



IDT International Limited
萬威國際有限公司

For Immediate Release

IDT International Announces FY2011/2012 Interim Results

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Attributable Profit of HK\$1.2 Million

(Hong Kong, 29 November 2011) – Consumer electronic products manufacturer and brand distributor **IDT International Limited** (“IDT International” or the “Group”) (HKEx code: 167) has announced its interim results for the six months ended 30 September 2011.

Despite the uncertain global economic environment, the Group managed to maintain a small decrease in sales revenues as those in the same period last year. During the review period, the Group recorded a total turnover of HK\$791.5 million, a slight decrease of 3% when compared to that of HK\$814.4 million last year. The drop was mainly attributable to the volatile retail markets of America and Europe. The revenues from Oregon Scientific branded products amounted to HK\$356.8 million, whilst those of ODM/OEM products increased by 7% to HK\$434.7 million.

The Group has achieved an attributable profit of HK\$1.2 million, as compared to the attributable loss of HK\$1.8 million recorded last year. If the exchange loss of HK\$10.2 million is excluded, this year’s result was improved by HK\$9.6 million to a profit of HK\$11.4 million.

As a result of changes in sales of products and channel mix, gross profit was HK\$250.6 million, compared to HK\$262.9 million in the same period last year. Overall gross margin was 32%, maintaining a level similar to that of last year.

Dr Raymond Chan, Chairman and Group CEO of IDT International, said, “Despite the volatile global economy and the debt crisis situation in Europe which have had an adverse effect on consumer spending sentiments, the Group was able to maintain a healthy financial position. We intend to continue to streamline our business and better tap the great potential in Asia Pacific markets in order to further improve the Group’s overall business performance.”

Summary of Business Review & Outlooks

Oregon Scientific

Sales revenue contributed from the Oregon Scientific brand was HK\$356.8 million, compared to HK\$407.3 million recorded last year. The amount represented 45% of the Group’s total sales revenues. The sluggish retail distribution and poor market environment, particularly in Europe and America, had a negative impact on the retail industry, which also affected the business result of Oregon Scientific. However the Group was able to tap the growing potential of the Asian markets (including China, Hong Kong, Taiwan and Singapore) which provided an opportunity for Oregon Scientific to further develop its business in these markets.

By product category, Time and Weather Products (T&W) accounted for 37% of Oregon Scientific sales, Electronic Learning Products (ELP) accounted for 43%, while Telecommunication and Others including Wellness Products, accounted for the balance of 20%.

Recognising its innovative and distinctive products, including the ATC9K Action Video Camera and NCCO Air Sanitising System, Oregon Scientific has received several prestigious International Design and Innovation Awards. These include the CES Innovation Award, the IF Product Design Award, the Red Dot Design Award and Hong Kong Award for Industries. The Group has developed some new and innovative products in the ELP and T&W product categories, which will be launched in the coming year.

Moving forward, the Group is continuing to invest in Asia Pacific markets, particularly in Greater China, to seize the business opportunities and satisfy product demand. Oregon Scientific has established a partnership with distributors and major department stores in China, expanding its distribution network. Two new flagship stores have been opened in southern China at Guangzhou and Shenzhen, in October and November 2011 to further penetrate the China market. To widen its geographic coverage, Oregon Scientific is strengthening its presence in Turkey, the Middle East, South East Asia, Taiwan, Japan, and Korea. The Group is also continuing to invest in and develop an e-commerce platform, as the e-commerce business will be one of its key business drivers.

Value Manufacturing Services

Sales revenues contributed from the Value Manufacturing Services (VMS) business was HK\$434.7 million, an increase of 7% compared to the same period last year of HK\$407.1 million. The amount represented 55% of the Group's total sales revenues. The rise was mainly due to the success in acquiring new ODM/OEM customers because of the Group's technical competence, manufacturing capability and engineering support in new product development.

In terms of business performance by product category, sales revenue of LCD products increased by 16% to HK\$283.0 million compared with the same period last year. Although LCD products experienced price and cost pressure, the Group managed to expand its customers' base by providing value added services such as redesigning the products to lower the product costs. Sales revenues of ELP products also increased by 11% to HK\$50.0 million, which demonstrates the Group's strong and well-established business relationship with existing customers. Sales revenues of Telecommunication products, in a keenly competitive business, decreased by 13% to HK\$101.7 million.

The VMS business is continuing to invest in research and development of new technology and innovative products. This aligns with the Group's strategy of developing pioneering products in terms of both technology and applications in order to improve gross margin and profitability. The Group is focusing on streamlining factory operations, strengthening its outsourcing strategy to improve the operational efficiency and cost effectiveness. The Group is also bolstering collaboration with external business partners where the Group can leverage their designs, technical and manufacturing capabilities.

Dr Chan concluded, "Given the uncertain global economic situation, we will remain vigilant in monitoring the business risks and will continue to exercise stringent control over operating costs, while investing in innovative product development and new markets. Leveraging the Group's R&D capabilities and growing market presence, we are well-positioned to capture business opportunities arising and improve our profitability."

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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 is 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, Telecommunication 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 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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