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

(Incorporated in Bermuda with limited liability)
(Stock Code: 601)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

On 19 May 2005, Muto Limited, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, an Independent Third Party, to dispose of the Property for a consideration of HK$107,000,000.

The Disposal constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing details of the Disposal will be sent to shareholders of the Company as soon as possible.

THE AGREEMENT

Date	:	19 May 2005		
Parties	:	Vendor	:	Muto Limited, an investment holding company and an indirect wholly-owned subsidiary of the Company
		Purchaser	:	a company, an Independent Third Party whose ultimate beneficial owners are Independent Third Parties
		Property Agent	:	a company, an Independent Third Party whose ultimate beneficial owners are Independent Third Parties
Property (for commercial use)	:	Address	:	27th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong
		Gross floor area	:	The gross floor area of the Property is approximately 24,869 square feet (approximately 2,310.356 square metres)
		Year of acquisition and consideration	:	The Group acquired the Property in May 1993 and the transaction was completed in August 1993 for a consideration of HK$102,833,000 from an Independent Third Party

Consideration : The consideration of HK$107,000,000 was based on the current market value of comparable properties for commercial use in Wanchai, Hong Kong and was agreed after arm's length negotiations between the Vendor and the Purchaser. Comparable properties are considered to be commercial properties completed in around 1993 and located in Wanchai, Hong Kong of similar grade.

In determining the Consideration, the Directors had considered the property market information provided by various property agents and the purchase price of the Property in 1993.

The consideration has been or shall be (as applicable) payable in cash as follows:

(i) HK$2,000,000 upon the signing of the Agreement;
(ii) HK$8,700,000 upon the signing of the formal agreement for sale and purchase on or before 3 June 2005; and
(iii) the balance of HK$96,300,000 upon completion on or before 28 February 2006.

The expected gain to the Group from the Disposal is approximately HK$17,844,204 (after payment of necessary legal costs and commission to the Property Agent) by reference to the book value of the Property of HK$88,173,296 as disclosed in the Company's latest published accounts for the six months ended 30 September 2004.

Principal terms :

- The Agreement is not subject to any conditions precedent.
- The Vendor and the Purchaser shall enter into a formal agreement for sale and purchase of the Property on or before 3 June 2005.
- Completion of the sale and purchase shall take place on or before 28 February 2006.
- The Vendor agrees to deliver vacant possession of the Property to the Purchaser upon completion.
- The Property will be sold free from encumbrances. It is currently mortgaged to a bank to secure general banking facilities for the Group, amounting to approximately HK$22,919,354 as at 30 April 2005. The Group will seek to release the mortgage on the Property before completion.
- In consideration of the services rendered by the Property Agent, the Property Agent shall receive a commission in the amount of HK$802,500, representing 0.75% of the Consideration, from the Vendor within seven days after completion. The amount of the commission was agreed by the Vendor and the Property Agent after arm's length negotiations and will be funded by the Group's internal sources.

INFORMATION ON THE GROUP

The Company is an investment holding company. The principal activities of its subsidiaries and associates are the design, manufacture and sale of a range of electronic handheld products, primarily electronic dictionaries, smartphones and personal digital assistants and original design manufacturing products.

INFORMATION ON THE PURCHASER

The Purchaser is a company whose principal business is property investment.

CONFIRMATION OF THE DIRECTORS

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiry, the Purchaser and the Property Agent are Independent Third Parties, whose respective ultimate beneficial owners are also Independent Third Parties.

NET PROFIT ATTRIBUTABLE TO THE PROPERTY

The Property has been occupied by the Group for its own use since 1993. As such, the Property has not generated any profits for the Group as a whole.

Upon completion of the Disposal, the Group's fixed assets will decrease by approximately 48% and its current assets will increase by approximately 19% by reference to the book value of the Property and the current assets of the Company as disclosed in the Company's latest published accounts for the six months ended 30 September 2004.

USE OF PROCEEDS AND REASONS FOR THE DISPOSAL

The reasons for the Disposal are that the Group intends to relocate its office, to seek better investment opportunities with higher returns and to increase its working capital. The net proceeds from the Disposal is approximately HK$106,017,500. No part of the net proceeds will be applied for repaying the bank loans of approximately HK$22,919,354. The Company currently intends to apply approximately 50% of the net proceeds for seeking better investment opportunities with higher returns and the balance of the net proceeds will be used as the Group's working capital.

The Board considers the terms of the Disposal are fair and reasonable and the Disposal is made in the best interests of the shareholders of the Company as a whole.

GENERAL

The Disposal constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing details of the Disposal will be sent to shareholders of the Company as soon as possible.

DEFINITIONS

"Agreement"	the provisional agreement for sale and purchase dated 19 May 2005, entered into between Muto Limited as the Vendor, the Purchaser and the Property Agent relating to the Disposal;
"associates"	has the meaning ascribed thereto in the Listing Rules;
"Board"	the board of Directors;
"Company"	Group Sense (International) Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange;
"Consideration"	HK$107,000,000;
"Directors"	the directors of the Company;
"Disposal"	the disposal of the Property pursuant to the Agreement;
"Group"	the Company and its subsidiaries;
"Independent Third Party"	an independent third party not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Property"	27th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

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

Hong Kong SAR, 23 May 2005

* *For identification purpose only*

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

"Please also refer to the published version of this announcement in The Standard"