



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

[For Immediate Release]

## IDT International Announces 2004/05 First Quarter Results

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**Turnover Increases by 8%**  
**Net Profit Surges 26% to HK\$17.2 Million**  
**Sales of Oregon Scientific Products Accounts for 44% of Total Sales**

### Highlights

	For the 3 months ended		Changes
	30 June 2004	30 June 2003	
	HK\$ million	HK\$ million	%
<b>Turnover</b>	<b>507.4</b>	<b>468.5</b>	<b>↑ 8%</b>
<b>Gross Profit</b>	<b>180.5</b>	<b>167.0</b>	<b>↑ 8%</b>
<b>Gross Profit Margin</b>	<b>36%</b>	<b>36%</b>	<b>unchanged</b>
<b>Operating Profit</b>	<b>29.0</b>	<b>24.1</b>	<b>↑ 20%</b>
<b>Net Profit</b>	<b>17.2</b>	<b>13.6</b>	<b>↑ 26%</b>
<b>Net Profit Margin</b>	<b>3%</b>	<b>3%</b>	<b>unchanged</b>
<b>Earnings Per Share</b>	<b>0.8cents</b>	<b>0.7 cents</b>	<b>↑ 14%</b>

(Hong Kong, 11 August 2004) -- Leading consumer electronic products manufacturer and brand distributor, **IDT International Limited** ("IDT International" or the "Group") (SEHK code: 167), today announced its unaudited results for the three months ended 30 June 2004.

During the first quarter of the fiscal year, the Group's turnover increased 8% to HK\$507.4 million, compared with last year's HK\$468.5 million. The increase was mainly attributable to the improved sales of Oregon Scientific products, as well as LCD Consumer Electronic and Telecommunication products. During the review period, sales from Oregon Scientific grew by 8% amounting to HK\$222.0 million and accounted for 44% of the Group's total turnover.

Net profit increased by 26%, amounting to HK\$17.2 million. Profit from operations was HK\$29.0 million, representing an increase of 20% against last year's figure, credited to increased sales and the Group's tight control on operating expenses. Earnings per share were 0.8 HK cents (2003/04 Q1: 0.7 HK cents per share).

**Dr. Raymond Chan, Chairman and CEO of IDT International**, said, "We are delighted to deliver to our shareholders encouraging results marked by continued growth of our Oregon Scientific branded retail and distribution business as well as our ODM/OEM business. The dedicated efforts of our professional management have enabled us to make great progress on many fronts, and positions the Group for continuous growth and expansion. We were able to effectively combine new exciting products and expand targeted distribution, which have directly contributed to higher profitability. As a leading brand synonymous with smart lifestyle products, Oregon Scientific's performance has never been stronger."

**Mr. Alain Li, Executive Director and CFO of IDT International**, said, “This strong performance in our first quarter gives us a good start for the new fiscal year. Our growth initiatives for our brand and ODM/OEM businesses supported by our more efficient operations are yielding higher sales and promising margins. Furthermore, with the groundwork laid down in new markets, namely Asia, Latin America and Australia, we look forward to further extending Oregon Scientific’s brand presence.”

In the quarter under review, Latin America and Australia were the fastest growing markets for Oregon Scientific, posting an impressive increase of 417% and 116% respectively as compared with the same period last year. In Europe, sales in the United Kingdom recorded a 61% increase with growth across all product categories. Sales in Asia was also boosted by 66% in comparison with the same quarter last year, and the impressive growth was supported by the Group’s continuous efforts in building the Oregon Scientific brand in the region, as well as opening new retail stores and expanding its distribution channels in Hong Kong, China and South East Asia.

The Group maintained prudent management on its financial operations. During the first quarter of the year, it continued to finance its operations from internal cash flows. Net cash and deposits stood at HK\$548.4 million as at 30 June 2004, indicating that the Group has sufficient financial resources to fund its operations, its current and future investment needs and development plans.

Mr. Li added, “Looking ahead, we will continue to enhance the competitiveness of our products across every division, and we will be releasing exciting new products such as the new digital cameras and MP3 players series. To highlight the distinctive and reputable image of the Oregon Scientific brand, we will adopt a new logo that can fully capture our brand values – creating intelligent electronic products that complement our customers’ lifestyle and aspirations. We believe the new logo, which is more vivid and powerful, will greatly enhance our branded sales in the long run. More importantly, we will continue to focus on product innovation and technology enhancement, which we believe will ultimately carry the brand to every corner of the world.”

Dr. Chan concluded, “We will concentrate management resources on growing our business through initiatives such as launching a range of new products, cultivating our current markets and exploring new markets with great potential. We will continue to explore lucrative opportunities extending our Oregon Scientific’s worldwide presence and distribution network, and exploring new ODM/OEM customers. These efforts will surely strengthen IDT International’s foundation for achieving mid-to-long-term growth and producing record profits in the future.”

### **A Summary of Operations Review**

In the first quarter ended 30 June 2004, the sales of Oregon Scientific products grew by 8% to reach HK\$222.0 million, comprising 44% the Group’s turnover. In terms of contribution to individual product divisions, Oregon Scientific sales accounted for:

- 64% of the LCD Consumer Electronic Products division,
- 11% of the Telecommunication Products division,
- 34% of the Electronic Personal Information Products division, and
- 50% of the Electronic Learning Products division.

#### **LCD Consumer Electronic Products (46% of total turnover)**

Continued to be the largest sales contributor with sales of HK\$233.4 million, up 30% from the same quarter last year. The sales growth was attributable to a 37% growth in Oregon Scientific branded sales to HK\$149.1 million and 23% growth in ODM/OEM sales to HK\$84.3 million. Sales continued to grow in Europe, the largest sales contributor of the division, furthermore significant progress was made in the American markets, where the Group gained a number of “in-line programs” with major U.S. retailers whereby the a range products are carried year-round.

**Telecommunication Products (28% of total turnover)**

Operating in a highly competitive market, the division attained encouraging sales growth of 12% to HK\$142.7 million. The sales increase was mainly due to 30% growth in Oregon Scientific branded sales amounting to HK\$16.2 million and 10% growth in ODM/OEM sales amounting to HK\$126.4 million. In the period under review, the Group strategically shifted the ODM/OEM business to a more balanced portfolio (in terms of both customers and geographical mix), with 44% of the sales originating from Europe and Asia.

**Electronic Personal Information Products (11% of total turnover)**

The division recorded sales of HK\$54.1 million. ODM/OEM sales recorded HK\$35.9 million, up 42% from the same quarter last year, as new accounts were secured in Asia and the U.S.. Oregon Scientific branded sales were HK\$18.2 million. Growth was recorded in Europe and Asia, however the American market experienced a slight drop due to a non-recurring promotional order received last year.

**Electronic Learning Products (15% of total turnover)**

The division achieved HK\$74.5 million of sales for the quarter, receiving a sales retreat from both Oregon Scientific branded sales (HK\$37.3 million) and ODM/OEM sales (HK\$37.2 million), primarily due to a delay in orders being confirmed from the U.S.. The Group, however, expects the situation will improve over the second quarter and for the remainder of the year.

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**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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