IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2015

IDT INTERNATIONAL LIMITED is an investment holding company with subsidiaries engaged in investment holdings, the design, development, manufacture, and sales and marketing of various consumer electronic products.

Financial highlights

- Turnover decreased 18.6% to HK$1,100.4 million (HK$1,352.4 million last year).
- Gross profit decreased 32.0% to HK$228.7 million (HK$336.1 million last year).
- Total operating expenses decreased 21.2% to HK$344.8 million (HK$437.8 million last year).
- Loss for the year slightly narrowed to HK$67.0 million (HK$68.8 million last year).
- Group net cash balances increased 55.1% to HK$216.8 million (HK$139.8 million last year) with decrease in total bank borrowing.

RESULTS

The board of directors (the "Board") of IDT International Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended March 31, 2015, together with comparative audited figures for the year ended March 31, 2014 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended March 31,	
		2015	2014
	NOTES	**HK$'M**	HK$'M
Turnover	3	**1,100.4**	1,352.4
Cost of goods sold		**(871.7)**	(1,016.3)
Gross profit		**228.7**	336.1
Other income		**14.9**	25.2
Other gains and losses		**46.5**	29.3
Research and development costs		**(34.7)**	(62.3)
Distribution and selling expenses		**(155.2)**	(218.7)
General administrative expenses		**(154.9)**	(156.8)
Interest on bank and other borrowings wholly repayable within five years		**(2.5)**	(4.9)
Loss before taxation	4	**(57.2)**	(52.1)
Taxation	5	**(9.8)**	(16.7)
Loss for the year attributable to owners of the Company		**(67.0)**	(68.8)
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(19.5)**	1.8
Total comprehensive expenses for the year		**(86.5)**	(67.0)
Loss per share			
- Basic and diluted	6	**(2.59) HK cents**	(2.75) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At March 31 2015 HK$'M	At March 31 2014 HK$'M
Non-current assets			
Property, plant and equipment		**34.3**	48.3
Intangible assets		**7.3**	16.7
Goodwill		**33.8**	33.8
Available-for-sale investments		**0.9**	0.9
Deferred tax assets		**2.0**	8.3
Deposit paid for acquisition of property, plant and equipment		**-**	0.1
		78.3	108.1
Current assets			
Inventories		**166.7**	275.8
Trade and other receivables	7	**174.0**	205.8
Forward contract assets		**1.0**	-
Tax recoverable		**-**	1.8
Short-term bank deposits		**50.7**	-
Bank balances and cash		**185.0**	236.7
		577.4	720.1
Current liabilities			
Trade and other payables and accruals	8	**225.4**	250.9
Forward contract liabilities		**-**	0.1
Taxation payable		**1.4**	0.1
Obligations under finance leases due within one year		**-**	0.1
Bank loans		**18.9**	96.9
		245.7	348.1
Net current assets		**331.7**	372.0
Total assets less current liabilities		**410.0**	480.1
Non-current liabilities			
Deferred tax liabilities		**-**	0.3
Net assets		**410.0**	479.8
Capital and reserves			
Share capital		**258.9**	250.5
Reserves		**151.0**	229.2
Equity attributable to owners of the Company		**409.9**	479.7
Non-controlling interests		**0.1**	0.1
Total equity		**410.0**	479.8

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated results were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations, including Hong Kong (International Financial Reporting Interpretations Committee) Interpretations ("HK (IFRIC)-INT"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) - INT 21	Levies

The application of the above new interpretation and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or the disclosures set out in the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 14	Regulatory deferral accounts[2]
HKFRS 15	Revenue from contracts with customers[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[5]
Amendments to HKAS 1	Disclosure initative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[5]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[4]
Amendments to HKAS 27	Equity method in separate financial statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle[6]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, further amended in 2013 to include the new requirements for hedging accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

HKFRS 15 "Revenue from contracts with customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company are aware of the above new and revised HKFRSs and has considered the impact of the application. Except for the possibility that application of HKFRS 9 and HKFRS 15 in the future may have a potential impact on the amounts reported and disclosures made in the Group's consolidated financial statements, the directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes. Turnover represents mainly Oregon Scientific branded sales ("Branded sales") and Original Equipment Manufacturer and Original Design Manufacturer sales ("OEM/ODM sales").

The Group disaggregated its turnover based on branded sales and OEM/ODM sales and reported to the Chief operating decision maker ("CODM"). No separate results of branded sales and OEM/ODM sales were reported to the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Sports, Fitness and Health-care	Smart Learning Products	Time and Weather	Telecom-munication	Wellness and Beauty	Report-able segments total	Others	Total
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
Year ended March 31, 2015								
Segment revenue								
Branded sales	**42.2**	**65.2**	**193.4**	**-**	**38.5**	**339.3**	**9.4**	**348.7**
OEM/ODM sales	**559.3**	**-**	**61.2**	**94.3**	**-**	**714.8**	**36.9**	**751.7**
Total segment revenue	**601.5**	**65.2**	**254.6**	**94.3**	**38.5**	**1,054.1**	**46.3**	**1,100.4**
Segment profit (loss)	**3.8**	**(51.9)**	**(0.3)**	**0.7**	**(17.8)**	**(65.5)**	**(2.3)**	**(67.8)**
Gain on disposal of leasehold land and building								**53.3**
Unallocated income								**1.0**
Unallocated expense								**(41.2)**
Finance costs								**(2.5)**
Loss before taxation								**(57.2)**
Year ended March 31, 2014								
Segment revenue								
Branded sales	53.6	195.6	197.6	-	53.2	500.0	7.4	507.4
OEM/ODM sales	554.2	23.6	86.3	86.1	-	750.2	94.8	845.0
Total segment revenue	607.8	219.2	283.9	86.1	53.2	1,250.2	102.2	1,352.4
Segment profit (loss)	22.5	(60.6)	7.3	1.0	-	(29.8)	1.2	(28.6)
Gain on disposal of leasehold land and building								21.9
Gain on disposal of held for trading investment								14.0
Unallocated income								1.4
Unallocated expense								(55.9)
Finance costs								(4.9)
Loss before taxation								(52.1)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of interest income, gain on disposal of leasehold land and building, gain on disposal of held for trading investment, unallocated expense such as central administrative cost and finance costs. This is the measure reported to the Group's CODM, for the purposes of resource allocation and performance assessment.

Information about major customers

The Group has a very wide customer base, no single customer contributed over 10% of the total revenue of the Group for both years.

4. LOSS BEFORE TAXATION

	2015 HK$'M	2014 HK$'M
Loss before taxation has been arrived at after charging:		
Directors' emolument	**9.9**	10.1
Retirement benefits scheme contributions for other staff	**17.2**	17.2
Share option benefits expenses for other staff	**0.5**	0.9
Salaries for other staff	**262.6**	285.9
Others benefits for staff other than directors	**12.4**	12.1
Other staff costs	**292.7**	316.1
Total staff costs	**302.6**	326.2
Less : Staff costs included in research and development costs	**(7.1)**	(14.6)
	295.5	311.6
Amortisation of product development costs (included in research and development costs)	**8.3**	23.9
Amortisation of patents and trademarks	**2.2**	2.2
Auditors' remuneration	**4.1**	4.4
Cost of inventories recognised as expense (including write down of inventories amounting to HKD41.5 million (2014:HKD7.6 million))	**871.7**	1,016.3
Depreciation of property, plant and equipment		
- held under finance leases	**-**	0.6
- owned by the Group	**21.7**	26.7
Impairment loss on intangible assets	**-**	4.6
Operating lease rentals in respect of		
- office equipment and motor vehicles	**1.8**	0.9
- rented premises	**36.9**	37.9
and after crediting to other income:		
Interest income	**1.0**	1.4
Sales of moulds and scraps	**2.9**	3.7

5. TAXATION

The charge comprises:

	2015 HK$'M	2014 HK$'M
Hong Kong Profits Tax		
- current year	**3.5**	2.5
- (over)underprovision in prior years	**(1.0)**	0.5
	2.5	3.0
Deferred taxation	**7.3**	13.7
	9.8	16.7

Hong Kong Profits Tax is calculated at 16.5% of estimated assessable profits for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the year is based on the following data:

	2015	2014
	HK$'M	HK$'M
Loss:		
Loss for the year attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(67.0)**	(68.8)

	2015	2014
Number of ordinary shares:		
Number of ordinary shares for the purposes of basic and diluted loss per share	**2,588,973,088**	2,504,521,088

The computation of diluted loss per share for the years ended March 31, 2015 and 2014 does not assume the exercise of the Company's outstanding share options as the inclusion of those options would result in decrease in loss per share for both years.

7. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date which approximate the respective revenue recognition date at the reporting date.

	2015	2014
	HK$'M	HK$'M
0 to 30 days	**60.7**	81.8
31 to 90 days	**19.0**	41.2
Over 90 days	**7.9**	10.5
Trade receivables	**87.6**	133.5
Other receivables	**86.4**	72.3
Total trade and other receivables	**174.0**	205.8

The Group normally allows credit period of 30 to 60 days to its trade customers. Customers with long business relationship and strong financial position are allowed to settle their balances beyond the normal credit terms up to 90 days.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$14.2 million (2014: HK$48.2 million) which are past due at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balance will be recovered based on their past settlement records. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	2015	2014
	HK$'M	HK$'M
Overdue less than 30 days	**7.8**	32.6
Overdue 31 to 90 days	**3.0**	8.7
Overdue more than 90 days	**3.4**	6.9
	14.2	48.2

8. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2015	2014
	HK$'M	HK$'M
0 to 30 days	**33.7**	67.4
31 to 90 days	**25.4**	30.7
Over 90 days	**5.6**	4.0
Trade payables	**64.7**	102.1
Other payables and accruals	**160.7**	148.8
Total trade and other payables and accruals	**225.4**	250.9

FINANCIAL REVIEW

Because of the slow recovery of the global economy, in particular the American and European markets, compounded by weak consumer sentiment, the retail market has remained sluggish. Consequently, the Group has recorded a decrease in both turnover and gross profit for the year ended March 31, 2015 (the "year"). However, due to the effective implementation of various cost control initiatives, the loss for the year has slightly narrowed to HK$67.0 million, compared to a loss of HK$68.8 million for the year ended March 31, 2014.

The Group's total turnover amounted to HK$1,100.4 million, a decrease of 18.6% when compared to HK$1,352.4 million last year, which was primarily due to the difficult retail market conditions in America and Europe, and severe competition in the children's tablet segment. Gross profit totaled HK$228.7 million, a drop of 32.0% from HK$336.1 million recorded last year. Due to changes in the product and channel mix, clearance sales of slow-moving inventories, additional inventory provision in respect of slow moving and aging items as well as rising labor and material costs, gross margin dropped by 4.1 percentage points to 20.8%.

OPERATIONS REVIEW

The Group continued to place significant effort on executing stringent cost controls and streamlining its organizational structure and operational processes. Total operating expenses of the Group, including research and development costs, distribution and selling expenses, and general administrative expenses, amounted to HK$344.8 million, which is a significant reduction of 21.2% when compared to HK$437.8 million for the previous year.

Other gains and losses during the year were recorded as gains of HK$46.5 million, mainly from the disposal of properties, while gains of last year amounted to HK$29.3 million.

The Group was able to continue making significant improvements in its cash management during the year. The decrease in average bank loans and other borrowings resulted in a substantial decrease in interest expenses from HK$4.9 million to HK$2.5 million – a decline of 49.0% when compared to last year. The Group's net cash position increased from HK$139.8 million recorded last year to HK$216.8 million as at March 31, 2015.

Taxation amounted to HK$9.8 million compared to HK$16.7 million last year. Tax for the year mainly consists of a provision for Hong Kong profits tax of HK$2.5 million and deferred tax charges of HK$7.3 million made during the year.

BUSINESS REVIEW

Oregon Scientific ("OS")

Sales revenue from OS was HK$348.7 million, a reduction of 31.3% when compared with HK$507.4 million last year and represented 31.7% of the Group's total sales. The decrease was mainly due to the sluggish retail market conditions in America and Europe, as well as the Group's strategy of exiting the children's tablet market due to severe competition.

The Time & Weather ("T&W") category remained to be the key contributor in terms of sales revenue, which accounted for 55.5% of total OS sales revenue. During the year, the Group further expanded its development of projection clocks and weather stations, like Bluetooth enabled Weather@Home, Wireless Pro Weather Station and Jumbo Clock. In addition, a series of colorful and stylish designer projection clocks, i.e. "PRYSMA", have been well received by customers since their initial launch.

The Smart Learning Products ("SLP") category accounted for 18.7% of total OS sales revenue. "SmartGlobes" Collections were still the key revenue and margin contributors for this product category. A new "Smart Globe Discovery" product, which combines the characteristics of the original "SmartGlobes" with enhanced features and enriched content, has been introduced to tap into the youth market segment in America, Europe and Russia. Furthermore, the Collections also extended its footprint to South America and received encouraging feedback during the year.

The Sport, Fitness and Healthcare ("SFH") category accounted for 12.1% of total OS sales revenue. OS launched the second generation of BLE-enabled "Ssmart Dynamo 2 and 2+" Activity Tracker with additional features such as activity recognition, incoming call and message notifications, as well as ECG heart rate measurement to further enhance users' benefits and experiences.

The Wellness & Beauty ("W&B") category accounted for 11.0% of total OS sales revenue and it continues to be the focus in the Asia Pacific region. W&B aims to address the demands of an increasingly growing group of affluent individuals who seek a more upscale and healthy lifestyle. During the year, the stylish and unconventional design of the twin scent chamber, known as "DuoScent Aroma Diffuser", won the "Hong Kong Awards for Industries". In addition, the newly launched "Dream Science", a sleep enhancing device that features clinically proven sounds and brainwave embedded music that helps people fall asleep easier, received positive comments from consumers.

E-commerce is a developing sales channel for OS that allows it to directly offer products to the vast number of internet users worldwide. The e-commerce business has enjoyed reasonable growth over the past year, with the largest increase coming from the Group's key European markets such as the United Kingdom, France and Italy. With a surge in mobile visitors, the company introduced a new e-commerce platform which resulted in a sales increase from smart phone and tablet devices.

To further strengthen OS's brand presence in global markets, it participated in several key events including IFA in Berlin, one of world's leading trade shows for consumer electronics and home appliances, in September 2014; Hong Kong Electronic Fair Autumn Edition, the world's largest electronics marketplace, in October 2014; and the Nuremburg Toy Fair in Germany, in February 2015, to attract potential visitors, media and new customers.

Value Manufacturing Services ("VMS")

Sales revenue from VMS totaled HK$751.7 million, which accounted for 68.3% of the Group's total revenue, a decline of 11.0% when compared with last year. The decrease in revenue was mainly due to the fact that one of the major customers of the SFH product category closed its electronic business during the year and project development for some new SFH customers were delayed.

In terms of business segment performance, SFH continued to be the largest product category, accounting for 74.4% of VMS revenue – a similar level to last year. The telecommunication products category was the second largest product category based on sales. This is in line with the Group's product strategy, which is to focus on SFH products such as GPS watches, activity monitors, blood glucose meters, fitness computer consoles and heart rate monitors. The majority of these products is being app-based and connected to smart devices.

OUTLOOK

Looking ahead, the Group anticipates that the pace of economic recovery in the United States and Europe will remain slow. As such, the Group will continue to implement various initiatives and measures to improve its overall business performance and productivity. The Group will focus on streamlining factory operations, driving more ODM businesses to improve margins and investing in wearables and medical technology to differentiate ourselves from our competitors. The Group will also maintain its commitment to employ stringent controls over inventory and operating costs, while continuing to develop innovative products and explore new markets.

Oregon Scientific ("OS")

OS will continue to focus on launching new products in the coming year, strengthening business relationships with strategic partners and opening new markets and channels, while concurrently enhancing the effectiveness and efficiency of its operations.

Over the past years, OS has successfully launched its mobile apps and internet-connected devices. Leveraging its core competencies, which include technological innovation and fashionable design, it will continue to extend its capabilities within and alongside product categories, with the aim of providing more connected products to customers and ultimately to capitalize on new business opportunities.

In the T&W category, OS has always been recognized as a pioneer in projection clocks as well as the ability to introduce stylish designs. The coming year's products will be marked by more choices of colors on top of unique designs, with the aim of bringing a light-hearted touch to every home and providing state-of-art solutions that make people live smarter and healthier.

For W&B, we plan to renew our focus on wellness products, especially in aroma diffusers. While such products have historically been a key focus in Asia, management anticipates growing demand in European countries, particularly in Italy and France.

In respect of the SLP category, OS will continue to leverage the OID technology as utilized by "SmartGlobes" and apply it to other kids' products, so as to open up new markets such as China, as well as broaden the client base. OS has announced the launch of Smart Anatomy, which masterfully matches the study of the human anatomy with games; encouraging kids to explore and learn by themselves or together with their parents.

Value Manufacturing Services

VMS prides itself on being an innovative, value-adding and high quality manufacturer. We would like to focus more on ODM projects, partnering with our customers to develop unique products. VMS, which consists of SFH and Energy Management – our two key drivers – will remain as the major revenue contributors to the Group. The SFH business will continue to benefit from the worldwide growth of wearable technologies, which is a trend that is anticipated to be sustainable. Consequently, the Group will continue to invest resources in innovative products with the latest technologies, thus supporting the needs of existing and potential new customers.

Making use of the Group's traceability expertise in the manufacturing process and being a qualified Food and Drug Administration ("FDA") factory, VMS will continue to serve customers from the health and medical industries. In order to achieve an even higher profit margin, VMS will continue to focus on inventory control and streamlining operations so as to become more competitive and efficient.

WORKING CAPITAL

The inventory balance at March 31, 2015 was HK$166.7 million, decreased by 39.6% compared to the HK$275.8 million at March 31, 2014. The inventory turnover days decreased from 99 days recorded last year, to 70 days this year.

Trade debtor balances at March 31, 2015 was HK$87.6 million, decreased by 34.4% compared to the HK$133.5 million shown at March 31, 2014 and it is attributable to better trade terms in March 2015 compared with March 2014. Trade debtor's turnover days decreased to 29 days compared to that of last year of 36 days.

LIQUIDITY AND TREASURY MANAGEMENT

At March 31, 2015, the bank balances and cash of the Group, including the short term bank deposits, were HK$235.7 million (March 31, 2014: HK$236.7 million).

During the year, the Group generated its funds mainly from operating activities, bank borrowings and proceeds from disposal of properties. The net cash position (bank balances and cash less total bank borrowings) at March 31, 2015 amounted to HK$216.8 million (March 31, 2014: HK$139.8 million). The Group maintained sufficient financial resources to meet all working capital requirements and finances of its commitments and still has a surplus of net cash over all bank borrowings.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation achieved in its overseas subsidiaries. Hedging of foreign currency exposures is arranged through a combination of natural hedges and forward forex contracts. At March 31, 2015, there were forward contracts in place to hedge against possible exchange movements of future net cash flows. Speculative currency transactions are strictly prohibited. Management of currency risk is the responsibility of the Group's headquarters in Hong Kong.

DEBTS AND GEARING RATIO

The total bank borrowings of the Group at March 31, 2015 decreased to HK$18.9 million (March 31, 2014: HK$96.9 million) which are all short term bank loans. The borrowings are mainly denominated in HK dollars and on floating rates bases.

The debts incurred by the Group are mainly used for general corporate purposes, including capital or long term expenditures and working capital requirements.

The gearing ratio (total borrowings over total equity) improved from 20.2% at March 31, 2014 to 4.6% at March 31, 2015.

CHARGES ON GROUP ASSETS

At March 31, 2015, there were no finance charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the year ended March 31, 2015 amounted to HK$15.1 million (2014: HK$16.5 million) which was all used for business operations and product development. Source of funds were financed by internal resources and borrowings.

There were no material acquisitions or disposals of subsidiaries and associated companies in the course of the year ended March 31, 2015.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2015.

CONTINGENT LIABILITIES

At March 31, 2015, the Group had no contingent liabilities (2014: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at March 31, 2015, the Group had 2,134 employees. The Group fully recognizes the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual's performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other organizations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consist of base salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus and the opportunities to participate in the Group's share option schemes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended March 31, 2015.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended March 31, 2015, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with the exception of Code Provisions A.2.1 (separation of roles of the chairman and chief executive officer) and C.1.2 (provision of monthly updates to all directors). The Group's compliance with the Code Provisions of the Corporate Governance Code together with the considered reasons for any deviations are set out in the Corporate Governance Report contained in the Company's Annual Report.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with management and external auditors the results of the Group for the year ended March 31, 2015.

APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to our shareholders and business associates for the continued support. I also extend our appreciation to our management team and staff members for their hard work and dedication in the past financial year.

On behalf of the Board of Directors of
IDT International Limited
Mr. See Chi Kwok
Executive Director &
Group Chief Executive Officer

Hong Kong, June 26, 2015

As at the date of this announcement, the executive Directors are Mr. Foo Piau Phang (Chairman) and Mr. See Chi Kwok (Group Chief Executive Officer); the non-executive Directors are Dr. Raymond Chan, Mr. Xin Kexia, Mr. Song Rongrong, Ms. Wang Yang and Ms. Gao Huan; and the independent non-executive Directors are Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae.

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