



IDT International Limited
萬威國際有限公司

For Immediate Release

IDT International Announces FY2009/2010 Annual Results

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Maintain Healthy Financial Position with Net Cash of HK\$301.3 million Increased by HK\$19.1 million

(Hong Kong, 9 July 2010)– Consumer electronic products manufacturer and brand distributor **IDT International Limited** (“IDT International” or the “Group”) (HKEx code: 167) announced its annual results for the year ended 31 March 2010.

For the year ended March 31, 2010, the Group recorded a total turnover of HK\$1,394.9 million, a 19% decrease when compared to HK\$1,720.7 million last year. The drop is mainly attributable to a slack retail market and conservative consumer attitudes, in particular in the Americas and Europe. To cope with sluggish consumer demand, the Group initiated a “turn inventory into cash programme”. It lowered the prices of specific slow moving items during the year, which led to a decrease in overall gross margin from 37% to 35%, but helped to clear some of the inventory. Loss attributable to owners of the Company was HK\$138.2 million, compared with a profit of HK\$24.6 million last year. Despite this, the Group manages to produce positive liquidity position with net cash increased by HK\$19.1 million to HK\$301.3 million.

The Directors do not recommend payment of a final dividend for the year ended 31 March 2010 (2009: nil).

Dr. Raymond Chan, Chairman and CEO of IDT International, said, “Financial year 2010 continued to be a challenging year. The financial turmoil that started 2008 continued to impact consumer sentiment. However, we believe that the measures taken have lessened the impact and will continue to benefit the Group’s long term operating model. For example, we have continued to recruit new distributors to increase sales penetration, and we have also taken the opportunity to enhance our strength in overseas sales and distribution offices. Concerted effort was also made to develop innovative categories of products that align with the premium life-style image of Oregon Scientific. All these developments have measured up well against our strategic objectives.”

A Summary of Business Review

Oregon Scientific

Sales revenues from the Oregon Scientific brand were HK\$768.3 million, a reduction of 26% compared to HK\$1,033.4 million last year. The amount represented 55% of the Group’s total sales. The decrease was mainly due to a sluggish retail sector, particularly in the toy segment.

Time and Weather products are still the key product line of the Oregon Scientific brand, initial success has been achieved for the new product category of Health and Wellness in European markets such as France and Italy.

More new Time and Weather products with a sleek design and an attractive price point are to be launched before Christmas to capture the peak consumer purchase season. A full range of new products in the collection of massagers and aroma diffusers is to be introduced. In addition, a new range of Heart Rate Monitors and Pedometers with features and designs addressing the needs of female consumers will be pilot-launched.

By product segment, LCD Consumer Electronic Products, Electronic Learning Products and Telecommunication and Other Products accounted for 51%, 29% and 20% respectively.

LCD Consumer Electronic Products

Sales of this product segment fell by 16% to HK\$712.5 million. This was mainly the result of decreased sales of Oregon Scientific branded products.

Persistent keen price competition and the weakened markets adversely affected the sales of weather station products. To tackle such market challenges, the Group continues to develop and produce innovatively designed higher end products incorporating advanced technologies.

Electronic Learning Products

Sales of this segment amounted to HK\$401.4 million, down by 30% compared with last year. The decline was mainly attributable to the decreased sales from Oregon Scientific, which saw a shrinkage in orders from certain toy retailers in the US and Europe.

The Group has continued to develop new product categories and a new line of children's learning products under a new toy licence is to be launched. The Group will also continuously identify suitable distributors in target regions to help it tap new business opportunities in emerging markets.

Telecommunication and Other Products

Sales dropped 7% to HK\$281.0 million, reflecting the drop in sales of ODM/OEM as a result of intensive competition in cordless phone product prices and slack customer demand in the US and Europe.

With markets generally picking up, the Group has made promising sales commitments, and, to meet them, plans to continuously launch new innovative products.

Dr. Chan concluded, "The global economy has revived during 2009 as the various economic stimulus measures gradually took effect. However, market conditions in the US and the European markets are expected to be volatile. To cope with this situation, our strategy is to stay focused to drive the implementation of our new business model, to streamline operating costs and to invest in high margin products. We intend to increase production efficiency through factory rationalisation. We also plan to strengthen our position in existing markets and grow our business in emerging markets such as China, which has achieved impressive GDP growth in 2009. With the measures being taken by the management and our strong cash position, we are confident that we can overcome the challenges ahead."

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, sales and marketing of innovative consumer electronic products featuring state-of-the-art liquid crystal display and microprocessor technology. Its core businesses include LCD Consumer Electronic Products, Telecommunications Products and Electronic Learning Products. Marketing is undertaken globally through its sales and marketing offices in the US, Italy, the 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 its manufacturing facilities are centred in Xixiang, 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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