

CHAIRMAN'S STATEMENT

The Board of Directors is pleased to report the audited results of Nority International Group Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31st December 2005.

On 24th March 2006, the Company received a notification from Micon Limited, a substantial shareholder of the Company, stating that Micon Limited has acquired an additional of approximately 9.31% of the issued share capital of the Company and has accordingly incurred an obligation to make a general offer to purchase all the issued shares of the Company, other than those shares already held by Micon Limited and parties acting in concert with it.

Since the Company is in the process of preparing and publishing this 2005 annual report, a response document regarding the mandatory unconditional cash offer ("Cash Offer") made by Dao Hang Securities Limited on behalf of Micon Limited has not been dispatched to the shareholders of the Company. At this stage, the Board of Directors cannot anticipate the level of acceptances of the Cash Offer as there is no indication of the preference of the independent shareholders of the Company. However, all directors intend to accept the Cash Offer and sell their shares.

Prior to the Cash Offer of the Company, the core business of the Group is the manufacture and export of athletic, athletic-style leisure footwear, as well as the manufacture of working shoes, safety shoes and golf shoes. During the year, the Company's major customers were Fila, Geox, Hi-Tech and etc.

In 2005, the core business of the Group continued to report a loss. It was mainly due to the intense competition from its peers, the high oil price and the increase in labour cost in the Pearl River Delta Region, which resulted in a sharp increase in the price of imported raw materials and operating cost. Hence, the consolidated results of the Group for the year ended 31st December 2005 have been materially adversely affected by the increase in the operating cost. Also, the revaluation loss of the property in a wholly-owned subsidiary in Taiwan due to the change in accounting policies in Taiwan was led to the increase in loss of the Group for the year 2005.

However, the Board of Directors remain confident in its future prospects. The Group will continue to make an all-out effort to search for business opportunities by closely monitoring market trends and continue to look for investments with reasonable return. In order to enhance the operating efficiency, the Company also introduce the new Enterprises Resource Planning System and expect that the system can be fully operative shortly. The Company expects that there will be a improvement in its procurement and resources management, inventory control, manufacturing management and working capital management.

During the year, the Board of Directors also spent considerable time to review the strategic direction and business as well as financial performance and policies of the Company. We will also continue to develop and enhance corporate governance framework and we looked closely at the structure and composition of our Board and committees so as to achieve ongoing best practice. The Company is of a view to have a high standard of corporate governance so as to protect the interests of all shareholders of the Company.



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Looking ahead, the management still strongly believes that the Group's competitiveness will be improved by carrying out reforms in various aspects, increasing its productivity and improving cost control. The Group will also strive to maintain financial stability, strengthen its leading position in the market and adopt balanced and prudent project development strategies in order to create the highest value for our shareholders, as well as endeavour to maintain the quality of our products and services.

On behalf of the Board of Directors, I would like to take this opportunity to thank our employees, shareholders and customers for their continued support and commitment.

Feng Shen Chuan

Chairman

Hong Kong, 26th April 2006