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# **GOLD HORSE INTERNATIONAL, INC.**

**Investor Presentation**

**December, 2011**



# Safe Harbor Statement

This presentation contains certain "forward-looking statements" relating to the business of the Company and its subsidiary companies. These forward looking statements are often identified by the use of forward-looking terminology such as "believes, expects" or similar expressions. Such forward looking statements involve known and unknown risks and uncertainties such as cost overruns, lack of materials, projected earnings not realized and other risks of construction that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in the Company's periodic reports that are filed with the Securities and Exchange Commission and available on its Web site ([www.sec.gov](http://www.sec.gov)). All forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by these factors other than as required under the securities laws. The Company does not assume a duty to update these forward-looking statements.

# Company Overview

- Gold Horse International, Inc. is a **multi-faceted** business group specializing in high-growth industries of construction, real estate and hotel.
- **Three** established business segments:
  - Construction/Construction Management
  - Real Estate Development
  - Hotel and Banquet Center Owner/Operator
- Located in **Hohhot**, Inner Mongolia, China
- The construction company established in **1980**
- As of today, there are **136** full time employees
- As of today, approximate **2,195,033** common shares are outstanding



# Regional Statement – Inner Mongolia

- Inner Mongolia is known as the bridge between China and Russia and has become a tourist and business destination.
- Abundant mineral resources such as rare earths, coal, and natural gas. There is the biggest open-cut coal mine in China.
- Third largest Chinese province with over 424,736 square miles (1), and approximate 25 million population on 2010 increased 4% than 2000 (2).
- Nominal GDP of Inner Mongolia in 2010 was USD175 billion increased 15% than USD 152 billion in 2009 (3).



Open-cut coal mine



Grassland



Oboo  
(symbol that Mongolians use  
to pray for joy and happiness )

(1) [www.nmg.gov.cn](http://www.nmg.gov.cn) ; (2) China Statistical Yearbook, 2008 ; (3) [www.tjcn.org](http://www.tjcn.org)

# Regional Statement – Hohhot City

- Hohhot, “the Green City” is the capital city of Inner Mongolia. It is the political, economic and cultural center of the region.
- Hohhot is at the forefront of Inner Mongolia’s economic development. Nominal GDP of Hohhot grew to RMB 185 billion or USD 28.5 billion in 2010, up 12.5% from 2009. Financial revenue reach USD 3.7 billion in 2010, up 20.1% from 2009 (1).
- By the end of June 2011, investment in real estate increased 71.5% period-over-period to RMB 11.42 billion or USD 1.75 billion. Approximate 78% of total investment for residential housing and others for office and business building (2).
- By the end of October 2010, sales of commercial residential building was RMB 11.9 billion or USD 1.85 billion, increased 31.7% period-over-period. Including, USD 1.06 billion sales of forward delivery housing, and USD 0.79 billion sales of completed apartment (3).



Hohhot City



Overall view

# Construction and Real Estate Market

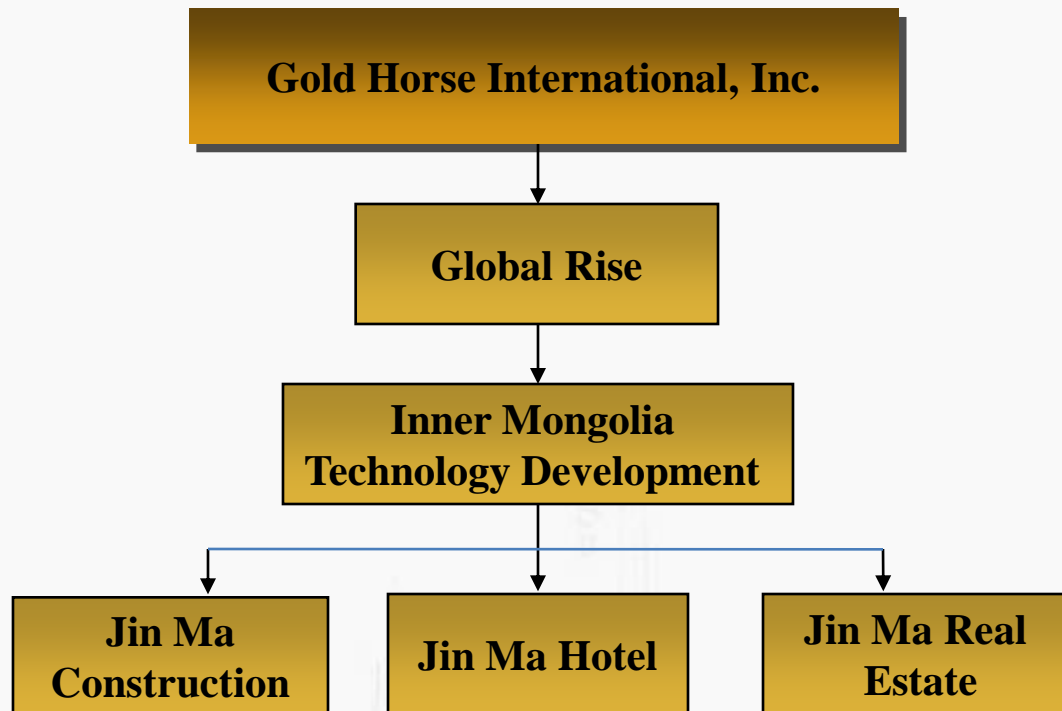
- In the Inner Mongolia, The investment on construction and real estate market was increasing average 41% annually since 2001. It takes estimated 13.3% of the total capital asserts (1).
- In accordance with the report from Inner Mongolia Autonomous Region Bureau of Statistics, the total investment on the capital asserts is approximate RBM 6,790 million or USD 1,060 million from January to April 2011 in the Hohhot City,. The Real Estate development is the main force that generated investment of RMB 2,320 million or USD 362 million (2).
- From January to April 2011, there are 225 construction projects were started in operation in the Hohhot City. Which include 155 infrastructure projects and 70 real estate projects , real estate projects increased 27% period-over-period(3).

(1) <http://www.qikan.com.cn/ArticlePart.aspx?titleid=bfjj20090907>

(2) <http://www.nmgj.gov.cn/Html/msxx/2011-6/28/1162814472169190.shtml>

(3) <http://www.nmgj.gov.cn/Html/msxx/2011-6/28/1162814475133270.shtml>

# Organizational Structure





# Corporate Timeline

- SEP 2010** 40 to 1 reverse stock split effective
- MAY 2010** Repaid or converted into common shares all remaining convertible debt owed to investors
- NOV 2007** Gold Horse International, Inc. domesticated as a Florida corporation
- OCT 2007** Gold Horse International, Inc. established Inner Mongolia (Cayman) Technology & Development Ltd. , a wholly-foreign owned enterprise incorporated in the PRC and wholly-owned subsidiary of Global Rise
- JUN 2007** Gold Horse Nevada was acquired by “Segway III” to form Gold Horse International, Inc. and began trading under symbol GHII on OTC.BB
- MAY 2007** Global Rise International, Limited, a Cayman Islands corporation incorporated (Through Global Rise, Gold Horse Nevada operates, controls and beneficially owns the construction, hotel, and real estate development business in China)
- AUG 2006** Gold Horse Nevada was incorporated in the State of Nevada
- MAR 2000** Gold Horse International, Inc. was incorporated under laws of the State of New Jersey under its former name “Segway III”
- 1999** Jin Ma Hotel and Jin Ma Real Estate commenced operations
- 1980** Jin Ma Construction was established by Mr. Liankuan Yang, CEO of Gold Horse International, Inc.



# Business of Subsidiary Companies

- **Inner Mongolia Jin Ma Construction Co., Ltd.** is an engineering and construction company that offers general contracting, construction management and building design services primarily to both private developers and regional governments in Hohhot City, the Autonomous Region of Inner Mongolia in China. In operation since 1980, Jin Ma Construction was formally registered as a limited liability company in Hohhot City in March 2002.
- **Inner Mongolia Jin Ma Real Estate Development Co., Ltd.** was formally registered as a limited liability company in Hohhot City in February 2004. It develops residential and commercial properties in the competitive and growing real estate market in Hohhot City, and has established reputation and successful track record of real estate development and property management.
- **Inner Mongolia Jin Ma Hotel Co., Ltd.** was formally registered as a limited liability company in Hohhot City in April 2004. It owns, operates and manages the Jin Ma Hotel, a full-service two-star hotel and banquet center located in Hohhot City approximately 15 kilometres from the Hohhot Baita Airport.
- **Inner Mongolia (Cayman) Technology & Development Ltd.** is a wholly foreign owned enterprise incorporated in PRC, provides administrative support services to the Jin Ma Companies.



# Construction Business

- Jin Ma Construction began operation in 1980
- It was appraised to be Level II national construction company by Inner Mongolia Ministry of Construction on July, 2002.  
*(The highest to lowest level is I to IV)*
- Highly skilled and certified workforce
- Major construction and real estate projects complete each year
- Excellent relationship with local and regional government
- Strong customer base and relation with subcontractors
- General contracting, pre-construction planning and comprehensive construction management services
- Successful timely completion of broad range of projects, including;
  - Multi-family residential buildings
  - Retail projects
  - Hotel properties
  - Correctional facilities
  - Commercial projects
  - Infrastructure projects

# Quality Management System Certification



ISO 14001:2004 standard  
Expires: 10-19-2013




GB/T 28001-2001 standard  
Expires: 10-19-2013




ISO 9001:2008 standard  
Expires: 10-19-2013



# Construction Projects



	Aibo Garden Apartment Project (Phase II)	Fuxing Committee Bath Center	Tuzuoqi (Chasuqi) Low-rend House Project	Jianhe Garden	Fuhengyuan Residential Project	Tiantixingyuan No.1-7 Project
Area (sq. meters)	116,700	46,054	53,000	113,548	110,129	90,670
Project Type	Residential	Commercial	Residential	Residential	Residential	Residential
Completion Date	June, 2009	May 2010	July, 2010	December, 2010	December, 2011	December, 2011
Revenue (in USD millions)	35.0	24.2	14.1	30.2	Estimated 16.4	Estimated 26.1

# Selected Construction Projects in Completion



He Sheng Jia Yuan Residence  
Building #6, #10, #13, #14, #15, #16  
On 2006



Bin Shui Village  
On 2006



Inner Mongolia Vocational School Buildings  
On 2008



Xiao Kang Village  
Phase I On 2006  
Building #9, #14, #15, #17, #18, #20  
and Phase II On 2007



AiBo Garden Apartment Project  
On 2009



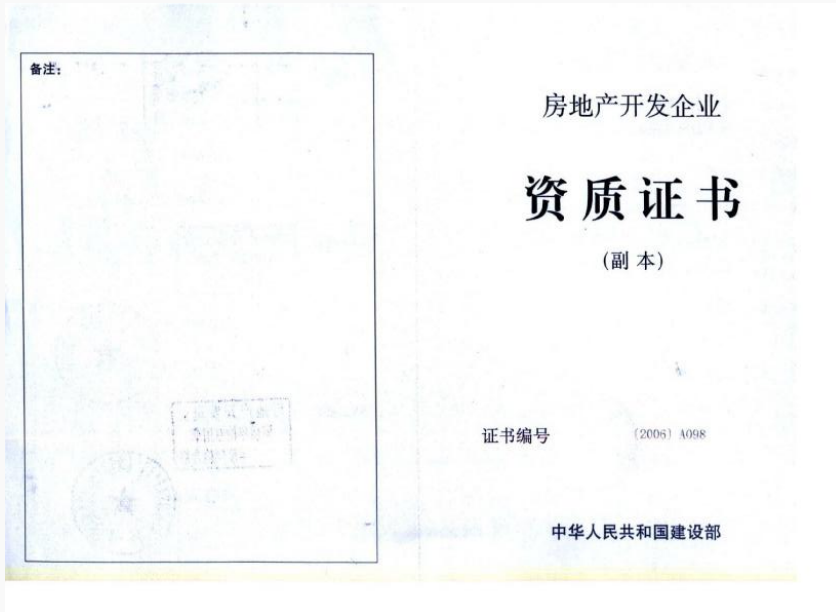
Inner Mongolia Chemistry College Buildings  
On 2009



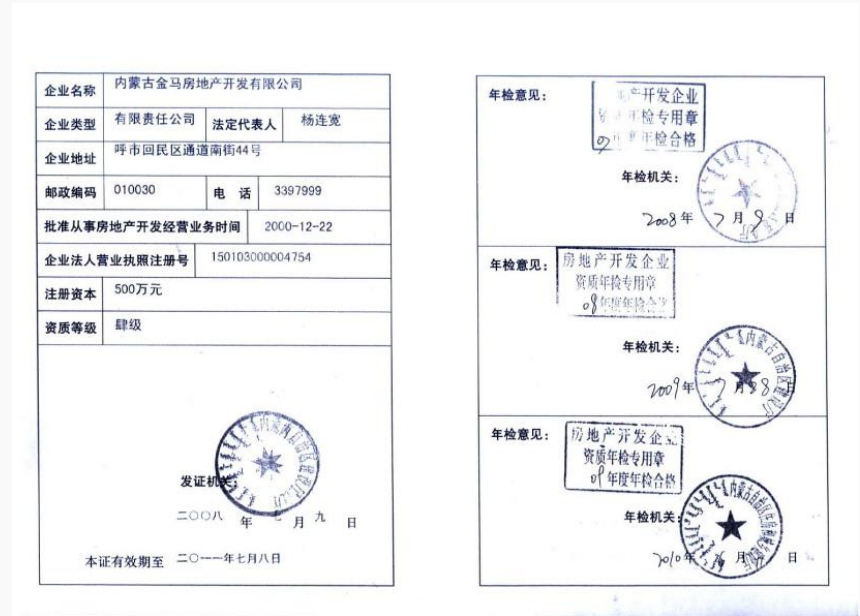
# Real Estate Business

- Designs, develops and sells high-quality, affordable housing
- Targets growing middle income segment in Hohhot and surrounding areas
- Brand recognition and high visibility in growing residential property market
- Able to leverage established local relationships in land and property acquisitions
- Utilizes our construction division as the general contractor to develop our real estate projects
- Positioned to become a major revenue contributor in fiscal 2011 and beyond with a strong pipeline of current and future projects
- Current market strategy involves building projects for government entities and educational institutions and selling them to the counterparty for a fixed term
- It was appraised to be Level IV national Real Estate company by Inner Mongolia Ministry of Construction on July, 2008  
*(The highest to lowest level is I to IV)*

# Certificate for Level IV National Real Estate Company




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# Real Estate Projects



	<b>Building 1 to 4 Procuratorate Housing Estates</b>	<b>Building 5 Procuratorate Housing Estates</b>	<b>Bei yuan Residential Building</b>	<b>Building 6 Procuratorate Housing Estates</b>	<b>Jinwu Residential Building</b>	<b>Shuian Renjia project</b>
Area (sq. meters)	46,054	5,825	70,000	38,000	53,000	56,841
Project Type	Residential	Residential	Residential	Residential	Residential	Residential
Completion Date	3/2010	8/2010	Fiscal 2013	11/2012	12/2012	5/2011
# of Units available for sale upon completion (Residential)	150	69	*	587	*	364
# of Units Sold (as of Aug 31, 2011)	145	69	0	0	0	364
Estimated revenue (\$ Million)	\$4.5	\$2.2	\$38.5	\$27.7	\$36.5	\$30.0

\* not yet determined

# Selected Real Estate Projects in Completion



Procuratorate Housing Estates Project  
Building # 4, #5  
On 2010



Procuratorate Housing Estates Project  
Building # 1, #2, #3  
On 2010



Shuian Renjia Project  
Western Area  
On 2011



Shuian Renjia Project  
Eastern Area  
On 2011

# Planned Integrated Project

- The project includes the construction of **nine** high-rise buildings
- **Seven** towers of **nineteen** stories each are designed as mountain-view service apartments
- **two** additional towers of **sixteen** stories each will separately serve as a hotel and an office building
- The office tower will also house the residential facilities management, a residential service center and a supermarket
- Located near Hohhot's second ring road, convenient in transportation.
- The total land area is projected to be **52,213.60** square meters. The total construction area is estimated to be **187,917.43** square meters. Above-ground area is estimated to be **147,090.00** square meters. **40,827.43** square meters will be underground floor area.
- The total investment value of the project is approximately **US \$70 million**.



# Hotel Business

- Increasing tourism to Hohhot – Our hotel known as Jin Ma Hotel targets price-sensitive segment
- Two-star, 22-room hotel with extensive restaurant and catering facilities
- 15 kilometers from airport, 3 kilometers from train station
- Major renovations completed in 2006
  - All guestrooms
  - Dining and banquet facilities
  - Common areas
  - Landscaping
- Occupancy rate more than 80% in 2010 and 2011
- Cultural value: offers traditional Chinese ceremonies for guests' participation; close proximity to tourist destinations such as Dazhao Temple, Zhaojun Tomb, Inner Mongolia Wildlife Zoo and Inner Mongolia Skiing Heaven

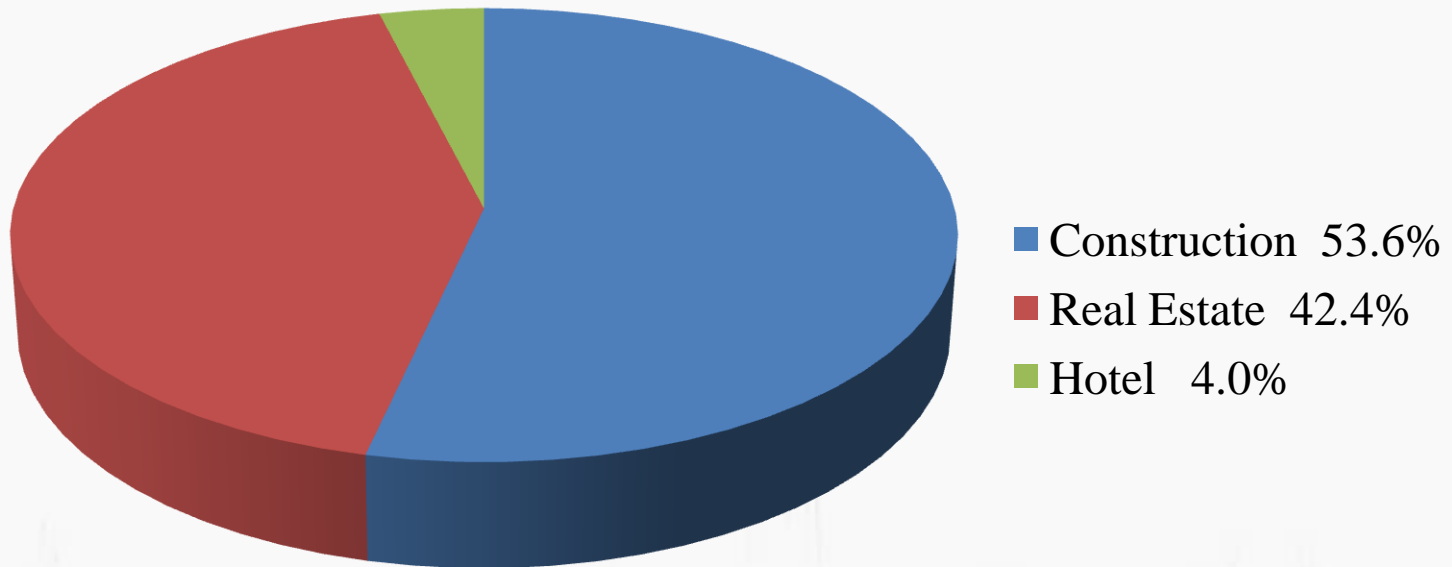


# Company Growth Strategy

- **Increase focus on higher gross margin real estate development projects consisting of land acquisition, project development, construction and the sale of residential and commercial units**
- **Continue to grow construction segment by leveraging strong customer and government relationships**
- **Utilize complementary real estate and construction segments to ensure steady revenue stream and higher gross margins**
- **Improve hotel operations, reduce costs, increase occupancy rate and market restaurant and catering facilities**

# Revenue Table of Fiscal Year 2011

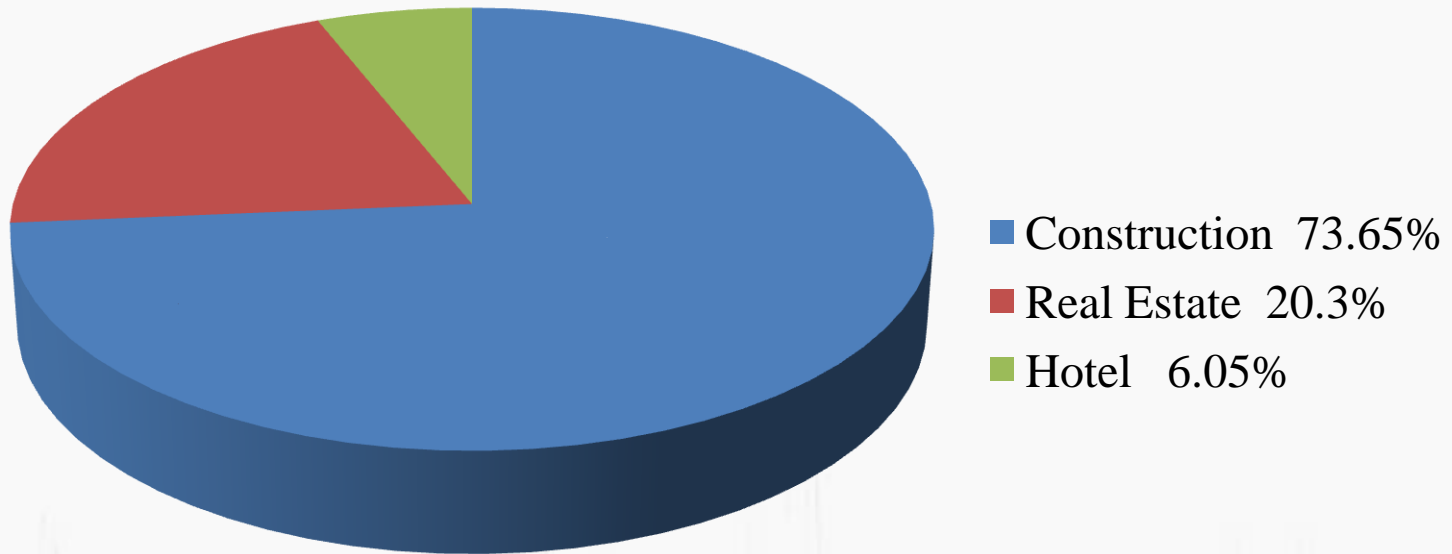
## Revenue by Segment for FY 2011



Total Revenue: USD 76,500,635

# Revenue Table of Fiscal Year 2010

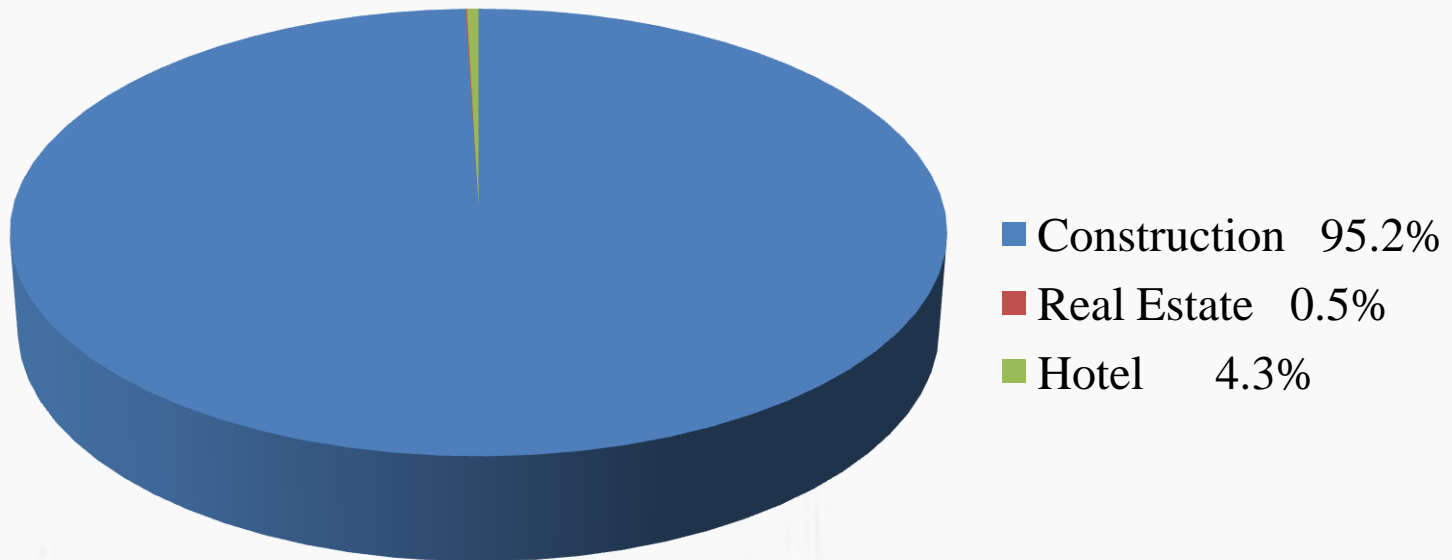
## Revenue by Segment FY 2010



Total Revenue: USD 50,913,559

# Revenue Table of Fiscal Year 2009

## Revenue by Segment FY 2009



Total Revenue: USD 80,939,492

# Income Statement Data

(\$ in millions)	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Revenue	76.5	50.9	80.9	66.9	28.3
Gross Profit	13.7	10.2	12.4	11.4	5.9
Gross Margin (%)	17.9	20.0	15.3	17.0	21.0
Income from Operations	11.4	8.0	10.8	8.4	4.4
Operating Margin (%)	14.9	15.7	13.3	12.5	15.6
Net Income*	9.2	6.6	7.5	5.6	2.6
Net Income per common share - diluted *, **	4.62	3.99	3.86	3.87	2.14

Fiscal year ends **JUNE 30**

\* Amounts exclude non cash charges related to the convertible debt and income from derivative liabilities

\*\* Adjusted 1 for 40 reverse stock split effective on September 8<sup>th</sup>, 2010



## Balance Sheet Data

(\$ in thousands)	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Total Current Assets	9,346	10,400	17,731	18,725
Total Assets	57,881	47,842	46,329	31,552
Total Current Liabilities	3,869	10,939	15,600	5,279
Total Liabilities	8,479	11,284	15,980	9,769
Stockholders' Equity	50,402	36,558	30,349	21,783

# Reconciliation of Adjusted Net Income to GAAP Net Income

(\$ in millions)	Year Ended June 30		Year Ended June 30		Year Ended June 30		Year Ended June 30	
	2011		2010		2009		2008	
	<b>Net Income</b>	<b>Diluted EPS</b>	<b>Net Income</b>	<b>Diluted EPS</b>	<b>Net Income</b>	<b>Diluted EPS **</b>	<b>Net Income</b>	<b>Diluted EPS **</b>
Adjusted Non-GAAP net income	9.2	4.62	6.6	3.99	7,508	3.86	5.6	3.87
Adjustments:								
Interest expense from amortization of debt discount and debt issuance costs	-	-	- 2.2	- 1.32	- 1.3	- 0.69	- 1.0	- 0.73
Gain from derivative liabilities and extinguishment of debt	0.6	0.3	3.9	2.34	-	-	-	-
Amount per consolidated statement of income	9.7	4.9	8.3	5.01	6.2	3.17	4.5	3.15

\*\* Adjusted for 1 for 40 reverse stock split effective 9/8/10



# Management Team

-- **Mr. Liankuan Yang, Chairman and Chief Executive Officer**

- Founder of Jin Ma Construction, Jin Ma Hotel and Jin Ma Real Estate
- Experience in business management & strong background in engineering
- Has been recognized repeatedly as an “Excellent Entrepreneur” by the National Ministry of Construction, the National Ministry of Agriculture and the Regional Government of Inner Mongolia Autonomous Region
- Email: [ceo@goldhorseinternational.com](mailto:ceo@goldhorseinternational.com)

-- **Mr. Xiaodong Li, Chief Financial Officer**

- Joined Gold Horse in July 2011
- Served as financial advisor for several companies both in the process of preparing initial public offering and listed in NASDAQ as well as the Hong Kong Stock Exchange.
- Worked at Ernst & Young as an assurance manager in Beijing for 5 years.
- CPA and member of Chinese Institute of Certified Public Accountant.
- Email: [cfo@goldhorseinternational.com](mailto:cfo@goldhorseinternational.com)

-- **Ms. Yang Yang, Vice President and Executive Director**

- Joined Gold Horse in 2004
- Obtained her bachelors degree in International Business in Australia and MBA degree in Inner Mongolia University
- Email: [vp@goldhorseinternational.com](mailto:vp@goldhorseinternational.com)

-- **Mr. Tuanyuan Wang, Director of Finance**

- Joined Gold Horse in 1993
- Many years of experience in finance including budgeting, financial accounting, reporting, system management, tax return and internal control
- Email: [tuanyuanwang@goldhorseinternational.com](mailto:tuanyuanwang@goldhorseinternational.com)



# Management Team

-- **Mr. Guigui Chen, General Manager of Jin Ma Construction**

- Joined Gold Horse in 1982
- Responsible for new business development and day-to-day construction management
- Email: [guiguichen@goldhorseinternational.com](mailto:guiguichen@goldhorseinternational.com)

-- **Mr. Wenbiao Wang, Executive Director and General Manager of Jin Ma Real Estate**

- Joined Gold Horse in 1981
- Senior engineer and has been engaged in business operation and management for more than 20 years
- Email: [wenbiaowang@goldhorseinternational.com](mailto:wenbiaowang@goldhorseinternational.com)

-- **Ms. Runlan Ma, Secretary and General Manager of Jin Ma Hotel**

- Ms. Ma joined in the Company in 2003 and is now the general manager of Jin Ma Hotel.
- She plays a vital role at Jin Ma Hotel with her strong organization and management skills.
- From 1990 to 2003, Ms. Ma was working for the Tax Bureau in Humin District of Inner Mongolia.
- E-mail: [runlanma@goldhorseinternational.com](mailto:runlanma@goldhorseinternational.com)

-- **Mr. Guohui Song, Independent Director**

- Joined Gold Horse in July 2010
- Has over 50 years experience in accounting and corporate financial management field
- Served as the Deputy Director of the Hohhot Finance Agency and Director of Hohhot Accounting Agency for 20 year
- Email: [guihuisong@goldhorseinternational.com](mailto:guihuisong@goldhorseinternational.com)

-- **Mr. Mingguo Wang, Independent Director**

- Joined Gold Horse in July 2005
- Successful business man in pharmaceuticals industry
- Email: [mingguowang@goldhorseinternational.com](mailto:mingguowang@goldhorseinternational.com)



## Message from the President

Gold Horse International Inc. is a growing and dynamic multifaceted enterprise that engages in the operation of construction, real estate development and hotel management in Hohhot City, Inner Mongolia, China.

At Gold Horse, we are proud that we have a strong and stable management team experienced in the fields of engineering, management and accounting. The majority of our senior members have served the Company for a lengthy period of time and we have their unique expertise and commitment to transforming Gold Horse International into one of the leading players in the construction, hotel management and real estate development businesses.

It is also our determination to consolidate our market share to continue to build on our strong expertise in the construction industry and to leverage our solid business relationships.

-- Mr. Liankuan Yang



# Company Contacts

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