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## **IDT INTERNATIONAL LIMITED**

**萬威國際有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 167)**

### **PROVISION FOR DOUBTFUL DEBTS**

This announcement is made by IDT International Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company and public investors that a provision for doubtful debts in the amount of approximately HK\$9.2 million (“**Provision for Doubtful Debts**”) will be made by the Group for the year ended 31 December 2017 (“**FY2017**”), attributable to the debt in the amount of approximately HK\$9.2 million receivable from Physical Enterprises Inc. (“**Physical**”), a company incorporated in the laws of British Columbia and a former customer of IDT Technology Limited (“**IDT Technology**”), an indirect wholly-owned subsidiary of the Company. After thorough consideration, the Provision for Doubtful Debts will be made as the Company considered the recoverability of the debt owed by Physical to IDT Technology is low having taken into account the following factors: (i) Physical has filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the Bankruptcy and Insolvency Act of Canada in late 2017 (under which (a) Physical has announced its intention to put forward a proposal to its creditors to reorganise its affairs; and (b) enforcement of a judgment obtained in favour of IDT Technology against Physical in the Supreme Court of British Columbia in July of 2017 for payment of unpaid invoices has been stayed); (ii) as compared to IDT Technology which is an unsecured creditor of Physical, other secured creditors of physical would have priority over IDT Technology to have their debts being settled first; and (iii) based on the regular reports on the financial positions of Physical submitted by the trustee of Physical to the Supreme Court of British Columbia, the cash flow and asset

value of Physical have been not good. The Provision for Doubtful Debts is expected to increase the expected net loss of the Group for FY2017. Finalised results of the Group will be disclosed in the 2017 results announcement to be published by the Company.

The Company will closely monitor the above matters and will make further announcement(s) on any significant development as and when appropriate to keep its shareholders and potential investors informed.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**IDT International Limited**  
**Foo Piau Phang**  
*Chairman*

Hong Kong, 21 March 2018

As at the date of this announcement,

1. The executive Directors are Mr. Foo Piau Phang (Chairman) and Mr. Qi Miao (Chief Executive Officer);
2. The non-executive Directors are Mr. Song Rongrong, Mr. Wu Gang, Mr. Yan Keya and Mr. Han Hongtu; and
3. The independent non-executive Directors are Mr. Yang Xiongsheng, Ms. Zhao Yuhong, Dr. Li Quan and Mr. Duh Jia-Bin.

\* For identification purpose only