

GOLD HORSE INTERNATIONAL, INC.

OTC BB:

Price (as of 10/31/08):

Market Capitalization:

Shares Outstanding (as of 9/30/08):

Revenues (ttm):

Net Income (ttm):

P/E (ttm):

P/S (ttm):

Fiscal Year End:

GHII

\$0.11

\$5.78M

52.5M

\$86.6M

\$6.2 M

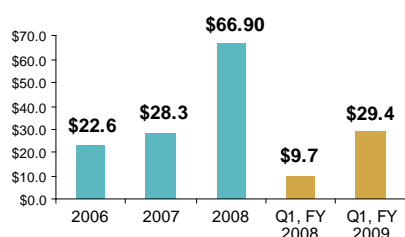
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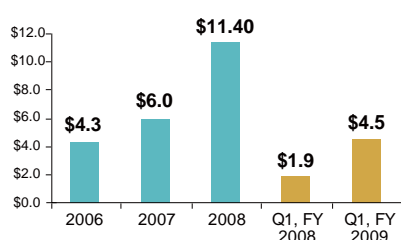
June 30



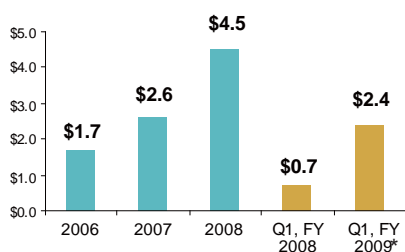
Revenue (\$mil)



Gross Profit (\$mil)



Net Income (\$mil)



* Net income includes \$0.4 million non cash charges related to the convertible debt

Company Description - Gold Horse International, Inc. is a multi-faceted business group specializing in high-growth industries in China, including construction, real estate and hospitality. Jin Ma Construction Co., Ltd. has been providing construction and general contractor services in Hohhot, Inner Mongolia, China, to both private developers and the local and regional governments since 1980. Jin Ma Hotel Co., Ltd. owns, operates and manages the Jin Ma Hotel, a full-service two-star hotel and banquet facility located in Hohhot. Jin Ma Real Estate develops residential and commercial properties in the competitive and growing real estate market in Hohhot.

INVESTMENT HIGHLIGHTS

Construction expertise with skilled workforce - Gold Horse's construction division, established in 1980, has gained a solid reputation based on the quality of its work and an established track record spanning a diverse array of projects. The Company has a highly skilled and certified work force, is recognized as a Level II construction company (the second highest distinction), and has ISO 9001:2000, ISO 14001:2004 and GB/T28001:2001 certifications that set it apart from its competitors. Recent construction projects expected to be completed in 2008 should yield \$80.1 million in total revenues, with an expected 10% net profit margin.

Benefits from excellent government relationships - Through the numerous government projects that Jin Ma Construction has completed, including Hohhot City's Intermediate People's Court, the Chi Feng Local Tax Bureau and the Hohhot Prison Barracks, the Company has established an excellent working relationship with the local and regional governments of Inner Mongolia. Gold Horse continues to act as general contractor in many ongoing government projects.

Diversified into high-growth sectors - In addition to its core construction business, Gold Horse enjoys an established reputation and successful track record of real estate development. The Company also owns and operates a hotel in Hohhot, which in the past few years experienced over 97% occupancy and has extensive banquet facilities.

Well-positioned to capitalize on market opportunities - Since 2000, the Chinese Central Government has actively encouraged economic development in Inner Mongolia, resulting in a rapid pace of real estate development and construction. The Jin Ma Companies enjoy a competitive advantage from its established presence and knowledge of the regional markets. Additionally, Gold Horse has begun preliminary entry into the booming wind power industry in China.

INDUSTRY OVERVIEW



Rapid Economic Development and Opportunity in Inner Mongolia

Headquartered in Hohhot, the capital of Inner Mongolia Autonomous Region, China, Gold Horse is located in an advantageous region that is abundant in natural resources such as iron, steel, coal and animal husbandry. Inner Mongolia witnessed rapid economic growth that has exceeded 10% annually for six consecutive years. Additionally, this area is also a popular tourism destination, famous for its natural springs. Hohhot's per capita GDP in 2007 was 42,016 RMB (approximately \$5,763).

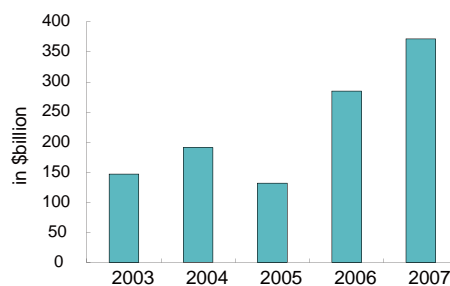
Competitive and Rising Real Estate Industry

According to the Chinese Academy of Social Sciences (CASS),

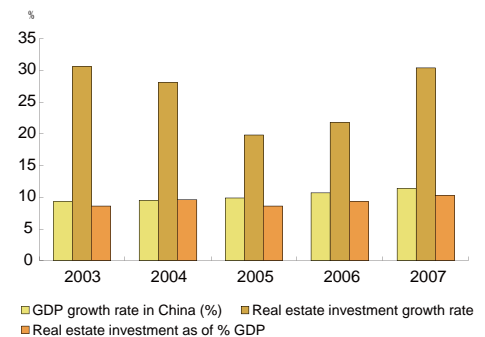
in 2007, 2.5 trillion RMB (approximately \$373 billion) were invested in Chinese real estate projects, a 30.2% increase from the same period in 2006. In 2008, it is estimated that 2.54 trillion RMB (approximately \$379 million) will be invested in real estate projects. The central government expects an increase in aggregate housing area to 64.5 billion square feet, which is equivalent to 70 million individual housing units by 2015.

Since 2000, the Chinese Central Government has been actively encouraging economic development in Inner Mongolia. Regulations and policies such as the Western China Development Policy have been enacted and implemented. As a result, the region continues to experience a rapid pace of real estate development. In the first half of fiscal 2008, Hohhot City's real estate investment amounted to 2.9 billion RMB, an increase of 46.2% compared to the same period last year. Approximately 2.3 billion RMB were invested in commercial housing and 345.3 million RMB were invested in commercial retail real estate, which represent 54.1% and 12.4% increases, respectively, compared to the same period in 2007. With a population of 2.4 million people in Hohhot, there is an increasing demand for housing. This has presented Gold Horse with growth opportunities in its construction and real estate divisions.

Real estate investment in China



Source: China National Statistics Bureau



Source: China National Statistics Bureau

Potential for Wind Power

Of the 230 million kilowatt-hour (kWh) wind potential throughout China, it is estimated that Inner Mongolia has wind resources of approximately 101 million kWh, or 40% of the total. At the end of 2007, China's installed base of wind power totaled just over six gigawatts (GW), making China the world's fifth largest producer of wind power, according to the Chinese Renewable Energy Industries Association. China's Eleventh five-year plan emphasizes electricity generation using alternative energy sources. As of 2006, the total installed capacity in China reached 2.6GW, representing an average annual growth rate of 46% for the last ten years. In response to the rapid development of wind power projects in China, in April 2008 the



National Development and Reform Commission revised its 11th Five Year Plan Period plan for wind power development from 5 GW to 10 GW by 2010. Wind power industry statistics show that by the end of 2008 China's total installed base of wind power production will have already reached 10 GW, two years ahead of the revised plan. Some experts are estimating that by 2010, total installed capacity for wind power generation in China will reach 20 GW, and that by 2020 China's installed base of wind power will total 100 GW. The newly introduced Renewable Energy Law in 2006 provides a legislative framework for renewable energy development. It has boosted the development of renewable energy in China and as a result, the wind industry has moved into a rapid growth phase.

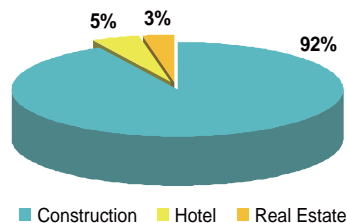
COMPANY OVERVIEW

Gold Horse International, Inc., together with its subsidiaries and variable-interest entities, is an engineering and construction company that offers general contracting, construction management and design-building services to private clients and public agencies. The Company became public through a reverse merger in June 2007 and commenced trading on the OTC Bulletin Board under the ticker GHII.OB. Gold Horse operates, controls and beneficially owns construction, hotel and real estate development businesses under contractual arrangements with the Jin Ma Companies in Inner Mongolia, China. The Company has nearly 500 employees.

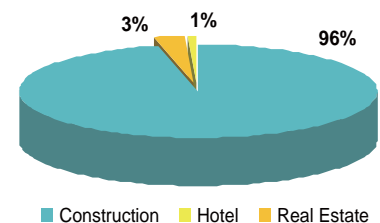
Leading Construction Company in Inner Mongolia

One of the first construction companies in the region, Gold Horse (through Jin Ma Construction Company) has more than 25 years of experience in the construction industry with a track record of success. The Company engages in general contracting, pre-construction planning and comprehensive construction management services in Hohhot City. Successful timely deliveries of a wide range of projects include residential, government and commercial development buildings. Recognized as a Level II national construction company, Gold Horse has established excellent working relationships with the local and regional governments.

Revenue by segment FY 2008



Revenue by segment Q1, FY 2009



Completed Projects

In 2007, Gold Horse completed four major construction projects in Hohhot. Xiao Kang Village Phase II was completed in November 2007. This residential project alone generated approximately \$2.2 million in net profit for the Company. The Xiao Kang Xin Cun Residential Apartments (also known as Ta Bu Ban) and the River Bank Garden Community generated \$ 8.6 million and \$ 9.9 million respectively in revenue.

	Xiao Kang Village Phase II	Xiao Kang Xin Cun Residential Apartment	Police Station	Prison Barracks	River Bank Garden Community Phase I
Area (sq. meters)	110,072m	73,146m	8,163m	8,163m	45,912m
Project type	Residential	Residential	Government building	Government building	Residential
Date completed	11/2007	12/2007	02/2008	02/2008	05/2008
Revenue(\$millions)	\$13.9	\$8.6	\$6.5	\$1.0	\$9.9
Op. profit (\$millions)	\$2.2	\$1.4	\$1.0	\$0.1	\$1.4



Current Projects

The Company in August announced that it expects to complete three construction projects in 2008 with a total value of \$80.1 million and total expected net profit of \$8.0 million: the Tian Fu Garden residential project, the Riverbank Garden Community residential project, and the Ai Bo Garden residential apartment project.

Gold Horse's construction division recently completed constructing new dormitories for the Inner Mongolia Electrical Vocational Technical School. During the second quarter of fiscal 2009, the property will be leased to the school by the real estate division for a period of 26 years generating annual leased income of 4,800,000 RMB, or approximately \$658,000.

	Tian Fu Garden Phase I & II	He Ban Garden	AiBo Garden	Lanyu Garden No. 3 Residential Building
Area (sq. meters)	358,098m	119,731m	119,936m	28,000m
Project Type	Residential	Residential	Residential	Residential
Projected Completion deadline	11/2008	11/2008	11/2008	12/2009
Estimated Net profit	\$3.30	\$2.90	\$1.80	\$0.8
Estimated Value (\$million)	\$34.20	\$29.40	\$17.1	\$9.7

Jin Ma Construction was recently awarded the Lanyu Garden No.3 Residential Building, which covers a construction area of 28,000 meters. The project is expected to be completed in December, 2009 and yield a net profit of \$800,000.

Project 1 – Jian Guan Residential Project

Construction area	60,000 m ²
Total amount of investment	\$15.9
Estimated revenue	\$24.7
Estimated net	\$7.4
Number of buildings	5
Estimated construction duration	7/28/2008 - 12/30/2009

Project 2 – Inner Mongolia Chemistry College Student Apartment

Construction area	510,375 m ²
Total amount of investment capital	\$7.4
Estimated returns on investment per	\$1.0
Investment return duration	20 years
Number of buildings	6
Estimated construction duration	7/16/2008 - 8/20/2009

Quality Control

Gold Horse pays great attention to quality. Its employees within the construction division not only monitor the construction of each project, but also participate in all material design and building decisions. The Company applies quality sourcing when it comes to selection of subcontractors. These factors include cost, qualifications, quality of completed projects and record performance of existing or previous projects. On-site managers regularly conduct quality inspections of the construction work to ensure that the work is in strict compliance with quality standards and government regulations. Since 2004, Jin Ma Construction has been independently audited and certified as being in conformance with the ISO 9001:2000 standards for quality management system, the ISO 140001:1996 standards for environmental management system, and the GB/T28001:200 standards for occupational safety management system. These certificates, which are not mandated by law, along with over 25 years of industry experience, present Gold Horse with a competitive edge.



Established Real Estate Division in Promising Market

Gold Horse's real estate division, Jin Ma Real Estate, designs, develops, markets and sells high-quality and affordable housing to target middle income Chinese families in Hohhot City. Jin Ma Construction has served as the general contractor on all but one of the real estate division's developments, and in fiscal 2008 sold through the remainder of its real estate projects. Established in 1999, Jin Ma Real Estate targets the growing Chinese middle-income population who want to become home owners in a planned community. With a high level of visibility in Hohhot, Jin Ma Real Estate's management has extensive experience and in-depth knowledge of the Hohhot City and Inner Mongolia real estate



Professional Institute Teaching Building



Hohhot Local Revenue Residence Building

markets. Jin Ma was one of the first home builders to develop a residential community targeted at middle income families. With the Chinese authorities enacting regulations to reign in the rampant growth of the real estate industry, the Company intends to focus on its construction segment as the primary source of business in 2009. During fiscal 2008 Gold Horse began a new model of real estate sales that ensures a steady revenue stream from this segment – constructing dormitory and other buildings for educational institutions and then leasing these buildings to the schools over a period of time for a fixed amount.

Marketing and Pre-Selling

Jin Ma Real Estate designates specific employees as a team to handle the related sales and marketing activities for each development project. The Company seeks to presell its development projects at an early stage, subject to market conditions and government approval by the relevant land administration bureau. Jin Ma Real Estate will arrange with one or more banks to provide mortgage loan facilities to home purchasers for up to 70% of the home purchase price, substantially all of which is guaranteed by Jin Ma Real Estate until the homes are delivered to the buyers. The Jian Guan residential project, which Jin Ma Construction is building on behalf of Jin Ma Real Estate, will consist of five buildings that will be sold all at once to the Procuratorate government organization upon completion in December 2009 for an expected net profit of \$7.4 million.

Stringent Standards

The Company has passed the quality standard examination and fully implemented a standardized "Residential Quality Guaranteed" system and "Residential Instruction Manual" that is issued in connection with the sales of residential units. Jin Ma Real Estate is a Level IV real estate development company and expects to seek reclassification as a Level Three development company by the end of fiscal 2009.

Proven Full-Service Capability in Hotel Management

Founded in 1999, Jin Ma Hotel owns, operates and manages the Inner Mongolia Jin Ma Hotel. The hotel contains 22 rooms with extensive catering and entertaining facilities, and offers guests the option



Xiao Kang Village Phase I



Jin Ma Hotel

to participate in traditional Chinese ceremonies in its restaurant and banquet facilities. In 2006, Jin Ma Hotel completed major renovations to improve comfort, freshen décor and upgrade technology. The hotel had a 95% occupancy rate in 2007 and a 97% occupancy rate in 2008. Hohhot City is a popular tourist destination, especially during the summer. The two-star hotel is conveniently located 15 kilometers from the Hohhot Baita Airport, three kilometers from the train station, and within close proximity to local tourist attractions. The hotel is targeted toward price-sensitive travelers.

GROWTH STRATEGY

Continue to grow construction segment by leveraging strong customer relationships

With the promising market conditions in Hohhot and surrounding areas, Gold Horse seeks to expand its construction operations and capitalize on existing good relationships with customers and the government. With an established reputation for stringent quality control, the Company aims to win more bids by marketing this aspect along with its track record of successful performance. Completing current projects on time and to the highest standards remains a primary objective of the Company, and will help ensure a strong pipeline of construction projects.

Utilize complementary real estate and construction segments to ensure steady revenue stream

Hohhot City has a population of 2.4 million, which is growing, creating an increasing demand for housing. Gold Horse will continue marketing to the middle income families, an upwardly mobile population who represents the emerging middle class. The Company's apartments are targeted for different segments within the mass residential property market, including young, white-collar employees, middle to senior managers in enterprises, entrepreneurs and families with young children. Gold Horse aims to increase its outreach efforts through advertising and word-of-mouth, as well as obtain land-use rights certificates in desirable areas. Additionally the Company will continue to ensure a steady revenue stream from its real estate segment by using the recently implemented model of constructing educational buildings and leasing them to institutions for a fixed amount over a period of time.

Improve hotel operations, reduce costs and increase occupancy rate

Jin Ma Hotel will continue to penetrate the niche market of price-sensitive consumers as more luxury hotels, such as the Shangri-La and Sheraton, move into Hohhot. Having made capital expenditures to renovate the hotel, the Company aims to increase its occupancy rate and to continue to market its banquet facilities and provide more resources to increase staff training.

Signed joint venture agreement to enter high-growth wind energy industry

The Renewable Energy Law and its accompanying regulations provide solid legal guarantees and clear policy direction for the development of the wind industry in China. Gold Horse has taken initial steps to participate in wind power and leverage its construction expertise into this industry. On May 8, 2008, Jin Ma Construction signed an agreement to form a joint venture with two development stage companies, Erlianhaote Hengyuan Wind Power Company Ltd. and Inner Mongolia Tianwei Wind Power Equipment Company Ltd., to construct a wind-power plant and a manufacturing facility to build wind-power generator modules to be used at the wind power plant. Under successful financing, the Company plans to commence construction of the wind farm in the second half of calendar 2009 and has so far secured the requisite approvals and certifications to move forward with the project.

ATTRACTIVE VALUATION

	Ticker	Price 10/31/08	Market Cap	EPS (ttm)	P/E (ttm)	P/S (ttm)	P/B (mrq)
Gold Horse International Inc.	GHII	\$0.11	\$5.78M	\$0.10	0.92	0.07	0.24
China Railway Construction Corp.*	1186.HK	HK\$9.38	HK\$99,934.08 M	HK\$0.16	18.77	0.49	1.93
China Communications Construction Group Ltd.*	1800.HK	HK\$5.28	HK\$85,688.51M	HK\$0.17	13.76	0.45	1.82
Goldfield Corp.	GV	\$0.30	\$7.97 M	(0.03)	N/A	0.27	0.38
Meadow Valley Corp	MVCO	\$6.95	\$41.95 M	\$0.27	8.52	0.19	1.12
Perini Corp	PCR	\$17.04	\$427.97M	\$1.03	4.31	0.08	1.00
KBR Inc.	KBR	\$14.70	\$2504.79M	\$0.28	9.88	0.26	1.04
Fluor Corp	FLR	\$38.89	\$6649.88M	\$1.13	9.76	0.34	2.25
Average (excluding Gold Horse)					10.83	0.30	1.36

Source: Reuters

PROVEN MANAGEMENT TEAM

Mr. Lian Kuan Yang, Chairman and Chief Executive Officer

Mr. Yang has extensive experience in business management and a strong background in engineering. He has served as the Company's chief executive officer, president and chairman of the Board of Directors since July 2007. Mr. Yang is the founder Jin Ma Construction, Jin Ma Hotel and Jin Ma Real Estate. Mr. Yang has been recognized repeatedly as an "Excellent Entrepreneur" by the National Ministry of Construction, the National Ministry of Agriculture and Regional Government of Inner Mongolia Autonomous Region. He is a graduate of China Agriculture University.

Mr. Adam Wasserman, Chief Financial Officer

Mr. Wasserman joined Gold Horse as chief financial officer in July 2007. He has been CEO of CFO On-call, Inc. since 1999. Mr. Wasserman has also served as the CFO of Transax International Limited, Lotus Pharmaceuticals, Inc. and China Wind Systems, Inc. He is a CPA (New York) and graduate of the State University of New York at Albany.

Mr. Tuan Yuan Wang, Director of Finance

Mr. Wang joined Jin Ma in 1993 and he now serves as director of finance of Gold Horse International. He has many years of financial experience and his expertise is demonstrated in his budgeting, financial accounting, financial reporting, system management, tax return and internal control. He is a graduate of Inner Mongolia Institute of Finance and Economy.

Mr. Jonathan Blum, Director

Mr. Wolfson has been a member of Gold Horse's Board of Directors since July 7, 2007. He has been a director of Gold Horse Nevada since September 2006. Mr. Wolfson was a financial advisor with Austen Morris Associates in Shanghai, China from September 2005 to July 2006. Prior to that, he was the chief representative and general manager of Genesis Technology Group in Shanghai, overseeing its day-to-day operations. Prior to that, he was a systems engineer with Worldcare International in Cambridge, Massachusetts from June 2001 to March 2002. Mr. Wolfson is a graduate of Tufts University.

Mr. Gregory T. Wolfson, Director

Mr. Wolfson has been a member of Gold Horse's Board of Directors since July 7, 2007. He has been a director of Gold Horse Nevada since September 2006. Mr. Wolfson was a financial advisor with Austen Morris Associates in Shanghai, China from September 2005 to July 2006. Prior to that, he was the chief representative and general manager of Genesis Technology Group in Shanghai, overseeing its day-to-day operations. Prior to that, he was a systems engineer with Worldcare International in Cambridge, Massachusetts from June 2001 to March 2002. Mr. Wolfson is a graduate of Tufts University.

Mr. Mingguo Wang, Director

Mr. Wang joined Jin Ma Real Estate in 2005 as a director. From 1984 to 2004, Mr. Wang was working at Beijing Yong'an Fuxing Pharmaceutical Co., Ltd, initially as a sales representative, then as a deputy management and latest as a department manager before joining Jin Ma. He is a graduate of the Beijing University of Chinese Medicine.

Ms. Yang Yang, Vice President

Ms. Yang joined the Company in 2004 and now serves as the vice president of Gold Horse International. She is the general manager of the Jin Ma Housing and Real Estate Development division. She obtained her bachelor degree in Australia, majoring in International Business. Due to her extraordinary contributions, she was awarded as the "Envoy of Tourism in Inner Mongolia" in 2006. Ms. Yang is now studying for her MBA at Inner Mongolia University.

Mr. Gui Gui Chen, General Manager

Mr. Chen joined Jin Ma Group in 1982 and now serves as the General Manager of Jin Ma Construction. He has supervised many important projects of Gold Horse and is responsible for new business development and day-to-day management of the construction. Mr. Chen is an engineer and a graduate of Hohhot Professional College.

Mr. Wen Biao Wang, Director and General Manager

Mr. Wang has been a member of Gold Horse's Board of Directors since July 9, 2007, and is general manager of Jin Ma Real Estate. He has been the senior engineer at Jin Ma Construction for over 20 years. He has many years of experience in engineering and construction and is a graduate of Inner Mongolia University of Technology.

Ms. Runlan Ma, General Manager

Ms. Ma joined the Company in 2003 and is now the general manager of Jin Ma Hotel. Prior to that, Ms. Ma was working for the Tax Bureau in Humin District in Inner Mongolia from 1990 to June 2003. She has strong organizational and management skills and plays a vital role at Jin Ma Hotel. Ms. Ma obtained her bachelor degree in China Agriculture University.

SELECTED FINANCIAL DATA

Gold Horse International, Inc. Consolidated Condensed Statements of Income	For Three Months Ended September 30,		For the Years Ended June 30,	
	2008	2007	2008	2007
Net Revenues	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Construction	\$ 28,378,442	7,883,769	61,714,065	21,615,061
Hotel	829,086	856,186	3,167,483	2,747,727
Real Estate	232,700	930,814	2,032,278	3,959,518
Total Revenues	\$ 29,440,228	9,670,769	66,913,826	28,322,306
Cost of Sales				
Construction	24,383,004	6,690,373	52,527,085	18,178,472
Hotel	446,087	482,379	1,763,968	1,440,978
Real Estate	143,216	564,654	1,244,007	2,750,522
Total Cost of Sales	24,972,307	7,737,406	55,535,060	22,369,972
Gross Profit	\$ 4,467,921	1,933,363	11,378,766	5,952,334
Operating Expenses				
Hotel operating expenses	15,361	35,176	132,435	171,879
Bad debt expenses (recovery)	(182,616)	300,894	294,837	530,963
Salaries and employee benefits	151,541	134,201	1,032,490	359,473
Depreciation and amortization	228,603	99,426	1,018,072	348,059
General and administrative	207,328	165,471	529,175	127,808
Total operating Expenses	420,487	735,168	3,007,009	1,538,182
Income from operations	\$ 4,047,434	1,198,195	8,371,757	4,414,152
Income before income tax	3,384,280	1,133,569	6,848,423	4,164,617
Income tax	1,000,506	398,699	2,316,289	1,570,091
Net income	\$ 2,383,774	734,870	4,532,134	2,594,526
Net income per common share – basic	\$ 0.05	0.01	0.09	0.05
Net income per common share – diluted	\$ 0.04	0.01	0.08	0.05
Weighted average number of shares outstanding – basic	52,544,603	50,000,002	51,542,284	48,504,110
Weighted average number of shares outstanding – diluted	58,890,533	50,000,002	57,631,061	48,504,110

Selected Balance Sheet Data	30-Sept-08		30-Jun-2008	
	(Unaudited)			
Working capital	\$	17,464,861	\$	13,448,922
Total current assets		24,111,915		18,727,626
Total assets		35,369,827		31,552,170
Total current liabilities		6,647,054		5,278,704
Total liabilities		11,148,228		9,768,939
Total shareholders' equity		24,221,599		21,783,231

FOR FURTHER INFORMATION

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Business Risks and Forward-Looking Statements

Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in market condition, the Company's ability to maintain customer relationships, technological advancements, growth in targeted markets and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Readers are advised that this information is intended for the use of investment professionals. Anyone interested in obtaining information on the Company should contact Gold Horse International, Inc. (GHII) or CCG, as set forth above, to receive the Company's most recent financial reports. This Financial Profile was developed by the Company and is intended solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy the Company's stock. This Profile is based upon information available to the public, as well as other information from sources which management believes to be reliable, but is not guaranteed by GHII as being accurate nor does it purport to be complete. Opinions expressed herein are those of management as of the date of publication and are subject to change without notice.

RECONCILIATION OF ADJUSTED NET INCOME TO GAAP NET INCOME

Adjusted Net income (\$ in thousands except per share data)	For the Year ended June 30, 2008		For the Year ended June 30, 2007	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Adjusted Amount	5,577	0.10	2,595	0.05
Adjustments				
Interest expense from amortization of debt discount	955	0.02	-	-
Amortization of debt issuance costs	90	0.00	-	-
Amount per consolidated statement of operations	4,532	0.08	2,595	0.05

Gold Horse International, INC. RECONCILIATION OF NON-GAAP FINANCIAL DATA

Adjusted Net income (\$ in thousands except per share data)	For the Three Months ended September 30, 2008		For the Three Months ended September 30, 2007	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Adjusted Amount	2,831	0.05	735	0.01
Adjustments				
Interest expense from amortization of debt discount	409	0.01	-	-
Amortization of debt issuance costs	38	0.00	-	-
Amount per consolidated statement of operations	2,384	0.04	735	0.01

GAAP results for the first three months ended September 30, 2008 and 2007 and for the fiscal years ended June 30, 2008 and 2007 include certain non-cash debt financing expenses. To supplement the Company's condensed consolidated financial statements presented on a GAAP basis, the Company has provided non-GAAP financial information excluding the impact of these items throughout this profile. The Company's management believes that these non-GAAP measures provide investors with better understanding of how the results relate to the Company's historical performance. A reconciliation of adjustments to GAAP results for the periods mentioned appears above. This additional non-GAAP information is not meant to be considered in isolation or as a substitute for GAAP financials. The non-GAAP financial information that the Company provides also may differ from the non-GAAP information provided by other companies.