



**IDT International Limited**

萬威國際有限公司

[For Immediate Release]

## **IDT INTERNATIONAL ANNOUNCES 2003 INTERIM RESULTS**

\* \* \* \*

### **ATTRIBUTABLE PROFIT INCREASES 31% TO HK\$66.8 MILLION OREGON SCIENTIFIC SALES UP 6%**

#### **Highlights**

- 
- **Turnover increased 10% to HK\$1,186.8 million.**
  - **Oregon Scientific sales grew 6% to HK\$404.9 million.**
  - **Profit attributable to shareholders increased 31% to HK\$66.8 million.**
  - **Net profit margin was 6%, up from 5% in the last period.**
  - **Net cash and deposits increased by HK\$56.2 million to HK\$453.1 million.**
  - **Declared an interim dividend of 2.0 HK cents per share.**
- 

(Hong Kong, December 18, 2002) -- Leading consumer electronic products manufacturer and distributor, **IDT International Limited** ("IDT International" or the "Group") (SEHK code: 167) today announced its interim results for the six months ended September 30, 2002.

Turnover of HK\$1,186.8 million represents a satisfactory increase of approximately 10% against the corresponding period last year. Profit attributable to shareholders surged 31% to HK\$66.8 million. The net profit margin was up from 5% in the last period to 6%. The board of directors has declared an interim dividend of 2.0 HK cents per share in cash for the interim period (2001/2002: 1.0 HK cent per share in cash).

Mr. Raymond Chan, Chairman and CEO of IDT International, said, "The favourable figures were mainly attributable to satisfactory performances overall. The Group's Oregon Scientific ("OS") sales continue to grow and increased by 6% to HK\$404.9 million during the period which accounted for over 34% of the Group's turnover, compared with 35% for the same period last year."

In the period under review, the US was the fastest growing and largest market for OS products having achieved HK\$150.1 million of sales, representing a 61% increase. Australia, Spain, and UK achieved satisfactory sales growth of 56%, 36% and 18% respectively.

Mr Chan said, "Following our success in Europe and the US, we are investing to increase the market awareness and sales of our OS brand in Asia. In September this year, we opened a marketing office in Singapore to better serve markets in South East Asia. In October, OS was officially launched in Shanghai and was the official timing machine for China's first Internet game competition organized by the Internet Society of China. During the period, a number of new distributors have been appointed in Singapore and China, and we are optimistic that these markets will contribute to the growth and profitability of the Group in the future."

In Brazil, the operation is being ramped up and benefits are expected to be visible in the second half. There are also plans to leverage the Brazilian operation to expand into other Latin American countries through local distributors.

Heading the Group's four core businesses, **LCD Consumer Electronic Products** recorded sales of HK\$415.2 million, accounting for approximately 35% of the Group's turnover and remains the Group's largest products division. OS branded sales accounted for 57% of the division's total sales for this period. In the second half, the division will introduce a number of new products in each product category of Environmental Monitoring and Timing devices and Health Care and Sports products, which are expected to bring additional sales.

**Telecommunication Products** achieved a 25% increase in sales to reach HK\$405.1 million for the period, representing approximately 34% of the Group's turnover. The results are particularly encouraging given the division's dependence on the US market which is still recovering from the economic downturn. Sales of more advanced phone products such as the 2.4 GHz analogue and 1.8 GHz digital cordless telephones saw a significant increase and accounted for approximately 40% of the division's turnover. During the period, the division began to leverage on the OS brand and its extensive worldwide distribution network. Sales through the OS brand were HK\$10.8 million, accounting for 3% of the division's total sales.

The Telecommunication Products division has been operated under the Singapore listed I-Comm Technology Limited ("I-Comm"). During the period, the Group initiated an offer to privatize I-Comm. Commenting on this move, Mr. Chan said, "Our aim is to better equip this division to compete in the increasingly challenging consumer telecommunications equipment industry. Being privatized and fully integrated with the Group, this division can enjoy economies of scale and cost efficiencies which are beneficial to the Group as a whole."

**Electronic Personal Information Products** recorded sales of HK\$150.2 million, representing 13% of the Group's turnover and a growth of 28% from same period last year. About 27% of this division's sales were made through the Group's OS brand. During the period, the division continued to leverage on the tremendous popularity of the "Eyeplate", the world's slimmest digital camera launched in March 2002. This division's production facilities have been upgraded with a HK\$4 million investment in a new clean room which was opened in November this year. A series of new digital cameras are ready to be launched in the market in early 2003.

**Electronic Learning Products** achieved HK\$208.0 million of sales for the period, representing 18% of the Group's turnover and a 3% increase over same period last year. Sales under the OS brand reached HK\$114.2 million, accounting for 55% of the total. Building on its successful track record, this division will continue to focus on character based products, either through licensed arrangements or proprietary development.

Looking to the future, the Group will continue to invest in new product introductions and strengthen its distribution network. Mr Chan concluded, "As at September 30, 2002, the Group has net cash and deposits of HK\$453.1 million, which represented 42% of shareholders' funds, and is sufficient to fund our operations, current and future investment needs and development plans. We are pleased to announce that we are paying an interim dividend of 2.0 HK cents per share. In addition to the investments in enhancing research and development and expanding the distribution network, we are also studying a number of possibilities to further improve our operational efficiencies through better management information systems and supply chain management. Barring unforeseen circumstances, we are confident that the Group will achieve increased profits for the full year."

- end -

**About IDT International:**

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

Headquartered in Hong Kong, IDT International's core businesses include LCD Consumer Electronic Products, Telecommunication Products, Electronic Personal Information Products and Electronic Learning Products. Marketing is undertaken globally through sales and marketing offices in Germany, France, Italy, U.K., Spain, Poland, Brazil, the U.S., Australia, the PRC, Japan and Hong Kong. Research and development resources are established in both Hong Kong and the PRC and manufacturing facilities are centred in Xixian, Shenzhen, the PRC.

**For press enquiries:**

Strategic Financial Relations Limited  
Eveline Wan / Joanne Lam / Madison Wai  
Tel: 2864 4822 / 2864 4816 / 2864 4859  
Fax: 2527 1196 / 2111 9089

Email: eveline@strategic.com.hk  
joanne@strategic.com.hk  
madison@strategic.com.hk