



GROUP SENSE (INTERNATIONAL) LIMITED

權智(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and investors that it is expected that the annual results of the Group for the year ended 31st March 2008 may significantly lower than that for the year ended 31st March 2007, or may even record a loss for the full year.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of Group Sense (International) Limited (the “**Company**”) dated 12th November 2007 (the “**Announcement**”) and the interim report of the Company for the six months ended 30th September 2007. The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and investors that it is expected that the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31st March 2008 may significantly lower than that for the year ended 31st March 2007, or may even record a loss for the full year.

As stated in the Announcement, the decline in the turnover and profit was mainly attributable to a number of contributing factors, including the investment in our new office in Japan which incurred additional expenses for the Company, the continuing competitive market environment for electronic consumer products industry which in turn cut into the profit margin of the existing products of the Group for the period, the forgiveness of the low value-added and low profit margin products, the unexpected postponement in the launching of new products, the increase of labour costs in the Mainland and the appreciation of Renminbi against Hong Kong dollars which has adverse impact on the Group’s operation costs in the Mainland.

In view of the decline, the Company’s management has already taken steps to control the production costs, closely monitor the product development schedule and expand the customer base for high profit margin products.

This profit warning announcement is only based on the preliminary assessment by the Company’s management according to the management accounts of the Group which has not been audited or reviewed by the Company’s auditors. Investors are advised to read carefully the annual results announcement for the year ended 31st March 2008 of the Group which is expected to be announced in July 2008.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Group Sense (International) Limited
Dr. Tam Wai Ho, Samson JP
Chairman

Hong Kong, 29th May, 2008

** For identification purpose only*

As at the date of this announcement, the Board comprises Dr. Tam Wai Ho, Samson JP, Mr. Tam Wai Tong, Thomas, Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani, Mr. Lee Koon Hung, Dr. Fok Ting Yeung, James, and Ms. Luk Chui Yung as executive directors; Mr. Lo Chi Chung, William as non-executive director; Mr. Yung Wing Ki, Samuel MH, JP, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason as independent non-executive directors.

Website: <http://www.gsl.com.hk>