



**Nutrastar International, Inc. (NUIN: OTCBB)** is a China based nutraceutical company which produces and distributes Chinese Golden Grass ("Cordyceps Militaris"), organic and specialty food products in China. The Company's primary product is dry engineered Chinese Golden Grass, which is one of the most highly regarded herbal nutrients in the Chinese culture. Nutrastar's sells its products via a distribution network that covers more than 10 provinces in China. The Company is headquartered in Harbin, capital of Heilongjiang province, with 302 employees, 21 in R&D, and 132 in sales and marketing.

**SECTOR:** Nutraconsumer

**INDUSTRY:** Nutraceuticals & Consumer

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**SELECT FINANCIALS**

**NUIN : OTCBB**

<b>Fiscal Year End</b>	Dec. 31st
<b>Market Cap</b>	\$ 56M
<b>Current Price (4/01/10)</b>	\$3.93
<b>2009 EPS</b>	\$0.58
<b>52-Week Price Range</b>	\$0.31- \$4.10
<b>Shares Outstanding</b>	14.3 M
<b>Cash (As of 9/30/10)</b>	\$20.1 M
<b>2009 Revenues</b>	\$15.3 M ▲ 18%
<b>2009 Net Income</b>	\$7.7 M ▲ 33%
<b>Management Ownership</b>	66 %
<b>Legal</b>	Pillsbury Winthrop Shaw Pittman LLP
<b>Auditor</b>	AGCA, Inc.

**INVESTMENT HIGHLIGHTS**

- Established in 2001, Nutrastar operates China's largest Chinese Golden Grass planting base with annual production capacity of 55 tons, which is expected to reach 65 tons by year end 2010.
- Leading market position with a 19% market share in China and expanding margins.
- One of the largest wholesale distributors of organic and specialty food in Heilongjiang Province, China.
- Patent-protected proprietary technology used to cultivate and commercialize Chinese Golden Grass.
- Benefits from large gap in global supply and demand for Chinese Golden Grass.
- Strong direct sales force and expanding national distribution network.
- High barrier to entry:
  - Patented biotechnology in unique cultivation process
  - Government certified high-nutrient content
  - Highly efficient production process
  - Sharply reduced cultivation cycle
  - More patents pending
- Focused R&D team with cooperation from China Institute of Science.
- Experienced management team with a strong track record and significant equity ownership.
- **Make Goods: 2010 Net Income of \$9 Million; 2011 Net Income of \$11 Million**



**FINANCIAL PERFORMANCE**

	FY 2008	FY 2009	vs. FY 2008	Q4 2008	Q4 2009	vs. Q4 2008
<b>Revenue</b>	\$13.0 M	\$15.3 M	▲ 18%	\$2.8 M	\$3.8 M	▲ 34%
<b>Gross Profit</b>	\$8.4 M	\$10.8 M	▲ 28%	\$1.8 M	\$3.0 M	▲ 64%
<b>Net Income</b>	\$5.8 M <sup>(1)</sup>	\$7.7 M	▲ 33%	\$0.9 M	\$2.0 M	▲ 118%
<b>EPS (F/D) <sup>(2)</sup></b>	\$0.49 <sup>(1)</sup>	\$0.58	▲ 18%	\$0.08	\$0.14	▲ 75%

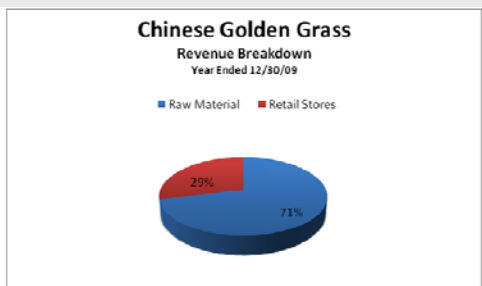
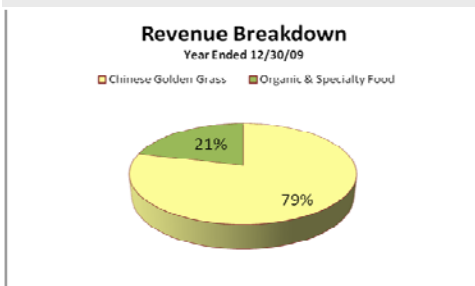
(1) Excludes one-time non-cash merger costs (2) Fully-diluted shares includes 500k warrants with strike price @ \$3.25, expiring December 2012

**NUTRACEUTICAL MARKET OPPORTUNITY**

- China is the largest worldwide producer of nutraceutical ingredients; and expected to surpass the US as largest consumer by 2013
- Currently over 3,000 manufacturers of nutraceutical products in China, with an annual production value of over \$6.3 billion
- Sales of nutraceutical products in China are expected to reach \$8.8 billion in 2009, with a compounded annual growth rate of 15.2%
- Industry began only 20 years ago and is 1/4th the size of the U.S., with significant growth potential due to:
  - China's rapid economic growth and increase in disposable income
  - Increasing consumer demand for natural products that promote health and overall wellness
  - Growing size of aging population in China
  - China's emerging middle-class: Expected to increase to 520 million people by 2020

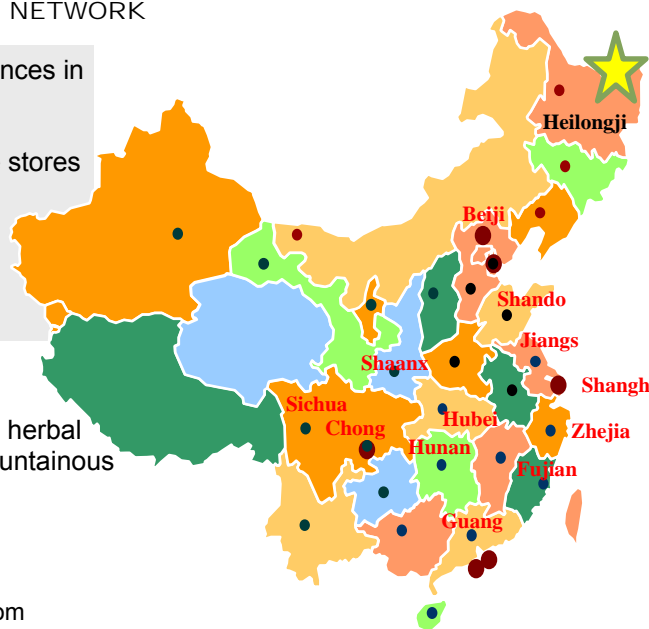
**PRODUCT MIX**

- 1) **Chinese Golden Grass:** Develop, process, market and distribute to:
  - Pharmaceutical companies as raw material
  - Retail stores: drug stores, supermarkets, and franchise stores
- 2) **Organic and Specialty Food** (wholesale distribution):
  - Sales agent or distributor for third-party producers.
- 3) **Specialty Beverage Products** (derived from Chinese Golden Grass):
  - Commercial launch slated for first half of 2010



SALES AND DISTRIBUTION NETWORK

- 115 dedicated sales personnel and 9 major distributors covering 10 provinces in China delivering:
  - 1) Large-pack products to pharmaceutical companies
  - 2) Small-pack products to drug stores, supermarkets and franchise stores
- Major distributors located in Shandong, Zhejiang, Guangdong, Sichuan, Shang Xi province and Beijing, with access points throughout China.
- Direct sales staff and distributors participate in large trade shows and offer seminars and lectures to local communities



CHINESE GOLDEN GRASS

- ◆ “Chinese Golden Grass” is considered one of the most highly regarded herbal nutrients in the Chinese culture. Typically found in few high altitude mountainous regions of China, it is a valuable ingredient used in nutraceutical and pharmaceutical products.
- ◆ A dietary supplement used to promote health and overall wellness  
Used for nearly 1,500 years in Traditional Chinese Medicine: strengthens immune system and is used as a supplement to combat harmful effects from fatigue and aging.
- ◆ Widely believed in China to offer high medical and health benefits(2)
  - Improve the respiratory function to treat asthma, cough, emphysema, bronchitis
  - Improve the kidney function, boost the energy and improve the effectiveness of brain memory
  - Improve the liver function to treat hepatitis
  - Significantly reduce blood sugar, urine sugar; higher efficacy for Diabetic patients
  - Lower blood pressure and ease hypertension, thrombus diseases, heart diseases, numbness of hands or feet
  - Antibacterial, anti-inflammatory, anti-cancer; enhance the overall immune function
  - Antioxidant and anti-aging

SUPPLY AND DEMAND SUPPORTS GROWTH

- Overharvesting of naturally growing strains led to a sharp depletion of plant population; Currently, **harvesting is not permitted** without government approval
- **Large gap between supply and demand** provides high growth opportunities for producers using modern biotechnology-based cultivation methods.
- Global demand for Chinese Golden Grass is **5x greater than China's current production capacity**

GROWTH STRATEGIES

- Increase annual production capacity from 55 to 65 tons by the end of 2010
- Further expand distribution network
- Build brand awareness
- Introduction of new products to the market
- Golden Grass Energy Drink
- Technology innovation through R&D platform
- Strategic acquisitions
- Expand into international markets



MANAGEMENT TEAM

**Ms. Lianyun Han – Chief Executive Officer, President and Chairperson**, with over 10 years experience in green and organic food business; Shuaiyi Group Founder, Chief Executive Officer, President and Chairperson; Heilongjiang Daily Reporter, Director, Senior economist; Harbin Normal University Bachelor Degree

**Mr. Lichen Wang – CTO**, Shuaiyi Group Chief Technology Officer, Institute of Edible Fungus of Three provinces in Northeast China Technician, Deputy Director: Heilongjiang August 1st Land Reclamation University Bachelor Degree majored in Edible Fungus

**Mr. Daniel K . Lee, CFA, CPA – Chief Financial Officer**, Morgan Stanley & Co.; Roth Capital Partners; and Punk, Ziegel & Knoell; M.S. in Accountancy; Zicklin School of Baruch College; B.S. in Economics; The Wharton School of University of Pennsylvania –Majored in Finance and Multinational Management

**Mr. Hongbing Hua, CMO**— JDB Group Planning General Counsel, instrumental in Wang Lao Ji Herbal Tea becoming a nationwide beverage brand; Beijing Huiyuan Beverage and Food Group Co., Ltd. Vice President & Planning Director, instrumental in Huiyuan becoming the No.1 juice brand in China since 2001.

*Statements included in this document may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, market demand, and the company's ability to expand production capacity and obtain new distribution agreements, accurately estimate net revenues due to variability in its customer ordering or production capabilities. As a result, actual results may differ materially from any financial outlooks stated herein. Common stocks involve significant risk and its is possible to loose your entire capital investment. Further information on potential factors that could affect the Company's financial results can be found on www.sec.gov. HC International provides investor relations services for the company under a contract from January 20, 2010— January 20, 2011 and receives four-thousand per month for its services. HCI may earn warrants as a performance bonus at the end of the contact period. Principals and consultants of HCI may own stock in Nutrastar International, Inc (OTCBB: NUIN). This information does not provide an analysis of the Company's financial position and is not a solicitation to purchase or sell securities of the Company.*