

[For Immediate Release]



Prime Success Raises Its Interest in “Shoebox” to 59%

Successfully Taps into the Mass Market Further Strengthens Income Stream

(12 June 2005 – Hong Kong) – An integrated footwear group with huge growth potential in the PRC, **Prime Success International Group Limited** (“Prime Success”/ the “Group”) (stock code: 210) announced that it has recently acquired an additional 9% interest in its own brand “*Shoebox*” business.

The Group acquired the 9% additional interest in “*Shoebox*” at a cash consideration of RMB 4,500,000. Upon the completion of the acquisition, the Group holds a total of 59% interest in “*Shoebox*” and becomes its largest shareholder. The remaining 41% interests are being held by other original shareholders.

To satisfy the demands from different gender and age groups and broaden the customer base to include the mass market, the Group launched the “*Shoebox*” brand in May 2004. Through locating some of the “*Shoebox*” mega stores inside chain hypermarkets with high customer flow like “Carrefour” and “Hymall”, the Group has extended the brand’s market coverage. By the end of 2004, the Group had opened 21 “*Shoebox*” mega stores in cities like Beijing, Shanghai, Wuhan, Yangzhou and Suzhou. The current number of “*Shoebox*” mega stores has increased to over 40.

In the absence of mega stores of similar nature in the market, “*Shoebox*” stands out as one of the few brands managed to provide a comfortable shopping environment, reasonably priced products and high quality services in the sector. The management has confidence in the future development of this business segment.

Mr. Chen Hsien Min, Managing Director of Prime Success said, “Leveraging the management’s extensive experience in the shoe industry and the Group’s broad sales and distribution network in the PRC, market response to “*Shoebox*” has been better than expected. Building on the huge potential in the high quality low-priced footwear market in the PRC, we have full confidence in the prospects of the “*Shoebox*” business and expect a satisfactory return from the acquisition.”

Mr. Chen Ying-Chieh, Chairman of Prime Success concluded, “To maintain our competitiveness in the industry, we will continue to grow our existing businesses as well as establish and strengthen our sales network in the PRC. We will also actively identify partnership opportunities in order to inject new growth momentum to the Group. We believe these moves will generate significant returns to shareholders.”

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About Prime Success

Established in 1987, Prime Success International Group Limited was listed on the Main Board of The Stock Exchange of Hong Kong Limited in 1995. The Group has been principally engaged in the manufacturing, marketing and distribution of footwear products under its own brand and on an OEM basis. Its major markets include the US and China. In 1990, the Group launched its footwear business in the PRC under the brand name “*Daphne*” which is now the leading brand of ladies’ footwear in the PRC with over 1,600 selling points, of which over 830 are Daphne specialty shops and about 315 are counters in the department stores. In August 2002, Prime Success formed a JV, which was granted an exclusive retail shop right for “*Adidas - Original Collection*” in the PRC. At present, over 50 Adidas specialty outlets are operated in the PRC. In the mid 2004, the Group launched “*Shoebox*” mega stores targeting the mass market and started launching a new separate outlet chain – “*Daphne D18*” for Daphne’s young collection, targeting the young female customers. Currently the Group operates 8 selling points for “*Daphne D18*”.

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