Group Sense (International) Limited

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 1999

The Board of Directors (the "Board") of Group Sense (International) Limited (the "Company") have pleasure in submitting the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 1999, together with the comparative figures for the corresponding period in 1998, as follows:-

		Six months ended 30th September,	
		1999	**1998**
	Notes	*HK$'000*	*HK$'000*
Turnover		680,472	538,432
Operating profit			
Continuing operations, excluding interest and exceptional item		45,296	44,731
Net interest expenses		(3,211)	(1,380)
Exceptional item		--	(3,094)
		42,085	40,257
Share of results of associated companies		(856)	(2,026)
Profit from ordinary activities before taxation		41,229	38,231
Taxation	*1*	2,900	2,400
Profit attributable to shareholders		38,329	35,831
Interim dividend of 0.5 cent (1998/99: 0.5 cent) per share		5,062	5,021
Earnings per share	*2*		
Basic		3.8 cents	3.6 cents
Diluted		3.7 cents	3.6 cents

Notes:

(1) Taxation

The charge represents Hong Kong Profits Tax and is calculated at 16% (1998/99: 16%) of the estimated assessable profit for the period.

The Group's subsidiaries and associated companies in the People's Republic of China (the "PRC") are Sino-foreign joint venture enterprises and accordingly they are eligible for certain tax holidays and concessions and were exempted from PRC income taxes during the period.

(2) Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30th September,	
	1999	**1998**
Earnings for the purposes of basic and diluted earnings per share:		
Profit attributable to shareholders	HK$38,328,724	HK$35,831,000
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,010,517,477	1,004,076,439

Effect of dilutive potential ordinary shares:		
Share options	11,639,627	2,123,597
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,022,157,104	1,006,200,036
Basic	3.8 cents	3.6 cents
Diluted	3.7 cents	3.6 cents

BUSINESS REVIEW AND PROSPECTS

The Group recorded an unaudited consolidated turnover and profit attributable to shareholders of HK$680.5 million and HK$38.3 million respectively for the six months ended 30th September, 1999, representing an increase of 26% and 7% respectively.

Whilst the Asian economy saw signs of steady recovery over the past six months, price competition in the markets becoms more intensive. Despite this, the turnover of the Group has recorded a satisfactory growth during the period under review. The management attributed this achievement to the Group's long committed determination and continuous effort on improving product quality and operational efficiency. The winning of the two major Hong Kong Awards for Industry this year: the Productivity Award and the Quality Award, is the compelling evidence which demonstrates the recognition of the industrial community.

The Group will continue to concentrate on the development of PDA (personal digital assistant) and Palm-sized PC in the coming year. The market demand for these kinds of products is very strong as more and more customers are in need of small but powerful hand-held devices to do internet browsing and e-mails. However, it is envisaged that the worldwide electronic components supply situation will become very critical over the next twelve months. The Group will endeavour to capitalize the strong partnership relationship with its overseas suppliers, especially those in Japan and Taiwan, to maintain its competitiveness. On the other hand, the management will invest further resources in the Group's product development capability by strengthening its R&D setups in Hong Kong, Mainland China and Singapore. The management believes that quality products can only be made possible by quality people.

The Board is confident with the Group's prospects and would like to take this opportunity to express its gratitude to all staff for their dedication and hardwork.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK0.5 cent (1998/99: HK0.5 cent) per share to shareholders whose names appear on the Register of Members of the Company on 10th November, 1999. The interim dividend will be paid on or about 17th December, 1999.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 6th December, 1999 to Friday, 10th December, 1999, both days inclusive, for the purpose of establishing entitlements to the interim dividend. During this period no share transfers will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Secretaries Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 3rd December, 1999.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30th September, 1999.

YEAR 2000 ISSUE

The Group has outlined its understanding of the Year 2000 issue and the establishment of the Group's compliance project in the Group's 1998/99 interim report and 1999 Annual Report. The Group has completed all the procedures in relation to the Year 2000 compliance as scheduled. Contingent plans have been developed to deal with possible system interruptions that may arise from Year 2000 problem, and are being regularly reviewed from time to time.

Total costs incurred as at 30th September, 1999, which amount to approximately HK$1,300,000 have been charged to profit and loss account. The Group expects that a further amount of HK$300,000 will be spent for subsequent testing and contingency. There were no significant commitments or contracts entered into by the Directors as at 30th September, 1999 in respect of Year 2000 modification costs.

By Order of the Board

Tam Wai Ho, Samson

Chairman

Hong Kong, 9th November, 1999