Group Sense (International) Limited

(Incorporated in Bermuda with limited liability)

CLARIFICATION ANNOUNCEMENT

This announcement is made in response to articles appearing in certain local newspapers today regarding a possible spin-off of GSPDA and a possible repayment of investment amounts to the Investors.

Terms defined in the Company's announcement dated 22 May, 2001 ("Announcement") shall have the same meanings in this announcement unless the context otherwise requires.

We noted that there are articles appearing in certain local newspapers today mentioning the following:

(i) a possible spin-off of GSPDA, a 63% owned subsidiary of the Company upon Completion, on the stock exchange in the United States following the successful launching of the new GSM PDA model by the GSPDA Group; and

(ii) a possible repayment of the investment amounts to the Investors if GSPDA could not obtain a listing status within five years.

We would like to clarify that:

(i) the Company, at present, has no concrete plan and has not filed any application or submission to any stock exchange to obtain a listing status of GSPDA. Furthermore, no sponsor has been appointed for any spin-off of GSPDA. After taking into account the factors including the market conditions and the business of the GSPDA Group, the Company may study the possibility to spin-off GSPDA when it is considered to be appropriate; and

(ii) there is no provision in the Share Purchase Agreement or the Ancillary Agreements or any other agreements, verbal or written, for any repayment of the investment amounts to the Investors if GSPDA could not obtain a listing status within five years.

Apart from the transactions mentioned in the Announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement between the Company and the Stock Exchange, nor are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement which is or may be of a price-sensitive nature.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Group Sense (International) Limited
Tam Wai Tong, Thomas
Managing Director

Hong Kong, 24 May, 2001