Deer,” “we,” “us,” and “our” refer to Deer Consumer Products, Inc.

Our Company

We are a market leader in the design, manufacture and sale of home and kitchen electric appliances. Our company has successfully targeted consumers in the growing Chinese marketplace as well as customers in more than 40 countries worldwide. Our product lines include blenders, juicers, soy milk makers, choppers and other home and kitchen electric appliances designed to improve at-home lifestyles in today's fast paced society. We are one of the largest manufacturers of small electric blenders and juicers in China and manufacture of some of the leading kitchen appliance brands in the world.

Deer has traditionally acted as both an original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) for international markets with approximately 90% and 95% of our total sales made overseas in 2007 and 2008, of which North America and Europe accounted for approximately 52% of our total sales in 2008. While Deer has traditionally made the majority of its sales in Europe and North America, urbanization, rising family incomes and increased living standards have spurred the demand for small appliances in China. In addition we are rapidly expanding into emerging growth countries in South America, Asia, Africa, and the Middle East. In 2008, Deer had sales in over 40 countries.

In 2008 Deer introduced its own brands of appliances to the domestic market. Management believes that our Deer brands will grow significantly as the domestic demand for our products increases in China with increased living standards.

The growth of our Deer brands is a result of our:

- Aggressive sales efforts to retail stores and commercial purchasers in China;
- expanded direct sales through our new franchised retail stores and through popular Chinese internet portals; and
- targeted marketing efforts to customers in South America, Asia, Africa, and the Middle East.

We were able to maintain our revenue growth in 2008 despite a global recession because of our pricing and quality of our OEM and ODM products, strong sales to large retailers and our aggressive expansion in China, South America, Asia, Africa, and the Middle East.

Management believes Deer is positioned to become a leading brand in China's rapidly growing home and kitchen electronic appliance sector and will continue to be a leading international OEM and ODM.

We were incorporated in Nevada on July 18, 2006 under the name of Tag Events Corp as a musical event organization and promotion company with minimal operations. On September 3, 2008 we changed our name to Deer Consumer Products, Inc. and entered into and consummated a series of agreements which resulted in the acquisition of all of the ordinary shares of Deer International Group Ltd, a corporation organized under the laws of the British Virgin Islands ("Deer International") parent of its wholly-owned subsidiary, Winder Electric Co. Ltd. ("Winder"), which is a wholly-owned foreign enterprise ("WOFE") and responsible for research, production and delivery of goods, and Delta International Limited ("Delta"), which is a wholly owned subsidiary of Winder and primarily responsible for sales.

The acquisition of Deer's ordinary shares was accomplished pursuant to the terms of a Share Exchange Agreement and Plan of Reorganization, dated September 3, 2008 (the "Share Exchange Agreement"), by and between Deer International and the Company. Pursuant to the Share Exchange Agreement, we acquired from Deer 50,000 ordinary shares, consisting of all of its issued and outstanding capital stock, in exchange for the issuance of 7,847,853 shares of our common stock to the shareholders of Deer International (the "Share Exchange").

Concurrently with the closing of the transactions contemplated by the Share Exchange Agreement and as a condition thereof, we entered into an agreement with Crescent Liu, our former Director and Chief Executive Officer, pursuant to which he returned 2,586,957 shares of our common stock to us for cancellation. Mr. Liu was not compensated in any way for the cancellation of his shares of our common stock. Upon completion of the foregoing transactions, we had 9,826,113 shares of common stock issued and outstanding.

Our principal offices are located at Area 2, 1/F, Building M-6, Central High-Tech Industrial Park, Nanshan, Shenzhen, China 518057. Our telephone number is (86) 755-8602-8285.

The Offering

Common stock outstanding before the offering	11,281,558 shares
Common stock offered by selling shareholders	Up to 1,841,058 shares The maximum number of shares to be sold by the selling shareholders, 1,841,058 shares, represents 15.81% of our outstanding stock, assuming full exercise of the warrants
Common stock to be outstanding after the offering	11,645,431 shares, assuming full exercise of the warrants
Use of proceeds	We will not receive any proceeds from the sale of the common stock. To the extent that the selling stockholders exercise for cash all of the warrants covering the 363,873 shares of common stock issuable upon exercise of all of the warrants, we would receive $1,255,362 in aggregate from such exercises. We intend to use such proceeds for general corporate and working capital purposes. See "Use of Proceeds" for a complete description.
Risk Factors	The purchase of our common stock involves a high degree of risk. You should carefully review and consider "Risk Factors" beginning on page 4.

The above information regarding common stock to be outstanding after the offering is based on 11,281,558 shares of common stock outstanding as of May 28, 2009.

RISK FACTORS

Our business and an investment in our securities are subject to a variety of risks. The following risk factors describe the most significant events, facts or circumstances that could have a material adverse effect upon our business, financial condition, results of operations, ability to implement our business plan, and the market price for our securities. Many of these events are outside of our control. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently believe are immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

Risks Related to Our Business

Raw materials price fluctuations

The Company’s largest raw materials purchases consist of micro-motors and plastics (AS, PP, ABS which are derived from petroleum) and stainless steel. As such, fluctuations in the price of oil and steel on the international market will have an impact on the Company’s operating costs and related profits.

International oil prices reached new highs in our third quarter but fell sharply in our fourth quarter. The price of most plastics moves in relation to oil prices and all electrical appliance manufacturers are affected by cost increases and benefit from decreases. Management believes that any significant long-term increases or decreases in the price of petroleum will be passed onto users in the form of higher or lower manufacturer prices. However, short term volatility in petroleum and plastics prices can either result in short term increases or decreases in manufacturing costs.

Economic slowdown in US & European markets

Historically the majority of the Company's sales are made overseas with approximately 52% of our total sales made in North American and European markets, in 2008 respectively. As such, any weakening economic conditions in these markets could negatively impact the Company's operating results. In order to reduce such risk the Company has:

- o initiated a flexible pricing strategy with international customers, and
- o begun a strong drive into the domestic market of China.

Exchange Rates

As the majority of the Company's sales are currently made internationally any further appreciation of the RMB negatively impacts the Company's profit & loss results. In order to limit exposure to such currency risk the Company may engage in Forward Foreign Exchange agreements.

Loss of or failure to renew any or all of its licenses and permits

In accordance with the laws and regulations of the PRC, Deer is required to maintain various licenses and permits in order to operate our electrical appliance products manufacturing business. Deer is required to comply with applicable hygiene and safety standards in relation to our production processes. Deer production processes are subject to periodic inspections by the regulatory authorities for compliance with applicable regulations. Failure to pass these inspections, or the loss of or failure to renew such licenses and production permits, or sales licenses could result in the temporary or permanent suspension of some or all of our production or distribution operations and could adversely affect our revenues and profitability.

We can not be assured of the success of the Domestic Market Development & Brand Campaign.

Since the Company just recently initiated its own branding campaign in the domestic market in China in the first quarter of 2008, and, while prospects for the domestic market are encouraging, there exists uncertainty as to the Company's ability to build a strong market presence. The domestic market began to emerge in the 1990s and established brand leaders with greater experience, market share, and customer loyalty already exist such as Midea, Tsann Kuen, Supor, and Vatti, thus, the ability of the Company to gain a stronghold in the market is uncertain. In the combined international and domestic sales for 2008 management estimates that only 10% of our revenues were generated from the Company's own brands.

We derive a substantial part of our revenues from several major customers. If we lose any of these customers or they reduce the amount of business they do with us, our revenues may be seriously affected.

Our five largest customers accounted for 36.5% of our revenues for the year ended December 31, 2008 and our ten largest customers accounted for approximately 51% our revenues for the year ended December 31, 2008. Our largest customer accounted for 18.9% of our revenues in the year ended December 31, 2008. These customers may not maintain the same volume of business with us in the future. If we lose any of these customers or they reduce the amount of business they do with us, our revenues may be seriously affected.

We cannot be certain that our product innovations and marketing successes will continue.

We believe that our past performance has been based on, and our future success will depend, in part, upon our ability to continue to improve our existing products through product innovation and to develop, market and produce new

products. We cannot assure you that we will be successful in introducing, marketing and producing any new products or product innovations, or that we will develop and introduce in a timely manner innovations to our existing products which satisfy customer needs or achieve market acceptance. Our failure to develop new products and introduce them successfully and in a timely manner could harm our ability to grow our business and could have a material adverse effect on our business, results of operations and financial condition.

Our technology may not satisfy the changing needs of our customers.

With any technology, including the technology of our current and proposed products, there are risks that the technology may not successfully address all of our customers' needs. While we have already established successful relationships with our customers, their needs may change or vary. This may affect the ability of our present or proposed products to address all of our customers' ultimate technology needs in an economically feasible manner.

We may not be able to keep pace with rapid technological changes and competition in our industry.

While we believe that we have hired or engaged personnel and outside consultants who have the experience and ability necessary to keep pace with advances in technology, and while we continue to seek out and develop "next generation" technology through our research and development efforts, there is no guarantee that we will be able to keep pace with technological developments and market demands in this evolving industry and market. In addition, our industry is highly competitive. Although we believe that we have developed strategic relationships to best penetrate our existing markets, we face competition from other manufacturers of product similar to our products. Some of our competitors' advantages over us in both the areas of products, marketing, and services include the following:

- Substantially greater revenues and financial resources;
- Stronger brand names and consumer recognition;
- The capacity to leverage marketing expenditures across a broader portfolio of products;
- Pre-existing relationships with potential customers;
- More resources to make acquisitions;
- Lower labor and development costs; and
- Broader geographic presence.

We will face different market dynamics and competition if we expand our market to new countries. In some international markets, our future competitors would have greater brand recognition and broader distribution than we currently enjoy. We may not be as successful as our competitors in generating revenues in those markets due to our inability to provide products that are attractive to the market in those countries, the lack of recognition of our brand, and other factors. As a result, any new expansion efforts could be more costly and less profitable than our efforts in our existing markets.

If we are not as successful as our competitors in our target markets, our sales could decline, our margins could be negatively impacted and we could lose market share, any of which could materially harm our business.

We are a major purchaser of certain goods and raw materials that we use in the manufacturing process of our products, and price changes for the commodities we depend on may adversely affect our profitability.

Our profitability generally depends upon the margin between the cost to us of certain raw materials used in the manufacturing process as well as our fabrication costs associated with converting such raw materials into assembled products compared to the selling price of our products, and the overall supply of raw materials. It is our intention to base the selling prices of our products upon the associated raw materials costs to us. However, we may not be able to pass all increases in raw material costs and ancillary acquisition costs associated with taking possession of the raw

materials through to our customers. Although we are currently able to obtain adequate supplies of raw materials, it is impossible to predict future availability. The inability to offset price increases of raw material by sufficient product price increases, and our inability to obtain raw materials, would have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

Our products may contain defects, which could adversely affect our reputation and cause us to incur significant costs.

Despite testing by us defects may be found in existing or new products. Any such defects could cause us to incur significant return and exchange costs, re-engineering costs, divert the attention of our engineering personnel from product development efforts, and cause significant customer relations and business reputation problems. Any such defects could force us to undertake a product recall program, which could cause us to incur significant expenses and could harm our reputation and that of our products. If we deliver defective products, our credibility and the market acceptance and sales of our products could be harmed.

Our position in the marketplace could be negatively impacted if we experience delays in launching our products.

We may experience delays in bringing new products to market, due to design, manufacturing or distribution problems. Such delays could adversely affect our ability to compete effectively and may adversely affect our relationship with our customers. Any such delays would adversely affect our revenues and our ability to become profitable.

If we are not able to manage our growth, we may not be profitable.

Our success will depend on our ability to expand and manage our operations and facilities. There can be no assurance that we will be able to manage our growth, meet the staffing requirements for our business or for additional collaborative relationships or successfully assimilate and train new employees. In addition, to manage our growth effectively, we may be required to expand our management base and enhance our operating and financial systems. If we continue to grow, there can be no assurance that the management skills and systems currently in place will be adequate. Moreover, there can be no assurance that we will be able to manage any additional growth effectively. Failure to achieve any of these goals could have a material adverse effect on our business, financial condition or results of operations.

We face risks associated with managing international operations.

Almost all of our operations are conducted in China. There are a number of risks inherent in doing business in such market, including the following:

- unfavorable political or economical factors;
- fluctuations in foreign currency exchange rates;
- potentially adverse tax consequences;
- unexpected legal or regulatory changes;
- lack of sufficient protection for intellectual property rights;
- difficulties in recruiting and retaining personnel, and managing international operations; and
- less developed infrastructure.

Our inability to successfully manage the inherent risks in our domestic and international activities could adversely affect our business. Because of the risks associated with conducting such operations (including the risks listed above), there can be no assurances that any new market expansion will be successful.

We may not be able to adequately protect our technology and other proprietary rights.

Our success will depend in part on our ability to obtain and protect our products, methods, processes and other technologies, to preserve our trade secrets, and to operate without infringing on the proprietary rights of third parties both domestically and abroad. We have patents and patent applications pending in China, and have worked and continue to work closely with Chinese patent officials to preserve our intellectual property rights. Despite these efforts, any of the following occurrences may reduce the value of our intellectual property:

- Our applications for patents and trademarks relating to our business may not be granted and, if granted, may be challenged or invalidated;
- Issued patents and trademarks may not provide us with any competitive advantages;
- Our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology;
- Our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we develop; and
- Another party may obtain a blocking patent and we would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in our products.

Effective protection of intellectual property rights may be unavailable or limited in certain foreign countries. If we are unable to adequately protect our proprietary rights, then it would have a negative impact on our operations.

We may be subject to claims that we have infringed the proprietary rights of others, which could require us to obtain a license or change our designs.

Although we do not believe that any of our products infringe the proprietary rights of others, there is no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us or that any such assertions or prosecutions will not materially adversely affect our business. Regardless of whether any such claims are valid or can be successfully asserted, defending against such claims could cause us to incur significant costs and could divert resources away from our other activities. In addition, assertion of infringement claims could result in injunctions that prevent us from distributing our products. If any claims or actions are asserted against us, we may seek to obtain a license to the intellectual property rights that are in dispute. Such a license may not be available on reasonable terms, or at all, which could force us to change our designs.

We may need additional capital to execute our business plan and fund operations and may not be able to obtain such capital on acceptable terms or at all.

In our rapidly changing industry, Capital requirements are difficult to plan for. Although we currently expect to have sufficient funding for the next 12 months, we expect that we will need additional capital to fund our future growth.

Our ability to obtain additional capital on acceptable terms or at all is subject to a variety of uncertainties, including:

- Investors' perceptions of, and demand for, companies in our industry;
- Investors' perceptions of, and demand for, companies operating in China;
- Conditions of the U.S. and other capital markets in which we may seek to raise funds;
- Our future results of operations, financial condition and cash flows;
- Governmental regulation of foreign investment in companies in particular countries;
- Economic, political and other conditions in the United States, China, and other countries; and
- Governmental policies relating to foreign currency borrowings.

We may be required to pursue sources of additional capital through various means, including joint venture projects and debt or equity financings. There is no assurance that we will be successful in locating a suitable financing transaction in a timely fashion or at all. In addition, there is no assurance that we will be successful in obtaining the capital we require by any other means. Future financings through equity investments are likely to be dilutive to our existing stockholders. Also, the terms of securities we may issue in future capital transactions may be more favorable for our new investors. Newly issued securities may include preferences, superior voting rights, the issuance of warrants or other derivative securities, and the issuances of incentive awards under equity employee incentive plans, which may have additional dilutive effects. Further, we may incur substantial costs in pursuing future capital and/or financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, such as convertible notes and warrants, which will adversely impact our financial condition.

If we cannot raise additional funds on favorable terms or at all, we may not be able to carry out all or parts of our strategy to maintain our growth and competitiveness or to fund our operations. If the amount of capital we are able to

raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, even to the extent that we reduce our operations accordingly, we may be required to cease operations.

We face risks associated with currency exchange rate fluctuations.

Although we currently transact parts of our business in U.S. dollars, a larger portion of our revenues is denominated in other foreign currencies. Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates that could have a negative impact on our operating results. Fluctuations in the value of the U.S. dollar relative to other currencies impact our revenues, cost of revenues and operating margins and result in foreign currency translation gains and losses.

Our business could be subject to environmental liabilities.

As is the case with manufacturers of similar products, we use certain hazardous substances in our operations. Currently we do not anticipate any material adverse effect on our business, revenues or results of operations as a result of compliance with Chinese environmental laws and regulations. However, the risk of environmental liability and charges associated with maintaining compliance with environmental laws is inherent in the nature of our business, and there is no assurance that material environmental liabilities and compliance charges will not arise in the future.

If we lose our key personnel or are unable to attract and retain additional qualified personnel, the quality of our services may decline and our business may be adversely impacted.

We rely heavily on the expertise, experience and continued services of our senior management, including our President and Chief Executive Officer. Loss of his services could adversely impact our ability to achieve our business objectives. We believe our future success will depend upon our ability to retain key employees and our ability to attract and retain other skilled personnel. The rapid growth of the economy in China has caused intense competition for qualified personnel. We cannot guarantee that any employee will remain employed by us for any definite period of time or that we will be able to attract, train or retain qualified personnel in the future. Such loss of personnel could have a material adverse effect on our business and company. Moreover, qualified employees periodically are in great demand and may be unavailable in the time frame required to satisfy our customers' requirements. We need to employ additional personnel to expand our business. There is no assurance that we will be able to attract and retain sufficient numbers of highly skilled employees in the future. The loss of personnel or our inability to hire or retain sufficient personnel at competitive rates could impair the growth of our business.

We will incur significant costs as a result of operating as a public company, our management will be required to devote substantial time to new compliance initiatives.

While we are a public company, our compliance costs to date have not been substantial in light of our limited operations. Deer began operating as a public company in September of 2008. As a public company with substantial operations, we will incur increased legal, accounting and other expenses. The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited reports to stockholders is time-consuming and costly.

It will also be time-consuming, difficult and costly for us to develop and implement the internal controls and reporting procedures required by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Certain members of our management have limited or no experience operating a company whose securities are traded or listed on an exchange, nor with SEC rules and requirements (including SEC reporting practices and requirements that are applicable to a publicly traded company). We will need to recruit, hire, train and retain additional financial reporting, internal controls and other personnel in order to develop and implement appropriate internal controls and reporting procedures. If we are unable to comply with the internal controls requirements of the Sarbanes-Oxley Act, we may not be able to obtain the independent accountant certifications required by the Sarbanes-Oxley Act.

If we fail to establish and maintain an effective system of internal controls, we may not be able to report our financial results accurately or to prevent fraud. Any inability to report and file our financial results accurately and timely could harm our business and adversely impact the trading price of our common stock.

We are required to establish and maintain internal controls over financial reporting, disclosure controls, and to comply with other requirements of the Sarbanes-Oxley Act and the rules promulgated by the SEC. Our management, including our Chief Executive Officer and Chief Financial Officer, cannot guarantee that our internal controls and

disclosure controls will prevent all possible errors or prevent 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. In addition, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no system 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 simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. 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, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

New rules, including those contained in and issued under the Sarbanes-Oxley Act, may make it difficult for us to retain or attract qualified officers and directors, which could adversely affect the management of our business and our ability to obtain or retain listing of our common stock.

We may be unable to attract and retain those qualified officers, directors and members of board of directors committees required to provide for our effective management because of the rules and regulations that govern publicly held companies, including, but not limited to, certifications by principal executive officers. The perceived personal risk associated with the Sarbanes-Oxley Act may deter qualified individuals from accepting roles as directors and executive officers.

Further, some of these recent changes heighten the requirements for board or committee membership, particularly with respect to an individual's independence and level of experience in finance and accounting matters. We may have difficulty attracting and retaining directors with the requisite qualifications. If we are unable to attract and retain qualified officers and directors, the management of our business and our ability to obtain or retain the listing of our common stock on any stock exchange (assuming we elect to seek and are successful in obtaining such listing) could be adversely affected.

We are a holding company that depends on cash flow from our wholly-owned subsidiary to meet our obligations.

After the Share Exchange, we became a holding company with no material assets other than the stock of our wholly-owned subsidiary. Accordingly, all our operations will be conducted by Winder and Delta through our wholly owned subsidiary Deer International. We currently expect that the earnings and cash flow of our subsidiary will primarily be retained and used by us in its operations.

All of Deer's liabilities survived the Share Exchange and there may be undisclosed liabilities that could have a negative impact on our financial condition.

Before the Share Exchange, certain due diligence activities on Deer International, Winder and Delta were performed. The due diligence process may not have revealed all liabilities (actual or contingent) of Deer International, Winder and Delta that existed or which may arise in the future relating to the Company's activities before the consummation of the Share Exchange. Notwithstanding that all of their pre-closing liabilities were transferred to a third party pursuant to the terms of the Share Exchange Agreement, it is possible that claims for such liabilities may still be made against us, which we will be required to defend or otherwise resolve. The transfer pursuant to the Share Exchange Agreement may not be sufficient to protect us from claims and liabilities and any breaches of related representations and warranties. Any liabilities remaining from the Company's pre-closing activities could harm our financial condition and results of operations.

Because Deer has become public by means of a share exchange, we may not be able to attract the attention of major brokerage firms.

There may be risks associated with Deer's becoming public through the Share Exchange Agreement. Analysts of major brokerage firms may not provide our company coverage since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any secondary offerings on our behalf.

New accounting standards could result in changes to our methods of quantifying and recording accounting transactions, and could affect our financial results and financial position.

Changes to Generally Accepted Accounting Principles in the United States (GAAP) arise from new and revised standards, interpretations, and other guidance issued by the Financial Accounting Standards Board, the SEC, and others. In addition, the U.S. Government may issue new or revised Cost Accounting Standards or Cost Principles. The effects of such changes may include prescribing an accounting method where none had been previously specified, prescribing a single acceptable method of accounting from among several acceptable methods that currently exist, or revoking the acceptability of a current method and replacing it with an entirely different method, among others. Such changes could result in unanticipated effects on our results of operations, financial position, and other financial measures.

Risks Related to Our Business being Conducted in China

We are subject to international economic and political risks over which we have little or no control and may be unable to alter our business practice in time to avoid the possibility of reduced revenues.

Our business is conducted in China. Doing business outside the United States, particularly in China, subjects us to various risks, including changing economic and political conditions, major work stoppages, exchange controls, currency fluctuations, armed conflicts and unexpected changes in United States and foreign laws relating to tariffs, trade restrictions, transportation regulations, foreign investments and taxation. We have no control over most of these risks and may be unable to anticipate changes in international economic and political conditions and, therefore, unable to alter our business practice in time to avoid the possibility of reduced revenues.

China's economic policies could affect our business.

Substantially all of our assets are located in China and all of our revenue is derived from our operations in China. Accordingly, our results of operations and prospects are subject, to a significant extent, to the economic,

political and legal developments in China.

While China's economy has experienced significant growth in the past twenty years, such growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy of China, but they may also have a negative effect on us. For example, operating results and financial condition may be adversely affected by the government control over capital investments or changes in tax regulations. The economy of China has been transitioning from a planned economy to a more market-oriented economy. In recent years the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform and the reduction of state ownership of productive assets, and the establishment of corporate governance in business enterprises; however, a substantial portion of productive assets in China are still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, the control of payment of foreign currency-denominated obligations, the setting of monetary policy and the provision of preferential treatment to particular industries or companies.

We may have difficulty establishing adequate management, legal and financial controls in China.

China historically has not adopted a Western style of management and financial reporting concepts and practices, as well as in modern banking, computer and other control systems. We may have difficulty in hiring and retaining a sufficient number of qualified employees to work in China. As a result of these factors, we may experience difficulty in establishing management, legal and financial controls, collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet Western standards.

Our bank accounts are not insured or protected against loss.

We maintain our cash with various banks and trust companies located in China. Our cash accounts are not insured or otherwise protected. Should any bank or trust company holding our cash deposits become insolvent, or if we are otherwise unable to withdraw funds, we would lose the cash on deposit with that particular bank or trust company.

As we have limited business insurance coverage in China, any loss which we suffer may not be insured or may be insured to only a limited extent.

The insurance industry in China is still in an early stage of development and insurance companies located in China offer limited business insurance products. In the event of damage or loss to our properties, our insurance may not provide as much coverage as if we were insured by insurance companies in the United States.

Tax laws and regulations in China are subject to substantial revision, some of which may adversely affect our profitability.

The Chinese tax system is in a state of flux, and it is anticipated that China's tax regime will be altered in the coming years. Tax benefits that we presently enjoy may not be available to us in the wake of these changes, and we could incur tax obligations to the Chinese government that are significantly higher than currently anticipated. These increased tax obligations could negatively impact our financial condition and our revenues, gross margins, profitability and results of operations may be adversely affected as a result.

Certain tax exemptions that we presently enjoy in China are scheduled to expire over the next several years.

As a substantial portion of our operations are located in a privileged economic zone, we are entitled to certain tax benefits. When these exemptions expire, our income tax expenses will increase, reducing our net income below what it would be if we continued to enjoy these exemptions.

We may face judicial corruption in China.

Another obstacle to foreign investment in China is corruption. There is no assurance that we will be able to obtain recourse in any legal disputes with suppliers, customers or other parties with whom we conduct business, if desired, through China’s poorly developed and sometimes corrupt judicial systems.

If relations between the United States and China worsen, investors may be unwilling to hold or buy our stock and our stock price may decrease.

At various times during recent years, the United States and China have had significant disagreements over political and economic issues. Controversies may arise in the future between these two countries. Any political or trade controversies between the United States and China, whether or not directly related to our business, could reduce the price of our common stock.

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China could change its policies toward private enterprise or even nationalize or expropriate private enterprises.

Our business is subject to significant political and economic uncertainties and may be affected by political, economic and social developments in China. Over the past several years, the Chinese government has pursued economic reform policies including the encouragement of private economic activity and greater economic decentralization. The Chinese government may not continue to pursue these policies or may significantly alter them to our detriment from time to time with little, if any, prior notice.

Changes in policies, laws and regulations or in their interpretation or the imposition of confiscatory taxation, restrictions on currency conversion, restrictions or prohibitions on dividend payments to stockholders, or devaluations of currency could cause a decline in the price of our common stock. Nationalization or expropriation could even result in the total loss of your investment.

Limitations on the ability of our operating subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business and fund our operations.

We are a holding company and conduct substantially all of our business through our operating subsidiary in China. We will of necessity rely on dividends paid by our subsidiaries for our cash needs, including the funds necessary to pay dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. In particular, regulations in China currently permit payment of dividends only out of accumulated profits as determined in accordance with Chinese accounting standards and regulations. Our Chinese subsidiary is also required to set aside at least 10% of its after-tax profit based on Chinese accounting standards each year to its general reserves until the accumulative amount of such reserves reaches 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, it is required to allocate a portion of its after-tax profit to its staff welfare and bonus fund at the discretion of its board of directors. Moreover, if our subsidiary incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitation on the ability of our subsidiary to distribute dividends and other distributions to us could materially and adversely limit our ability to make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

Recent Chinese regulations relating to the establishment of offshore special purpose companies by Chinese residents and registration requirements for employee stock ownership plans or share option plans may subject our China resident shareholders to personal liability and limit our ability to acquire Chinese companies or to inject capital into our operating subsidiaries in China, limit our subsidiaries' ability to distribute profits to us, or otherwise materially and adversely affect us.

The State Administration of Foreign Exchange ("SAFE") issued a public notice in October 2005, requiring PRC residents, including both legal persons and natural persons, to register with the competent local SAFE branch before establishing or controlling any company outside of China, referred to as an "offshore special purpose company," for the purpose of acquiring any assets of or equity interest in PRC companies and raising funds from overseas. In addition, any PRC resident that is the shareholder of an offshore special purpose company is required to amend his or her SAFE registration with the local SAFE branch, with respect to that offshore special purpose company in connection with any increase or decrease of capital, transfer of shares, merger, division, equity investment or creation of any security interest over any assets located in China. To further clarify the implementation of Circular 75, the SAFE issued Circular 124 and Circular 106 on November 24, 2005 and May 29, 2007, respectively. Under Circular 106, PRC subsidiaries of an offshore special purpose company are required to coordinate and supervise the filing of SAFE registrations by the offshore holding company's shareholders who are PRC residents in a timely manner. If these shareholders fail to comply, the PRC subsidiaries are required to report to the local SAFE authorities. If the PRC

subsidiaries of the offshore parent company do not report to the local SAFE authorities, they may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to their offshore parent company and the offshore parent company may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the above SAFE registration requirements could result in liabilities under PRC laws for evasion of foreign exchange restrictions. Some of our PRC resident beneficial owners have not registered with the local SAFE branch as required under SAFE regulations. The failure or inability of these PRC resident beneficial owners to comply with the applicable SAFE registration requirements may subject these beneficial owners or us to fines, legal sanctions and restrictions described above.

On March 28, 2007, SAFE released detailed registration procedures for employee stock ownership plans or share option plans to be established by overseas listed companies and for individual plan participants. Any failure to comply with the relevant registration procedures may affect the effectiveness of our employee stock ownership plans or share option plans and subject the plan participants, the companies offering the plans or the relevant intermediaries, as the case may be, to penalties under PRC foreign exchange regime. These penalties may subject us to fines and legal sanctions, prevent us from being able to make distributions or pay dividends, as a result of which our business operations and our ability to distribute profits to you could be materially and adversely affected.

In addition, the National Development and Reform Commission ("NDRC") promulgated a rule in October 2004, or the NDRC Rule, which requires NDRC approvals for overseas investment projects made by PRC entities. The NDRC Rule also provides that approval procedures for overseas investment projects of PRC individuals must be implemented with reference to this rule. However, there exist extensive uncertainties in terms of interpretation of the NDRC Rule with respect to its application to a PRC individual’s overseas investment, and in practice, we are not aware of any precedents that a PRC individual’s overseas investment has been approved by the NDRC or challenged by the NDRC based on the absence of NDRC approval. Our current beneficial owners who are PRC individuals did not apply for NDRC approval for investment in us. We cannot predict how and to what extent this will affect our business operations or future strategy. For example, the failure of our shareholders who are PRC individuals to comply with the NDRC Rule may subject these persons or our PRC subsidiary to certain liabilities under PRC laws, which could adversely affect our business.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

The Renminbi is currently convertible under the “current account,” which includes dividends, trade and service-related foreign exchange transactions, but not under the “capital account,” which includes foreign direct investment and loans. Currently, our Chinese subsidiary may purchase foreign currencies for settlement of current account transactions, including payments of dividends to us, without the approval of SAFE. However, the relevant Chinese government authorities may limit or eliminate their ability to purchase foreign currencies in the future. Since a significant amount of our future revenues will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilize revenues generated in Renminbi to fund our business activities outside China that are denominated in foreign currencies.

Foreign exchange transactions by our Chinese subsidiaries under the capital account continue to be subject to significant foreign exchange controls and require the approval of or need to register with Chinese governmental authorities, including SAFE. In particular, if our Chinese subsidiaries borrow foreign currency loans from us or other foreign lenders, these loans must be registered with SAFE, and if we finance our Chinese subsidiaries by means of additional capital contributions, these capital contributions must be approved by certain government authorities, including the NDRC, the Ministry of Commerce, or MOFCOM, or their respective local counterparts. These limitations could affect the ability of our Chinese subsidiaries to obtain foreign exchange through debt or equity financing.

The nature and application of many laws of China create an uncertain environment for business operations and they could have a negative effect on us.

The legal system in China is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. In 1979, China began to promulgate a comprehensive system of laws and has since introduced many laws and regulations to provide general guidance on economic and business practices in China and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. The promulgation of new laws, changes of existing laws and the

abrogation of local regulations by national laws could cause a decline in the price of our common stock. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve significant uncertainty.

As we import goods into and export goods out of China, fluctuation of the Renminbi may affect our financial condition by affecting the volume of cross-border money flow.

Although we use the United States dollar for financial reporting purposes, most of the transactions effected by our operating subsidiaries are denominated in China's Renminbi. The value of the Renminbi fluctuates and is subject to changes in China's political and economic conditions. Future movements in the exchange rate of the Renminbi could adversely affect our financial condition as we may suffer financial losses when transferring money raised outside of China into the country or paying vendors for services performed outside of China.

We may not be able to obtain regulatory approvals for our products.

The manufacture and sale of our products in China is regulated by The People's Republic of China and the local provincial governments. Although our licenses and regulatory filings are up to date, the uncertain legal environment in China and our industry may be vulnerable to local government agencies or other parties who wish to renegotiate the terms and conditions of, or terminate their agreements or other understandings with us.

It will be extremely difficult to acquire jurisdiction and enforce liabilities against our officers, directors and assets based in China.

As our executive officers and several of our directors, including the Chairman of our Board of Directors, are Chinese citizens, it may be difficult, if not impossible, to acquire jurisdiction over these persons in the event a lawsuit is initiated against us and/or our officers and directors by a stockholder or group of stockholders in the United States. Also, because our operating subsidiaries and assets are located in China, it may be extremely difficult or impossible for individuals to access those assets to enforce judgments rendered against us or our directors or executive offices by United States courts. In addition, the courts in China may not permit the enforcement of judgments arising out of United States federal and state corporate, securities or similar laws. Accordingly, United States investors may not be able to enforce judgments against us for violation of United States securities laws.

Risks Related to Our Securities

Our common stock price is subject to significant volatility, which could result in substantial losses for investors.

Prices for our shares are determined in the marketplace and may accordingly be influenced by many factors, including, but not limited to:

- limited "public float" in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market price for our common stock;
- technological innovations or new products and services by us or our competitors;
- intellectual property disputes;
- additions or departures of key personnel;
- the depth and liquidity of the market for the shares;
- quarter-to-quarter variations in our operating results;
-

announcements about our performance as well as the announcements of our competitors about the performance of their businesses;

- investors' evaluations of our future prospects and the food industry generally;
- changes in earnings estimates by, or failure to meet the expectations of, securities analysts;
- our dividend policy; and
- general economic and market conditions.

Additionally, the stock market often experiences significant price and volume fluctuations that are unrelated to the operating performance of the specific companies whose stock is traded. These market fluctuations could adversely affect our share's trading price.

The price at which investors purchase shares of our common stock may not be indicative of the price that will prevail in the trading market. Investors may be unable to sell their shares of common stock at or above their purchase price, which may result in substantial losses.

Shares of our common stock lack a significant trading market.

Shares of our common stock are not eligible as yet for trading on any national securities exchange. Our common stock may be quoted in the over-the-counter market on the OTC Bulletin Board or in what are commonly referred to as “pink sheets.” These markets are highly illiquid. Although we intend to apply for listing of our common stock on an exchange, there can be no assurance if and when the initial listing criteria could be met or if such application would be granted, or that the trading of the common stock will be sustained. There is no assurance that an active trading market in our common stock will develop, or if such a market develops, that it will be sustained. In addition, there is a greater chance for market volatility for securities that are quoted on the OTC Bulletin Board as opposed to securities that trade on a national exchange. This volatility may be caused by a variety of factors, including the lack of readily available quotations, the absence of consistent administrative supervision of “bid” and “ask” quotations and generally lower trading volume. As a result, an investor may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, the common stock, or to obtain coverage for significant news events concerning us, and the common stock would become substantially less attractive for margin loans, for investment by financial institutions, as consideration in future capital raising transactions or other purposes.

Future sales of shares of our common stock by our stockholders could cause our stock price to decline.

We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of common stock for sale will have on the market price prevailing from time to time. If our stockholders sell substantial amounts of our common stock in the public market upon the effectiveness of a registration statement, or upon the expiration of any holding period under Rule 144 or Regulation S, such sales could create a circumstance commonly referred to as an “overhang” and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make it more difficult for our Company to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. The shares of common stock issued in the Share Exchange will be freely tradable upon the earlier of (i) effectiveness of a registration statement covering such shares; or (ii) the date on which such shares may be sold without registration pursuant to Rule 144 or Regulation S under the Securities Act and the sale of such shares could have a negative impact on the price of our common stock.

We may issue additional shares of our capital stock or debt securities to raise capital or complete acquisitions, which would reduce the equity interest of our stockholders.

Our articles of incorporation authorize the issuance of up to 75,000,000 shares of common stock, par value $.001 per share. There are approximately 64,768,442 authorized and unissued shares of our common stock which have not been reserved and are available for future issuance as of March 31, 2009. Although we have no commitments as of this date to issue our securities in connection with an acquisition, we may issue a substantial number of additional shares of our common stock, to complete a business combination or to raise capital. The issuance of additional shares of our common stock:

- may significantly reduce the equity interest of our existing stockholders; and
- may adversely affect prevailing market prices for our common stock.

Our director and Chief Executive Officer has a substantial ownership interest in one of our major stockholders which gives him significant influence over certain major decisions on which our stockholders may vote and may discourage an acquisition of us.

Mr. Ying He, our director and Chief Executive Officer, owns 100% of the equity in Achieve On Limited ("Achieve On Limited"), a company which is the record holder of 32.17% of our outstanding common stock. Mr. He has control over the actions of that substantial stockholder. As a result, Mr. He has significant influence over all corporate actions requiring stockholder approval, irrespective of how the Company's other stockholders may vote, including the following actions:

- electing or defeating the election of our directors;

- amending or preventing amendment of our certificate of incorporation or bylaws;
- effecting or preventing a merger, sale of assets or other corporate transaction; and
- controlling the outcome of any other matter submitted to the shareholders for vote.

The interests of Mr. He may differ from the interests of other stockholders. This may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

Because we obtained our present operations by means of a "reverse acquisition," we may not be able to attract the attention of major brokerage firms.

There may be risks associated with our use of a "reverse acquisition" to obtain our present operations. Securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any secondary offerings on our behalf.

The application of the “penny stock” rules could adversely affect the market price of our common stock and increase your transaction costs to sell those shares.

Our common stock may be subject to the “penny stock” rules adopted under Section 15(g) of the Securities Exchange Act of 1934. The penny stock rules apply to non-NASDAQ companies whose common stock trades at less than $5.00 per share or that have tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the Securities and Exchange Commission, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities laws;
- a brief, clear, narrative description of a dealer market, including “bid” and “ask” prices for penny stocks and the significance of the spread between the “bid” and “ask” price;
- A toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and is in such form (including language, type, size and format), as the Securities and Exchange Commission shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer with the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and our salesperson in the transaction;

- o the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and

- o monthly account statements showing the market value of each penny stock held in the customer’s account.

In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

Due to the requirements of penny stock rules, many brokers have decided not to trade penny stocks. As a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, that could have an adverse effect on the market, if any, for our securities. Moreover, if our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

Capital outflow policies in China may hamper our ability to declare and pay dividends to our shareholders.

China has adopted currency and capital transfer regulations. These regulations may require us to comply with complex regulations for the movement of capital. Although our management believes that we will be in compliance with these regulations, should these regulations or the interpretation of them by courts or regulatory agencies change, we may not be able to pay dividends to our shareholders outside of China. In addition, under current Chinese law, we must retain a reserve equal to 10 percent of net income after taxes, not to exceed 50 percent of registered capital. Accordingly, this reserve will not be available to be distributed as dividends to our shareholders. We presently do not intend to pay dividends in the foreseeable future. Our management intends to follow a policy of retaining all of our earnings to finance the development and execution of our strategy and the expansion of our business.

Taxation

We will not obtain an opinion of legal counsel regarding the United States income tax consequences of an investment in our securities.

We will not obtain an opinion of counsel regarding the U.S. income tax consequences of investing in our securities including whether we will be treated as a company for U.S. income tax purposes. Recent changes in tax laws have not, as yet, been the subject of administrative or judicial scrutiny or interpretation. Moreover, there is no assurance that future legislation may not further affect the tax consequences of an investment in our securities.

FORWARD-LOOKING STATEMENTS

In this report, the terms “Deer,” “Company,” “we,” “us” and “our” refer to Deer Consumer Products, Inc. and its subsidiaries. This report contains forward-looking statements regarding Deer which include, but are not limited to, statements concerning our projected revenues, expenses, gross profit and income, mix of revenue, demand for our products, the benefits and potential applications for our products, the need for additional capital, our ability to obtain and successfully perform additional new contract awards and the related funding and profitability of such awards, the competitive nature of our business and markets, and product qualification requirements of our customers. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management’s beliefs, and certain assumptions made by us. Words such as “anticipates,” “expects,” “intends,” “plans,” “predicts,” “potential,” “believes,” “seeks,” “hopes,” “estimates,” “should,” “may,” “will,” “with a view to” and variations of t similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future

performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. Such factors include, but are not limited to the following:

- Our goals and strategies;
- Our expansion plans;
- Our future business development, financial conditions and results of operations;
- The expected growth of the market for our products;
- Our expectations regarding demand for our products;
- Our ability to expand the Deer brand in China;
- Our expectations regarding keeping and strengthening our relationships with key customers;
- Our ability to stay abreast of market trends and technological advances;
- Competition in our industry in China;
- General economic and business conditions in the regions in which we sell our products;
- Relevant government policies and regulations relating to our industry; and
- Market acceptance of our products.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” and other sections in this prospectus. You should read thoroughly this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance.

This prospectus contains statistical data we obtained from various publicly available government publications. Statistical data in these publications also include projections based on a number of assumptions. The market for our products may not grow at the rate projected by market data, or at all. The failure of this market to grow at the projected rate may have a material adverse effect on our business and the market price of our securities. In addition, the rapidly changing nature of our customers' industries results in significant uncertainties in any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

Unless otherwise indicated, information in this prospectus concerning economic conditions and our industry is based on information from independent industry analysts and publications, as well as our estimates. Except where otherwise noted, our estimates are derived from publicly available information released by third party sources, as well as data from our internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable. None of the independent industry publication market data cited in this prospectus was prepared on our or our affiliates’ behalf.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

AVAILABLE INFORMATION

This prospectus is part of a Registration Statement on Form S-1 we have filed with the SEC. We have not included in this prospectus all of the information contained in the registration statement and you should refer to our registration statement and its exhibits for further information.

We file annual, quarterly, and special reports, proxy statements, and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials may also be obtained from the SEC at prescribed rates by writing to the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the SEC public reference room in Washington, D.C. by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at http://www.sec.gov .

Our Web site address is http://www.Deerinc.com. The information on our Web site is not incorporated into this prospectus.

USE OF PROCEEDS

We will not receive any proceeds from sale of the shares of common stock covered by this prospectus by the selling shareholders. To the extent that the selling stockholders exercise for cash all of the warrants covering the 363,873 shares of common stock issuable upon exercise of all of the warrants, we would receive $1,255,362 in aggregate from such exercises. The warrants may expire without having been exercised. Even if some or all of these warrants are exercised, we cannot predict when they will be exercised and when we would receive the proceeds. We intend to use any proceeds we receive upon exercise of the warrants for general working capital and other corporate purposes.

MARKET FOR COMMON STOCK AND RELATED SHAREHOLDER MATTERS

Market Information

Beginning on May 16, 2007, our shares of common stock were quoted on the OTC Bulletin Board on under the symbol "TGEV". No trades of our common stock occurred through the facilities of the OTC Bulletin Board until September 9, 2008. Our common stock became eligible for quotation on the OTC Bulletin Board on September 5, 2008 under the symbol of “DCPI” and as of April 23, 2009 began trading under the symbol of “DCPD.” The following table sets forth the range of the high and low bid prices per share of our common stock for each quarter (or portion thereof) beginning on May 16, 2007 as reported by the OTC Bulletin Board. These quotations represent inter-dealer prices, without retail mark-up, markdown, or commission and may not represent actual transactions.

		High		Low
Quarter ended March 31, 2007	$	.05	$	.05
Quarter ended June 30, 2007	$	.05	$	.05
Quarter ended September 30, 2007	$	.05	$	.05
Fiscal year ended December 31, 2007	$	.05	$	.05
Quarter ended March 31, 2008	$	.05	$	.05
Quarter ended June 30, 2008	$	.05	$	.05
Quarter ended September 30, 2008	$	4.00	$	.05
Fiscal year ended December 31, 2008	$	4.60	$	1.17
Quarter ended March 31, 2009	$	3.91	$	.92

Holders

On May 28, 2009, there were approximately 88 stockholders of record based on information provided by our transfer agent. Since some of our shares of common stock are held in street or nominee name, it is believed that there are a substantial number of additional beneficial owners of our common stock.

Dividend Policy

We have not paid any cash dividends on our common stock to date, and we have no intention of paying cash dividends in the foreseeable future. Whether we will declare and pay dividends in the future will be determined by our board of directors at their discretion, subject to certain limitations imposed under Nevada corporate law. In addition, our ability to pay dividends may be affected by the foreign exchange controls in China. See "RISK FACTORS - Limitation on the ability of our operating subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business and fund our operations ." The timing, amount and form of dividends, if any, will depend on, among other things, our results of operations, financial condition, cash requirements and other factors deemed relevant by our board of directors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Safe Harbor Declaration

The comments made throughout this prospectus should be read in conjunction with our financial statements and the notes thereto, and other financial information appearing elsewhere in this document. In addition to historical information, the following discussion and other parts of this document contain certain forward-looking information. When used in this discussion, the words, "believes," "anticipates," "expects," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from projected results, due to a number of factors beyond our control. Deer does not undertake to publicly update or revise any of its forward-looking statements, even if experience or future changes show that the indicated results or events will not be realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Readers are also urged to carefully review and consider our discussions regarding the various factors, which affect company business, included in this section and elsewhere in this prospectus.

Overview

On September 3, 2008, we entered into a share exchange agreement and plan of reorganization with Deer International Group Limited ("Deer International"), a company incorporated under the laws of British Virgin Islands ("BVI") on December 3, 2007 and holder of 100% of the shares of Winder Electrical Company, Ltd. ("Winder") since March 11, 2008. Winder has a 100% owned subsidiary, Delta International, Ltd., ("Delta"). Winder and Delta were formed and incorporated in the Guangdong Province of the PRC on July 20, 2001 and February 23, 2006, respectively.

Pursuant to the share exchange agreement, we acquired from Deer International 50,000 ordinary shares, consisting of all of its issued and outstanding capital stock, in exchange for the issuance of an aggregate of 7,847,853 shares of our common stock. Concurrently with the closing of the transactions contemplated by the share exchange agreement and as a condition thereof, we entered into an agreement with Crescent Liu, our former Director and Chief Executive Officer, pursuant to which he returned 2,586,957 shares of our common stock for cancellation. Mr. Liu was not compensated for the cancellation of his shares of our common stock. Upon completion of the foregoing transactions, we had an aggregate of 9,826,113 shares of common stock issued and outstanding. In connection with the above transaction we changed our name to Deer Consumer Products, Inc. on September 3, 2008.

The exchange of shares with Deer International was accounted for as a reverse acquisition under the purchase method of accounting since Deer International obtained control of our company. Accordingly, the merger of the Deer International into us was recorded as a recapitalization of Deer International, Deer International being treated as the continuing entity. The historical financial statements presented are the consolidated financial statements of Deer International. The share exchange agreement has been treated as a recapitalization and not as a business combination; therefore, no pro forma information is disclosed. At the date of this transaction, the net liabilities of the legal acquirer were $0.

As a result of the reverse merger transactions described above the historical financial statements presented are those of Deer International, the operating entities.

We are engaged in the manufacture, marketing, distribution and sale of home and kitchen electrical appliances (blenders, food processors, choppers, juicers, etc.). The Company manufactures its products out of YangJiang, China and operates corporate functions in Nanshan, Shenzhen, China.

We operate through our two wholly-owned subsidiaries, Winder Electric Co. Ltd. (“Winder”), which is a wholly-owned foreign enterprise (“WOFE”) and responsible for research, production and delivery of goods, and Delta International Limited (“Delta”), which is a wholly owned subsidiary of Winder and primarily responsible for sales. We have traditionally acted as both an original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) for international markets with 90% and 95% of sales made overseas in 2007 and 2008, of which North America and Europe accounted for approximately 34% and 18% in 2008, respectively

Critical Accounting Policies

In presenting our financial statements in conformity with accounting principles generally accepted in the United States ("US GAAP"), we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it will likely result in a material adverse impact to our results of operations, financial position and in liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Use of Estimates. Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to impairment of long-lived assets, and allowance for doubtful accounts. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions; however, we believe that our estimates, including those for the above-described items, are reasonable.

Areas that require estimates and assumptions include valuation of accounts receivable and inventory, determination of useful lives of property and equipment, estimation of certain liabilities and sales returns.

Accounts Receivable. We maintain 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.

Advances to Suppliers. We make advances to certain vendors for purchase of its material. The advances to suppliers are interest free and unsecured.

Inventory. Inventory is valued at the lower of cost (determined on a weighted average basis) or market. We compare the cost of inventories with the market value and allowance is made for writing down the inventories to their market value, if lower.

Long-Lived Assets. We apply the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." We periodically evaluate the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal. Based on our review, we believe that to date there were no significant

impairments of its long-lived assets.

Property and equipment: Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method. For substantially all assets with estimated lives as follows:

Buildings	5-20 years
Equipment	5-10 years
Vehicles	5 years
Office equipment	5-10 years

Revenue Recognition. Our revenue recognition policies are in compliance with the Securities and Exchange Commission (“SEC”) Staff Accounting Bulletin (SAB) 104. Sales revenue is recognized at the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations exist and collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as unearned revenue.

Foreign Currency Transactions and Comprehensive Income. US GAAP generally require that recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company is Chinese Renminbi. The unit of Renminbi is in Yuan. Translation gains are classified as an item of other comprehensive income in the stockholders’ equity section of the balance sheet. Other comprehensive income in the statements of income and other comprehensive income includes translation gains recognized each period.

Currency Hedging. We have entered into a forward exchange agreement with the Bank of China, whereby we have agreed to sell US dollars to the Bank of China at a certain contractual rates. Since the contractual rate at which we sells US dollars to the Bank of China was greater than the exchange rate on the date of each exchange transaction, we have recognized foreign exchange loss during the three months ended March 31, 2009.

Results of Operations

Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007:

	Years Ended December 31, 2008	2007	$ Change	% Change
Revenues	$ 43,784,935	$ 33,476,259	$ 10,308,676	30.8%
Cost of Revenue	34,125,019	26,249,009	7,876,010	30.0%
Gross Profits	9,659,916	7,227,250	2,432,666	33.7%
Selling, General and Administrative	5,421,580	3,306,507	2,115,073	64.0%
Interest Expense and Financing Costs	558,663	114,555	444,108	387.7%
Foreign Exchange gain	959,943	90,707	869,236	958.3%
Income Tax Expense	1,302,045	615,568	686,477	111.5%
Net Income	3,356,784	3,421,592	(64,808)	-1.9%

Revenues

The increase in revenues was due to an increase in sales of our core products: blenders and juice extractors.

Cost of Revenue

The increased costs in 2008 were due to the increases in sales.

Gross Profit

Our gross margin for the year ended December 31, 2008 was 22.1% compared to 21.6% for 2007.

The increase in gross margin can be attributed to success in controlling variable costs such as the design of new products and improving our sales order selection capability to fit market needs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended December 31, 2008 increased by $2,115,073 or 64.0%, from $3,306,507 for the year ended December 31, 2007 to $5,421,580 for the year ended December 31, 2008. Selling expenses for the year ended December 31, 2008 increased by 88.0% or $1,336,464 in comparison to the same period in 2007 due to due to the hiring of a new sales company for exporting services. In addition, we commenced domestic sales of our brand name products in China and internationally and incurred start up costs including, establishing a “Deer” brand name, creating a distribution network, and marketing the Deer brand name products. General and administrative expenses for the year ended December 31, 2008 increased by 43.5% or $778,609 in comparison to the same period in 2007. The increase in our operating expenses reflects the additional expenses incurred as a result of our increased sales and the cost of being a publicly held company. Operating expenses include overhead expenses such as rent, management and staff salaries, general insurance, marketing, accounting, legal and offices expenses.

Interest and Financing Cost

Interest and financing costs for the year ended December 31, 2008 was $558,663 compared to $114,555 for the year ended December 31, 2007 an increase of $444,108 or 387.7%. The change is principally due to an increase in the principal amount of short term loans and notes payable outstanding.

Foreign Exchange Gain

Foreign exchange gain for the year ended December 31, 2008 was $959,943 an increase of $869,236 or 958.3%, from $90,707 for the year ended December 31, 2007. The increase is due to favorable foreign exchange transactions the company experienced in 2008.

Income Tax Expense

Our effective tax rate for the year ended December 31, 2008 was 28.0% as opposed to 15.2% for the year ended December 31, 2007. The effective tax rate in 2007 was only 15.2% due to one of our subsidiaries paying taxes at 50% of the normal rate due to a tax break given by the Chinese government to companies in the high-tech industry. In 2008, two of our subsidiaries incurred net losses which increased the effective tax rate to 28.0%. In 2008, our statutory income tax rate in China was 25%.

Three Months Ended March 31, 2009 Compared to the Three Months Ended March 31, 2008:

	Three Months Ended March 31, 2009	Three Months Ended March 31,2008	$ Change	% Change
Revenues	$ 6,872,216	$ 9,099,169	$ (2,226,953)	(24.5)%
Cost of Revenue	5,212,704	6,978,152	(1,765,448)	(25.3)%
Gross Profits	1,659,512	2,121,017	(461,505)	(21.8)%
Selling, General and Administrative Expenses	554,923	994,548	(439,625)	(44.2)%
Interest Expense and Financing Costs (net)	113,212	104,262	8,950	7.9%
Other Income (Expense)	(1,881)	33,098	(34,979)	(105.7)%
Foreign Exchange Gain (loss)	(70,506)	71,607	(142,113)	(198.5)%
Income Tax Expense	262,116	311,366	(49,250)	(15.8)%
Net Income	656,874	815,546	(158,672)	(19.5)%

Revenues

The decrease in revenues was due to a decrease in sales of our core products due to the overall downturn in the world economy.

Cost of Revenue

The decreased cost in 2009 was due to the decrease in sales.

Gross Profit

Our gross margin for the three months ended March 31, 2009 was 24.2% compared to 23.3% for same period in 2008. The increase in gross margin can be attributed to success in controlling variable costs such as the design of new products and improving our sales order selection capability to fit market needs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2009 decreased by $439,625 or 44.2%, from $994,548 for the three months ended March 31, 2008 to $554,923 for the three months ended March 31, 2009. Selling expenses for the three months ended March 31, 2009 decreased by 58.2% or $255,326 in comparison to the same period in 2008. General and administrative expenses for the three months ended March 31, 2009 decreased by 33.2% or $184,299 in comparison to the same period in 2008. Operating expenses include overhead expenses such as rent, management and staff salaries, general insurance, marketing, accounting, legal and offices expenses. We have scaled and consolidated back our operations thus reducing selling, general and administrative expenses to withstand the effect of global financial crisis. Also we have contracted our Delta subsidiary beginning in 2009 whereby all Delta operations have been run through our Winder subsidiary.

Interest and Financing Costs (net)

Interest and financing costs for the three months ended March 31, 2009 was $113,212 compared to $104,262 for the three months ended March 31, 2008 an increase of $8,950 or 7.9%. The change is principally due to increased borrowings.

Other Income (Expense)

Other income (expense) for the three months ended March 31, 2009 was $(1,881), a decrease of $34,979 or 105.7%, from $33,098 for the three months ended March 31, 2008. The decrease is due to a reduction in government subsidy income.

Foreign Exchange Gain (loss)

Foreign exchange gain (loss) for the three months ended March 31, 2009 was $(70,506), a decrease of $142,113 or 198.5%, from $71,607 for the three months ended March 31, 2008. The decrease is due to the fluctuation in exchange rates between the RMB and US dollar.

Income Tax Expense

Our effective tax rate for the three months ended March 31, 2009 was 28.5% as opposed to 27.6% for the three months ended March 31, 2008.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the year ended December 31, 2008 or the quarter ended March 31, 2009 that have, or are reasonably likely to have, a current or future affect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our interests.

Liquidity and Capital Resources

Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007:

Cash Flows

On November 30, 2007, we decided to increase paid-in capital by $2,923,688 through a board meeting. The new capital was from retained earnings distributable to shareholders.

At December 31, 2008, we had $2,782,026 in cash and cash equivalents on hand. Our principal demands for liquidity are to increase capacity, inventory purchase, sales distribution, and general corporate purposes. We anticipate that the amount of cash we have on hand as of the date of this report as well as the cash that we will generate from operations will satisfy these requirements.

Net cash flows provided by operating activities for the year ended December 31, 2008 was $3,037,556 compared to $432,890 for the year ended December 31, 2007. This change in cash flows from operating activities was due mainly to increases in accounts payable and unearned revenue, offset by an increase in accounts receivable, inventories and advances to suppliers.

We used $3,838,893 in investing activities during the year ended December 31, 2008 for the acquisition of property and equipment and an increase in our construction in process.

Cash provided from financing activities in the year ended December 31, 2008 was $1,945,584 which included proceeds from a short term loan and short term notes payable, and advances from a related party, offset by a payment to a shareholder and repayment of notes payable. The increase in the loan and note balances is principally due to the increase in accounts receivable. As accounts receivables are collected these obligations are paid down.

Assets

As of December 31, 2008, our accounts receivable increased by $5,069,230 compared with the balance as of December 31, 2007. The increase in accounts receivable during the year ended December 31, 2008 was due primarily to increased sales. We intend to continue our efforts to maintain accounts receivable at reasonable levels in relation to our sales. Inventory increased by $3,527,547 in the same period and advances to suppliers increased by $2,198,146.

We experienced a decrease in due from shareholder, short-term investments, and restricted cash of $1,383,124, $107,307 and $250,286, respectively during year ended December 31, 2008.

Liabilities

Our accounts payable and other payables increased by $6,489,032 and $195,812, respectively, during the year ended December 31, 2008. Unearned revenues (payments received before all the relevant criteria for revenue recognition are satisfied) increased by $3,236,375 and tax and welfare payable increased by $636,408 over the same period. Short-term loans and Notes payable (short-term and long-term) increased by $1,861,410 and $728,789, respectively, due to the receipt of proceeds from new loans entered into during the year ended December 31, 2008. Balances due to related parties and shareholders were reduced by $990,792.

We intend to meet our liquidity requirements, including capital expenditures related to the purchase of equipment, purchase of raw materials, and the expansion of our business, through cash flow provided by operations.

We maintain export insurance that covers losses arising from customers' rejection of our products, political risk, losses arising from business credit and other credit risks including bankruptcy, insolvency and delay in payment.

The majority of our revenues and expenses were denominated primarily in RMB, the currency of the PRC.

There is no assurance that exchange rates between the RMB and the USD will remain stable. We do engage in currency hedging. Inflation has not had a material impact on our business.

Three Months Ended March 31, 2009 Compared to the Three Months Ended March 31, 2008:

On March 31, 2009, we completed a closing of a private placement offering of Units (as defined below) pursuant to which we sold an aggregate of 405,445 Units at an offering price of $1.84 per Unit for aggregate gross proceeds of $746,000. Each "Unit" consists of one share of our common stock and a three year warrant to purchase 15% of one share of common stock at an exercise price of $3.45 per share. The total warrants issued to investors were 60,828. We also issued warrants to purchase 40,545 shares of common stock to the placement agents.

On May 1, 2009, we completed a closing of a private placement offering of 520,000 Units at an offering price of $1.84 per Unit for aggregate gross proceeds of $956,800 to two non-US investors. Each Unit consisted of one share of our common stock and a three year warrant to purchase 15% of one share of common stock, or an aggregate of 78,000 shares of common stock, at an exercise price of $3.45 per share.

Cash Flows

At March 31, 2009, we had $2,535,237 in cash and cash equivalents on hand. Our principal demands for liquidity are to increase capacity, inventory purchase, sales distribution, and general corporate purposes. We anticipate that the amount of cash we have on hand as of the date of this report as well as the cash that we will generate from operations will satisfy these requirements.

Net cash flows used by operating activities for the three months ended March 31, 2009 was $932,304 compared to $947,634 for the three months ended March 31, 2008. This change in cash flows from operating activities from quarter to quarter was not significant.

We used $506,042 in investing activities during the three months ended March 31, 2009 for construction in process.

Cash provided from financing activities in the three months ended March 31, 2009 was $1,195,294 which included proceeds from a notes payable and sale of shares of common stock, offset by payment on short-term loans.

Assets

As of March 31, 2009, our accounts receivable increased by $761,044 compared with the balance as of December 31, 2008. The increase in accounts receivable on three months ended March 31, 2009 was due primarily to slower collections. We intend to continue our efforts to maintain accounts receivable at reasonable levels in relation to our sales. Inventory decreased by $1,947,043 from the balance at December 31, 2008.

Liabilities

Our accounts payable decreased by $2,239,240 during the three months ended March 31, 2009 and other payables decreased by $181,615 for the same period. Unearned revenues (payments received before all the relevant criteria for revenue recognition are satisfied) decreased by $1,428,705 and short-term loans decreased by $769,341 over the same period. Notes payable and tax and welfare payable increased by $1,414,461 and $448,595, respectively, due to the receipt of proceeds from new loans entered into during the three months ended March 31, 2009.

We intend to meet our liquidity requirements, including capital expenditures related to the purchase of equipment, purchase of raw materials, and the expansion of our business, through cash flow provided by operations and funds raised through private placement offerings of our securities, if and when the Company determines such offerings are required.

We maintain export insurance that covers losses arising from customers' rejection of our products, political risk, losses arising from business credit and other credit risks including bankruptcy, insolvency and delay in payment.

The majority of our revenues and expenses were denominated primarily in RMB, the currency of the PRC.

There is no assurance that exchange rates between the RMB and the USD will remain stable. We do engage in currency hedging. Inflation has not had a material impact on our business.

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OUR BUSINESS

General

We are a market leader in the design, manufacture and sale of home and kitchen electronic appliances. Our company has successfully targeted consumers in the growing Chinese marketplace as well as customers in more than 40 countries worldwide. Our product lines include blenders, juicers, soy milk makers and other home and kitchen electronic appliances designed to improve at-home lifestyles in today's fast paced society. We are one of the largest manufacturers of small electric blenders and juicers in China and manufacture of some of the leading kitchen appliance brands in the world.

Deer has traditionally acted as both an original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) for international markets with approximately 90% and 95% of our total sales made overseas in 2007 and 2008, respectively, of which North America and Europe accounted for approximately 52% of our total sales in 2008. While Deer has traditionally made the majority of its sales in Europe and North America, urbanization, rising family incomes and increased living standards have spurred the demand for small appliances in China. In addition we are rapidly expanding into emerging growth countries in South America, Asia, Africa, and the Middle East. In 2008, Deer had sales in over 40 countries.

In 2008 Deer introduced its own brands of appliances to the domestic market. Management believes that our Deer brands will grow significantly as the domestic demand for our products increases in China with increased living standards.

The growth of our Deer brands is a result of our:

- Aggressive sales efforts to retail stores and commercial purchasers in China;
- Expanded direct sales through our new franchised retail stores and through popular Chinese internet portals; and
- Targeted marketing efforts to customers in South America, Asia, Africa, and the Middle East.

We were able to maintain our revenue growth in 2008 despite a global recession because of our pricing and quality of our OEM and ODM products, strong sales to large retailers and our aggressive expansion in China, South America, Asia, Africa, and the Middle East.

Management believes Deer is positioned to become a leading brand in China’s rapidly growing home and kitchen electronic appliance sector and will continue to be a leading international OEM and ODM.

We were incorporated in Nevada on July 18, 2006 under the name of Tag Events Corp as a musical event organization and promotion company with minimal operations. On September 3, 2008 we changed our name to Deer Consumer Products, Inc. and entered into and consummated a series of agreements which resulted in the acquisition of all of the ordinary shares of Deer International Group Ltd, a corporation organized under the laws of the British Virgin Islands (“Deer International”) parent of its wholly-owned subsidiary, Winder Electric Co. Ltd. (“Winder”), which is a wholly-owned foreign enterprise (“WOFE”) and responsible for research, production and delivery of goods, and Delta International Limited (“Delta”), which is a wholly owned subsidiary of Winder and primarily responsible for sales.

The acquisition of Deer’s ordinary shares was accomplished pursuant to the terms of a Share Exchange Agreement and Plan of Reorganization, dated September 3, 2008 (the “Share Exchange Agreement”), by and between Deer International and the Company. Pursuant to the Share Exchange Agreement, we acquired from Deer 50,000 ordinary shares,

consisting of all of its issued and outstanding capital stock, in exchange for the issuance of an aggregate of 7,847,853 shares of our common stock to the shareholders of Deer International (the "Share Exchange").

Concurrently with the closing of the transactions contemplated by the Share Exchange Agreement and as a condition thereof, we entered into an agreement with Crescent Liu, our former Director and Chief Executive Officer, pursuant to which he returned 2,586,957 shares of our common stock to us for cancellation. Mr. Liu was not compensated in any way for the cancellation of his shares of our common stock. Upon completion of the foregoing transactions, we had an aggregate of 9,826,113 shares of common stock issued and outstanding.

Our principal offices are located at Area 2, 1/F, Building M-6, Central High-Tech Industrial Park, Nanshan, Shenzhen, China 518057. Our telephone number is (86) 755-8602-8285.

Industry Overview

Electrical appliances are generally segregated as electronics or household appliances. Household appliances are then classified into large appliances, or white goods such as washing machines and refrigerators, and small appliances. Small appliances are further classified as:

- Kitchen – microwave, coffee maker, rice cooker, blender, etc.
- Living – Electric fans, humidifiers, electric heaters, vacuums, etc., or
- Personal care – hairdryers, electric shavers, massagers, etc.

Deer's products generally fall into the kitchen sector of these classifications. Current international and domestic market highlights for small household electrical appliances are described below:

International Market

- Global sales of small household electrical appliances grew from $77.94 billion in 2007 to $85.91 billion in 2008, of which China accounted for approximately 17%, or $13.3 billion, in 2007 and 18%, or $15.7 billion, in 2008. 1

- China is the leading manufacturer of small household electrical appliances producing 1.44 billion units in 2007 and 1.63 billion units in 2008, of which exports accounted for 74.3%; 2

- In the US, the top five firms control over 90% of the market while in Europe the top five firms have approximately 60% market share. Top European market participants include Electrolux, Bosch, Black & Decker, Phillips, and Miele; 3

- Average gross profit margins for small household electrical appliances are approximately 30%. These margins are higher than that of traditional home appliances such as televisions and air conditioners which have margins of 5-6%. 4

Small Electrical Appliances Production in China (2002-2008) 5

Year	Production Capacity (Million Units)	Annual Growth Rate (%)	Actual Production Units (Million Units)	Annual Growth Rate (%)	Capacity Utilization (%)
2002	848.0	18.8%	758.3	20.3%	89.4%
2003	951.0	12.1%	896.7	18.3%	94.3%
2004	1,102.0	15.9%	1,001.5	11.7%	90.9%
2005	1,263.5	14.7%	1,145.8	14.4%	90.7%
2006	1,398.0	10.6%	1,275.0	11.3%	91.2%
2007	1,578.0	12.9%	1,440.0	12.9%	91.3%
2008	1,840.0	16.6%	1,630.0	13.2%	88.6%

1 CCID Consulting, 2007-2008 and 2008-2009 Annual Report of China's Small Electrical Appliance Industry.
2 CCID Consulting, 2008-2009 Annual Report of China's Small Electrical Appliance Industry.
3 Assembly Magazine, "Appliance Assembly: Environmental Restrictions Dictate European Designs" by Austin Weber, May 1, 2005.
4 CCID Consulting, 2008-2009 Annual Report of China's Small Electrical Appliance Industry.
5 CCID Consulting, 2008-2009 Annual Report of China's Small Electrical Appliance Industry. "The Information of Guang Dong Household Appliance", Q3 2007.

Domestic Market

A summary of small electrical appliance consumption in China for 2003-2008 is as shown below:

Small Electrical Appliances Consumption in China (2003-2008) 6

Year	Sales ($ Billion)	Growth Rate (%)
2003	7.73	
2004	9.04	17.0%
2005	10.25	13.3%
2006	11.69	14.1%
2007	13.80	18%
2008	15.74	14%

Deer's products generally fall into the kitchen usage sector which accounted for approximately 79% of China's small electrical appliances consumption with $12.46 billion in sales in 2008 as shown below:

Small Electrical Appliances Consumption in China (2006-2007) 7

Year	Kitchen		Living		Personal Care		Total	
	Sales ($ Billion)	Growth (%)	Sales ($ Billion)	Growth (%)	Sales ($ Billion)	Growth (%)	Sales ($ Billion)	Growth (%)
2006	9.14		1.50		1.05		11.69	14.10%
2007	10.46	14.4%	1.69	13.0%	1.16	10.8%	13.31	13.9%
2008	12.46	18.5%	1.99	17.7%	1.34	15.5%	15.74	18.4