



Prime Success Launches New Brand “Shoebox” Opens 5 mega shoe-marts in the PRC

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Further Extend Sales and Distribution Network in the PRC Actively Enrich Customer Portfolio and Enhance Market Share

(1 July 2004 – 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) today announced the opening of 5 mega shoe-marts in Zhengzhou, Yangzhou, Suzhou, Shanghai and Wuhan for its new brand “Shoebox”.

In view of the ever rising demand of footwear, the Group developed “Shoebox”, a new brand for all genders and ages, to further expand its customer portfolio. Agents are appointed by the Group to open “Shoebox” mega stores in major cities to help it penetrate the mass market.

The first “Shoebox” mega shoe-mart was opened in Zhengzhou in May 2004, followed by other branch stores opened in Yangzhou, Suzhou, Shanghai and Wuhan. The floor area of each store is between 400 and 600 sq. m. Its diverse products at reasonable prices make “Shoebox” a welcomed brand in the market, bringing in steadily increasing sales revenue.

Mr. Chang Wen I, Chairman of Prime Success said, “I’m glad to see 5 new “Shoebox” mega shoe-marts start operation. This not only reflects our confidence in the retail market in the PRC, but also our determination to expand our shoe enterprise. With an experienced management team and an extensive sales and marketing network in the PRC, we believe the future development of “Shoebox” will be promising. We target to open 15 “Shoebox” mega shoe-marts in 2004. It is expected to bring the Group’s business to the next level.”

Furthermore, one of the Group’s logistic centers has already commenced operation in Shanghai, the transportation hub in the PRC. The Group’s management believes the costs in warehousing, transportation and freight can be further reduced effectively, enabling it to enjoy economies of scale. The other logistic centers located in Beijing, Shenyang and Fujian are expected to be completed by the end of 2005.

The performance of the Group's Adidas "Original" collection specialty shops has been outstanding since it started operation a year ago. Following the opening in September 2002 of the first exclusive retail shop for Adidas "Original" collection in the PRC, a total of 24 Adidas "Original" collection specialty shops had been set up in the PRC. They generated substantial revenue for the Group from agency fee. Benefiting from the 2008 Olympic Games to be staged in Beijing and the increasing demand for prestigious branded athletic and casual footwear and apparel in the PRC, the Group anticipates high growth in revenue and immense potential for future development for the Adidas business.

The Group's own-brand business "Daphne", the core business of the Group, recorded a fast growth over the first five months this year. With a well-established customer base and an extensive sales and distribution network in the PRC, the operations of "Daphne" have matured and has been stable. Over 2,000 "Daphne" selling points including 580 "Daphne" specialty shops and 250 "Daphne" counters were up and running throughout China, contributing long term stable income for the Group. **Mr. Chen Hsien Min, Managing Director of Prime Success** added, "The sales of shoes has been growing much faster in the PRC market than other markets in the world. Heeding this trendy and the strong consumer demand for ladies shoes in the PRC market, we will increase our emphasis on developing our own-brand business. Looking ahead, we will continue to explore business opportunity for synergies so as to further extend our sales and distribution network in the PRC."

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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 is 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, the PRC, Japan and Europe. 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 2,000 selling points, of which over 580 are Daphne specialty shops and over 250 are counters in the department stores. In August 2002, Prime Success formed a JV was granted an exclusive retail shop right for the Adidas "Original" collection in the PRC. At present, there are over 24 Adidas specialty shops in the PRC. In addition, the Group launched its new brand "Shoebox" with the opening of 5 mega shoe-marts in Zhengzhou, Yangzhou, Suzhou, Shanghai and Wuhan today.

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