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ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2010

IDT INTERNATIONAL LIMITED is an investment holding company with subsidiaries engaged in investment holdings, the design, development, manufacture, and sales and marketing of various consumer electronic products.

Financial highlights

- Turnover reduced 19% to HK\$1,394.9 million
- Gross profit margin decreased from 37% to 35%
- Total operating expenses decreased 2% to HK\$606.5 million
- Loss attributable to owners of the Company was HK\$138.2 million included one time non-recurring tax and related expenses of HK\$51.0 million, compared with the profit of HK\$24.6 million last year
- Net cash increased by HK\$19.1 million to HK\$301.3 million

RESULTS

The board of directors (the “Board”) of IDT International Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended March 31, 2010, together with comparative audited figures for the year ended 31 March 2009 are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended March 31,	
		2010	2009
	NOTES	HK\$'M (Audited)	HK\$'M (Audited)
Turnover	3	1,394.9	1,720.7
Cost of goods sold		<u>(903.9)</u>	<u>(1,088.3)</u>
Gross profit		491.0	632.4
Other income		33.1	41.4
Research and development costs		(84.6)	(89.2)
Distribution and selling expenses		(286.5)	(332.9)
General administrative expenses		(235.4)	(197.4)
Interest on bank and other borrowings wholly repayable within five years		<u>(9.3)</u>	<u>(15.8)</u>
(Loss) profit before taxation	4	(91.7)	38.5
Taxation	5	<u>(63.3)</u>	<u>(7.2)</u>
(Loss) profit for the year		<u>(155.0)</u>	<u>31.3</u>
Other comprehensive income (expense):			
Exchange differences arising on translation of foreign operations		<u>16.3</u>	<u>(72.5)</u>
Total comprehensive expenses for the year		<u>(138.7)</u>	<u>(41.2)</u>
(Loss) profit for the year attributable to:			
Owners of the Company		(138.2)	24.6
Minority interests		<u>(16.8)</u>	<u>6.7</u>
		<u>(155.0)</u>	<u>31.3</u>
Total comprehensive (expenses) income attributable to:			
Owners of the Company		(122.0)	(47.0)
Minority interests		<u>(16.7)</u>	<u>5.8</u>
		<u>(138.7)</u>	<u>(41.2)</u>
(Loss) earnings per share			
- Basic and diluted	6	<u>(5.53) HK cents</u>	<u>0.98 HK cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At March 31, 2010 (Audited) HK\$'M	At March 31, 2009 (Audited) HK\$'M
	NOTES		
Non-current assets			
Property, plant and equipment		171.1	219.7
Intangible assets		60.0	78.8
Goodwill		33.9	34.0
Deferred tax assets		38.1	45.8
		<u>303.1</u>	<u>378.3</u>
Current assets			
Inventories		207.3	249.1
Trade and other receivables	8	274.8	306.3
Tax reserve certificate		-	43.5
Taxation recoverable		0.9	0.4
Held for trading investment		9.9	-
Forward contract assets		0.1	-
Short term bank deposits		158.6	-
Bank balances and cash		524.0	632.4
		<u>1,175.6</u>	<u>1,231.7</u>
Current liabilities			
Trade and other payables and accruals	9	249.8	219.9
Bills payables		0.8	1.0
Obligations under finance leases due within one year		1.4	3.5
Forward contract liabilities		-	4.4
Taxation payable		20.5	14.6
Bank loans due within one year		185.1	330.6
Bank overdrafts		6.7	18.6
		<u>464.3</u>	<u>592.6</u>
Net current assets		<u>711.3</u>	<u>639.1</u>
Total assets less current liabilities		<u>1,014.4</u>	<u>1,017.4</u>
Non-current liabilities			
Obligations under finance leases due after one year		-	1.4
Bank loans due after one year		188.7	-
Deferred tax liabilities		13.2	17.7
		<u>201.9</u>	<u>19.1</u>
Net assets		<u>812.5</u>	<u>998.3</u>
Capital and reserves			
Share capital		250.2	250.2
Reserves		375.3	497.1
Equity attributable to owners of the Company		<u>625.5</u>	<u>747.3</u>
Minority interests		187.0	251.0
Total equity		<u>812.5</u>	<u>998.3</u>

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated results were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which also include Hong Kong Accounting Standards ("HKASs") and Interpretations, including Hong Kong (International Financial Reporting Interpretations Committee) Interpretations ("HK (IFRIC)-INT"), issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA"), and accounting principles generally accepted in Hong Kong.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning April 1, 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 and 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC)-Int 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC)-Int 13	Customer loyalty programmes
HK(IFRIC)-Int 15	Agreements for the construction of real estate
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation
HK(IFRIC)-Int 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after July 1, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) "Presentation of financial statements"

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 "Operating segments"

HKFRS 8 is a disclosure standard that has changed the basis of measurement of segment profit or loss (see note 3). However, the adoption of HKFRS 8 has not resulted in a redesignation of the group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3).

Improving disclosures about financial instruments (Amendments to HKFRS 7 financial instruments: disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 24 (Revised)	Related party disclosures ⁷
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 32 (Amendment)	Classification of right issues ⁵
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ⁴
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters ⁶
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions ⁴
HKFRS 3 (Revised)	Business combinations ¹
HKFRS 9	Financial instruments ⁸
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a minimum funding requirement ⁷
HK(IFRIC)-Int 17	Distributions of non-cash assets to owners ¹
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments ⁶

¹ Effective for annual periods beginning on or after July 1, 2009.

² Amendments that are effective for annual periods beginning on or after July 1, 2009 and January 1, 2010, as appropriate.

³ Effective for annual periods beginning on or after July 1, 2010 and January 1, 2011, as appropriate.

⁴ Effective for annual periods beginning on or after January 1, 2010.

⁵ Effective for annual periods beginning on or after February 1, 2010.

⁶ Effective for annual periods beginning on or after July 1, 2010.

⁷ Effective for annual periods beginning on or after January 1, 2011.

⁸ Effective for annual periods beginning on or after January 1, 2013.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after April 1, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control which will be accounted for as equity transactions.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from January 1, 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from January 1, 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

3. Segment information

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

Application of HKFRS 8 “Operating segments”

The Group has adopted HKFRS 8 “Operating segments” with effect from April 1, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief executive officer, the Group’s chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 “Segment reporting”) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

	LCD consumer electronic products	Electronic learning products	Tele- communication, digital media and other consumer electronic products	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
<u>Year ended March 31, 2010</u>				
<u>Segment revenue</u>				
Branded sales	344.4	302.0	121.9	768.3
OEM/ODM sales	368.1	99.4	159.1	626.6
Total segment revenue	<u>712.5</u>	<u>401.4</u>	<u>281.0</u>	<u>1,394.9</u>
Segment profit (loss)	<u>8.0</u>	<u>(50.6)</u>	<u>(35.8)</u>	<u>(78.4)</u>
Unallocated income				17.4
Unallocated expense				(21.4)
Finance costs				(9.3)
Loss before taxation				<u>(91.7)</u>
<u>Year ended March 31, 2009</u>				
<u>Segment revenue</u>				
Branded sales	474.3	462.0	97.1	1,033.4
OEM/ODM sales	369.3	113.8	204.2	687.3
Total segment revenue	<u>843.6</u>	<u>575.8</u>	<u>301.3</u>	<u>1,720.7</u>
Segment profit (loss)	<u>32.0</u>	<u>57.0</u>	<u>(45.0)</u>	44.0
Unallocated income				18.2
Unallocated expense				(7.9)
Finance costs				(15.8)
Profit before taxation				<u>38.5</u>

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of discount on acquisition of additional interest in a subsidiary, interest income, unallocated expense such as central administrative cost and finance costs. This is the measure reported to the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

Information about major customers

The Group has a very wide customer base, no single customer contributed over 10% of the total revenue of the Group for both years.

4. (Loss) profit before taxation

	2010 HK\$'M	2009 HK\$'M
(Loss) profit before taxation has been arrived at after charging:		
Directors' remuneration	9.5	11.9
Retirement benefits scheme contributions for other staff, net of forfeited contributions of HK\$2.3 million (2009: HK\$1.9 million)	11.0	10.6
Share option benefits expenses for other staff	0.2	0.4
Salaries for other staff	259.2	305.8
Others benefits for staff other than directors	7.2	34.7
Other staff costs	277.6	351.5
Total staff costs	287.1	363.4
Less : Staff costs capitalised in product development costs	(12.4)	(21.1)
Staff costs included in research and development costs	(3.1)	(6.4)
	271.6	335.9
Amortisation of product development costs included in research and development costs	39.2	32.8
Amortisation of patents and trademarks included in research and development costs	0.7	0.6
Auditors' remuneration	4.8	5.7
Cost of inventories recognised as expense	878.6	1,082.4
Depreciation of property, plant and equipment		
- held under finance leases	2.5	0.1
- owned by the Group	59.5	55.0
Impairment loss recognised in respect of trade receivables included in general administrative expenses	19.1	1.0
Loss on disposal of property, plant and equipment	2.9	5.7
Operating lease rentals in respect of		
- office equipment and motor vehicles	0.6	0.5
- rented premises	34.5	37.4
Write down of inventories included in cost of goods sold	25.3	5.9
Net exchange losses	15.9	14.4
and after crediting to other income:		
Interest income	1.1	8.3
Sales of moulds and scraps	13.5	9.1
Discount on acquisition of additional interest in a subsidiary	16.3	9.9
Change in fair value of financial assets classified as held for trading investments	0.1	-

The net exchange losses are arrived at after adding (2009: deducting) losses arising from changes in fair value of forward contracts of HK\$12.7 million (2009: gains of HK\$13.5 million).

5. Taxation

The charge comprises:

	2010 HK\$'M	2009 HK\$'M
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax		
- current year	(4.1)	(4.2)
- underprovision in prior years	(46.1)	(0.5)
Taxation in other jurisdictions		
- current year	(0.1)	(1.2)
- underprovision in prior years	(9.7)	-
	<u>(60.0)</u>	<u>(5.9)</u>
Deferred taxation		
- Current year	(3.3)	(1.9)
- Attributable to a change in tax rate	-	0.6
	<u>(3.3)</u>	<u>(1.3)</u>
	<u>(63.3)</u>	<u>(7.2)</u>

On June 26, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. (Loss) earnings per share

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company for the year is based on the following data:

	2010 HK\$'M	2009 HK\$'M
(Loss) earnings:		
(Loss) profit for the year attributable to owners of the Company and (loss) earnings for the purposes of basic and diluted (loss) earnings per share	<u>(138.2)</u>	<u>24.6</u>
Number of ordinary shares:		
Number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	<u>2,502,271,088</u>	<u>2,502,271,088</u>

The computation of diluted (loss) earnings per share for the years ended March 31, 2010 and 2009 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for both of the years.

7. Dividends

The directors of the Company do not propose any dividend for the year ended March 31, 2010 (2009: Nil).

8. Trade and other receivables

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date at the reporting date.

	2010 HK\$'M	2009 HK\$'M
0 to 30 days	132.5	125.0
31 to 90 days	39.6	37.3
Over 90 days	47.8	63.4
Trade receivables	219.9	225.7
Other receivables	54.9	80.6
Total trade and other receivables	274.8	306.3

The Group allows its trade customers a credit period normally ranging from letter of credit at sight to 90 days open account to customers with long business relationship and strong financial position.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$60.3 million (2009: HK\$63.6 million) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 79.7 days (2009: 47.9 days).

Aging of trade receivables which are past due but not impaired:

	2010 HK\$'M	2009 HK\$'M
Overdue less than 30 days	17.0	28.7
Overdue 31 to 90 days	10.8	12.6
Overdue more than 90 days	32.5	22.3
	60.3	63.6

9. Trade and other payables and accruals

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2010 HK\$'M	2009 HK\$'M
0 to 30 days	37.2	34.2
31 to 90 days	42.9	32.9
Over 90 days	12.6	22.3
Trade payables	92.7	89.4
Other payables and accruals	157.1	130.5
Total trade and other payables and accruals	249.8	219.9

FINANCIAL REVIEW

Against the backdrop of the global financial turmoil and economic downturn, the resulting dampened consumer sentiment has affected the Group's business during the year. 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. The revenue from the Oregon Scientific branded products declined by 26% to HK\$768.3 million whereas that from ODM/OEM sales was down by 9% to HK\$626.6 million.

Gross profit was HK\$491.0 million compared to HK\$632.4 million last year, a reduction of 22%. 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. A change in product mix and an inventory provision also contributed to the decreased gross margin.

Other income noticeably decreased by 20%, from HK\$41.4 million last year to HK\$33.1 million for the year under review.

Research and development costs of new products amounted to HK\$84.6 million, 6% of the Group's revenue for the year against 5% in last year, a slight increase of 1%.

For the year ended March 31, 2010, distribution and selling expenses decreased by 14% to HK\$286.5 million compared to HK\$332.9 million last year. The decrease was mainly attributable to reduced spending in response to the revenue reduction. As a percentage of Group turnover, distribution and selling expenses were 21% in the year under review, a slight increase of 2% compared to last year. However, general administrative expenses increased by 19% to HK\$235.4 million, which included an exchange loss of HK\$15.9 million. Excluding the effect of the exchange loss, such expenses would have increased by 20% to HK\$219.5 million compared to HK\$183.0 million in the previous year. The increase was mainly due to the provisions of doubtful accounts and the set up of general provisions.

Total operating expenses of the Group included research and development costs, distribution and selling expenditures, and general administrative outlay for the year ended March 31, 2010 amounted to HK\$606.5 million, representing a slight decline of 2% against HK\$619.5 million for last year. Without the exchange loss, the total operating expenses would have been reduced by 2% to HK\$590.6 million.

Interest expenses for bank and other borrowings wholly repayable within five years for the year was HK\$9.3 million, down by 41% as compared to HK\$15.8 million last year, due to lower interest rates.

Taxation amounted to HK\$63.3 million compared to last year's HK\$7.2 million. The increase in taxation was mainly due to the one time non-recurring tax provision made in relation to the offshore profits claims for the years of assessment from 1997/98 to 2008/09.

As a result, loss attributable to owners of the Company was HK\$138.2 million, compared with a profit of HK\$24.6 million last year.

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 and a poor market environment, particularly in the toy segment, where the US and European markets were adversely impacted during the global economic downturn.

During the year, reduction in customer demand in the US and European markets was mainly driven by the impact of the financial tsunami. The US experienced the biggest setback while the European countries were also severely affected. The Electronic Learning Products suffered the most due to the conservative buying attitude of key customers and the reduction of retail space. While 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. The group has managed to maintain the business with its key distributors by the launch of key hero products.

In the coming year, Time and Weather, Sports and Outdoor, Health and Wellness and Energy Saving are expected to be the key product categories of Oregon Scientific. Oregon Scientific will continue to capture growth opportunities through developing new products within the “Health and Wellness” line and innovative weather station products. The initial response from the retail customers has been very positive. 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. Successful listing of these new products has been confirmed with prominent chain stores and TV shopping channels. 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.

The US market has shown a healthy recovery with a stronger sales commitment. For Europe, the recovery is still proceeding under the shadow of the latest crisis in the Euro zone. In Asia Pacific, the performance is promising and more attention has been placed to speed up the development of our China market.

LCD Consumer Electronic Products

Sales of this product segment fell by 16% to HK\$712.5 million, accounting for 51% of the Group’s total sales. The decrease in sales was mainly the result of decreased sales of Oregon Scientific branded products.

Sales of Oregon Scientific branded products decreased 27% to HK\$344.4 million while ODM/OEM sales reported HK\$368.1 million, almost the same as last year. Persistent keen price competition and the weakened markets adversely affected the sales of weather station products. The uncertain economic environment has prompted consumers to trim spending or delay buying decisions.

To tackle such market challenges, the Group continues to develop and produce innovatively designed higher end products incorporating advanced technologies. Together with close collaboration with external technology partners, continuous investments in research and development are to be made to enhance the innovative features and competitiveness of new products. The Group is dedicated to ensuring that every product it creates fully satisfies the needs of its customers, who embrace active lifestyles and appreciate new technologies, and are environmentally and health conscious. We intend to explore new business opportunities. By leveraging the resources and capabilities of external subcontractors and partners in commodity product development, the Group has optimised manufacturing and enhanced product development.

Electronic Learning Products

Sales of this segment amounted to HK\$401.4 million, down by 30% compared with last year, representing 29% of the Group’s total sales. 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.

Sales of Oregon Scientific products fell considerably by 35% to HK\$302.0 million and ODM/OEM sales decreased 13% to HK\$99.4 million. This was largely attributable to the decline in customer demand and poor market sentiment.

To drive the business growth, 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, accounting for 20% of the Group's total sales. The decrease mainly reflected the drop in sales of ODM/OEM though sales of Oregon Scientific branded products improved.

Sales of Oregon Scientific products in this segment increased 26% to HK\$121.9 million while ODM/OEM sales decreased 22% to HK\$159.1 million. The reduced sales were the 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 continuously launch new innovative products to support the drive. The response of the markets is expected to be positive and encouraging.

OUTLOOK

The global economy has started to revive in 2009 as the various economic stimulus measures gradually took effect. However, market conditions are expected to be volatile and will hinder demand in the US and the European markets. Faced with these difficulties, the Group continues to maintain a stable financial position and is confident that the business will remain sound and healthy. The Group continues to adopt initiatives and devise strategies to restructure its business model and re-engineer workflows with the aim to boost sales and improve its business and operational effectiveness and efficiency.

Despite the uncertain global economic outlook, 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. The Group intends to strive to increase production efficiency through factory rationalisation. The Group also plans to strengthen its position in existing markets and grow its 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.

The Group will focus resources on the following to drive continuous improvement:

- Innovation and development of a full line of new product categories such as "Wellness and Health" and "Sports & Fitness" to counter the decline in sales of mature products.
- Expansion in new markets and new channels, extending and strengthening its network and recruitment of distributors to broaden channel coverage and facilitate better market penetration.
- Strengthening "Oregon Scientific" as a global lifestyle smart living brand through integrated communication strategies.
- Striving for just-in-time manufacturing by ensuring a balanced in-house and outsourced production capable of putting out quality products and on-time delivery with minimum waste and at optimum cost, through the support of effective supply chain management.
- Strengthening technological competence for devising more advanced product solutions.
- Seeking strategic investment opportunities to maximise our returns.
- Revitalising the global website to enhance the consumer experience with Oregon Scientific.

WORKING CAPITAL

The inventory balance at March 31, 2010 was HK\$207.3 million, decreased by 17% compared to HK\$249.1 million at March 31, 2009. The considerable decrease in stock level was primarily due to the improvement in supply chain management. Inventory turnover days maintained at the same level as compared with last year's 84 days.

Trade debtor's balance at March 31, 2010 was HK\$219.9 million slightly dropped by 3% compared to HK\$225.7 million at March 31, 2009. Trade debtor's turnover was 58 days compared to last year of 48 days.

LIQUIDITY AND TREASURY MANAGEMENT

As at March 31, 2010, the cash and bank balances of the Group including the short term bank deposits were HK\$682.6 million (2009: HK\$632.4 million).

During the year ended March 31, 2010, the Group generated its fund mainly from operating activities and bank borrowings. The net cash position (cash and bank balances less total borrowings and bills payables) as at March 31, 2010 amounted to HK\$301.3 million, increased by HK\$19.1 million compared with HK\$282.2 million at March 31, 2009. The Group maintained sufficient financial resources to meet working capital requirements and finance its commitments.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation of its overseas subsidiaries. Hedging of foreign currency exposures is done through natural hedges and forward contracts. As at March 31, 2010, there was a forward contract in place to hedge against possible exchange risk from future net cash flows. Speculative currency transactions are strictly prohibited. Management of currency risk is the responsibility of the Group's headquarters in Hong Kong.

DEBTS AND GEARING RATIO

The total borrowings and bills payables of the Group as at March 31, 2010 amounted to HK\$381.3 million (2009: HK\$350.2 million). The Group successfully secured long term bank loans amounted to HK\$188.7 million during the year. The borrowings are mainly denominated in HK dollars and on floating rates basis.

The debts incurred by the Group will be used for general corporate purpose, including capital expenditure and working capital requirements.

Gearing ratio (total borrowings/shareholders' equity) as at March 31, 2010 and March 31, 2009 were approximately 47% and 35% respectively.

CHARGES ON GROUP ASSETS

As at March 31, 2010, there was no financial charge on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the year ended March 31, 2010 was HK\$15.9 million (2009: HK\$30.8 million) which was primarily used for the business operation and development. Sources of funds were mainly financed by internal resources and borrowings.

There were no material acquisitions and disposals of subsidiaries and associated companies in the course of the year ended March 31, 2010.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2010.

CONTINGENT LIABILITIES

As at March 31, 2010, the Group had no contingent liabilities (2009: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at March 31, 2010, the Group had about 3,229 employees. The Group fully recognizes the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual's performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other organizations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consists of base salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus and the opportunities to participate in the Group's share option schemes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended March 31, 2010.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended March 31, 2010, the Company has applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for the deviation from CG Code provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer. The Group's compliance with the code provisions and recommended best practices of the CG Code together with the reasons for any deviations are set out in the Corporate Governance Report contained in the Company's Annual Report.

REVIEW OF ACCOUNTS

The Audit Committee had reviewed with the management and the external auditors the results of the Group for the year ended March 31, 2010.

APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to our shareholders and business associates for the continued support and extend our appreciation to our management team and staff members for their hard work and dedication in the past financial year.

On behalf of the Board of Directors of
IDT International Limited
Dr. Raymond Chan
Chairman & Chief Executive Officer

Hong Kong, July 8, 2010

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman & Chief Executive Officer) and Mrs. Chan Pau Shiu Yeng, Shirley as Executive Directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae as Independent Non-Executive Directors.

Website : <http://www.idthk.com>