



**IDT International Limited**  
萬威國際有限公司

[For Immediate Release]

**IDT INTERNATIONAL ANNOUNCES 2003/04 INTERIM RESULTS**

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**PROFIT INCREASES 36% TO HK\$93.8 MILLION**  
**SALES OF OREGON SCIENTIFIC PRODUCTS SURGE 46%**

**Highlights**

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**Turnover increased 9% to HK\$1,292.8 million**  
**Sales of Oregon Scientific products increased 46% to HK\$592.7 million**  
**Profit from operations increased 36% to HK\$133.0 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**

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(Hong Kong, November 27, 2003) -- Leading consumer electronic products manufacturer and brand distributor, IDT International Limited ("IDT International" or the "Group") (SEHK code: 167), today announced its interim results for the six months ended September 30, 2003.

During the period under review, the Group's turnover rose to HK\$1,292.8 million, representing an increase of approximately 9%. The increase was mainly attributable to the electronic learning products division ("ELP") and electronic personal information products ("PIP") division, which recorded 67% and 30% growth respectively. Profit attributable to shareholders increased 36% to reach HK\$93.8 million.

The directors have declared an interim dividend of 2.0 HK cents per share in cash to registered shareholders.

The Group maintained very healthy financial position, net cash and deposits were HK\$394.5 million at September 30, 2003. Working capital was down 10% to HK\$653.5 million. Given the increases in sales and net profit for the Group, this drop in working capital indicates improvement in its working capital utilization.

"I am pleased that the Group has achieved earnings growth compared to the preceding years and that profitability has also shown a healthy improvement from 6% in the last corresponding period to 7% this year." Mr. Raymond Chan, Chairman and CEO of IDT International said, "We continued to extend the market reach of our Oregon Scientific brand in the Asia Pacific and China region through the introduction of image stores, outlets and corners in Hong Kong, Shanghai and Singapore. Together with a series of marketing and promotion campaigns, our Oregon Scientific brand has rapidly expanded its market presence in the region."

Oregon Scientific sales increased 46% to HK\$592.7 million, representing 46% of the Group's total turnover. Sales contribution from the branded products in the four core businesses: LCD Consumer Electronic Products division ("LCD"), Telecommunications Products division ("TEL"), PIP and ELP accounted for 59%, 9%, 58% and 62% (2002/03 interim: 57%, 3%, 27%, 55%) respectively.

The US remained the fastest growing major market for Oregon Scientific products, achieving a sales increment of 90%. The UK and Spain achieved satisfactory sales growth of 55% and 24% respectively. Australia and the Asia Pacific, as relatively newer markets, saw sales lift substantially by 104% and 31% respectively.

Turning to the Group's four core businesses, the LCD business continued to be the Group's largest division. Sales were HK\$385.8 million, accounting for approximately 30% of the Group's turnover. Healthcare and sports products continued to achieve impressive growth when compared to last year. Mr Alain Li, Executive Director and CFO of IDT International said, "A number of key new products, especially the environmental monitoring and timing products, have been launched in recent months. The shipment of these new products, together with 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."

Sales of the TEL business were HK\$359.7 million, representing approximately 28% of the Group's turnover. The drop in sales occurred mainly in the first quarter when compared with the corresponding period last year, which recorded strong sales from the launch of new products. The sales performance has improved in the second quarter through the division's strategy of expanding its customer base and increasing its high margin product lines. Additionally, this division has successfully penetrated in the European market and products are well received by customers.

The ELP business achieved HK\$347.1 million in sales, representing 27% of the Group's turnover and a 67% increase against last year's corresponding period. The ODM/OEM segment also performed very well with a 41% increase in sales. Mr. Li, commenting on the growth of this business division, said, "We are pleased to report an impressive sales growth with the launch of new products including our interactive dictionary, talking story books and a story book console with TV interactivity."

The PIP business recorded sales of HK\$195.5 million, representing 15% of the Group's turnover and a 30% growth against the corresponding period last year. The sales increase was attributable to the launch of higher value digital imaging products with advanced features and an increase in branded sales. Mr. Li said, "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 as well as a series of digital cameras including a card size 2.0 mega pixel digital camera under both Oregon Scientific brand and private labels."

Looking forward, Mr. Chan said, “We 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, new innovative products and the co-branded licensed products. The ODM/OEM business will continue to be supported by the Group’s innovative product ideas, strong R&D and world-class production facilities.”

At the same time, the Group will continue to apply appropriate solutions to further improve operational efficiencies. It has embarked on the implementation of an enterprise resources planning system supplied by SAP. The system will be applied to the sales and marketing offices, followed by manufacturing operations.

Mr. Chan concluded, “Riding on our strong business foundations and financial resources both with regard to our investment needs and development plans, we are confident we will deliver satisfactory results for the financial year.”

#### **About IDT International:**

IDT International is a holding company whose shares are publicly listed on The Stock Exchange of Hong Kong Limited.

Headquartered in Hong Kong, IDT International and member company, IDT Holdings (Singapore) Limited (listed on The Singapore Exchange Securities Trading Limited), are engaged in the design, development, manufacture, sale and marketing of innovative consumer electronic products featuring state-of-the-art liquid crystal display and microprocessor technology. The core businesses include LCD Consumer Electronic Products, Telecommunication Products, Electronic Personal Information Products and Electronic Learning Products. Marketing is undertaken globally through 15 sales and marketing offices in the US, Italy, UK, Spain, France, Germany, Australia, Brazil, China, Japan, Singapore and Hong Kong. Research and development resources have been established in both Hong Kong and China while manufacturing facilities are centred in Xixian, Shenzhen, China.

For more corporate and product information on the IDT Group and Oregon Scientific, please access our websites at <http://www.idthk.com> or <http://www.oregonscientific.com>

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