IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF FIRST QUARTER RESULTS FOR THE YEAR ENDING MARCH 31, 2006

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.

Performance highlights

- **Turnover increased 9% to HK$554.8 million**
- **Gross profit decreased 21% to HK$143.1 million**
- **Net loss for the period was HK$62.2 million as compared with net profit for the same period last year of HK$25.9 million**
- **Net cash and deposits were HK$134.4 million**

UNAUDITED RESULTS

The directors (the "Directors") of IDT International Limited (the "Company") are pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the three months ended June 30, 2005 together with the unaudited comparative figures for the corresponding periods in 2004.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**Three months ended June 30** **2005** **(Unaudited)** **HK$'m**	2004 (Unaudited) HK$'m	Year ended March 31, 2005 (Restated) HK$'m
Turnover	2	**554.8**	507.4	2,894.7
Cost of goods sold		**(411.7)**	(326.9)	(1,840.2)
Gross profit		**143.1**	180.5	1,054.5
Other operating income		**7.5**	6.0	48.2
Research and development costs		**(27.9)**	(24.9)	(109.7)
Distribution and selling expenses		**(113.4)**	(67.6)	(500.1)
Administrative expenses		**(70.7)**	(65.0)	(292.8)
(Loss) profit from operations	3	**(61.4)**	29.0	200.1
Interest on bank and other borrowings wholly repayable within five years		**(4.2)**	(2.2)	(12.9)
(Loss) profit before taxation		**(65.6)**	26.8	187.2
Taxation	4	**3.4**	(0.9)	(0.5)
Net (loss) profit for the period		**(62.2)**	25.9	186.7
Attributable to:				
Equity holders of the parent		**(71.6)**	17.2	129.7
Minority interests		**9.4**	8.7	57.0
		(62.2)	25.9	186.7
Earnings per share	5			
– basic (HK cents)		**(3.4)**	0.8	6.2
– diluted (HK cents)		**(3.4)**	0.8	6.2

CONDENSED CONSOLIDATED BALANCE SHEET

	At June 30, 2005 (Unaudited) HK$'m	At June 30, 2004 (Unaudited) HK$'m	At March 31,2005 (Restated) HK$'m
Non-current assets			
Investment properties	**14.8**	6.4	14.8
Property, plant and equipment	**313.1**	282.6	318.0
Intangible assets	**89.4**	78.6	81.8
Goodwill	**30.1**	17.8	26.4
Long-term bank deposits	**296.4**	296.4	296.4
Deferred tax assets	**82.4**	56.3	78.8
	826.2	738.1	816.2
Current assets			
Inventories	**687.8**	600.4	734.5
Property held for resale	**1.6**	1.6	1.6
Trade and other receivables	**495.3**	451.8	465.0
Forward asset	**11.4**	–	15.3
Taxation recoverable	**9.8**	0.4	6.8
Bank balances and cash	**317.5**	441.9	307.3
	1,523.4	1,496.1	1,530.5
Current liabilities			
Trade and other payables	**441.7**	432.6	421.5
Bills payable	**22.9**	6.8	26.1
Obligations under finance leases due within one year	**–**	0.1	0.1
Forward liability	**–**	3.1	–
Taxation payable	**11.3**	32.7	13.0
Short-term bank loans	**456.5**	182.9	393.9
	932.4	658.2	854.6
Net current assets	**591.0**	837.9	675.9
Total assets less current liabilities	**1,417.2**	1,576.0	1,492.1
Non-current liabilities			
Obligations under finance leases due after one year	**0.1**	0.1	0.1
Deferred tax liabilities	**25.8**	29.1	27.8
	25.9	29.2	27.9
Net assets	**1,391.3**	1,546.8	1,464.2
Capital and reserves			
Share capital	**208.5**	208.4	208.5
Reserves	**903.1**	1,057.9	979.6
Equity attributable to equity holders of the parent	**1,111.6**	1,266.3	1,188.1
Minority interests	**279.7**	280.5	276.1
Total equity	**1,391.3**	1,546.8	1,464.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent									
	Share Capital (Unaudited) HK$'m	Share premium (Unaudited) HK$'m	Properties revaluation reserve (Unaudited) HK$'m	Employee share-based compensation reserve (Unaudited) HK$'m	Capital reserve (Unaudited) HK$'m	Translation reserve (Unaudited) HK$'m	Revenue reserve (Unaudited) HK$'m	Total (Unaudited) HK$'m	Minority interests (Unaudited) HK$'m	Total (Unaudited) HK$'m
At April 1, 2004	208.2	67.4	27.9	–	6.9	8.1	926.8	1,245.3	271.9	1,517.2
Prior period adjustment – share-based payments	–	–	–	0.1	–	–	(0.1)	–	–	–
At April 1, 2004 (restated)	208.2	67.4	27.9	0.1	6.9	8.1	926.7	1,245.3	271.9	1,517.2
Issue of shares	0.2	1.0	–	–	–	–	–	1.2	–	1.2
Exchange differences arising from translation of financial statements of overseas operations not recognized in the consolidated income statement	–	–	–	–	–	2.6	–	2.6	(0.1)	2.5
Net profit for the period	–	–	–	–	–	–	17.2	17.2	8.7	25.9
At June 30, 2004	208.4	68.4	27.9	0.1	6.9	10.7	943.9	1,266.3	280.5	1,546.8
At April 1, 2005	208.5	68.8	27.9	–	6.9	6.8	869.2	1,188.1	276.1	1,464.2
Prior period adjustment – share-based payments	–	–	–	0.4	–	–	(0.4)	–	–	–
At April 1, 2005 (restated)	208.5	68.8	27.9	0.4	6.9	6.8	868.8	1,188.1	276.1	1,464.2
Issue of shares	–	0.3	–	–	–	–	–	0.3	–	0.3
Exchange differences arising from translation of financial statements of overseas operations not recognized in the consolidated income statement	–	–	–	–	–	(5.3)	–	(5.3)	(0.7)	(6.0)
Net (loss) profit for the period	–	–	–	–	–	–	(71.6)	(71.6)	9.4	(62.2)
Movement during the period	–	–	–	–	–	–	–	–	(5.1)	(5.1)
Employee share option benefits	–	–	–	0.1	–	–	–	0.1	–	0.1
At June 30, 2005	**208.5**	**69.1**	**27.9**	**0.5**	**6.9**	**1.5**	**797.2**	**1,111.6**	**279.7**	**1,391.3**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Three months ended June 30 **2005** **(Unaudited)** **HK$'m**	2004 (Unaudited) HK$'m
Net cash used in operating activities	**(11.4)**	(82.7)
Net cash used in investing activities	**(39.8)**	(17.8)
Net cash from financing activities	**64.6**	6.9
Net increase (decrease) in cash and cash equivalents	**13.4**	(93.6)
Cash and cash equivalents at April 1	**307.3**	530.8
Effect of foreign exchange rate changes	**(3.2)**	4.7
Cash and cash equivalents at June 30	**317.5**	441.9
Analysis of the balances of cash and cash equivalents:		
Bank deposits, bank balances and cash	**613.9**	738.3
Less: Long-term bank deposits	**(296.4)**	(296.4)
	317.5	441.9

Notes:

1. Basis of preparation and accounting policies

The Directors are responsible for the preparation of the Group's unaudited quarterly financials. The unaudited quarterly financials have been prepared in accordance with the new Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA"), and accounting principles generally accepted in Hong Kong.

The HKICPA has issued a number of new or revised HKAS and HKFRS (herein collectively referred to as "new HKFRSs") which are generally effective for accounting periods beginning on or after January 1, 2005. The principal accounting policies adopted in preparing these financial statements are consistent with those adopted in the Group's annual audited consolidated financial statements for the year ended March 31, 2005 except for those mentioned below.

(a) *Share-based Payments*

In the current period, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors' and employees' share options of the Company determined at the date of grant of share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. HKFRS 2 has been applied retrospectively for share options granted to employees after November 7, 2002 and had not yet vested on April 1, 2005. Following the adoption of this accounting policy, the opening balance on the Group's revenue reserve at April 1, 2005 has been decreased by HK$0.4 million (April 1, 2004: HK$0.1 million). In addition, the amount of employee share-based expenses of approximately HK$0.1 million were charged to the income statement for the three months ended at June 30, 2005 (2004: nil).

(b) *Business Combinations*

In the current period, the Group has applied HKFRS 3 "Business Combinations" which is effective for business combinations for which agreement date is on or after April 1, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous periods, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from April 1, 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after April 1, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. Following the adoption of this accounting policy, the Group's profit for the three months ended June 30, 2005 increased by HK$0.4 million as no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

(c) *Financial Instruments*

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after January 1, 2005, generally not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Financial assets and financial liabilities other than debt and equity securities

From April 1, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of Statement of Standard Accounting Practice 24 in accordance with the requirements of HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortised cost using the effective interest method.

Derivatives and hedging

From April 1, 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit and loss for the period in which they arise.

The Group has not early applied the new HKFRSs that have been issued but not yet effective. The directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the financial statements of the Group.

2. Segment information

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

	Turnover Three months ended June 30 **2005 HK$'m**	2004 HK$'m	**Contribution to (loss) profit from operations** Three months ended June 30 **2005 HK$'m**	2004 HK$'m
Sales and manufacture of:				
LCD Consumer Electronic Products	**221.8**	233.4	**7.2**	31.4
Telecommunications Products	**69.2**	142.7	**(18.5)**	4.9
Digital Media Products	**145.3**	54.1	**(50.1)**	(15.6)
Electronic Learning Products	**117.6**	74.5	**0.2**	(2.6)
Other consumer electronic products	**0.9**	2.7	**0.2**	0.4
	554.8	507.4	**(61.0)**	18.5
Interest income			**1.7**	5.7
Unallocated corporate (expenses) income			**(2.1)**	4.8
(Loss) profit from operations			**(61.4)**	29.0

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

	Turnover Three months ended June 30 **2005 HK$'m**	2004 HK$'m
Americas	**206.2**	200.1
Europe	**211.2**	199.0
Asia Pacific	**137.4**	108.3
	554.8	507.4

3. **(Loss) profit from operations**

	Three months ended June 30 2005 HK$'m	2004 HK$'m
(Loss) profit from operations has been arrived at after charging:		
Depreciation and amortisation of property, plant and equipment	**15.0**	14.2
Amortisation of intangible assets	**10.9**	9.8
Loss on disposal of property, plant and equipment	**1.0**	2.2
and after crediting:		
Interest income	**1.7**	5.7

4. **Taxation**

The credit (charge) comprises:

	Three months ended June 30 2005 HK$'m	2004 HK$'m
Hong Kong Profits Tax	**(1.7)**	(3.7)
Tax in other jurisdictions	**(1.0)**	(3.5)
Deferred taxation credit	**6.1**	6.3
	3.4	(0.9)

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

On June 15, 2005, the Hong Kong Inland Revenue Department (the "HK IRD") issued protective profits tax assessments in the amount of approximately HK$40.5 million relating to years of assessment from 1999/00 to 2003/04 against one of the Group's subsidiaries (the "Protective Assessments"). The Directors, having received appropriate advice, consider that the subsidiary in question did not carry on any business activities in Hong Kong nor derived profits in or from Hong Kong. The Directors have been advised by its tax adviser, based on the mode of the subsidiary's operations as described above, the HK IRD should conclude that no profits tax is in fact payable by the subsidiary in question and no provision for profits tax in respect of the Protective Assessments will be necessary. No provision for Hong Kong Profits Tax had been made in the financial statements of the Group for the first quarter of FY2005/06 in respect of the Protective Assessments. The Group cannot predict when this issue will be resolved and further announcement will be made once an appropriate basis of settlement has been agreed with the HK IRD and the extent of tax liability has become transpired.

5. **Earnings per share**

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

	Three months ended June 30 2005 HK$'m	2004 HK$'m
Net (loss) profit attributable to shareholders and earnings for the purposes of basic earnings per share	**(71.6)**	17.2
Effect of dilutive potential ordinary shares:		
– adjustment to the share of profits of a subsidiary based on dilution of its earnings per share	**–**	–
Earnings for the purpose of diluted earnings per share	**(71.6)**	17.2
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,084,786,347**	2,083,949,907
Effect of dilutive potential ordinary shares:		
– share options	**1,952,697**	3,675,907
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,086,739,044**	2,087,625,814

BUSINESS REVIEW

Turnover of the Group for the three months ended June 30, 2005 was HK$554.8 million, representing an increase of 9% from the corresponding period of the previous financial year. Oregon Scientific branded sales were 28% higher than the corresponding period last year, accounting for 51% of the Group's turnover, compared with 44% for the corresponding period last year. The growth has been attributed to a 221% increase in the sales of Digital Media Products and a 51% increase in the sales of Electronic Learning Products. ODM/OEM sales were 5% lower than the corresponding period last year and accounted for 49% of the Group's turnover. ODM/OEM sales in Digital Media Products and Electronic Learning Products increased 142% and 65% respectively whereas Telecommunications Products and LCD Consumer Electronic Products dropped 61% and 13% respectively compared with the corresponding period last year.

Gross profit decreased by 21% to HK$143.1 million while gross profit margin was 26% compared with 36% for the corresponding period last year. The decrease in gross profit margin was mainly due to two factors. Firstly, the gross profit margin was impacted by a higher mix of Digital Media Products in both branded sales and ODM/OEM sales which accounted for 26% of this period's total sales compared with 11% of the total sales of the same period last year. Secondly, the growth in branded sales and efforts to reduce inventories were driven by repositioning prices for a number of product lines in response to competitive market conditions.

Loss from operations was HK$61.4 million, compared with profit from operations of HK$29.0 million for the corresponding period last year. Total operating expenses increased by 35% to HK$212.0 million, representing 38% of sales in comparison with last year's 31%. Selling expenses increased by 68% to HK$113.4 million, administrative expenses increased by 9% to HK$70.7 million and R & D expenses increased by 12% to HK$27.9 million. The cost base was raised to a higher level by investments in sales force and modernised operating facilities to strengthen the Group's core competence in product development and sales and marketing organisations. On the other hand, the Group also conducted an in-depth operational review with the objective of increasing its efficiency and productivity. As a result, the factory manpower was reduced by more than 500 during the period to 7,000.

Net loss for the three months ended June 30, 2005 was HK$62.2 million, compared with net profit of HK$25.9 million in the corresponding period last year.

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

Oregon Scientific achieved sales growth of 28% to reach HK$284.1 million, representing 51% of the Group's turnover. Sales in Europe increased 22% mainly driven by 135% growth in the sales of Digital Media Products. However, the sales of LCD Consumer Electronic Products were at the same level as last year. All European markets reported double digit growth in sales with the exception of the UK where the retail environment was particularly challenging. Meanwhile, the US also recorded double digit growth in sales and a strong result was recorded as well in Brazil which exceeded last year's sales by 149%. In Asia Pacific, Australia continued to be the major market with robust performances in Digital Media Products, Electronic Learning Products and Telecommunications Products driving the total sales of the region up by 45% compared with last year.

LCD Consumer Electronic Products division recorded sales of HK$221.8 million, down 5% from last year. The LCD division accounted for 40% of the Group's turnover and remained the largest division of the Group. Oregon Scientific branded sales accounted for 67% of the division's total sales in the period. Whilst the branded sales maintained the same level of last year, the ODM/OEM sales were down by 13% mainly due to reduced orders from some US major accounts.

Telecommunications Products division sales decreased by 52% to HK$69.2 million for the period. This division represented 13% of the Group's turnover, down from 28% last year. During the period, sales of the Oregon Scientific brand were HK$19.9 million, which accounted for 29% of the division's total sales, up from 11% last year. ODM/OEM sales were lower than last year by 61%, reporting HK$49.3 million. Although this trend of lower sales will continue in the short term, the division is cultivating a number of new major accounts and developing new products for which orders have already been secured for the end of this year and beyond.

Digital Media Products division recorded sales of HK$145.3 million, representing 26% of the Group's turnover and an increase of 169% from last year. 40% of this division's sales were through Oregon Scientific, compared with 34% last year. As a result, Oregon Scientific sales were HK$58.5 million, up 221%. Meanwhile, ODM/OEM sales recorded an increase of 142% to HK$86.8 million. The Group expects shipments to some major accounts to be substantially reduced after the first quarter and in some cases will be delayed to the second half of the year. On the other hand, the division will launch its new line of Oregon Scientific Audio Products in the second quarter. The audio line comprises four new products with unique technical and design features. The line up has received favourable response from the trade and listings have been secured.

Electronic Learning Products division recorded sales of HK$117.6 million for the period, representing 21% of the Group's turnover and an increase of 58% from last year. Sales under the Oregon Scientific brand were HK$56.2 million, which accounted for 48% of the division's total sales. Both Oregon Scientific branded sales and ODM/OEM were up by 51% and 65% respectively as compared with last year. The growth was mainly attributable to the new licensed products introduced to the market in the period and increased shipments to major ODM/OEM accounts.

Working capital as at June 30, 2005 amounted to HK$591.0 million, down by 29% from last year. Comparing with the balances at March 31, 2005, trade receivables increased by 5% whereas inventories and trade payable dropped by 6% and 15% respectively. Inventories turnover days were 150 and Debtors turnover days were 60. The Group has continued to implement actions to reduce the level of finished products in overseas sales offices. In addition to putting new strategies into place including sell-through analysis to improve inventory planning, rationalisation of product line up and introduce global product launch programmes to co-ordinate product development, production and sales and marketing for more effective inventory control, the Group has also taken short term tactical actions including price repositioning of Digital Media Products and launching promotional sales for the high end LCD Consumer Electronic Products. Moreover, the Group reviews the fair value of the inventory every month to ensure that it has made adequate provision to cover any impairment in value. The increase in trade receivables was mainly due to the substantial growth of branded sales in this period. On the other hand, the decrease in trade payable is mainly due to reduced amount of material purchases made by LCD Consumer Electronic Products division and Telecommunications Products division.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations from internal cash flow. Net cash balances at June 30, 2005 were HK$134.4 million, which were HK$414.0 million lower than the balances recorded last year. The decrease in net cash balances was mainly due to the increase in inventories and receivables and decrease in payables.

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

CAPITAL STRUCTURE AND TREASURY MANAGEMENT

The Group is funded entirely by equity and there is no secured or unsecured long-term debt. Short-term bank borrowings of HK$479.5 million as at June 30, 2005, compared with HK$189.9 million last year, were in relation to bills payable, import loans, revolving bank loans used for currency hedging purposes and bank overdrafts.

Having considered the interest rate environment and capital needs, the Group had placed HK$296.4 million on high yield deposits with financial institutions as at June 30, 2005, same amount of last year. These deposits were placed with institutions with a minimum double A rating. These instruments do carry a level of risk because interest earnings 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. Hedging of foreign currency exposures is actively done through natural hedges, forward contracts and options. As at June 30, 2005, there were forward contracts 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.

PROSPECTS

The Group continues to face a number of challenges and is proactively taking actions to redress the situation. The initiatives in inventory reduction will continue. On the other hand, the new licensed product launch of Electronic Learning Products and new Audio Products will drive higher margin in the second and third quarters. The cost base is subject to day-to-day review and actions to right size the entire organisation have and will continue to be taken. The order book for ODM/OEM business is behind last year mainly due to the anticipated lower shipments of Digital Media Products and Telecommunications Products. Nevertheless, the Group is confident that these short term measures will further strengthen its business in the future by focusing on the more profitable areas of the business.

DIVIDEND

It is the Group's plan to declare dividend only at the half-year and year-end. Therefore, the Directors do not recommend the payment of a dividend for the three months ended June 30, 2005 (2004: nil).

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 three months ended June 30, 2005.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with a major deviation from CG Code provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer throughout the review period. The Group's compliance with the provisions and recommended best practices of the CG Code together with the considered reasons for any deviations are set out in the Corporate Governance Report contained in the Company's 2005 Annual Report issued in June 2005.

REVIEW OF ACCOUNTS

The Audit Committee had reviewed with the management of the Company the unaudited financial statements and the results of the Group for the three months ended June 30, 2005.

APPRECIATION

On behalf of the Board, I wish to express my gratitude to our management team and staff members for their hard work, dedication and support throughout the period.

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

Hong Kong, August 10, 2005

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan, Mr. Alain Jacques Gilbert Li, Mrs. Chan Pau Shiu Yeng, Shirley and Mr. Giuseppe Finocchiaro as executive directors; Mr. Jack William Edouard Heuer and Professor Woo Chia Wei as non-executive directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli, Dr. Kenichi Ohmae and Professor Yoram (Jerry) Wind as independent non-executive directors.

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

"Please also refer to the published version of this announcement in South China Morning Post."