



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 unaudited interim results of the Group for the six months ended 30th September, 2008 may record a loss.

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

This announcement is made by Group Sense (International) Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30th September, 2008 may record a loss which was mainly due to the decline in turnover and profit.

The main contributing factors to the decline in turnover and profit including (i) the keen competition in the electronic consumer products market which in turn cut into the profit margin of the existing products of the Group for the period; (ii) the increase of labour costs in the Mainland and the appreciation of Renminbi against Hong Kong dollars which has resulted in an increase in the Group’s operation costs in the Mainland; (iii) the depreciation of other Asian currencies which affect the sales revenue; and (iv) the slow growth in the global economy.

In view of the decline, the Company’s management continues to take 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. Investors are advised to read carefully the interim results announcement for the six months ended 30th September, 2008 of the Group which is expected to be announced in December 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, 31st October, 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, Judith 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>