



IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2003

IDT INTERNATIONAL LIMITED is a holding company with subsidiaries engaged in the design, development, manufacture, and sales and marketing of innovative consumer electronic products featuring state-of-the-art liquid crystal display and microprocessor technology.

- Turnover increased 9% to HK\$1,292.8 million
- Sales of Oregon Scientific products increased 46% to HK\$592.7 million
- Profit attributable to shareholders increased 36% to HK\$93.8 million
- Net profit margin was 7%, up from 6% in the last period
- Net cash and deposits were HK\$394.5 million
- The directors have declared an interim dividend of 2.0 HK cents per share in cash

UNAUDITED INTERIM RESULTS

The directors (the “Directors”) of IDT International Limited (the “Company”) are pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) for the three months and six months ended September 30, 2003 together with the unaudited comparative figures for the corresponding periods in 2002.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended September 30,		Three months ended September 30,		Year ended March 31,
		2003	2002	2003	2002	2003
		(Unaudited)	(Unaudited and as restated)	(Unaudited)	(Unaudited)	(As restated)
	Notes	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Turnover	2	1,292.8	1,186.8	824.3	750.3	2,410.2
Cost of sales		(804.3)	(805.6)	(502.8)	(512.6)	(1,585.1)
Gross profit		488.5	381.2	321.5	237.7	825.1
Other operating income		20.3	34.3	11.6	9.3	58.1
Selling expenses		(183.2)	(132.1)	(117.4)	(73.5)	(310.2)
Administrative expenses		(143.2)	(135.0)	(79.3)	(63.0)	(267.1)
Research and development expenses		(49.4)	(50.8)	(27.4)	(29.0)	(93.8)

Profit from operations	3	133.0	97.6	109.0	81.5	212.1
Finance costs		(1.9)	(1.3)	(1.2)	(0.9)	(3.4)
Other non-operating income		0.4	–	0.3	–	–
Share of results of an associate		0.4	2.6	–	0.5	3.3
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit before taxation		131.9	98.9	108.1	81.1	212.0
Taxation	4	(13.5)	(11.2)	(8.9)	(5.5)	(16.5)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit after taxation		118.4	87.7	99.2	75.6	195.5
Minority interests		(24.6)	(18.6)	(19.0)	(17.6)	(42.2)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit attributable to shareholders		93.8	69.1	80.2	58.0	153.3
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Interim dividends	5	(41.6)	(41.4)	N/A	N/A	N/A
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Earnings per share	6					
– basic (HK cents)		4.5	3.3	3.9	2.8	7.4
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
– diluted (HK cents)		4.5	3.3	3.9	2.8	7.4
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	At September 30, 2003 (Unaudited) HK\$'m	At September 30, 2002 (Unaudited and as restated) HK\$'m	At March 31, 2003 (As restated) HK\$'m
Non-current assets				
Investment properties		6.4	6.6	6.4
Property, plant and equipment		300.5	324.4	308.7
Interest in an associate		56.3	56.6	56.6
Intangible assets		68.2	50.8	62.7
Goodwill		18.5	3.7	19.0
Deferred tax assets		40.4	13.5	19.0
Long-term bank deposits		257.4	218.4	237.9
		<hr/>	<hr/>	<hr/>
		747.7	674.0	710.3
Current assets				
Inventories		574.4	516.1	338.9
Property held for resale		1.6	1.6	1.6
Trade and other receivables	7	627.0	555.1	367.6
Taxation recoverable		0.6	–	6.1
Bank balances and cash		286.8	342.7	353.4
		<hr/>	<hr/>	<hr/>
		1,490.4	1,415.5	1,067.6

Current liabilities				
Trade and other payables	8	651.3	560.6	306.6
Amount due to an associate		0.1	0.1	0.1
Obligations under finance leases due within one year		0.3	0.1	0.1
Taxation payable		35.5	24.8	19.4
Bank borrowings		149.7	107.8	57.3
		<u>836.9</u>	<u>693.4</u>	<u>383.5</u>
Net current assets		<u>653.5</u>	<u>722.1</u>	<u>684.1</u>
Total assets less current liabilities		<u>1,401.2</u>	<u>1,396.1</u>	<u>1,394.4</u>
Non-current liabilities				
Obligations under finance leases due after one year		0.2	0.1	0.1
Deferred tax liabilities		26.7	18.7	20.8
		<u>26.9</u>	<u>18.8</u>	<u>20.9</u>
Minority interests		<u>242.8</u>	<u>296.5</u>	<u>244.1</u>
Net assets		<u>1,131.5</u>	<u>1,080.8</u>	<u>1,129.4</u>
Capital and reserves				
Share capital	9	208.2	207.2	207.2
Reserves		923.3	873.6	922.2
		<u>1,131.5</u>	<u>1,080.8</u>	<u>1,129.4</u>
Shareholders' funds		<u>1,131.5</u>	<u>1,080.8</u>	<u>1,129.4</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (Unaudited) HK\$'m	Share premium (Unaudited) HK\$'m	Asset revaluation reserve (Unaudited) HK\$'m	Capital reserve (Unaudited) HK\$'m	Currency translation reserve (Unaudited) HK\$'m	Revenue reserve (Unaudited) HK\$'m	Total (Unaudited) HK\$'m
At April 1, 2002							
– As originally stated	207.0	62.9	33.8	3.7	(10.2)	824.5	1,121.7
– Prior year adjustment (note 1)	–	–	(5.4)	–	–	9.2	3.8
	<u>207.0</u>	<u>62.9</u>	<u>28.4</u>	<u>3.7</u>	<u>(10.2)</u>	<u>833.7</u>	<u>1,125.5</u>
As restated	207.0	62.9	28.4	3.7	(10.2)	833.7	1,125.5
Net gains and losses not recognised in the consolidated income statement							
– Currency realignment	–	–	–	–	9.7	–	9.7
Net profit for the period	–	–	–	–	–	69.1	69.1
2002 final dividend paid	–	–	–	–	–	(72.5)	(72.5)
2002 special dividend paid	–	–	–	–	–	(51.8)	(51.8)
Issue of shares	0.2	0.6	–	–	–	–	0.8
	<u>0.2</u>	<u>0.6</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>0.8</u>
At September 30, 2002	<u>207.2</u>	<u>63.5</u>	<u>28.4</u>	<u>3.7</u>	<u>(0.5)</u>	<u>778.5</u>	<u>1,080.8</u>
At April 1, 2003							
– As originally stated	207.2	63.6	33.8	3.7	5.7	808.8	1,122.8
– Prior year adjustment (note 1)	–	–	(5.9)	–	–	12.5	6.6
	<u>207.2</u>	<u>63.6</u>	<u>27.9</u>	<u>3.7</u>	<u>5.7</u>	<u>821.3</u>	<u>1,129.4</u>
As restated	207.2	63.6	27.9	3.7	5.7	821.3	1,129.4
Net gains and losses not recognised in the consolidated income statement							
– Currency realignment	–	–	–	–	1.4	–	1.4
Currency reserve realised on changing of reporting currency of a subsidiary	–	–	–	–	5.8	–	5.8
Net profit for the period	–	–	–	–	–	93.8	93.8
2003 final dividend paid	–	–	–	–	–	(103.7)	(103.7)
Issue of shares	1.0	3.8	–	–	–	–	4.8
	<u>1.0</u>	<u>3.8</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4.8</u>
At September 30, 2003	<u>208.2</u>	<u>67.4</u>	<u>27.9</u>	<u>3.7</u>	<u>12.9</u>	<u>811.4</u>	<u>1,131.5</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended September 30,	
	2003 (Unaudited) HK\$'m	2002 (Unaudited) HK\$'m
Net cash from operating activities	19.9	1.9
Net cash used in investing activities	(55.0)	(129.1)
Net cash used in financing activities	(34.1)	(62.8)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(69.2)	(190.0)
Cash and cash equivalents at April 1	353.4	527.8
Effect of foreign exchange rate changes	2.6	4.2
	<hr/>	<hr/>
Cash and cash equivalents at September 30	286.8	342.0
	<hr/>	<hr/>
Analysis of the balances of cash and cash equivalents:		
Bank deposits, bank balances and cash	544.2	561.1
Bank overdrafts	–	(0.7)
	<hr/>	<hr/>
	544.2	560.4
<i>Less:</i> Long-term bank deposits	(257.4)	(218.4)
	<hr/>	<hr/>
	286.8	342.0
	<hr/>	<hr/>

Notes:

1. Principal accounting policies

These unaudited condensed consolidated interim accounts (“interim accounts”) are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting”, as applicable to condensed interim accounts, issued by the Hong Kong Society of Accountants, and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). These interim accounts should be read in conjunction with the 2003 annual accounts.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended March 31, 2003, except that the Group has adopted the revised SSAP 12 “Income taxes” to account for deferred taxation which became effective on January 1, 2003.

In previous years, deferred taxation was accounted for in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. Pursuant to the revised SSAP 12, deferred taxation is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the accounts. Deferred tax liabilities are provided in full on all taxable temporary differences

while deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively and the comparative figures have been restated accordingly. This change in accounting policy has resulted in an increase of HK\$15.9 million and HK\$2.3 million in the profit attributable to shareholders for the six months ended September 30, 2003 and 2002 respectively. The opening reserves at April 1, 2003 and 2002 have been increased by HK\$6.6 million and HK\$3.8 million respectively.

Certain comparative figures have been reclassified to conform with the current period's presentation.

2. Segment information

An analysis of the Group's turnover and contribution to profit from operations by each principal business activity is as follows:

	Turnover		Contribution to profit from operations	
	Six months ended September 30,			
	2003	2002	2003	2002
	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Sales and manufacture of:				
LCD Consumer Electronic Products	385.8	415.2	32.5	54.4
Telecommunication Products	359.7	405.1	34.5	3.3
Electronic Personal Information Products	195.5	150.2	7.5	2.0
Electronic Learning Products	347.1	208.0	49.8	22.9
Other consumer electronic products	4.7	8.3	(1.5)	(0.2)
	<u>1,292.8</u>	<u>1,186.8</u>	<u>122.8</u>	<u>82.4</u>
Interest income			9.5	10.9
Unallocated corporate income			<u>0.7</u>	<u>4.3</u>
Profit from operations			<u>133.0</u>	<u>97.6</u>

An analysis of the Group's turnover by geographical market is as follows:

	Turnover	
	Six months ended	
	September 30,	
	2003	2002
	HK\$'m	HK\$'m
Americas	611.2	660.5
Europe	474.5	368.6
Asia Pacific	207.1	157.7
	<u>1,292.8</u>	<u>1,186.8</u>

3. Profit from operations

	Six months ended	
	September 30,	
	2003	2002
	HK\$'m	HK\$'m
Profit from operations has been arrived at after charging:		
Depreciation and amortisation of property, plant and equipment	29.8	33.3
Amortisation of intangible assets	19.7	17.7
Loss on disposal of property, plant and equipment	1.0	12.3
and after crediting:		
Interest income	<u>9.5</u>	<u>10.9</u>

4. Taxation

The charge consists of:

	Six months ended	
	September 30,	
	2003	2002
	HK\$'m	HK\$'m
Hong Kong Profits Tax	(22.5)	(10.5)
Tax in other jurisdictions	(6.0)	(2.5)
Deferred taxation credit	<u>15.0</u>	<u>1.9</u>
	(13.5)	(11.1)
Share of taxation of an associate – Hong Kong Profits Tax	<u>–</u>	<u>(0.1)</u>
	<u>(13.5)</u>	<u>(11.2)</u>

Hong Kong Profits Tax is calculated at 17.5% (2003: 16%) on the estimated assessable profit for the period. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. Dividends

	Six months ended September 30,	
	2003	2002
	HK\$'m	HK\$'m
2003 final dividend paid of 5.0 HK cents per share in cash (2002: 3.5 HK cents per share in cash)	(103.7)	(72.5)
2002 special dividend paid of 2.5 HK cents per share in cash	–	(51.8)
2004 interim dividend of 2.0 HK cents per share in cash (2003: 2.0 HK cents per share in cash)	(41.6)	(41.4)
	<u>(145.3)</u>	<u>(165.7)</u>

6. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended September 30,	
	2003	2002
	HK\$'m	HK\$'m
Net profit for the period for the purpose of basic earnings per share	93.8	69.1
Effect of dilutive potential ordinary shares: Adjustment to the share of result of a subsidiary based on dilution of its earnings per share	(0.1)	(0.1)
Net profit for the purpose of diluted earnings per share	<u>93.7</u>	<u>69.0</u>
Number of ordinary shares: Weighted average number of ordinary shares for the purpose of basic earnings per share	2,072,560,295	2,071,447,538
Effect of dilutive potential ordinary shares: Options	6,535,637	4,738,585
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,079,095,932</u>	<u>2,076,186,123</u>

7. Trade and other receivables

The Group allows its trade customers a credit period normally ranging from letter of credit at sight to 30 days. A longer credit period of 45 to 60 days is granted to a few customers with long business relationship and strong financial position.

The following is an aged analysis of trade receivables at the reporting date:

	At September 30, 2003 HK\$'m	At March 31, 2003 HK\$'m
Not yet due	473.6	215.7
Overdue less than 31 days	67.6	42.0
Overdue 31 to 90 days	5.0	30.3
Overdue more than 90 days	6.0	5.3
	<hr/>	<hr/>
	552.2	293.3
Other receivables	74.8	74.3
	<hr/>	<hr/>
	627.0	367.6

8. Trade and other payables

The following is an aged analysis of trade payables at the reporting date:

	At September 30, 2003 HK\$'m	At March 31, 2003 HK\$'m
Not yet due	231.0	127.2
Overdue less than 31 days	88.2	29.5
Overdue 31 to 90 days	38.5	2.9
Overdue more than 90 days	2.7	2.9
	<hr/>	<hr/>
	360.4	162.5
Other payables	290.9	144.1
	<hr/>	<hr/>
	651.3	306.6

9. Share capital

	Number of shares	Amount HK\$m
At April 1, 2003	2,072,048,407	207.2
Issue of shares on the exercise of share options	10,401,500	1.0
	<hr/>	<hr/>
At September 30, 2003	2,082,449,907	208.2
	<hr/>	<hr/>

EVENT AFTER BALANCE SHEET DATE

On November 26, 2003, a wholly-owned subsidiary of the holding company of Kyosha Holdings (Singapore) Limited (“Kyosha Singapore”), announced its intention to make a voluntary conditional cash offer for all the issued ordinary shares in the capital of Kyosha Singapore at an offer price of S\$0.20 per share in cash. Kyosha Singapore is an associate of the Group and the Group held 67,621,000 ordinary shares in its share capital at September 30, 2003.

BUSINESS REVIEW

Turnover of the Group for the six months ended September 30, 2003 was HK\$1,292.8 million, representing an increase of approximately 9% from the corresponding period last year. This increase was mainly attributable to the electronic learning products division and electronic personal information products division. Over the same period, the Group’s Oregon Scientific branded sales increased by 43% to HK\$595.6 million and now account for 46% of the Group’s turnover, compared with 35% for the same period last year.

Gross profit has increased by 28% to HK\$488.5 million while gross profit margin increased from 32% to 38%. The increase in gross profit margin was mainly due to the increase in Oregon Scientific branded sales’ weighting in the Group’s sales mix and the general improvement in margins from new products.

Total operating expenses have increased to support the growth of Oregon Scientific branded sales, however expenses remain under tight control with an increase of 18% to HK\$375.8 million. Total operating expenses comprise selling, administrative and R&D expenses which represent 14%, 11% and 4% of sales respectively, compared with last year’s 11%, 11% and 4%. Profit from operations was HK\$133.0 million, compared with HK\$97.6 million for the corresponding period last year. It represents an increase of 36% and a return on sales of approximately 10%, up from last year’s 8%.

Profit attributable to shareholders for the period was HK\$93.8 million, which represents a 36% increase from the corresponding period last year. In terms of profitability, net profit margin for the period was 7%, compared with last year’s 6%.

The major business development of each business division is described below.

Oregon Scientific recorded sales of HK\$592.7 million, representing an increase of 46% from the corresponding period last year. In the period under review, the US was the fastest growing major market for Oregon Scientific branded products, having achieved a 90% increase. UK and Spain achieved satisfactory sales growth of 55% and 24% respectively. Because of the poor economic conditions in Germany, sales dropped by 12% over the year. In our relatively newer markets, Australia grew by 104% and Asia Pacific by 31%.

LCD Consumer Electronic Products division recorded sales of HK\$385.8 million, down 7% from the same period last year. It accounted for approximately 30% of the Group's turnover and remains the largest business of the Group. Sales under the Oregon Scientific brand accounted for 59% of the division's total sales for the period, compared with 57% for the corresponding period last year.

The drop in sales was mainly caused by timing of the launch of a number of key new products which will occur in the second half of the year particularly for environmental monitoring and timing products. Healthcare and sports products continued to report impressive growth when compared with last year. The shipment of new products in the second half, including the "Starck + Oregon Scientific" collection designed by world famous designer Philippe Starck and Ferrari licensed collection, are expected to contribute to this division's growth in the second half of the year.

Telecommunication Products division saw an 11% drop in sales to HK\$359.7 million for the period. It represents approximately 28% of Group turnover, down from 34% a year ago. Whilst sales in the second quarter this year were about the same as in the second quarter of the preceding financial year, the overall drop in sales occurred in the first quarter when compared with its corresponding period last year, which recorded strong sales from the launch of new products. The division's strategy of increasing its customer base and product lines contributed to the better performance in the second quarter.

During the period, sales of Oregon Scientific were HK\$31.6 million, compared with HK\$10.8 million last year. Oregon Scientific accounted for 9% of the division's total sales for the period, up from 3% last year.

Electronic Personal Information Products division recorded sales of HK\$195.5 million, representing 15% of the Group's turnover and a 30% growth from last year. The sales increase was attributable to the launch of higher value digital imaging products with advanced features and an increase in Oregon Scientific branded sales. About 58% of this division's sales were through the Group's Oregon Scientific brand, compared with 27% a year ago. For the second half of the financial year, we expect to see sales growth being supported by the launch of a series of unique digital voice recorders including the world's first card size digital voice recorder and a series of new digital cameras including a card size 2.0 mega pixel digital camera under the Oregon Scientific brand and private labels.

Electronic Learning Products division achieved HK\$347.1 million of sales for the period, representing 27% of the Group's turnover and a 67% increase from the corresponding period last year. Sales under the Oregon Scientific brand were HK\$214.6 million, which accounted for 62% of the division's total sales. The OEM side of the business also performed very well with a 41% increase in sales to reach HK\$132.5 million.

Working capital at the end of the period amounted to HK\$653.5 million, down 10% from HK\$722.1 million as stated at the end of the corresponding period last year. Given the increases in sales and net profit for the Group, this drop in working capital indicates improvement in our working capital utilisation. Due to seasonality factors, levels of inventories and trade receivables as at September 30, 2003 are higher than their levels at the last financial year end. When compared at the corresponding date last year, inventories and trade receivables increased by 11% and 16% respectively whereas trade payables dropped by 3%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations from internal cash flow. Net cash and deposits at September 30, 2003 were HK\$394.5 million, which is HK\$58.8 million less than the balance recorded on the same date last year. The decrease in net cash balances was mainly due to the privatisation of I-Comm Technology Limited.

The Group has sufficient financial resources to fund our operations, current investment needs and development plans.

CAPITAL STRUCTURE AND TREASURY MANAGEMENT

The Group is funded entirely by equity and we do not have any secured or unsecured long-term debt. Short-term bank borrowings of HK\$149.7 million as at September 30, 2003, compared with HK\$107.8 million last year, were in relation to bills payable, import loans, revolving bank loans and bank overdrafts.

Having considered the interest rate environment and capital needs, the Group has placed HK\$257.4 million on high yield deposits with financial institutions as at September 30, 2003, which is about the same level as last year. The average yield for these deposits has improved from last year's 6.8% to 7.3% per annum. These deposits were placed with institutions with a minimum double A rating. These instruments do carry a level of risk where interest earned could be nil if certain conditions are met.

The Group's exposure to foreign currency mainly arises from the net cash flow and net working capital translation of its overseas subsidiaries. We actively hedge our foreign currency exposures through natural hedges, forward contracts and options. As at September 30, 2003, we had forward contracts and options in place to hedge against possible exchange losses from future net cash flows. Speculative currency transactions are strictly prohibited. The management of currency risk is centralised in the Group's headquarters in Hong Kong.

EMPLOYEES AND REMUNERATION POLICIES

As at September 30, 2003, the Group employed a total of approximately 8,500 employees (2002: approximately 8,600 employees) which is about the same as last year. The Group continues to maintain and upgrade the capabilities of our workforce by providing them with adequate and regular training.

We fully recognise the importance of our employees who contribute significantly to our success. We offer remuneration packages in line with industry practice, which are subject to annual review. Bonuses may be awarded to employees based both on individual and the Group's overall performance. Other staff benefits include medical insurance and mandatory provident fund. In Xixian, Shenzhen, where the Group centres our production facilities and at Shekou where the Group maintains our research and development resources, staff welfare was paid with reference to the prevailing labour laws in China. Both the Company and our Singapore listed subsidiary, IDT Holdings (Singapore) Limited, each have an employee share option scheme, which grant share options to selected eligible employees to reward them for their contributions and to align their interests with that of the shareholders.

PROSPECTS

Going forward, the Group will continue to invest in the expansion of both the Oregon Scientific branded and the ODM/OEM businesses. The Oregon Scientific branded business will be further developed through the increase in points of sales including Oregon Scientific image shops, the launch of new innovative products and the co-branded licensed collections. The ODM/OEM business will continue to be supported by our innovative product ideas, world-class production facilities and a committed team of R&D professionals.

To further improve our operational efficiencies and support the growth of the Group, we have embarked on the implementation of an enterprise resources planning system supplied by SAP. The system will be rolled out by stages with the initial stage covering our Oregon Scientific sales and marketing offices. Upon successful installation for our overseas offices, the system will be rolled out to cover our manufacturing operations.

Having achieved earnings growth in the preceding years despite less favourable economic conditions, we are confident to continue to deliver satisfactory results for this financial year.

DIVIDENDS

The directors have declared an interim dividend of 2.0 HK cents per share in cash for the year ending March 31, 2004 (interim dividend for the year ended March 31, 2003 was 2.0 HK cents per share in cash) to be paid on or about January 16, 2004 to shareholders whose names appear on the register of members of the Company on December 24, 2003.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of shareholders to the interim dividend, the register of members of the Company will be closed from December 23, 2003 to December 24, 2003, both days inclusive, during which period no share transfers will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Secretaries Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on December 22, 2003.

CONTINGENT LIABILITIES

At September 30, 2003, the Group had no contingent liabilities (2002: nil).

AUDIT COMMITTEE

The audit committee, comprising of two independent non-executive directors, Mr. Lo Kai Yiu, Anthony (Chairman of the audit committee) and Mr. Kao Ying Lun, had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended September 30, 2003 of the Company.

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 six months ended September 30, 2003.

COMPLIANCE WITH CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange throughout the six months ended September 30, 2003, save and except that all non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

APPRECIATION

On behalf of the directors, I wish to thank our shareholders and business associates for their ongoing support, and extend our appreciation to management team and staff members for their dedication, commitments and contributions throughout the period.

On behalf of the board of directors
Raymond Chan
Chairman & Chief Executive Officer

Hong Kong, November 27, 2003

Websites: <http://www.idthk.com>
<http://www.irasia.com/listco/hk/idt>