



Operating Results for Food Processing Company, China Green Star Agricultural Corp. ("Green Star") has been Consistently Improving since the Company's Shares Began Trading on the TSX-V in June 2011

**Agricultural
Production
(GRE-TSXV)**

**China Green Star Agricultural
Corp.**

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**Michael Lam
Chief Financial Officer**

BIO:

Mr. Michael Lam has over 11 years experience up to senior manager position with accounting firms in Toronto, including Mintz & Partners LLP and Deloitte & Touche LLP. Since February 2009, Mr. Lam has been self employed in the business of consulting extensively on financial reporting and regulatory matters for public companies. Mr. Lam is a Chartered Accountant (Ontario) and a Certified Public Account (Illinois).

Company Profile:

China Green Star Agricultural Corp. ("Green Star"), formerly Aquarius Capital Corp., is a food processing company. It has two segments: the canned operation and the agricultural production. It operates and specializes in the advanced processing of agricultural products, including canned fruits and vegetables. Green Star's main operating activities are included in two main categories as agricultural and food processing. Agricultural activity includes the cultivation of biological assets to harvest agricultural produce for sale. Food processing mainly consists of canned

food manufacturing, which includes manufacturing of canned tomato paste, canned boiled bamboo shoots, canned mandarin orange, canned yellow peach, canned grapes and various other types of fruits. On May 31, 2011, it completed its qualifying transaction (QT). The QT included the acquisition of Sino Elite Group Limited. On June 7, 2011, its common shares recommenced trading on the TSX Venture Exchange under the symbol of GRE. In December 2011, its wholly controlled subsidiary, Pucheng Hongli Agriculture Products Technology Development Co., Ltd., acquired Fujian Pucheng Star of Green Foodstuff Co., Ltd.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Lam, what is the focus of China Green Star Agricultural?

Mr. Lam: China Green Star is an agricultural company. We operate in China. We have two divisions; an agricultural division and a food processing division. We sell fresh fruit directly in China. We also produce a lot of canned fruit and vegetables, which are mainly exported to Middle East, Africa and Europe.

CEOCFO: Are you canning the fruits and vegetables that you grow or are they two separate operations?

Mr. Lam: They are two separate operations. Some of the fruits and vegetables that we are canning, we grow ourselves. Some of it we get from other suppliers.

CEOCFO: Would you tell us about the agricultural market in general in

China? Is that a robust activity? Is there much growth going on?

Mr. Lam: It is a very good market right now. The standard of living in China is growing, so more and more people are looking for new and fresh fruits and have better taste now. We are very optimistic about 2012 in the agricultural market in China. Our company only recently started selling canned fruit in the local market in China. We see a lot of demand for new fruit and lately we have started canning grapefruit. There is also some interest in blueberries and similar type of new fruits. The consumers in China are becoming more sophisticated and they are demanding new types of fruit that they did not have before.

CEOCFO: Where are your operations? Do you see additional locations? Do you need to have additional farmland or additional manufacturing facilities?

Mr. Lam: Right now, all the operations are in only one location. We have a factory that is just over 8,000 square meters. We also have approximately 900 acres of agricultural land that we are leasing for 30 years and are growing bamboo shoots and fruits on. The office and the agricultural land are all located in the province of Fujian in China. We are looking for expansion opportunities, either vertically by acquiring one or more of the suppliers of tomato pulp that we use for canning the tomato paste or horizontally by expanding our production lines.

CEOCFO: When your customers are buying your produce or your canned goods is it strictly a commodity sale or

are there reasons that they would want to buy from China Green Star as opposed to maybe some other companies?

Mr. Lam: We currently do not have a brand name under which we are producing the canned fruits and vegetables – they are white label products, which we rebrand in accordance with the need of various wholesalers in different countries. We have plans in the future to develop our own domestic brand under which we can sell our canned fruits and vegetables in the China market.

CEO CFO: What is the financial picture like for China Green Star Agricultural today?

Mr. Lam: The company is listed on the TSX-V since June 2011 and has achieved record financial results for its first year as a publicly listed issuer. We have reported our annual 2011

financial results about a month ago which showed a net profit of about \$9 million and increase in revenues of 33% from the previous year to about \$40.3 million for 2011. We look forward to building on that success in the coming fiscal year and to expand our production capacity. The cash balance as at 2011 year end was \$7.6

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million, so we are in a good financial position to take advantage of new opportunities.

CEO CFO: Why should investors pay attention to China Green Star Agricultural?

Mr. Lam: We are a well run company by a dedicated and experienced management team in an industry which

does not have a lot of complications and we are profitable. Operating results have been consistently improving since the company's shares began trading on the TSX-V in June 2011. Our canned products are licensed for distribution in major markets, including the United States of America.

The company has started recently to focus on the huge local Chinese market for its canned products. The company is also looking to expand either vertically by ac-

quiring a supplier of tomato pulp, which we use to produce the canned tomato paste or horizontally by increasing the production lines (existing or new fruits and vegetables) or both, so there is scope for future growth. The company's share price is attractive compared to the PE ratios of other listed agricultural companies and there is potential for growth.



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