GROUP SENSE (INTERNATIONAL) LIMITED
權智(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

RESULTS

The board of directors (the "Board") of Group Sense (International) Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2009, together with the comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	2009 HK$'000	2008 HK$'000
REVENUE	2	**746,418**	940,732
Cost of sales		**(580,993)**	(763,231)
Gross profit		**165,425**	177,501
Other income and gains		**19,317**	35,913
Selling and distribution costs		**(59,215)**	(50,256)
Administrative expenses		**(101,604)**	(92,504)
Research and development expenses		**(84,669)**	(82,624)
Other expenses		**(1,970)**	(3,109)
Finance costs	3	**(8)**	(54)
Share of losses of :			
Jointly-controlled entities		**(1,744)**	(1,094)
Associates		**-**	(352)
LOSS BEFORE TAX	4	**(64,468)**	(16,579)
Tax	5	**(279)**	1,684
LOSS FOR THE YEAR		**(64,747)**	(14,895)
Attributable to:			
Equity holders of the Company		**(64,673)**	(15,250)
Minority interests		**(74)**	355
		(64,747)	(14,895)

* *For identification purpose only*

	Notes	**2009**	2008
		HK$'000	*HK$'000*
DIVIDEND	6		
Interim		-	-
Proposed final		-	-
		-	-
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**(HK5.4 cents)**	(HK1.3cents)
Diluted		**(HK5.4 cents)**	(HK1.3cents)

CONSOLIDATED BALANCE SHEET

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**89,993**	102,799
Prepaid lease payments		**17,596**	17,644
Deferred development costs		**5,196**	5,859
Interests in jointly-controlled entities		**9,607**	11,001
Interests in associates		**-**	-
Available-for-sale investments		**26,094**	26,094
Amount due from a joint-venture partner		**1,680**	1,587
Long term deposits		**2,108**	2,186
Total non-current assets		**152,274**	167,170
CURRENT ASSETS			
Inventories		**96,743**	115,833
Trade receivables	8	**114,523**	145,485
Prepayments, deposits and other receivables		**50,940**	44,451
Amounts due from associates		**3,738**	3,402
Investments at fair value through profit or loss		**40,890**	41,532
Derivative financial instruments		**596**	5,717
Cash and cash equivalents		**227,296**	252,165
Total current assets		**534,726**	608,585
CURRENT LIABILITIES			
Trade and bills payables	9	**78,256**	106,517
Other payables and accruals		**39,440**	52,537
Amount due to a jointly-controlled entity		**96**	-
Tax payable		**24,799**	24,859
Derivative financial instruments		**395**	3,775
Interest-bearing bank borrowing		**15,428**	2,594
Total current liabilities		**158,414**	190,282
NET CURRENT ASSETS		**376,312**	418,303
Net assets		**528,586**	585,473

	2009 *HK$'000*	2008 *HK$'000*
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**119,766**	119,766
Reserves	**404,692**	463,851
	524,458	583,617
Minority interests	**4,128**	1,856
Total equity	**528,586**	585,473

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures - Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2 - Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new interpretations and amendments has had no significant financial effect on these financial statements, there have been no significant changes to the accounting policies applied in these financial statements.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [1]
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKFRS 8	Operating Segments [1]
HKFRS 7 Amendment	Improving Disclosures about Financial Instruments [1]
HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statement - Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items [2]
HK(IFRIC)-Int 13	Customer Loyalty Programmes [3]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate [1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation [4]

HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners [2]
HK(IFRIC)-Int 18	Transfer of Assets from Customers [2]
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments : Recognition and Measurement – Embedded Derivatives [5]

Apart from the above, the HKICPA has also issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 Jun 2009
* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

2. SEGMENT INFORMATION

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

Year ended 31 March 2009	**Electronic handheld products** *HK$'000*	**Original design manufacturing ("ODM") products** *HK$'000*	**Corporate and others** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:				
Sales to external customers	**453,785**	**292,633**	**-**	**746,418**
Segment results	**(41,208)**	**(27,838)**	**4,484**	**(64,562)**
Interest income and unallocated gains				**2,816**
Unallocated expenses				**(970)**
Finance costs				**(8)**
Share of losses of jointly-controlled entities				**(1,744)**
Loss before tax				**(64,468)**
Tax				**(279)**
Loss for the year				**(64,747)**

Year ended 31 March 2009	Electronic handheld products *HK$'000*	ODM products *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Assets and liabilities				
Segment assets	**215,547**	**159,486**	**67,580**	**442,613**
Interests in jointly-controlled entities	**9,607**	**-**	**-**	**9,607**
Unallocated assets				**234,780**
Total assets				**687,000**
Segment liabilities	**78,232**	**39,034**	**395**	**117,661**
Unallocated liabilities				**40,753**
Total liabilities				**158,414**
Other segment information:				
Depreciation and amortisation	**22,562**	**8,453**	**-**	**31,015**
Unallocated depreciation				**3,835**
				34,850
Capital expenditure	**16,547**	**4,585**	**-**	**21,132**
Unallocated capital expenditure				**735**
				21,867
Gain on disposal of items of property, plant and equipment, net	**(203)**	**(163)**	**-**	**(366)**
Provision for inventories	**6,932**	**1,200**	**-**	**8,132**
Provision for product warranty	**800**	**-**	**-**	**800**
Impairment of items of property, plant and equipment	**1,362**	**-**	**-**	**1,362**
Impairment of trade receivables, net	**805**	**-**	**-**	**805**

Year ended 31 March 2008	Electronic handheld products HK$'000	ODM products HK$'000	Corporate and others HK$'000	Consolidated HK$'000
Segment revenue:				
Sales to external customers	601,337	339,395	-	940,732
Segment results	(3,982)	(25,547)	6,329	(23,200)
Interest income and unallocated gains				11,230
Unallocated expenses				(3,109)
Finance costs				(54)
Share of losses of jointly-controlled entities				(1,094)
Share of losses of associates				(352)
Loss before tax				(16,579)
Tax				1,684
Loss for the year				(14,895)
Assets and liabilities				
Segment assets	281,367	148,324	73,343	503,034
Interests in jointly-controlled entities	11,001	-	-	11,001
Unallocated assets				261,720
Total assets				775,755
Segment liabilities	106,211	52,329	3,775	162,315
Unallocated liabilities				27,967
Total liabilities				190,282
Other segment information:				
Depreciation and amortisation	25,172	8,585	-	33,757
Unallocated depreciation				2,969
				36,726
Capital expenditure	16,698	5,852	8,344	30,894
Unallocated capital expenditure				5,297
				36,191

Year ended 31 March 2008	Electronic handheld products *HK$'000*	ODM products *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Loss on disposal of items of property, plant and equipment, net	58	29	-	87
Provision for inventories	11,050	1,000	-	12,050
Provision for product warranty	500	-	-	500
Impairment of trade receivables, net	4,697	-	-	4,697
Gain on dilution of an interest in an associate	3,073	-	-	3,073

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

	Hong Kong ***HK$'000***	**Mainland China** ***HK$'000***	**Other Asian markets** ***HK$'000***	**North America** ***HK$'000***	**Europe** ***HK$'000***	**Middle East** ***HK$'000***	**Consolidated** ***HK$'000***
Year ended 31 March 2009							
Segment revenue:							
Sales to external customers	**108,106**	**26,621**	**544,914**	**32,184**	**2,074**	**32,519**	**746,418**
Other segment information:							
Segment assets	**369,780**	**269,708**	**47,512**	**-**	**-**	**-**	**687,000**
Capital expenditure	**1,592**	**20,054**	**221**	**-**	**-**	**-**	**21,867**
Year ended 31 March 2008							
Segment revenue:							
Sales to external customers	122,330	31,326	688,428	57,354	14,460	26,834	940,732
Other segment information:							
Segment assets	449,877	294,462	31,416	-	-	-	775,755
Capital expenditure	5,932	30,084	175	-	-	-	36,191

3. FINANCE COSTS

	2009 ***HK$'000***	2008 *HK$'000*
Interest on interest-bearing bank borrowing wholly repayable within five years	**8**	54

4. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2009	2008
	HK$'000	*HK$'000*
Cost of inventories sold	**572,861**	751,181
Depreciation	**30,107**	31,264
Recognition of prepaid lease payments	**454**	416
Deferred development cost amortised	**4,289**	5,046
Auditors' remuneration	**1,500**	1,680
Impairment of amounts due from associates	**1,970**	159
Impairment of trade receivables, net	**805**	4,697
Impairment of items of property, plant and equipment	**1,362**	-
Provision for inventories	**8,132**	12,050
Product warranty provision	**800**	500
(Gain)/ loss on disposal of items of property, plant and equipment (other than a leasehold property), net	**(366)**	87

5. TAX

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2008: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the respective countries/ jurisdictions in which the Group operates, based on current legislation, interpretations and practices in respect thereof.

	2009	2008
	HK$'000	*HK$'000*
Group:		
Current - Elsewhere	**279**	324
Deferred	**-**	(2,008)
Total tax charge/(credit) for the year	**279**	(1,684)

6. DIVIDEND

The Board does not recommend the payment of any dividend (2008: Nil) for the year ended 31 March 2009.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share
The calculation of basic loss per share amount is based on the loss for the year attributable to equity holders of the Company of HK$64,673,000 (2008: HK$15,250,000) and the weighted average of 1,197,663,029 (2008:1,197,650,871) shares in issue during the year.

(b) Diluted loss per share
Diluted loss per share amounts for the years ended 31 March 2009 and 31 March 2008 have not been presented as the share options had an anti-dilutive effect on the basic loss per share for these years.

8. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally 60 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are interest-free. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aged analysis of the trade receivables as at the balance sheet date, based on the payment due dates and net of provisions, is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 - 60 days	**106,820**	130,950
61 - 90 days	**108**	5,722
Over 90 days	**7,595**	8,813
	114,523	145,485

9. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on the payment due dates is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 - 60 days	**73,351**	103,009
61 - 90 days	**1,717**	1,606
Over 90 days	**3,188**	1,902
	78,256	106,517

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend (2008: Nil) to shareholders for the year ended 31st March, 2009.

CLOSURE OF REGISTER OF MEMBERS

The Board of the Company hereby announces that the register of members of the Company will be closed from Tuesday, 1st September, 2009 to Friday, 4th September, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attendance of the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 31st August, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Electronic Dictionary

The SBU (strategic business unit) has experienced a decline in sales turnover and gross profit in the financial year of 2008-2009 as compared with the last financial year.

Due to the continual downturn of global economy, the overall consumer electronic market has significantly slowed down. Most customers have adopted drastic measures to minimize the exposure of business loss, either by applying very conservative sales strategies in promoting our products, or sharply lowering the safety inventory level in both sales channels and their warehouses. The depreciation of most Asian currencies, especially the Korean WON, also discouraged our Asian customers from importing our products. As a result, the SBU's overall business has been inevitably affected.

Furthermore, there has been continual upward pressure on the materials and labor costs. As a result, the gross profit of the SBU inevitably dropped.

The business growth in Vietnam in the financial year of 2008-2009 has slightly slowed down but the SBU still could record a positive growth in spite of worldwide market downturn. However, the continuous depreciation of Vietnam Dong to American Dollar will be a threat to the upward pace of business growth.

Original Design Manufacturing

The SBU continued experiencing a decline in sales revenue, and sustained a loss in the financial year 2008-2009.

The order for the new products that were launched in the first half of the financial year 2008-2009 deviated from the original business plan. In the second half of the financial year, the business strategy of the SBU was adjusted to suit the ongoing worldwide economic turmoil and recession. Due to the concern of uncertainty of the consumer market, the SBU have adopted prudent approach in developing new products. On the other hand, focus was given to the existing product categories and customers, as well as exploring new original design manufacturing (ODM) business opportunities.

In the second half of the financial year 2008-2009, in addition to the successful launch of the wireless TTO (tabletop ordering) device with touch panel that are introduced to the chain restaurants in Japan, another new product, namely "electronic memo" has made a good success. "Electronic memo" is a simple typing device with a high-resolution 4 inch display, a full size keyboard with a unique foldable mechanism, developed for one of the well known stationery suppliers in Japan. This product was widely accepted in Japanese consumer market, and contributed to the sales of the SBU in the second half of the financial year.

Nevertheless, these thriving results have not been enough to offset the decrease in sales revenue of the conventional electronic dictionaries in Japan. The continual downturn of global economy led to the delay in obtaining repeated order of the wireless ePOP (electronic point-of-purchase) display device and in the launching of other new consumer products launched in Japan during the year.

Personal Communication Products

During the past one year, the economic recession led to the reduction of unnecessary consumption and corporate expenditure. The SBU has reshuffled its business line from developing ordinary consumer products to products for vertical markets and ODM business during the financial year 2008-2009. However, corporations and ODM customers have adopted conservative approach in purchasing new equipments and developing new products respectively. These affect the SBU's results in the financial year 2008-2009. The SBU has completed the product development and shipment of certain new products in the second half of the financial year. The sales revenue of the SBU is slightly increased as compared with the first half of the financial year.

In view of establishing long-term clientele and developing products with stable orders for bringing stable sales revenue to the SBU, the SBU focused to develop ODM business in the financial year 2008-2009. The SBU has commenced the product development of certain projects and some of those have been shipped to the customers in the third and fourth quarters of this financial year.

POS PDA business is one of the major focuses in the financial year 2008-2009. New product development has been commenced in the first half of this financial year. Emphasis is put in increasing the products reliability, software stability and products extendability. New products could be applicable in various industries, like retail, logistics, warehouse management, etc. New series of POS PDA product development has been completed in the third quarter of this financial year and POS PDA products have been shipped in the fourth quarter of this financial year.

Outlook

Electronic Dictionary

Difficult situation will continue in the first half of the financial year of 2009-2010. It is expected that the situation will be improved slightly in the second half of the financial year of 2009-2010.

To minimize the adverse effect on gross profit, the SBU will strive to maintain a reasonable gross profit through enhancing ceaselessly its operating efficiency, containing the product development and materials costs.

In view of many uncertainties and the unstable economic environments, the SBU will continue to monitor the markets closely and adopt appropriate product and market strategies. The SBU will allocate more resources on developing low to medium end products that are demanded by most customers during the weak economical seasons.

At the same time, the SBU will work hard in expanding its customer base in different markets. The SBU will continue the development of innovative products that are equipped with unique features and carry higher gross profit margins.

The SBU will explore more business opportunities by increasing a new product line in the financial year 2009-2010. It is expected that the new product line will start bringing sales revenues and contributing profit to the SBU in the beginning of the next financial year.

Original Design Manufacturing

The SBU believes that, with the continuous advertising and promotion effort of customers, repeat orders of the existing products may exceed the original plan. The new ODM projects from Japanese customers that were confirmed and commenced in the last quarter of the financial year 2008-2009 would also contribute considerable revenue in the coming two years. The business of the SBU would start to be improved from the financial year 2009-2010. By working together with customers to develop unique product with leading-edge technology, these new ODM products are expected to create new market opportunities in Japan as well as other countries.

In addition, due to the continual marketing and product development efforts in the past two years, it is expected that new categories of eBook reader will bring new business opportunity to the SBU. In various market survey reports, eBook reader markets were projected to have substantial growth in the coming few years. While our existing business partners in the People's Republic of China and United States of America continue to enhance their market development, the SBU is under discussion with several new customers who are setting up their contents business of which they are considering to use our eBook reader products to carry their contents.

Personal Communication Products

The SBU will focus in developing POS PDA business in the coming year. The SBU will strive to increase the product competitiveness by continuing its efforts to enhance the product quality and features as well as containing the materials and production costs in product development. Besides, the SBU will provide supporting services to customers, for example, providing tailor-made product and software design, technical support and after-sales services. On the other hand, in the financial year 2009-2010, the SBU is targeted to search for different collaborative partners of different markets and provide related services to customers of different industries and different countries. It is hoped that the establishment of a better distribution network will assist the promotion and marketing of the products.

Expansion of ODM business is another focus of the SBU in the financial year 2009-2010. The SBU has commenced few ODM projects in the financial year 2008-2009. Some products have been shipped to customers in the financial year 2008-2009 and some products will be shipped in the financial year 2009-2010. The SBU will continue its efforts to improve the product quality and service quality and maintain competitive price. In turn, there will be an increase in customer orders and product development projects. The SBU will also strive to search for new customers so as to expand the ODM business.

The SBU believes that development of POS PDA business and stable ODM business is the long-term development strategy. However, the economic environment is still uncertain. The SBU will continue to strive adopt conservative approach. It is hoped that by stringently containing the expenses and leveraging on the existing clientele and product bases, the SBU could achieve better results in economic turnround times.

Liquidity and Financial Resources

On 31st March, 2009, the cash and cash equivalents were approximately HK$227 million in total, which was approximately HK$25 million or 10% lower than those of twelve months ago. Total bank borrowings were approximately HK$15 million (2008: approximately HK$3 million). All the bank borrowings are denominated in Japanese Yen with fixed interest rate and short term in nature.

As at 31st March, 2009, the gearing ratio, defined as total bank borrowings divided by shareholders' equities was approximately 3%. The interest expense have been kept at below HK$0.1 million.

Contingent Liabilities

As at 31st March, 2009, the contingent liabilities of the Group were approximately HK$5 million (2008: approximately HK$9 million).

Foreign Currencies and Treasury Policy

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, Japanese Yen, United States dollars or Renminbi. The usual treasury policy of the Group is to manage significant currency exposure and minimize currency risk whenever it may have material impact to the Group. During the twelve months period, the Group manages its foreign exchange exposure caused by the appreciation of Reminbi by entering into hedging forward contracts. The Group does not engage in any interest rate or currencies speculations.

Employees

As at 31st March, 2009, the Group has on its payroll 262 (2008: 269) employees in Hong Kong, 2,437 (2008: 2,573) employees in the Mainland China and 11 (2008: 9) employees in Japan, representing a decrease of about 3%, a decrease of about 5% and an increase of about 22% respectively as compared with prior year. In addition to salary remuneration and usual fringe benefits such as annual leave, medical insurance and provident fund, the Group also provides Share Incentive Plans for executive directors and senior staff.

Appreciation

On behalf of the Board, I wish to thank all our shareholders, customers, suppliers and bankers for their continual support. I would also like to extend my appreciation to all the staff for their dedicated work and their contribution throughout the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31st March, 2009.

AUDIT COMMITTEE

The Audit Committee comprises independent non-executive directors, Mr. Yung Wing Ki, Samuel MH, JP (Chairman of the Audit Committee), Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason and a non-executive director, Mr. Lo Chi Chung, William. During the financial year ended 31st March, 2009, the Audit Committee has held four meetings with 100% attendance to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the audited annual report for the year ended 31st March, 2009.

The Audit Committee has made positive contribution to enhancing the Company's corporate governance.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31st March, 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the financial year ended 31st March, 2009. In compliance with the recent amendments to the requirements of the Model Code, the Company has amended its code of conduct regarding securities transactions by the directors accordingly.

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

Hong Kong, 9th July, 2009

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