

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF G. A. BLUE INTERNATIONAL BHD ("GA BLUE") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS OF GA BLUE HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 JULY 2004 INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT FORECAST HAS BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD, BEING THE ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE OF 18,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN GA BLUE ("PUBLIC ISSUE") AND IS SATISFIED THAT THE PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 JULY 2004 (FOR WHICH THE DIRECTORS OF GA BLUE ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS, HAVE BEEN STATED BY THE DIRECTORS OF GA BLUE AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE, AND THAT THE APPROVAL OF THE SC SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GA BLUE AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE MALAYSIA SECURITIES EXCHANGE BERHAD ("MSEB") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GA BLUE AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF THE MSEB IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE, GA BLUE OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

Events	Indicative Date Year 2004
Opening date of the Public Issue	31 January
Closing date of the Public Issue	10 February
Tentative balloting date	12 February
Tentative allotment date	17 February
Tentative Listing date	20 February

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO SUCH CHANGE(S) WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 PM ON 10 FEBRUARY 2004 OR SUCH FURTHER DATE OR DATES AS THE DIRECTORS OF GA BLUE AND/OR MANAGING UNDERWRITER MAY, IN THEIR DISCRETION, MUTUALLY DECIDE. SHOULD THE CLOSING DATE OF THE APPLICATION BE EXTENDED, THE DATES OF THE BALLOTING, ALLOTMENT AND LISTING WOULD BE EXTENDED ACCORDINGLY. ANY CHANGE TO THE ABOVE TENTATIVE DATES WILL BE PUBLISHED IN A WIDELY CIRCULATED BAHASA MALAYSIA AND ENGLISH DAILY NEWSPAPER WITHIN MALAYSIA.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

“GA Blue” or the “Company”	:	G. A. Blue International Bhd (570396-D)
“GA Blue Group” or the “Group”	:	GA Blue and its subsidiary companies namely, All Denim, Delison, Evatech, GBC, Lensan, LKH, Starix, Twin Access, Topchamp, Uni Jeans, Lu Fa and Quangcin
“All Denim”	:	All Denim Sdn Bhd (447538-P)
“Delison”	:	Delison Sdn Bhd (575834-X)
“Evatech”	:	Evatech Sdn Bhd (474500-P)
“GBC”	:	G. A. Blue Corporation Sdn Bhd (253216-V)
“Lensan”	:	Lensan Sdn Bhd (579830-A)
“LKH”	:	LKH Footwear Collection Sdn Bhd. (581433-A)
“Lu Fa”	:	Lu Fa Industrial (M) Sdn Bhd (193203-M), a wholly-owned subsidiary company of Evatech
“Quangcin”	:	Quangcin Sdn Bhd (169786-A), a wholly-owned subsidiary company of Evatech
“Starix”	:	Starix Collection Sdn Bhd (582930-T)
“Topchamp”	:	Topchamp Corporation Sdn Bhd (312316-A)
“Twin Access”	:	Twin Access Sdn Bhd (468024-X)
“Uni Jeans”	:	Uni Jeans Care Sdn Bhd (397716-W)
“GBC Acquisition”	:	The acquisition by GA Blue of the entire issued and paid-up share capital of GBC comprising 2,200,000 ordinary shares of RM1.00 each for a total purchase consideration of RM42,306,986 satisfied by the issuance of 40,999,998 new ordinary shares of RM1.00 each in GA Blue at an issue price of approximately RM1.03 per ordinary share of RM1.00 each, credited as fully paid
“Cash Acquisitions”	:	The acquisition by GA Blue of 100% equity interest in All Denim, Delison, Evatech, Lensan, Topchamp, Twin Access, Uni Jeans, 60% equity interest in LKH and 51% equity interest in Starix for a total cash consideration of RM15,998,623
“Acquisitions”	:	The GBC Acquisition and Cash Acquisitions collectively
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“ATM”	:	Automated teller machine
“CDS”	:	Central Depository System

DEFINITIONS (Cont'd)

“EBITDA”	:	Earnings before Interest, Taxation, Depreciation and Amortisation
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee
“GDP”	:	Gross domestic product
“KLSE”	:	Kuala Lumpur Stock Exchange (30632-P)
“Listing”	:	The listing of and quotation for the enlarged issued and paid-up share capital of GA Blue of RM50,000,000 comprising 100,000,000 shares on the Second Board of the MSEB
“M&A”	:	Memorandum and Articles of Association
“MCD”	:	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary company of the MSEB
“MSEB”	:	Malaysia Securities Exchange Berhad (635998-W)
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“MIMB”	:	Malaysian International Merchant Bankers Berhad (10209-W)
“MITI”	:	Ministry of International Trade and Industry
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PE Multiple”	:	Price-earnings multiple
“Public Issue”	:	The public issue of 18,000,000 new shares in GA Blue at an issue price of RM0.75 per share, payable in full on application comprising:- <ul style="list-style-type: none"> (i) 8,800,000 shares available for application by the Malaysian public; (ii) 4,000,000 shares by way of private placement to identified investors; (iii) 5,000,000 shares available for application by eligible directors, employees and persons who have contributed to the success of GA Blue and its subsidiary companies; and (iv) 200,000 shares to Bumiputera investors approved by the MITI
“Public Issue Shares” “Issue Shares”	:	The 18,000,000 new shares to be issued by GA Blue pursuant to the or Public Issue
“R&D”	:	Research and development
“ROC”	:	Registrar of Companies, Malaysia
“SC”	:	Securities Commission

DEFINITIONS (Cont'd)

“share(s)”	:	Ordinary share(s) of RM0.50 each
“Share Split”	:	The sub-division in the par value of one (1) ordinary share of RM1.00 each in GA Blue into two (2) ordinary shares of RM0.50 each in GA Blue
“sq. ft.”	:	Square feet
“Vital Factor”	:	Vital Factor Consulting Sdn Bhd (266797-D)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“USD”	:	The United States of America Dollar

Words denoting the singular number only shall include the plural and also vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/Designation	Address	Occupation	Nationality
Kan Ah Chun (Executive Chairman)	168-33A-3, The Regency Persiaran Gurney 10250 Penang	Company Director	Malaysian
Yeap Beow Chong (Managing Director)	27 Jalan Bunga Cempa Putih Hillside, Tanjung Bungah 11200 Penang	Company Director	Permanent Resident of Malaysia
Yeoh Yeow Cheang (Executive Director)	1-M, Lorong Delima 9 Island Glades 11700 Gelugor Penang	Company Director	Malaysian
Saffie Bin Bakar (Non-Independent Non-Executive Director)	14, Jalan Permai 2 Taman Sena Indah 01000 Kangar Perlis	Company Director	Malaysian
Ooi Siew Kim (Independent Non-Executive Director)	19, Jalan Pantai Jerjak 8 Sungai Nibong 11900 Penang	Solicitor	Malaysian
Loh Chye Teik (Independent Non-Executive Director)	15 Lorong Batu Uban Satu Taman Century 11700 Penang	Accountant	Malaysian

AUDIT COMMITTEE

Name	Position	Directorship in GA Blue
Loh Chye Teik	Chairman	Independent Non-Executive Director
Ooi Siew Kim	Member	Independent Non-Executive Director
Yeoh Yeow Cheang	Member	Executive Director

COMPANY SECRETARY

: Tan Choong Kiang (MAICSA 7018448)
40, Lorong Bidara
Taman Bidara
14020 Bukit Mertajam
Penang

REGISTERED OFFICE

: 51-8-B, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Telephone : 604-228 7828
Facsimile : 604-227 9828
Email : enquiry@fastrack.com.my

CORPORATE DIRECTORY (Cont'd)

- HEAD/MANAGEMENT OFFICE** : Lot 9233, Hala Kampung Jawa 1
Kawasan Perindustrian Bayan Lepas (Fasa III)
11900 Bayan Lepas
Penang
Telephone : 604-646 1600
Facsimile : 604-645 7448
Email : gabblue@pd.jaring.my
Website : www.gabblue.com.my
- PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad (88103-W)
Ground & Mezzanine Floor
Wisma Malvest
20-20A, Jalan Tun Dr. Awang
Sungai Nibong Kecil
11900 Penang
- OCBC Bank (Malaysia) Berhad (295400-W)
36, Lebuhr Pantai
10300 Penang
- AUDITORS AND REPORTING ACCOUNTANTS** : JB Lau & Associates (AF0042)
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Telephone : 604-228 7828
- SOLICITORS FOR THE DUE DILIGENCE EXERCISE** : Ooi Lee & Co
1D, King Street, 1st Floor
10200 Penang
Telephone : 604-262 7055
- SOLICITORS FOR THE ADVISER** : Wong Beh & Toh
Suite 4, 1st Floor
173 & 174, Jalan Kelab Cinta Sayang
Taman Ria Jaya
08000 Sungai Petani
Kedah
Telephone : 604-442 9081
- VALUERS** : Rahim & Co. Chartered Surveyors (Penang) Sdn Bhd (119499-A)
Suite 3.04, 3rd Floor, Penang Plaza
126 Jalan Burma
10050 Penang
Telephone : 604-227 7324
- ISSUING HOUSE** : MIDF Consultancy and Corporate Services Sendirian
Berhad (11324-H)
12th Floor, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur
Telephone : 603-2161 3355

CORPORATE DIRECTORY (Cont'd)

- SHARE REGISTRAR** : Agriteum Share Registration Services Sdn Bhd (578473-T)
2nd Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Telephone : 604-228 2321
- ADVISER, MANAGING UNDERWRITER
AND PLACEMENT AGENT** : Malaysian International Merchant Bankers Berhad (10209-W)
12th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Telephone : 603-2691 0200
- UNDERWRITERS** : Affin-UOB Securities Sdn Bhd (431338-P)
Level 3, Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Telephone : 603-2143 8668
- AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur
Telephone : 603-2078 2788
- Hwang-DBS Securities Berhad (14389-U)
Levels 2, 3, 4, 7 & 8
Wisma Sri Pinang
60 Green Hall
10200 Penang
Telephone : 604-263 6996
- Malaysian International Merchant Bankers Berhad (10209-W)
12th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Telephone : 603-2691 0200
- Mercury Securities Sdn Bhd (113193-W)
Ground, 1st, 2nd & 3rd Floor
Wisma UMNO
Lorong Bagan Luar 2
12000 Butterworth
Telephone : 604-332 2123
- OSK Securities Berhad (14152-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Telephone : 603-2162 4388
- UT Securities Sdn Bhd (20710-W)
6th, 10th, 12th Floor
Bangunan Mayban Trust
3, Penang Street
10200 Penang
Telephone : 604-262 6644

CORPORATE DIRECTORY (Cont'd)

- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANT*** : Vital Factor Consulting Sdn Bhd (266797-T)
75C & 77C, Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603-7728 0248
- LISTING SOUGHT*** : Second Board of the Malaysia Securities Exchange Berhad

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1.0 INFORMATION SUMMARY (Cont'd)

THE INFORMATION CONTAINED IN THIS SECTION IS INTENDED TO BE A SUMMARY OF THE SALIENT INFORMATION RELATING TO THE COMPANY AND THE INFORMATION CONCERNED IS DERIVED FROM AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE PUBLIC ISSUE SHARES OF THE COMPANY.

1.1 History and Principal Activities

The Company was incorporated in Malaysia under the Companies Act, 1965 on 31 January 2002 as a public limited company under its present name. GA Blue is principally an investment holding company whilst the principal activities of its subsidiary companies are as follows:-

Name of Subsidiary Company	Principal Activity
GBC	Manufacturing and marketing of jeanswear and its related products.
All Denim	Distributing and retailing of jeanswear, footwear and other accessories.
Delison	Distributor of haversacks, pouch bags and travelling bags.
Evatech	Manufacturing and selling of garments and apparels.
Lensan	Marketing and distributing of fashion watches and eyewear.
LKH	Supplier of apparels and footwear.
Starix	Marketing and distributing of high fashion wear.
Topchamp	Marketing of jeanswear and its related products.
Twin Access	Marketing and distributing of jeanswear and other fashion apparels.
Uni Jeans	Provision of services relating to specialised treatment and finishing process of jeanswear.
Lu Fa #	Property investment.
Quangcin #	Property investment.

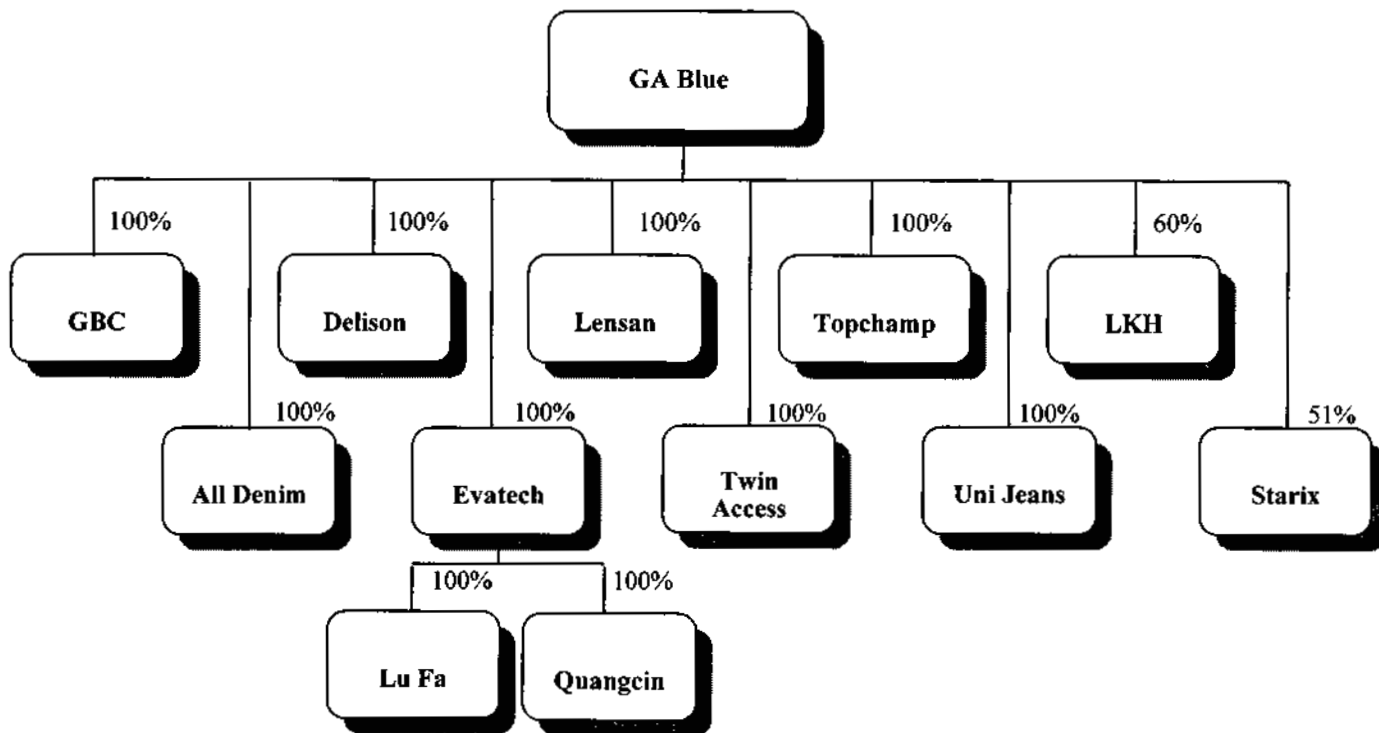
Note:

Wholly-owned subsidiary companies of Evatech

GA Blue has no associated companies as at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus).

1.0 INFORMATION SUMMARY (Cont'd)

The Group's corporate structure is as follows:-



Detailed information on the Group's history and principal activities are set out in Section 4.1, Section 4.4 and Section 4.5 of this Prospectus.

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1.0 INFORMATION SUMMARY (Cont'd)**1.2 Promoters, Substantial Shareholders, Directors and Key Management****1.2.1 Promoters**

Name	Nationality	Designation	After the Public Issue			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Kan Ah Chun	Malaysian	Executive Chairman	23,295,398	23.30	-	-
Yeap Beow Chong	Permanent Resident of Malaysia	Managing Director	23,295,398	23.30	120,000 [#]	0.12

Note:

Deemed interested by virtue of the shares to be held by his wife, Lim Tiam Eng, based on the assumption she subscribes in full for her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

1.2.2 Substantial Shareholders

Name	Nationality	Designation	After the Public Issue			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Kan Ah Chun	Malaysian	Executive Chairman	23,295,398	23.30	-	-
Yeap Beow Chong	Permanent Resident of Malaysia	Managing Director	23,295,398	23.30	120,000 [#]	0.12
Saffie Bin Bakar	Malaysian	Non-Independent Non-Executive Director	21,245,400	21.26	-	-
Lim Tiam Eng	Malaysian	Director and Operations Manager of Evatech	120,000 [^]	0.12	23,295,398 [*]	23.30

Notes:-

Deemed interested by virtue of the shares to be held by his wife, Lim Tiam Eng, based on the assumption she subscribes in full for her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

* Deemed interested by virtue of the shares held by her husband, Yeap Beow Chong.

[^] Based on the assumption she subscribes in full for her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

1.0 INFORMATION SUMMARY (Cont'd)**1.2.3 Directors**

Name	Nationality	Designation	After the Public Issue			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Kan Ah Chun	Malaysian	Executive Chairman	23,295,398	23.30	-	-
Yeap Beow Chong	Permanent Resident of Malaysia	Managing Director	23,295,398	23.30	120,000 [#]	0.12
Yeoh Yeow Cheang	Malaysian	Executive Director	160,000 [^]	0.16	-	-
Saffie Bin Bakar	Malaysian	Non-Independent Non-Executive Director	21,245,400	21.26	-	-
Ooi Siew Kim	Malaysian	Independent Non-Executive Director	80,000 [^]	0.08	-	-
Loh Chye Teik	Malaysian	Independent Non-Executive Director	80,000 [^]	0.08	-	-

Notes:-

Deemed interested by virtue of the shares to be held by his wife, Lim Tiam Eng based on the assumption she subscribes in full for her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

^ Based on the assumption they subscribe in full for their allocations under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

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1.0 INFORMATION SUMMARY (Cont'd)

1.2.4 Key Management

Name	Nationality	Designation	After the Public Issue			
			Direct*		Indirect	
			No. of Shares	%	No. of Shares	%
Lim Tiam Eng	Malaysian	Director and Operations Manager of Evatech	120,000	0.12	23,295,398 [#]	23.30
Len Lip Fong @ Land Lip Fong	Malaysian	Executive Director of LKH	90,000	0.09	-	-
Yeoh Teong Sun	Malaysian	General Manager of Lensan	90,000	0.09	-	-
Yong Lye Fatt	Malaysian	General Manager of GA Blue	90,000	0.09	-	-
Chew Loo Cheng	Malaysian	Finance/ Administrative Manager of GBC	70,000	0.07	-	-
Phoong Swee Fatt	Malaysian	Production Manager of Uni Jeans	70,000	0.07	-	-
Thean Chow Ping	Malaysian	Production Manager of Evatech	70,000	0.07	-	-
Koe Chee Seng	Malaysian	Sales Manager of GBC	70,000	0.07	-	-
Pang Teng Kuan	Malaysian	Sales Manager of Twin Access	50,000	0.05	-	-
Foong Swee Meng	Malaysian	Sales Manager of GBC	50,000	0.05	-	-
Yoong Kim Kee @ Jeffrey	Malaysian	Sales Manager of GBC	50,000	0.05	-	-
Lee Yoong Yaw	Malaysian	Sales Manager of Lensan	50,000	0.05	-	-
Lee Eng Thye	Malaysian	Sales Manager of Lensan	50,000	0.05	-	-
Lim Teik Peng	Malaysian	Sales Manager of All Denim	50,000	0.05	-	-
Wong Siew Chuan	Malaysian	Merchandising Manager of Twin Access	50,000	0.05	-	-

Notes:-

* Based on the assumption they subscribe in full for their allocations under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

Deemed interested by virtue of the shares held by her husband, Yeap Beow Chong.

The key management has no direct/indirect shareholdings in GA Blue prior to the Public Issue, except for Lim Tiam Eng, wife of Yeap Beow Chong.

Detailed information on the promoters, substantial shareholders, Directors, as well as the key management is set out in Section 5.0 of this Prospectus.

1.0 INFORMATION SUMMARY (Cont'd)**1.3 Proforma Consolidated Income Statements**

The following table is a summary of the proforma consolidated income statements of the GA Blue Group for the last five (5) financial years ended 31 July 2003 and is prepared based on the assumption that the current structure of the Group has been in existence since 1 August 1998. The proforma consolidated income statements are prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section 9.0 of this Prospectus.

Financial Year Ended 31 July	Proforma Group				
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	23,285	34,545	33,779	39,467	43,306
EBITDA	6,251	10,610	10,545	11,819	11,564
Interest expense	(701)	(559)	(238)	(347)	(416)
Depreciation	(407)	(456)	(538)	(1,148)	(1,199)
Amortisation	-	-	-	-	-
Exceptional items	-	-	-	-	-
Share of profits and losses of associated corporations and joint ventures	-	-	-	-	-
PBT (A)	5,143	9,595	9,769	10,324	9,949
Taxation (i)	(72)	(1,709)	(2,704)	(2,526)	(2,308)
Profit from ordinary activities	5,071	7,886	7,065	7,798	7,641
Extraordinary items	-	-	-	-	-
Minority interest	-	-	-	1	(6)
Pre-Acquisition Loss	-	-	17	-	-
Net profit (B)	5,071	7,886	7,082	7,799	7,635
No. of shares in issue ('000) (C)	82,000	82,000	82,000	82,000	82,000
Gross EPS (sen) (A)/(C)	6.27	11.70	11.91	12.59	12.13
Net EPS (sen) (ii) (B)/(C)	6.18	9.62	8.64	9.51	9.31

Notes:-

- (i) The issued and paid-up share capital of 82,000,000 ordinary shares of RM0.50 each is adopted on the issued and paid-up share capital of GA Blue after the GBC Acquisition and the Share Split but prior to the Public Issue.
- (ii) The Net EPS is calculated based on the proforma net profit divided by the issued and paid-up share capital of 82,000,000 ordinary shares of RM0.50 each.

Details of the proforma consolidated income statements are set out in Section 8.1 of this Prospectus.

1.0 INFORMATION SUMMARY (Cont'd)**1.4 Proforma Consolidated Balance Sheets**

The proforma consolidated balance sheets of the GA Blue Group as at 31 July 2003 as set out below have been prepared for illustrative purposes only to show the effects of the transactions described below based on the assumption that the respective transactions have been completed on 31 July 2003 and should be read with the notes and assumptions to the proforma consolidated balance sheets set out in Section 8.9 herein:-

	(A)	(B)	
	Audited GA Blue as at 31.07.2003 RM'000	Proforma Group After GBC Acquisition and Share Split RM'000	Proforma Group After (A), Public Issue and Utilisation of Proceeds RM'000
PROPERTY, PLANT AND EQUIPMENT	-	14,790	14,790
DEFERRED TAXATION ASSET	-	12	12
CURRENT ASSETS			
Inventories	-	14,327	14,327
Trade debtors	-	23,289	23,289
Other debtors, deposits and prepayments	-	2,608	2,608
Tax recoverable	-	480	480
Fixed deposit with licensed banks	-	5	5
Cash and bank balances	*	1,573	10,376
	*	42,282	51,085
CURRENT LIABILITIES			
Trade creditors	-	679	679
Other creditors and accruals	8	796	796
Amount due to a shareholder	-	197	197
Dividends payable #	-	3,080	3,080
Bank borrowings	-	2,689	811
Provision for taxation	-	279	279
	8	7,720	5,842
NET CURRENT (LIABILITIES)/ASSETS	(8)	34,562	45,243
	<u>(8)</u>	<u>49,364</u>	<u>60,045</u>
FINANCED BY :			
SHARE CAPITAL	**	41,000	50,000
SHARE PREMIUM	-	1,307	4,507 +
RESERVE ON CONSOLIDATION	-	4,049	4,049
ACCUMULATED LOSSES	(8)	(8)	(8)
SHAREHOLDERS' FUNDS	(8)	46,348	58,548
MINORITY INTEREST	-	229	229
DEFERRED TAXATION	-	1,106	1,106
LONG TERM LIABILITIES	-	1,681	162
	<u>(8)</u>	<u>49,364</u>	<u>60,045</u>
(NTL)/NTA per share (RM)	(4,000)	0.57	0.59

Notes:-

* Represents RM2.

** Represents RM2 comprising 2 ordinary shares of RM1.00 each.

+ After deducting estimated Listing expenses of RM1,300,000.

The dividend for the financial year ended 31 July 2003 has been paid, prior to the completion of Acquisitions, on 5 November 2003 and 15 November 2003 respectively.

1.0 INFORMATION SUMMARY (Cont'd)**1.5 Audit Qualifications**

The financial statements of the GA Blue Group were not subject to any audit qualifications for the past five (5) financial years ended 31 July 2003.

1.6 Summary of Material Risk Factors

Applicants for the Public Issue should carefully consider the following risk factors summarised from Section 3.0 of this Prospectus (which may not be exhaustive), in addition to all other information contained in this Prospectus, before applying to subscribe for the Public Issue Shares. The order in which the risk factors are presented should not be construed as a ranking of the risk factors.

- (i) No prior market for GA Blue shares;
- (ii) Control by substantial shareholders;
- (iii) Business risks;
- (iv) Competition;
- (v) Shortage of skilled labour;
- (vi) Foreign exchange risks;
- (vii) Dependency on key personnel;
- (viii) Political, economic and regulatory considerations;
- (ix) Dependence on particular geographical locations;
- (x) License agreement;
- (xi) Implication of the ASEAN Free Trade Area ("AFTA");
- (xii) Infringement of trade marks and counterfeit products;
- (xiii) Insurance coverage;
- (xiv) Risk of business disruptions;
- (xv) Stock management;
- (xvi) Recoverability of debts;
- (xvii) Profit forecast;
- (xviii) Forward looking statements; and
- (xix) Delay in or abortion of the Listing.

Please refer to Section 3.0 of this Prospectus for details on "Risk Factors".

1.7 Principal Statistics Relating to the Public Issue**1.7.1 Share Capital**

	RM
<i>Authorised:-</i>	
200,000,000 shares	100,000,000
<i>Issued and fully paid-up:-</i>	
82,000,000 shares	41,000,000
<i>To be issued pursuant to the Public Issue:-</i>	
Public Issue of 18,000,000 new shares	9,000,000
<i>Enlarged Issued and Paid-up Share Capital</i>	50,000,000

1.7.2 Public Issue Price Per Share **RM0.75**

The factors taken into consideration in determining the price of the Public Issue Shares are set out in Section 2.7 of this Prospectus.

1.0 INFORMATION SUMMARY (Cont'd)**1.7.3 Proforma Consolidated NTA as at 31 July 2003**

Proforma consolidated NTA RM58,548,376
(after deducting estimated Listing expenses of RM1,300,000)

Proforma consolidated NTA per share RM0.59
(based on the enlarged issued and paid-up share capital)

Details of the proforma consolidated NTA are set out in Section 8.9 of this Prospectus.

1.7.4 Consolidated Profit Forecast**Financial Year Ending 31 July 2004**

	RM'000
Revenue	47,447
PBT	12,291
Taxation	(3,074)
PAT	9,217
Additional Provision ⁽ⁱ⁾	(641)
Minority interest	(45)
PAT after Additional Provision and minority interest	8,531
Pre-acquisition profit	(5,077)
PAT after Additional Provision, minority interest and pre-acquisition profit	3,454
Weighted average number of shares in issue ('000)	63,667 ⁽ⁱⁱ⁾
Enlarged number of shares in issue ('000)	100,000
Net EPS (sen)	5.43 ⁽ⁱⁱⁱ⁾
Fully diluted net EPS (sen)	8.53 ^(iv)
Net PE Multiple *	13.81
Fully diluted net PE Multiple *	8.79

Notes:-

* Based on the Public Issue price of RM0.75 per share.

(i) The SC in its letter dated 14 August 2003 as set out in Section 7.1 of this Prospectus, has stipulated that disclosure be made on the effect on the profit forecast of the Group, should full provision be made for all trade debts which are problematic/disputed or against which legal actions have been taken or which have exceeded nine (9) months. All provision for trade debts which are problematic/disputed or against which legal actions have been taken have already been accounted for before arriving at the PBT of RM12.291 million. The Additional Provision as set out above represents debts which have been outstanding for more than (9) nine months as at 31 July 2003 after deducting all collections received up to 19 January 2004. However, this Additional Provision is not in line with the Group's existing policy of provision for doubtful debts. The Group's existing policy is to provide for debts which are problematic or under dispute, cases where legal action have been taken and debts which are not collectible in the opinion of the directors and management of GA Blue.

1.0 INFORMATION SUMMARY (Cont'd)

- (ii) *The weighted average number of shares in issue is computed after taking into consideration the GBC Acquisition which was completed on 30 November 2003 and assuming the Public Issue is completed by end January 2004.*
- (iii) *Computed based on the PAT after Additional Provision, minority interest and pre-acquisition profit of RM3.454 million divided by the weighted average number of shares in issue.*
- (iv) *Computed based on the PAT after Additional Provision and minority interest of RM8.531 million divided by the enlarged number of shares in issue.*

Further notes and assumptions on the consolidated profit forecast are set out in Section 8.5 of this Prospectus.

1.7.5 Dividend Forecast**Financial Year Ending 31 July 2004**

Gross dividend per share	(sen)	2.50
Net dividend per share	(sen)	1.80
Gross dividend yield (based on the Public Issue price of RM0.75 per share)	(%)	3.33
Net dividend yield (based on the Public Issue price of RM0.75 per share)	(%)	2.40
Net dividend cover (based on the PAT after Additional Provision and minority interest of RM8.531 million)	(times)	4.74

1.8 Class of Shares

There is only one class of shares in the Company, namely, ordinary shares of RM0.50 each. The Public Issue Shares rank pari passu in all respects with the existing issued and fully paid-up ordinary shares of the Company, including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of issue and allotment of the Public Issue Shares.

1.9 Utilisation of Proceeds

The total gross proceeds of RM13,500,000 from the Public Issue will be utilised in the following manner:-

	RM'000
Repayment of bank borrowings	5,529
Working capital	6,671
Estimated Listing expenses	1,300

	<u>13,500</u>

Details of the utilisation of proceeds are set out in Section 2.8 of this Prospectus.

1.0 INFORMATION SUMMARY (Cont'd)**1.10 Licence Agreements**

The summary of licence agreements which have been entered by the Group as at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus) is as follows:-

Brand/ Trademark	Licensor	Licensee	Nature of Licence/ Type of Products	Duration
"Lois"	Lois Trade Mark Co Ltd, Valencia, Spain	Twin Access	Trade Mark Licence and Technical Assistance Agreement dated 1 January 2000 (Licensed to manufacture, operate as exclusive distributor in Malaysia, the products under the "Lois" trademark)/ All types of men, women and children outwear garments, including jeans, jackets, trousers and shirts	Fixed term duration of the licence agreement ends on 31 December 2003. Subsequently the licence agreement shall be automatically renewable, for a period of every two renewal terms of 2 years subject to either party giving a 4-month notice prior to the expiry of the agreement
"Mustang"	Mustang Bekleidungswerke GmbH + Co, Kunzelsau, Germany	Topchamp	Licence Contract Agreement dated 28 July 2000 (Licensed to manufacture, sell and advertise apparel under the "Mustang" label in Malaysia, Singapore and Brunei)/ Apparel to include men and women's jeans and sportswear, denim shirts and blouses, T-shirts, sweat shirts and pullovers	Fixed term duration of the licence agreement ends on 31 December 2005. Subsequently, the agreement shall run for an indefinite time and can be terminated with 6 months' notice

Details of the licence agreements are set out in Section 4.4.4 of this Prospectus.

1.11 Working Capital, Borrowings, Material Litigation, Material Contingent Liabilities and Material Capital Commitments**(i) Working Capital**

The Directors of GA Blue are of the opinion that, after taking into consideration the cashflow including the proceeds from the Public Issue and the bank facilities available, the Group will have adequate working capital for a period of twelve (12) months from the date of issue of this Prospectus.

(ii) Borrowings

As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), the Group has total bank borrowings amounting to RM6.74 million. These borrowings are interest-bearing and consist of the following:-

	Payable within twelve (12) months RM'000	Payable after twelve (12) months RM'000	Total Outstanding RM'000
Bankers Acceptances	4,515	-	4,515
Overdraft	337	-	337
Term loans	347	1,389	1,736
Hire purchase creditors	70	86	156
Total	5,269	1,475	6,744

1.0 INFORMATION SUMMARY (Cont'd)**(iii) Material Litigation**

As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), neither GA Blue nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of the GA Blue Group are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the GA Blue Group.

(iv) Material Contingent Liabilities

As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), neither GA Blue nor any of its subsidiary companies have any material contingent liabilities other than those incurred in the ordinary course of business.

(v) Material Capital Commitments

Save as disclosed below, as at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), there are no material commitments incurred or known to be incurred by the Group which may have a substantial impact on the result or the financial position of the Group.

RM'000

Approved but not contracted for

-

Contracted but not provided for

- Balance outstanding of purchase price for a semi-detached double-storey light industrial building in Selangor

1,300