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If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold and/or transferred all your securities in **Prime Success International Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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永恩國際集團有限公司

PRIME SUCCESS INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 210)

Executive Directors:

Mr Chen Ying-Chieh (*Chairman*)
Mr Chen Hsien Min (*Managing Director*)
Mr Chang Chih-Kai

Independent Non-Executive Directors:

Mr Hsiao Hsi-Ming
Mr Huang Shun-Tsai
Mr Kuo Jung-Cheng

Registered Office:

Ugland House
South Church Street
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal Place of Business:

17th Floor, Fung House
Nos. 19-20 Connaught Road Central
Central
Hong Kong

24 April 2007

To the shareholders of Prime Success International Group Limited (the “**Company**”)

Dear Shareholder(s),

**GENERAL MANDATES TO REPURCHASE AND ISSUE SECURITIES
AND
RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide you with information on the proposals to grant general mandates to the directors of the Company (the “**Directors**”) to repurchase and issue shares of the Company (the “**Shares**”) and the re-election of Directors.

GENERAL MANDATE TO REPURCHASE SECURITIES

The general mandate granted to the Directors by the shareholders of the Company (the “**Shareholders**”) at the 2005 annual general meeting of the Company to repurchase Shares will expire at the conclusion of the forthcoming annual general meeting proposed to be held on Monday, 21 May 2007 (the “**Annual General Meeting**”). At the Annual General Meeting, the board of Directors (the “**Board**”) will propose an ordinary resolution to grant an unconditional general mandate to the Directors to exercise all powers of and on behalf of the Company to repurchase securities (the “**Shares Repurchase Mandate**”) up to a maximum of 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution. In accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), an explanatory statement is set out in Appendix I to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on the proposed resolution.

GENERAL MANDATE TO ISSUE SECURITIES

In order to ensure flexibility and discretion to the Directors, in the event that it becomes desirable to issue any Share, approval is to be sought from the Shareholders for a general mandate to issue Shares pursuant to the Listing Rules. At the Annual General Meeting, an ordinary resolution No. 5B will be proposed to grant the Directors an unconditional general mandate to allot, issue and deal with Shares with an aggregate nominal value not exceeding the sum of 20 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing of the resolution and to extend such general mandate by the aggregate nominal amount of the shares repurchased by the Company.

As at 24 April 2007, being the latest practicable date prior to the printing of this circular, the Company had 1,637,892,384 Shares in issue. Subject to the passing of the relevant resolution approving the general mandate to issue Shares and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed to issue new Shares up to a maximum of 327,578,476 Shares.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out in the Annual Report accompanying this circular. A proxy form is enclosed with the Annual Report. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the proxy form and return it in accordance with the instructions printed thereon as soon as possible and in any event so as to be received not less than 48 hours before the time fixed for holding the meeting. The completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association of the Company (“**Articles of Association**”), Mr Kuo Jung Cheng and Mr Huang Shun Tsai will retire by rotation at the Annual General Meeting, and being eligible, offer themselves for re-election. Brief biographical details of these Directors are set out in Appendix II to this circular.

RIGHT TO DEMAND A POLL

Pursuant to the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman;
- (b) at least 3 members present in person or by proxy or authorised representative for the time being entitled to vote at the meeting;
- (c) any member or members present in person or by proxy or authorised representative representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting;
- (d) any member or members present in person or by proxy or authorised representative and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Board considers that the proposed grant of the Shares Repurchase Mandate, the general mandate to issue Shares and the re-election of Directors are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
CHEN Ying-Chieh
Chairman

The following explanatory statement provides the requisite information to you for your consideration of the proposal to grant a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase up to a maximum of 10 per cent of the issued share capital of the Company as at the date of the relevant resolution No. 5A of the notice of the Annual General Meeting.

1. SHARE REPURCHASE PROPOSAL

As at the latest practicable date prior to the printing of this explanatory statement, the issued share capital of the Company comprised 1,637,892,384 Shares.

Subject to the passing of the proposed Shares Repurchase Mandate, on the basis that no further securities are issued or repurchased prior to the Annual General Meeting to be held on 21 May 2007 and ignoring other restrictions, such as the limitation on the basis of trading volume mentioned above, the Company would be allowed under the Shares Repurchase Mandate to purchase up to a maximum of 163,789,238 Shares which represents a 10 per cent of the issued share capital of the Company as at the date of the Shares Resolution.

2. REASONS FOR THE REPURCHASE

The Directors believe that the ability to repurchase Shares is in the interests of the Company and its shareholders.

Repurchases may, depending on the circumstances, result in an enhancement in the net assets and/or earnings per Share. The Directors are seeking grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

3. FUNDING OF REPURCHASES

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited accounts) in the event that the proposed securities repurchases were to be carried out in full at any time during the proposed repurchase period. However, repurchases must be made out of funds legally available for such purpose in accordance with the Articles of Association, the laws of the Cayman Islands and any other applicable laws. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

The Directors do not intend to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company unless the Directors consider that such purchases are in the best interest of the Company notwithstanding such material adverse impact.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

There are no Directors and, (to the best of the knowledge of the Directors, having made all reasonable enquiries), or any associates (as defined in the Listing Rules) of the Directors, who have a present intention, in the event that the Shares Repurchase Mandate is approved by shareholders of the Company, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that they may exercise the powers of the Company to make purchases pursuant to the Shares Repurchase Mandate only in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of the Cayman Islands.

If, as a result of a share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("the Takeovers Code"). As a result, a shareholder or group of shareholders acting in concert (depending on the level of increase of shareholders' interests), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the latest practicable date prior to the printing of this explanatory statement, Lucky Earn International Limited ("LE") was beneficially interested in 434,669,995 Shares, which constituted approximately 26.54 per cent of the voting rights attaching to the issued share capital of the Company. If the Shares Repurchase Mandate is to be exercised in full, LE would (assuming that there is no change in the relevant facts and circumstances) hold approximately 29.49 per cent of the voting rights attaching to the issued share capital of the Company. In the absence of any special circumstances, no obligation to make a mandatory offer as referred to above as a result of a share repurchase would arise for so long as the share holding of LE remains in the range of 30 per cent to less than 35 per cent of the voting rights attaching to the issued share capital of the Company and until 10 years after 19 October 2001 on the basis of Rule 26.6 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Shares Repurchase Mandate.

No connected persons (as defined in the Listing Rules) of the Company has notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any of the Shares held by them to the Company in the event that the general mandate is authorised by shareholders of the Company. The Company will not repurchase Shares which would result in the amount of Shares held by public being reduced to less than 25 per cent.

5. SHARES REPURCHASES MADE BY THE COMPANY

During the six months prior to the latest practicable date before the printing of this circular, the Company has not purchased any Shares (whether on the Stock Exchange or otherwise).

6. SECURITIES PRICES

The highest and lowest prices at which Shares have traded on the Stock Exchange during each of the previous twelve months preceding the latest practicable date before the printing of this circular are as follows:-

	Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	5.900	4.800
May	5.500	4.800
June	5.300	4.075
July	5.000	4.290
August	4.700	4.050
September	5.640	4.260
October	6.520	5.440
November	6.540	5.980
December	7.260	6.270
2007		
January	9.300	7.150
February	9.140	7.900
March	8.580	7.150

APPENDIX II	BIOGRAPHICAL DETAILS OF DIRECTORS TO BE RE-ELECTED
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Mr Kuo Jung-Cheng

Mr Kuo Jung-Cheng, aged 57, has been an Independent Non-executive Director of the Company since July 2001 and he serves on the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr Kuo is a former senator of the Legislative House in Taiwan and he has served the community in Taiwan as a senator or representative for over 10 years. Mr Kuo holds an MBA degree from the University of Hawaii.

Mr Kuo does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company and he has not held directorships in any other listed public companies in the last three years.

At the latest practicable date prior to printing of this circular, Mr Kuo did not have any interests in the Shares of the Company with the meaning of Part XV of the Securities and Futures Ordinance (the "SFO").

Mr Kuo has a letter of appointment with the Company, which is for a term of one year with effect from 1 January 2005 renewable or extendable automatically by one year on the expiry of such initial term and every successive period of one year thereafter unless either party gives one month written notice to the other to terminate the letter of appointment before expiry of the existing term, and is subject to retirement by rotation in accordance with the Articles of Association of the Company. During the year ended 31 December 2006, Mr Kuo received the sum of HK\$72,000 from the Company. Mr Kuo does not have a service contract with the Company.

Save as disclosed above, there is no other information relating to Mr Kuo that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Huang Shun-Tsai

Mr Huang Shun-Tsai, aged 54, has been an Independent Non-executive Director of the Company since July 2001 and he serves on the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr Huang is a director of six technology companies in Taiwan and he has been active in the technology field for over 15 years.

Mr Huang does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company and he has not held directorships in any other listed public companies in the last three years.

At the latest practicable date prior to printing of this circular, Mr Huang did not have any interests in the Shares of the Company with the meaning of Part XV of the SFO.

APPENDIX II	BIOGRAPHICAL DETAILS OF DIRECTORS TO BE RE-ELECTED
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Mr Huang has a letter of appointment with the Company, which is for a term of one year with effect from 1 January 2005 renewable or extendable automatically by one year on the expiry of such initial term and every successive period of one year thereafter unless either party gives one month written notice to the other to terminate the letter of appointment before expiry of the existing term, and is subject to retirement by rotation in accordance with the Articles of Association of the Company. During the year ended 31 December 2006, Mr Huang received the sum of HK\$72,000 from the Company. Mr Huang does not have a service contract with the Company.

Save as disclosed above, there is no other information relating to Mr Huang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.