IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2014

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 14.3% to HK$1,352.4 million (HK$1,578.2 million last year).
- Gross profit decreased 23.9% to HK$336.1 million (HK$441.8 million last year).
- Total operating expenses decreased 14.2% to HK$437.8 million (HK$510.2 million last year).
- Loss for the year increased 138.1% to HK$68.8 million (HK$28.9 million last year).
- Group net cash balances increased 153.7% to HK$139.8 million (HK$55.1 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, 2014, together with comparative audited figures for the year ended March 31, 2013 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended March 31,	
		2014	2013
	NOTES	**HK$'M**	HK$'M
Turnover	3	**1,352.4**	1,578.2
Cost of goods sold		**(1,016.3)**	(1,136.4)
Gross profit		**336.1**	441.8
Other income		**25.2**	17.3
Other gains and losses		**29.3**	42.1
Research and development costs		**(62.3)**	(72.5)
Distribution and selling expenses		**(218.7)**	(268.8)
General administrative expenses		**(156.8)**	(168.9)
Interest on bank and other borrowings wholly repayable within five years		**(4.9)**	(6.8)
Loss before taxation	4	**(52.1)**	(15.8)
Taxation	5	**(16.7)**	(13.1)
Loss for the year attributable to owners of the Company		**(68.8)**	(28.9)
Other comprehensive income (expense):			
Exchange differences arising on translation of foreign operations		**1.8**	(10.1)
Total comprehensive expenses for the year		**(67.0)**	(39.0)
Loss per share			
- Basic and diluted	6	**(2.75) HK cents**	(1.16) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**At March 31 2014 HK$'M**	At March 31 2013 HK$'M
Non-current assets			
Property, plant and equipment		**48.3**	65.2
Intangible assets		**16.7**	45.1
Goodwill		**33.8**	33.8
Available-for-sale investments		**0.9**	0.9
Deferred tax assets		**8.3**	19.6
Deposit paid for acquisition of property, plant and equipment		**0.1**	0.5
		108.1	165.1
Current assets			
Inventories		**275.8**	277.9
Trade and other receivables	7	**205.8**	297.6
Forward contract assets		**-**	0.3
Tax recoverable		**1.8**	-
Short-term bank deposits		**-**	5.2
Bank balances and cash		**236.7**	311.8
		720.1	892.8
Current liabilities			
Trade and other payables and accruals	8	**250.9**	249.1
Forward contract liabilities		**0.1**	-
Taxation payable		**0.1**	2.8
Obligations under finance leases due within one year		**0.1**	0.5
Bank loans		**96.9**	261.3
Bank overdrafts		**-**	0.6
		348.1	514.3
Net current assets		**372.0**	378.5
Total assets less current liabilities		**480.1**	543.6
Non-current liabilities			
Obligations under finance leases due after one year		**-**	0.1
Deferred tax liabilities		**0.3**	0.3
		0.3	0.4
Net assets		**479.8**	543.2
Capital and reserves			
Share capital		**250.5**	250.2
Reserves		**229.2**	292.9
Equity attributable to owners of the Company		**479.7**	543.1
Non-controlling interests		**0.1**	0.1
Total equity		**479.8**	543.2

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")

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 - 2011 cycle
Amendments to HKFRS 7	Disclosures - Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC*) - INT 20	Stripping costs in the production phase of a surface mine

* IFRIC represents the International Financial Reporting Interpretations Committee.

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 "Joint arrangements", HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and HKAS 28 (as revised in 2011) "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

<u>Impact of the application of HKFRS 10</u>

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) INT - 12 "Consolidation - Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company (the "directors") made an assessment as at the date of initial application of HKFRS 10 (i.e. April 1, 2013) in respect of the Group's control in its subsidiaries, associates and joint ventures under the new definition in the new and revised HKFRSs and concluded that the application of the new standards have no impact on the consolidated financial statements.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. Other than the additional disclosures, the application of HKFRS 13 has no material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' and the income statement is renamed as the 'statement of profit or loss'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[6]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
HK(IFRIC) - INT 21	Levies[1]

[1] Effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.
[2] Effective for annual periods beginning on or after July 1, 2014.
[3] Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
[4] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.
[5] Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.
[6] Effective for annual periods beginning on or after January 1, 2016.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- 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. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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.

The directors anticipate that the adoption of HKFRS 9 in the future may have impact on amounts for the Group’s financial assets in respect of available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKAS 36 Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group’s consolidated financial statements.

Annual improvements to HKFRSs 2010 - 2012 cycle

The Annual improvements to HKFRSs 2010 - 2012 cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of ‘vesting condition’ and ‘market condition’; and (ii) add definitions for ‘performance condition’ and ‘service condition’ which were previously included within the definition of ‘vesting condition’. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have ‘similar economic characteristics’; and (ii) clarify that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010 - 2012 cycle will have a material effect on the Group’s consolidated financial statements.

<u>Annual improvements to HKFRSs 2011 - 2013 cycle</u>

The Annual improvements to HKFRSs 2011 – 2013 cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and
(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011 - 2013 cycle will have a material effect on the Group’s 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	**Electronic 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, 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)**
Year ended - March 31, 2013								
Segment revenue								
Branded sales	57.0	414.5	239.0	1.6	72.6	784.7	13.2	797.9
OEM/ODM sales	468.6	18.7	69.0	110.8	-	667.1	113.2	780.3
Total segment revenue	525.6	433.2	308.0	112.4	72.6	1,451.8	126.4	1,578.2
Segment profit/(loss)	6.0	(35.8)	14.3	2.7	2.3	(10.5)	2.9	(7.6)
Gain on disposal of leasehold land and building								47.4
Unallocated income								1.6
Unallocated expense								(50.4)
Finance costs								(6.8)
Loss before taxation								(15.8)

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

	2014 HK$'M	2013 HK$'M
Loss before taxation has been arrived at after charging:		
Directors' emolument	**10.1**	8.5
Retirement benefits scheme contributions for other staff, net of forfeited contributions of HK$nil (2013:HK$0.6 million)	**17.2**	20.0
Share option benefits expenses for other staff	**0.9**	0.6
Salaries for other staff	**285.9**	299.3
Others benefits for staff other than directors	**12.1**	17.6
Other staff costs	**316.1**	337.5
Total staff costs	**326.2**	346.0
Less : Staff costs capitalised in product development costs	**-**	(12.1)
Staff costs included in research and development costs	**(14.6)**	(10.8)
	311.6	323.1
Amortisation of product development costs (included in research and development costs)	**23.9**	22.6
Amortisation of patents and trademarks	**2.2**	2.1
Auditors' remuneration	**4.4**	4.3
Cost of inventories recognised as expense (including write down of inventories amounting to HKD7.6 million (2013:HKD13.4 million))	**1,016.3**	1,136.4
Depreciation of property, plant and equipment		
- held under finance leases	**0.6**	1.2
- owned by the Group	**26.7**	29.5
Impairment loss on intangible assets	**4.6**	-
Operating lease rentals in respect of		
- office equipment and motor vehicles	**0.9**	0.8
- rented premises	**37.9**	40.2
and after crediting to other income:		
Interest income	**1.4**	1.6
Sales of moulds and scraps	**3.7**	3.8

5. TAXATION

The charge comprises:

	2014	2013
	HK$'M	HK$'M
Hong Kong Profits Tax		
- current year	**(2.5)**	(2.4)
- (under)overprovision in prior years	**(0.5)**	4.0
Taxation in other jurisdictions		
- current year	**-**	(0.4)
- underprovision in prior years	**-**	(7.9)
	(3.0)	(6.7)
Deferred taxation		
- current year	**(13.7)**	(6.4)
	(16.7)	(13.1)

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:

	2014	2013
	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	**(68.8)**	(28.9)

	2014	2013
Number of ordinary shares:		
Number of ordinary shares for the purposes of basic and diluted loss per share	**2,504,521,088**	2,502,271,088

The computation of diluted loss per share for the years ended March 31, 2014 and 2013 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.

	2014	2013
	HK$'M	HK$'M
0 to 30 days	**81.8**	168.0
31 to 90 days	**41.2**	41.2
Over 90 days	**10.5**	14.9
Trade receivables	**133.5**	224.1
Other receivables	**72.3**	73.5
Total trade and other receivables	**205.8**	297.6

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$48.2 million (2013: HK$41.4 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.

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

	2014	2013
	HK$'M	HK$'M
Overdue less than 30 days	**32.6**	20.1
Overdue 31 to 90 days	**8.7**	11.7
Overdue more than 90 days	**6.9**	9.6
	48.2	41.4

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:

	2014	2013
	HK$'M	HK$'M
0 to 30 days	**67.4**	54.3
31 to 90 days	**30.7**	43.3
Over 90 days	**4.0**	10.0
Trade payables	**102.1**	107.6
Other payables and accruals	**148.8**	141.5
Total trade and other payables and accruals	**250.9**	249.1

FINANCIAL REVIEW

Despite the slow recovery of the global economy, the retail market remains sluggish and a conservative consumer attitude persists especially in America and Europe. Thus the Group has recorded a decrease of turnover and gross profit for the year ended March 31, 2014 (the “year”). The loss for the year increased to HK$68.8 million, compared to the loss of HK$28.9 million for the year ended March 31, 2013.

The Group’s total turnover was HK$1,352.4 million, a decrease of 14.3% when compared to the HK$1,578.2 million recorded last year, primarily due to the difficult retail market conditions in America and Europe, and the keen competition in children’s tablet products. The revenue of Oregon Scientific (“OS”) branded products decreased by 36.4% to HK$507.4 million from HK$797.9 million last year. Gross profit was HK$336.1 million, a drop of 23.9% as compared to HK$441.8 million last year. Gross margin was 24.9%, a decrease of 3.1 percentage points compared to last year, resulting from product and channel mix, clearance sales of slow-moving inventories and increase in labour and material costs.

OPERATIONS REVIEW

The Group continued to implement stringent cost controls and streamlining of corporate organisational 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$437.8 million, a significant reduction of 14.2% compared to HK$510.2 million of the previous year.

Other gains and losses during the year were recorded as gains of HK$29.3 million, mainly from the disposal of property and investments, while gains of last year were HK$42.1 million.

The Group was able to maintain better cash management during the year. The net cash position increased from HK$55.1 million last year to HK$139.8 million as at March 31, 2014. Interest expenses amounted to HK$4.9 million, a significant decrease of 27.9% as compared to HK$6.8 million last year.

Taxation amounted to HK$16.7 million compared to HK$13.1 million last year. The tax for the year was mainly under provision of Hong Kong profits tax of HK$3.0 million and deferred tax charges of HK$13.7 million made during the year.

BUSINESS REVIEW

Oregon Scientific ("OS")

Sales revenue from OS was HK$507.4 million, a reduction of 36.4% when compared with HK$797.9 million last year and represented 37.5% 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 rising competition in children's tablet products.

For the Electronic Learning Products ("ELP") category, OS announced the launch of "MEEP! X2," the second generation of its kids' tablet "MEEP!" with a downloadable e-shop content known as "MEEP! Store," a proprietary electronic platform developed in-house. Due to the high competition in tablet products and the volatility of key component costs, the Group made a strategic decision to control the business size of the MEEP! X2 during the year. The Group focused on distributing the products in Europe which offers higher margins and better trade terms, while limiting the sale in the American market. However, the competition in children's tablets was far stronger than expected. The severe price war has had a significant impact on the selling price and margins of the products, creating a big challenge for the ELP category business during the year.

The Time & Weather ("T&W") category continued to be the key contributor in terms of sales revenue and margin to OS. The launch of new weather stations with Bluetooth Low Energy ("BLE") technology for connection to smart mobile devices has made OS the pioneer in this product category. The new "Ultra-Precise Professional Weather Station" with more precise and detailed readings was introduced, catering specifically to the weather monitoring and weather-sensitive industries, enabling industrial and professional users to track and compile weather data and long-term patterns in real time.

For the Sport, Fitness and Health ("SFH") category, further to the launch of "Ssmart Watch" in 2012, OS has expanded its range to BLE and Apps-enabled smart products. The "Ssmart Dynamo 24/7 Activity Tracker" enables the users to track their activity level, steps taken, distance travelled, calories burnt and sleep patterns. The highlight in the Group's SFH category is the "Ssmart Talking Blood Pressure Monitor" which offers user convenience by displaying the data on smart devices via BLE technology with text in five languages.

The Wellness & Beauty ("W&B") category continues to be the focus of Asia Pacific Region. During the year, OS launched a series of new aroma diffusers and also a beauty product line – the Ionic Rejuvenator, DermaLift Pro and Nutri-Ream Revitalizer – which have received positive feedback from customers.

E-commerce is a developing sales channel for OS which directly offers products to the vast number of internet users worldwide. Over the past years, OS has made aggressive marketing efforts to promote its products to the internet population with online shopping habits in China, America and Europe, the last-mentioned including the United Kingdom, Italy and France. Moreover, the Group is also focusing on the growing e-commerce business in emerging markets.

Furthermore, during the year, OS has developed various new vertical market segment sales channels such as pharmaceutical and telecom outlets through partnerships with strong multinational companies in these industries in Europe and Japan. During the year, the Group has also expanded its penetration into new geographic markets such as South Korea, the Middle East, etc.

OS is a combination of innovation and smart design that well-recognized in the market. During the year, the "Ssmart Dynamo" won the Hong Kong Electronic Industries Association ("HKEIA") Silver Award – Innovation and Technology, and the "ATC Chameleon Dual Lens Action Video Camera" won the Hong Kong Awards for Industries ("HKAI") Certificate of Merit – Consumer Product Design. In addition to product awards, OS won a Gold Prize from the Point of Purchase Advertising International ("POPAI") for the design of the "MEEP!" point-of-sale display in France. These awards have demonstrated the Group's commitment to both product development and brand marketing.

Value Manufacturing Services ("VMS")

Revenue from VMS increased by 8.3% to HK$845.0 million, accounting for 62.5% of the Group's total revenue, mainly contributed by sales of the SFH product category to its OEM and ODM customers.

With the Group's proven technical competence and engineering support in new product development, as well as its strong customer base, SFH continued to be the largest product category, contributing a sales revenue of HK$554.2 million during the year, an increase of 18.3% compared with last year. The sales of telecommunications products decreased by 22.3% due to the phasing out of this product category.

With an aim to maintain its competitiveness, VMS continued to focus on development and sales of higher margin products by investing resources in creating advanced technology platforms for healthcare, energy monitoring and management devices. On the other hand, stringent cost controls and efficiency and productivity improvement measures have been implemented to offset rising labour and operating costs in China.

OUTLOOK

Going forward, the Group anticipates that the pace of economic recovery in the United States and the European countries will remain slow. However, the Group will redouble its efforts to increase revenue and to improve margins by focusing its resources and investment on the following initiatives to drive continuous improvement:

- Expanding further into new markets and new channels, partnering with qualified distributors and business partners to expand channel coverage;
- Strengthening technological competence in Apps and smart devices connected solutions to tap the latest market potential presented by the proliferation of hand-held devices;
- Enhancing supply chain management to increase production efficiency and tighten inventory control;
- Launching innovative and uniquely-designed products to enhance the OS lifestyle "Smart Living" brand;
- Enhancing e-commerce foundations and online marketing strategies to maximise and leverage its growth potential;
- Investing in resources to develop technology platforms for healthcare and energy monitoring products for the ODM/OEM business;
- Controlling operating expenditures in all areas to improve productivity and profitability.

OS will continue to invest in developing innovative T&W products to strengthen its leadership of this product category, and a wider range of W&B products to enhance the wellbeing and lifestyle of consumers. Asian markets will remain the principal focus of the W&B product category, while we continue to launch a new series of "SmartGlobe" products with enhanced features and enriched content to build on that category's success.

OS is committed to grow its retail e-commerce business by building a stronger website foundation with the support of multimedia and integrated marketing, providing consumers with a richer online shopping experience in order to extend its reach and to increase sales through shopping on smart phone and tablet devices.

VMS will continue to develop new SFH and healthcare products for its new customers to increase sales and profitability.

The Group will discontinue products which have low margins and strong market competition, while continuously streamlining its business structure, leveraging our internal manufacturing resources to further lower operating costs and to improve margins. With the support of its management team, the Group will also focus on improving both fundamentals and processes, so as to achieve improvements in business and operations.

WORKING CAPITAL

The inventory balance at March 31, 2014 was HK$275.8 million, decreased by 0.8% compared to the HK$277.9 million at March 31, 2013. The inventory turnover days increased from 89 days recorded last year, to 99 days this year.

Trade debtor balances at March 31, 2014 was HK$133.5 million, decreased by 40.4% compared to the HK$224.1 million shown at March 31, 2013 and it is attributable to better trade terms in March 2014 compared with March 2013. Trade debtor's turnover days decreased to 36 days compared to that of last year of 52 days.

LIQUIDITY AND TREASURY MANAGEMENT

At March 31, 2014, the bank balances and cash of the Group, including the short term bank deposits, were HK$236.7 million (March 31, 2013: HK$317.0 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, 2014 amounted to HK$139.8 million (March 31, 2013: HK$55.1 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, 2014, 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, 2014 decreased to HK$96.9 million (March 31, 2013: HK$261.9 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 48.2% at March 31, 2013 to 20.2% at March 31, 2014.

CHARGES ON GROUP ASSETS

At March 31, 2014, 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, 2014 amounted to HK$16.5 million (2013: HK$19.4 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, 2014.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2014.

CONTINGENT LIABILITIES

At March 31, 2014, the Group had no contingent liabilities (2013: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at March 31, 2014, the Group had 2,755 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, 2014.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended March 31, 2014, 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, 2014.

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
Dr. Raymond Chan
Chairman & Group Chief Executive Officer

Hong Kong, June 26, 2014

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman & Group Chief Executive Officer), Mrs. Chan Pau Shiu Yeng, Shirley and Mr. Leong Mun Hoong as Executive Directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae as Independent Non-Executive Directors.

Website : http://www.idthk.com